

County Council
12 February 2021

**Revenue Budget 2021/22,
Capital Strategy 2021/22
to 2025/26 and Treasury
Management Strategy
Statement 2021/22**

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Revenue Budget 2021/22, Capital Strategy 2021/22 to 2025/26 and Treasury Management Strategy Statement 2021/22

Executive Summary

This budget report forms part of the approach for financial stability, not only setting out the balanced budget for 2021/22, but also looking over the medium to long term as well, whilst ensuring that we deliver on the key priorities within the West Sussex Reset Plan. The report sets out how we propose to balance the budget for 2021/22, as well as providing an update on the Medium-Term Financial Strategy (MTFS) for the subsequent three year period to 2024/25. Despite significant overall reductions in government funding since 2009/10, the Council continues to make progress in delivering its ambitions on behalf of our residents, while achieving this within the resources available to us.

The proposed budget keeps within the 2% reasonableness threshold for core council tax rises and uses the flexibility to raise a further 3% precept for Adult Social Care (ASC). Both of these were announced in the Comprehensive Spending Review in November 2020 and confirmed in the Provisional Local Government Finance Settlement for 2021/22. Using these flexibilities provides us with much needed certainty on funding for 2021/22, at a time when the future for local government finance is undergoing considerable change, adding to the uncertainty about resourcing our future plans.

The County Council continues to focus on the areas which will make the biggest difference to the lives of its residents and the future prosperity of the county. To have a realistic chance of achieving these ambitious objectives in the context of the continuing low levels of public finances, as well as meeting the growing demand of our statutory responsibilities, we propose a core council tax rise of 1.99% plus an additional 3% Adult Social Care precept, giving a proposed total council tax rise of 4.99% for 2021/22.

Net revenue expenditure of £624.833m is proposed for 2021/22, an increase of £31.0m (5.2%) compared with 2020/21. The budget reflects spending pressures such as, pay and prices, costs arising from the National Living Wage and the pressures faced in Adults' and Children's Social Care Services.

Engagement with members, including three members' briefings during the year, as well as being reviewed by scrutiny committees, have kept members informed about the developing budgets. These budgets have been extremely challenging, set against the context of great uncertainty from the ongoing pandemic, as well as the government's decision to once again set out a one year Comprehensive Spending Review (SR20), which was announced on 25 November 2020. This was followed by the Provisional Finance Settlement which was released on 17 December 2020. The Final Finance Settlement is expected in early February. The savings required to achieve a balanced budget for 2021/22, together with early savings plans for 2022/23, are set out in Appendix 3 to Annex 1 (enclosed with the agenda).

The Capital Strategy (Annex 2(a)) is presented alongside the budget report for approval by the County Council. It sets out a high-level, long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the Council's key priorities in the West Sussex Reset Plan, together with details of the

proposed five-year capital programme. The Capital Strategy includes the Council's Flexible use of Capital Receipts Strategy, also for approval by the County Council.

The Treasury Management Strategy Statement 2021/22, as set out in Annex 2(b), is presented alongside the budget report for approval by the County Council.

Section One: Introduction

- 1.1 2020 has clearly been an extraordinary year, with the Covid-19 pandemic providing a number of financial challenges during 2020/21 but also having a significant impact upon the review and development of the Medium-Term Financial Strategy (MTFS) for 2021/22 and beyond. The impacts have been felt both locally and nationally, making this year's budget setting process one of the most challenging in recent memory. As a point of reference, the Office for Budget Responsibility (OBR) has forecast that the economy will contract by 11.3% this year, the biggest decline in three centuries. It is likely to take until the end of 2022 for the economy to return to its pre-pandemic size.
- 1.2 West Sussex County Council (WSCC) has not only risen to these challenges and played a leading role in the response to the impact of the pandemic across all its services, but in particular in the areas of Adult Social Care and Community Services, whilst simultaneously bringing on board a number of new members of the Executive Leadership Team and continuing to deliver on the improvement plans established for both the Children's Services and the West Sussex Fire & Rescue Service.
- 1.3 The response to the direct challenges of Covid-19 by West Sussex County Council, together with other partners including our district and borough Councils, whether in terms of social care, support to vulnerable individuals and families, safely re-opening schools, supporting suppliers and partners including the NHS and school transport, has clearly demonstrated the strength of local government and the commitment of all our officers and Members to supporting the residents of West Sussex.
- 1.4 Alongside the budget and Medium-Term Financial Strategy sits the Council's new corporate plan – the Reset Plan (2021/22 to 2024/25). The Reset Plan has been developed collaboratively with elected Members, WSCC staff, partners and communities to prioritise the most important areas that the Council needs to focus on going forward, in order for the Council's limited resources to be spent and focused on the areas that it is needed most.
- 1.5 The Reset Plan has been developed in parallel with the budget for 2021/22 and is fully funded. As it is aligned to the budget and medium-term financial strategy, it acts as the framework in which investment decisions can be made based on the priorities of the Council and the outcomes we want to achieve for people in West Sussex. An integrated business and financial planning cycle, based on a good understanding of the factors that drive high quality financial management and service delivery, reflecting the national and local policy context, a comprehensive understanding of the financial position (revenue and capital) and the service challenges in supporting the needs of residents, businesses and communities is a key factor in achieving value for money and a sustainable and resilient financial framework.

- 1.6 The Reset process brings together our business planning, financial planning and risk management processes. It provides the framework for the County Council's decision making and planning to ensure we are making the very best use of the resources available, understanding the value for money we deliver and at the same time remaining focussed on our priority outcomes. It will also ensure we understand the implications of the tough choices that will need to be made in the face of huge resource and demand challenges, as well as the on-going uncertainties arising from the pandemic, Brexit and outstanding questions about the future of local government funding.
- 1.7 Back in February 2020, when the Council set the budget for 2020/21, it was anticipated that there would be a three year Comprehensive Spending Review undertaken by the Government ahead of 2021/22. However, due to the Covid-19 pandemic, the Government deferred this review for a further year and the Chancellor of the Exchequer announced a one year Spending Review for 2021/22 on 25 November 2020. More details are reflected below.
- 1.8 The impact of the pandemic and the many financial challenges we have faced in this very fast changing situation, together with the uncertainty around future Government funding until the Provisional Finance Settlement was announced in December, meant that finalising the budget was delayed until late in the year. However, despite these challenges to being able to finalise a balanced budget for 2021/22 and to reviewing the MTFS, a programme of work, overseen by the Executive Leadership Team, did continue throughout the year. Although later in the year than normal, Members have also been engaged in this process, whether via three dedicated Members Days or via the more formal Cabinet and Scrutiny committee meetings.
- 1.9 Our improvement journey includes the redesign of business processes to transform services, reduce costs and manage demand. Part of the funding for the work to achieve these ongoing improvements comes from the flexible use of capital receipts. The Flexible Use of Capital Receipts Strategy, which is included in the Capital Strategy (**Annex 2(a)**), outlines the approach.

Covid-19

- 1.10 Covid-19 has had a material impact upon the financial management challenges of 2020/21. However, a number of funding streams have been made available by the Government to local authorities to address these budget pressures. These funding streams have covered both specific purposes, such as the Infection Control Fund, and generic funding that has provided WSCC with flexibility to use it in line with local circumstances, for example in relation to providing support to care providers. In total the funding provided by the Government thus far to West Sussex County Council to address the impact of Covid-19 in 2020/21 amounts to £97.864m, as set out in Table 1 below. The Council will receive additional funding before the end of the 2020/21 financial year, in particular in recognition of the latest lockdown in 2021.

Table 1 – Covid-19 Government Grants

Income and Estimated Grants:	£m
Covid-19 non ringfenced government grant	(45.853)

Infection Control Grant	(24.321)
Test and Trace	(3.179)
Adult Social Care Rapid Testing Fund	(3.285)
Workforce Capacity Fund	(1.651)
Contain Outbreak Management Fund	(8.886)
Reimbursement of lost income	(2.700)
Emergency food grant	(0.737)
Home to school transport	(1.102)
Protect and increase travel services (Emergency Active Travel Fund)	(0.704)
Protect and increase travel services (Emergency Active Travel Fund – Capital)	(2.428)
Winter support grant	(2.493)
Bus support services	(0.249)
Travel demand management	(0.175)
Wellbeing for education	(0.090)
PPE Storage	(0.011)
Estimated Grant/ Income	(97.864)

Managing the Pandemic in 2021/22

- 1.11 As part of the Government's Spending Review (SR20) announced on 25 November 2020, the Chancellor, Rishi Sunak MP, made a commitment to provide support for Covid-19 pressures emerging in 2021/22.
- 1.12 In recognition of the rapidly changing circumstances relating to the impact of the pandemic, it is too early to know the cost implications of the pandemic for 2021/22, consequently no cost pressures have been factored into the budget at this stage. The funding announced as part of the SR20 will consequently be maintained in a specific reserve to manage costs as they emerge. Further information on the funding allocations are outlined later in the report (paragraph 2.8).

Section Two: Spending Review and Financial Settlement

Spending Review 2020

- 2.1 The SR20 announcements directly impacted the planning for the 2021/22 budget for West Sussex County Council. The most significant aspects were in relation to the following:
- Council Tax Flexibilities –
 - Council Tax threshold remains at 2%.
 - Adult Social Care Precept – Council Tax can be increased by up to 3%.
 - Pay will increase for all staff on Spinal Column Point 15 or below, for other staff there will be a pay pause for 2021/22.
 - There is an additional grant for social care, worth £300m across the whole country, but WSCC will only receive an additional £800k share of this grant.

- d. The national Infrastructure Strategy is likely to come with funding streams either via the new Infrastructure Bank or the Levelling Up Fund (worth a total of £4bn), which will be open to all local authorities to make bids to.
 - e. Further Covid-19 funding will be made available, which will provide additional support in relation to Council Tax, Business Rates and irrecoverable income, alongside further direct support to meet the impact upon service delivery.
- 2.2 In addition to these announcements, there was also confirmation that existing grant funding, that was due to end in March 2021, will be continued for the duration of 2021/22, ensuring that funds linked to the Troubled Families programme, the Improved Better Care Fund (iBCF), the Social Care Support Grant and the New Homes Bonus will continue to be available.
- 2.3 The Government has recognised that the funding arrangements for Adult Social Care need to be reviewed and updated, recognising that the demand for care and support is continuing to rise, as are the associated costs. The Care Act 2014 was originally intended to provide a basis for the consolidation of statutory duties, in particular in regard to the assessment of care needs and how these assessed needs were met, to be followed by a subsequent implementation of funding reform, addressing the issues of individuals responsibility for paying for their care needs and the broader funding of adult care service provision. The funding reform element of the Care Act 2014 was not implemented, reflecting a desire by successive governments to revisit the proposals for reform, consequently the funding issues have evolved and worsened in the intervening period.
- 2.4 The Government acknowledged that reform was required following the General Election in 2019, indicating that there was an intention to bring forward reform proposals during 2020. This commitment has subsequently been delayed, at least in part, as a consequence of the impact of Covid-19 and currently there is no indication of when reform proposals will be brought forward. As a direct consequence of this delay, and in further recognition of the budget and service pressures that Adult Social Care is facing, the Government has provided scope for local authorities to levy an additional precept on Council Tax, up to a maximum level of 3%. The decision about the level of precept set has been left to local authorities. Whilst the discretion provided is welcome, a long-term sustainable funding arrangement would be a significant improvement on current arrangements, supporting effective planning and strategic decision making.
- 2.5 In 2020/21 Adult Social Care represented the largest financial commitment for the County Council, other than Education services funded by separate ring-fenced funding. The demand for Adult Social Care services as well as the complexity of the care and support required continues to increase, consequently driving associated costs higher. Implementing the Adult Social Care precept increase of 3% would deliver an additional £14.6m of funding, which would support a more sustainable financial outlook for both Adult Social Care services and WSCC as a whole, recognising that the financial challenges facing WSCC will be significant throughout the duration of the MTFS as reflected below in Table 2 (paragraph 3.5).

Local Government Finance Settlement

2.6 The Provisional Local Government Finance Settlement, published on 17 December, provided confirmation of the key announcements outlined in the SR20:

- A maximum increase in precept of 5% - a core increase of 2.00% and up to 3% for Adult Social Care
- An increase in Core Spending Power of 4.5%, assuming all authorities levy the maximum precept allowed in 2021/22
- The roll forward of £1.4bn of Social Care Grants plus an additional £300m of funding
- Continuation of the New Homes Bonus with no new legacy payments

2.7 Key funding announcements for West Sussex County Council in the Provisional Settlement are:

Settlement Funding Assessment	£79.257m
Improved Better Care Fund	£20.006m
Social Care Support Grant	£18.169m
New Homes Bonus	£2.352m

2.8 Further details of the Local Government Covid-19 Support Package for 2021/22 were announced alongside the Provisional Local Government Finance Settlement. The package comprises of £1.55bn of unringfenced grant to manage both the immediate and the long term impacts of the pandemic; £670m to enable councils to continue reducing council tax bills for the least able to pay; and an extension of the sales, fees and charges income support scheme to June 2021. The allocations currently published provide the following additional funding to the Council:

Covid-19 Emergency Pressures Grant	£15.618m
Local Council Tax Support Grant	£6.628m

Local Government Funding Outlook

2.9 As a consequence of the impact of the Covid-19 pandemic, further delays have been experienced in undertaking national reviews that will have significant impacts upon the future of local government funding, including the following:

- The Fair Funding Review and Business Rates Review, which will seek to review and implement an equitable basis for the distribution of funding to local government in England, scheduled for implementation in April 2021, has been delayed further.
- The Business Rates Review, seeking to establish a long term approach to sharing risk and reward in growth has similarly been delayed.

2.10 There continues to be a possibility that income derived from both Council Tax and Business Rates will be adversely affected as the economy adjusts to the impact of Covid-19, whilst the economic impact of Brexit also has the potential to affect the financial outlook for local government funding, both of these aspects will be kept under review.

- 2.11 The financial difficulties faced by local authorities have been highlighted in particular by the recent experiences of the London Borough of Croydon and Nottingham City Council, emphasising the importance of prudence and financial resilience. WSCC continues to demonstrate these qualities, as reflected within the external audit report for the financial year 2019/20 and the prioritisation of maintaining our reserves at an appropriate level.

Section Three: Medium Term Financial Strategy 2021/22 to 2024/25

2020/21 Budget Position

- 3.1 Since the budget was approved in February 2020, the council has been faced with the effect of the Covid-19 pandemic. Priorities and planned activities have changed significantly as have the financial challenges.
- 3.2 The latest published forecast outturn position shows an overspend of £5.5m which will be managed through further management actions and/or the use of the revenue contingency. This reflects a £0.1m projected overspend for County Council business as usual activity and £5.4m is the estimated shortfall between the costs of managing the pandemic, including loss of income and undeliverable savings programmes, and the funding supplied from central government.
- 3.3 The projected overspend excludes an estimated £20m loss of business rates and council tax receipts for 2020/21, as the Government are allowing councils to repay collection fund deficits over the next three years.
- 3.4 The on-going impact of Covid-19 on council's finances is not fully known and is dependent on a number of factors, such as the time it takes for the economy to recover, the impact on employment for residents and on the demand for council services, particularly for demand-led services such as adults requiring care and children and families in need of support. Some factors, such as the repayment of the collection fund deficit have been provided for in 2021/22 as detailed in paragraph 3.30.

Next Four Financial Years: 2021/22 to 2024/25

- 3.5 Throughout 2020/21 a programme of work has been undertaken to review the MTFS and set a balanced budget. The current medium term position is set out in Table 2 below, which reflects that a balanced budget has been identified for 2021/22, in accordance with WSCC's statutory responsibilities, which represents a significant achievement given the scale of the challenges faced when the budget planning work commenced. For 2022/23, the MTFS assumes the national reviews for Fair Funding and Business Rates (increasing the local share of business rates from 50% to 75%) are implemented. This is anticipated to result in changes to current funding levels and responsibilities.

Table 2: Budget Gap

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Adults Social Care & Health	210.0	217.1	226.2	236.0

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Children and Young People	132.6	139.6	145.5	152.9
Economy & Corporate Resources	49.9	50.5	51.4	52.6
Education & Skills	21.8	23.0	24.2	25.5
Environment	62.1	63.1	64.1	65.7
Finance	15.8	17.0	17.8	18.6
Fire & Rescue and Communities	38.0	39.4	39.0	40.0
Highways & Infrastructure	36.6	37.8	39.0	40.6
Leader	1.5	1.5	1.5	1.5
Non Service	56.5	80.6	62.1	58.0
Sub-total	624.8	669.6	670.8	691.4
Projected funding	624.8	633.8	656.9	687.2
Budget Gap	0.0	35.8	13.9	4.2

NB: Budget gap for 2022/23 onwards is before the application of any savings identified

3.6 The means of providing a balanced budget proposal has involved a combination of a number of moving factors:

- Savings Proposals.
- Demand Pressure Estimates.
- Local Government Finance Settlement.
- The rate of inflation as reflected by the Consumer Price Index in September 2020.
- The outlook for future Council Tax and Business Rates collection.

3.7 A summary of the movement since November 2020 is detailed below in Table 3:

Table 3: Movement in Budget Gap – from November 2020

	2021/22 £m
Net Budget Gap – Cabinet 24 November 2020	23.4
Adult Social Care precept – 3%	-14.6
Social Care Support Grant – additional funding	-0.8
New Homes Bonus – additional funding	-0.7
Tax base updated for latest estimates	0.4
Reduction in demand pressures	-6.4
Changes linked to published September CPI/RPI	-4.9
Contingency for pay	2.2
Adjustment to savings	1.4
Updated budget gap	0.0

Reserves

- 3.8 Reserves held by WSCC ensure that there is financial provision set aside to meet known future one-off commitments or liabilities, known as earmarked reserves, but also as a means of ensuring financial resilience against unknown events and risks, known as general reserves. In the context of the current circumstances of a pandemic and a significant period of change and financial challenges, it is critical that WSCC continues to maintain an appropriate level of both earmarked and general reserves, recognising that by definition these reserves can only be used once.
- 3.9 The Medium Term Financial Strategy is a key tool in ensuring that this outcome is achieved, recognising that the finances of the Council need to be sustainable in the medium term and that, whilst the use of general reserves can be appropriate to support the delivery of service improvements on an invest to save basis, as with the Service Transformation Reserve, reserves may also need to be replenished to maintain effective financial resilience and risk management. The one-off nature of reserves and their purpose consequently serves to emphasise the importance of revenue budgets being sustainable rather than depending upon the use of reserves. The proposals within this report fundamentally reflect this reality.
- 3.10 The overall projected levels of usable reserves and balances are reviewed annually. Earmarked reserves (excluding schools) are forecast to stand at £168.9m by 31 March 2022, with a further £20.3m held in the General Fund.
- 3.11 The Budget Management Reserve is used to provide a stable platform for service planning as the MTFS is developed and it is the first call on the Council resources to deal with any unforeseen in year expenditure if the revenue contingency budget was exhausted. The balance on the reserve as at 1 April 2020 was £35.1m and currently the balance is showing as £38.2m at the end of 2021/22. The projected balance is not complete and does not include adjustments which are required to reflect the final collection fund and business rates figures for 2021/22 once these are confirmed by billing authorities, including the 2021/22 s31 grant and 2020/21 reconciliation payment, or any changes arising from the final Local Government Finance Settlement. The reserve provides a safety net against a number of critical assumptions around funding, the non or late delivery of savings in 2021/22 and any legislative or accounting changes imposing new burdens. Given the current unprecedented circumstances, it is even more important to hold this reserve.
- 3.12 One key change as a result of the funding received from central Government as part of the SR20, is the Council is now holding £22.2m in the Covid-19 Fund, as set out in paragraph 2.8. It is anticipated that this funding will be drawn down to the revenue budget during the year as required to meet additional pressures arising from the pandemic.
- 3.13 The Service Transformation Fund is forecast to have a balance of £9.1m at 31 March 2021. It is planned to use this reserve to fund a number of the Council's transformational projects during 2021/22:
- work to support the transfer from the current outsourced provider for both the information technology services to a new provision model during the

- summer 2021 and the remainder of the support services ahead of the contract end in September 2022,
 - costs supporting the implementation of Oracle Fusion which covers Finance, HR and Procurement processes,
 - any further investment in the Council's Improvement Programmes.
- 3.14 Any drawdowns from the reserve will be reported in the Quarterly Performance Monitor. An alternative source of funding for these transformational activities could be capital receipts, in line with the Flexible Use of Capital Receipts Strategy. The application of this strategy would depend on the level of capital receipts which the council is able to secure in 2021/22.
- 3.15 Given the Council is facing such a challenging financial future, it will therefore be crucial that reserves, both general and earmarked, continue to be managed in the medium term in a way that gives due regard to the need to set a legally balanced budget.

Changes to the Budget

- 3.16 The detailed changes to portfolio budgets for 2021/22 are outlined in paragraphs 4.1 to 4.81 below.

Inflation

- 3.17 The total included for pay and price increases is £3.5m, as shown in column 2 of Appendix 2. The budget does not provide for a general or across the board inflation uplift but focuses on the key areas to target the provision for areas most under pressure. The approach to allowing for price rises has been as follows:
- Pay budgets – the current provision reflects the CSR announcement on public sector employees and provides for £250 per fte for employees earning an annual salary of £24k and below. For all other employees, a sum of £2.2m (1%) has been set aside in a separate contingency to meet pay awards that may be agreed specifically for local government employees.
 - A range of inflationary increases have been included for high value contracts, dependent on the specific indexing included within the contract.
 - A 0% inflationary assumption on 'low priority' items.
 - There remains a middle category of inflation where for 2021/22 the September CPI of 0.5% has been assumed.
 - An assumed 1.1% (September Retail Price Index (RPI)) on areas of discretion over income, as set out below in paragraph 3.19.
- 3.18 Overall, other than the inflationary adjustments set out in 3.17 above, service budgets are cash-limited and therefore no resources are included centrally to adjust those cash-limits if actual inflation experienced in individual service areas exceeds the allowance made. In this event, services will be required to manage within the proposed cash limited budget. If, over the longer term, actual inflation exceeds the Council's assumptions in the MTFS, this could potentially add significantly to the budget pressures we face.

Fees and Charges

- 3.19 The proposal for any changes or increases to discretionary fees and charges are detailed in Appendix 7. The level of fees or income generated is influenced or dictated by a number of factors; the Localism Act 2011 and Local Government Act sets out the general legal framework regarding charging for services, as well as this, there are various other specific legal provisions and local policy objectives. Generally, in line with the County Council's policy to budget for cost inflation, the County Council increases its fees and charges by the published September RPI rate which as at September 2020 increased by 1.1%.

Sources of Financing

- 3.20 The proposed budget has been developed to align with the priorities set out in the West Sussex Reset plan, and against a background of uncertainty for local government funding as national reviews for Fair Funding and Business Rates are delayed further due to the Covid-19 pandemic outbreak.

Settlement Funding Assessment

- 3.21 The Provisional Local Government Finance Settlement, announced on 17 December 2020, confirmed the Settlement Funding Allocation (SFA) as unchanged from the 2020/21 level of £79.3m, as set out in Table 4. This is as expected and reflects the government's decision to freeze business rates for 2021/22.

Table 4: Settlement Funding Assessment

	2020/21 £m	2021/22 £m	Change £m	Change %
West Sussex	79.3	79.3	0.0	0.0
England	14,796.9	14,809.7	12.8	0.1

Business Rates: Baseline Funding Allocation

- 3.22 The West Sussex district and borough councils have yet to confirm their business rate estimates. Given this, and in recognition of the uncertainty faced within the business community from the pandemic and the recent exit from the European Union, the County's 2021/22 budget assumes there will be no growth in excess of the business rates baseline.
- 3.23 As in previous years, we are also expecting to receive S31 grant compensation to recognise government decisions on limiting the increase in business rates. As these decisions have resulted in a reduction in the sum collectable by local authorities, the government has compensated for the loss in income through specific grants. For 2021/22, the Council has made no assumption of this grant and the sum due to West Sussex will be confirmed following receipt of the district and borough's business rate forecasts.
- 3.24 Given business rate estimates are not anticipated until late January, any variation from the assumed income for business rates will be adjusted through the Budget Management Reserve.

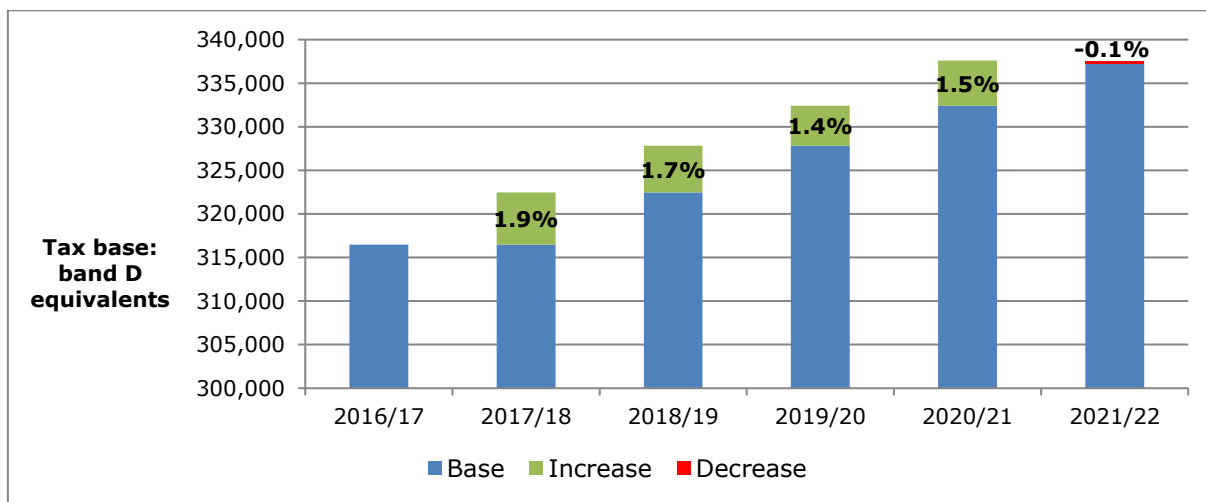
Business Rate Pooling

- 3.25 Since 2015/16 the West Sussex authorities have operated as a pool for business rate purposes. In the current year the arrangement consists of the County Council, Adur, Arun and Horsham District Councils. Pre the Covid-19 pandemic the pool was expected to deliver £4m for investment in projects but the final position, when confirmed in spring 2021, is likely to be reduced.
- 3.26 With economic uncertainty expected to continue into 2021/22 coupled with the UK's exit from the European Union, there is great uncertainty around the potential benefit of a business rate pool in 2021/22. The member authorities, upon considering the risks and potential exposure to business rate revaluations and appeals resulting from material changes of circumstances relating to Covid-19, have notified the MHCLG that they no longer wish to be designated a pool for 2021/22. There will be no impact on the County's net expenditure as proceeds from the pool were held separately.

West Sussex Local Tax Base 2021/22

- 3.27 Based upon estimates from the districts and borough councils, and in recognition of the impact the Covid-19 pandemic has had on employment and claimants for council tax support, the budget assumes a small reduction of 0.1% in the 2021/22 tax base. For subsequent years of the MTFS, the tax base is expected to recover from the pandemic and therefore an annual increase of 1% has been assumed. Figure 1 sets out the movement in the tax base since 2016/17.

Figure 1: Change in the County Council's tax base



- 3.28 If the final figure is lower than the level assumed, the authority will use its Budget Management Reserve to cover the difference to avoid sudden and late reductions causing last minute service cuts. Assumptions will be reviewed during next year when the MTFS is refreshed.

Collection Fund

- 3.29 District and borough councils operate a collection fund for both council tax and business rates, which they are responsible for collecting. The actual tax

collected may be more or less than expected, meaning that a surplus or deficit must then be allocated to the responsible local authorities in the following year.

- 3.30 Due to the economic impact of the Covid-19 pandemic and the impact on employment and businesses, authorities are facing significant deficit repayments on their collection funds for 2020/21. In recognition of this, the Secretary of State for MHCLG, Robert Jenrick, announced on 2 July, that “the repayment of collection fund deficits arising in 2020/21, will be spread over the next three years rather than the usual period of a year, giving councils breathing space in setting budgets for next year”.
- 3.31 Accordingly, and in compliance with the Local Authorities (Collection Fund: Surplus and Deficit) (Coronavirus) (England) Regulations 2020, a combined estimated collection fund deficit of £20m has been assumed, spread equally across three years from 2021/22 at £6.7m per annum. As this figure is still subject to confirmation by the districts and boroughs, any variation from this sum will be adjusted through the Budget Management Reserve and reported in the June Quarterly Performance Monitor.
- 3.32 Following the end of year calculation of the actual 2020/21 collection fund balance, the regulations prescribe that any difference between the estimated sum deferred and the actual deficit may not be adjusted.

Specific Grants

- 3.33 Alongside the SFA, the government also provides various specific grants. For 2021/22, the non-portfolio specific grants include:
- Social Care Support Grant – £18.2m, an increase of £0.8m from 2020/21 to reflect additional national funding of £300m announced in the SR20;
 - Local Council Tax Support (LCTS) Grant – funding of £6.6m to compensate for the increased costs of providing local council tax support following the pandemic. Guidance is under development and as MHCLG are currently seeking views on the distribution approach, the allocation is indicative and subject to confirmation as part of the Final Settlement;
 - Covid-19 Expenditure Pressures Grant – £15.6m to reflect the County’s share of the £1.55bn announced as part of SR20 to enable local government to manage costs in 2021/22 relating to the immediate and long-term impact of the pandemic;
 - New Homes Bonus – £2.4m to reflect legacy payments relating to 2018/19 and 2019/20 plus an allocation for housing growth in 2021/22.
- 3.34 In addition, the portfolio budgets include service specific grants such as the Improved Better Care Fund and Dedicated Schools Grant. A summary of all known specific government grants, both service and non-portfolio, are detailed in Appendix 4 of the Budget Pack.

Section Four: Revenue Budget Proposals for 2021/22

- 4.1 After considering the Provisional Finance Settlement announcement, the budget assumptions for price inflation, business rates and council tax and the savings

proposals, net revenue expenditure of £624.8m is proposed for 2021/22. This is an increase of £31.0m (5.2%) compared to 2020/21, as shown in Table 5 below. The net revenue expenditure shown is based on the most up to date information at the time of writing this report and may be subject to change. This is because information is still awaited in some instances regarding funding, such as from the district and borough councils on business rates proceeds.

Table 5: Summary of Change in Net Budget

Item	£m	£m	%
Approved net revenue expenditure 2020/21		593.857	
Allowance for pay and price rises	3.509		0.6
Commitments and service changes	22.125		3.7
Commitments and non-portfolio changes	23.855		4.0
Balancing the budget	-18.513		-3.1
Net increase		30.976	5.2
Net revenue expenditure 2021/22		624.833	

Changes to Portfolio and Non-Portfolio Budgets

- 4.2 The proposed changes to the budget for 2021/22 are explained by portfolio in the following paragraphs. These changes include growth to meet changing pressures of £46.0m, pay and price changes of £3.5m (detailed in paragraph 3.17 above) and balancing the budget activities of £18.5m.

Adults and Health

- 4.3 The Adults and Health budget for 2021/22 allows for net expenditure of **£210.0m**. Around 95% of this relates to the cost of funding the social care needs of residents who meet the national eligibility criteria introduced by the Care Act in April 2015.
- 4.4 Significant service-related pressures include:
- i. Growth in demand for adult social care is at unprecedented levels, both because of increasing numbers of older people and from customers with disabilities. Currently in the region of 14,000 people receive a service from adult social care.
 - ii. Increasing life expectancy and medical advances mean that more people are living with more complex conditions, increasing cost pressures across all care groups. For example, the average cost of a care package for older people has risen by £26 per week or 5.8% in the last year. During this time inflation, as measured by the consumer prices index, has consistently been less than 1%.
 - iii. Pay is the largest element of care providers' costs and so the National Living Wage (NLW) creates knock-on implications for the County Council. For 2021/22 the hourly rate will rise by 2.2% to £8.91 per hour; its coverage will also be widened to include all people aged 23 and over. Whilst making provision to pay fee increases to providers at a level greater than a standard inflationary uplift is a matter of choice, in practice the state of the care market in West Sussex leaves limited options. This is

a risk that has led the County Council to recognise the NLW as a growth pressure every year since it was introduced in 2016/17. The case for doing this in 2021/22 has been made stronger still by the impact of Covid-19 and the possibility that leaving the European Union may adversely affect the availability of care workers.

- 4.5 By utilising the proposed Adult Social Care precept of 3% for 2021/22, which amounts to £14.6m, a more sustainable funding position can be achieved. This approach will support the delivery of existing services alongside implementing planned service improvements and developments, with particular focus upon community based, preventative and collaborative working approaches with colleagues from Children's Services, Education & Skills and Health.
- 4.6 Demand growth in 2021/22 amounts to £6.1m. Promoting independence as a priority has led to additional investment in areas such as technology enabled care, hospital discharge services and extra care housing. Planned expansion of the reablement service will also support people to remain within their own homes and communities, building upon joint working with Health. These service developments will eventually enable more people to be supported at a lower cost than would otherwise be incurred.
- 4.7 On an on-going basis the cost arising from demand pressures will remain a significant item within the Medium-Term Financial Strategy.
- 4.8 The Public Health Grant for 2021/22 will be frozen at the 2020/21 level. This means that the County Council's allocation will be unchanged at £34.7m. Consequently, the impact of inflation will continue to reduce the purchasing power of that funding at a time when Covid-19 has underlined the risks caused by health inequalities. Given the importance of helping people to stay healthy and well, not only for a better quality of life but also to relieve pressure on both the NHS and on our social services, this funding freeze is disappointing.
- 4.9 Planned savings of **£8.0m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.10 The key explanations of the changes in the 2021/22 budget are shown in Table 6.

Table 6: Adults and Health Budget Changes

Item	£m
Growth for the effect of population change and rising complexity of needs	6.1
Growth for the National Living Wage	2.6
Pay and price allowance	0.3
Transfers between portfolios	-0.1
Reserves transfers	1.0
Savings	-8.0
Other changes	-1.3
Net change	0.6

- 4.11 In addition, the capital programme supports a range of investments in the care market, Extra Care and in-house improvements. Further details of the Capital Strategy can be found in Annex 2 (a).

Children and Young People

- 4.12 A key element of the Council's budget provides for children and families who are vulnerable and that the County Council has statutory duties to support. The Children and Young People's budget for 2021/22 allows for net expenditure of **£132.6m** and includes additional investment of **£6.1m** compared with 2020/21. Around 90% of this is spent on responsibilities relating to children's social care, including the staffing teams carrying out those responsibilities. The remaining 10% is spent on early help services, children's mental health services (in partnership with Health) and services designed to reduce youth offending.
- 4.13 Following the Ofsted inspection of our Children's services in May 2019, Ofsted undertook a further, focused review of the service in October 2020. The report highlighted that positive progress had been made on how social workers support families; higher than national average school attendance; and the progressed made following the recommendations of the last inspection. It also highlighted improvements in partnership working and in how the wider organisation now supports children's services. The visit, which focused on the service's response to Covid-19, said vulnerable children received the targeted support they needed during the pandemic and that children's needs were well supported. Following this report a revised Statutory Direction was issued on 10 December 2020 acknowledging that "conditions at the council have improved and now support the continued improvement of children's services", and as a result the setting up of a company to provide children's social care services has been paused for 12 months.
- 4.14 The Children's Minister stated that she was confident that "the building blocks were in place for improvements", but she was also clear that there was still much more to do "to address the weaknesses identified in 2019, and bring the standard of service up to the quality that children and families in West Sussex deserve". Ofsted were also clear that whilst the foundations for improvement have been put in place, there were still areas of poor practice, and the directorate is already working hard to address these. In order to ensure the required improvement continues at pace, a combination of temporary and permanent investment of £3.1m is being provided in 2021/22.
- 4.15 Demand for placements for children looked after has increased at an unprecedented rate during 2020/21, with placement volumes now at record levels and significantly more than the budget had allowed for. This creates a knock-on impact for 2021/22, which is why the budget is being increased by £9.8m, to recognise both the full year effect of this increase and the projected demand growth which is estimated to occur in 2021/22. The demand modelling also suggested that £12.5m would be required on a "do nothing different" scenario. However, in recognition that some of the demand is driven by children not exiting care in a timely manner, a lower increase of £9.8m has been assumed. This is a prudent approach given that there are two primary reasons for the delays in care exit; the first is poor permanence planning which is beginning to be addressed as part of the wider children's improvement

journey and the second is delays in legal processes and court systems due to the pandemic. The former is within the control of the service and is beginning to be addressed, however the latter is outside of the Council's direct control. A further £0.25m has been allocated in recognition of additional staffing requirements arising from the increased number of children looked after. This growth allocation is partly mitigated by £1.8m of savings related to improved commissioning arrangements for placements for children looked after.

- 4.16 A further £1.3m has been added to the portfolio to develop an improved allowances scheme and support package for internal foster carers. The aim of this investment is to increase the proportion of children placed with internal foster carers and reduce the proportion placed with independent fostering agencies. Placements made with independent fostering agencies are significantly more expensive than the Council's own in-house foster placements. Therefore, the outcome of having more in-house placements will be reduced placement costs and savings are expected to be delivered from 2022/23 onwards.
- 4.17 Within Early Help, a more targeted approach will be adopted that identifies and works with the most vulnerable children and families to improve their resilience and divert them from more costly social care interventions. Through this review, £1m of savings has been delivered in 2020/21 with a further £0.95m expected over the next two financial years.
- 4.18 The net growth budget for the Children & Young People's portfolio is significant. However, there are a number of planned transformation activities that will take place during 2021/22 which are expected to deliver further cashable savings from 2022/23 onwards. These are briefly outlined below:
- Implementation of the Family Safeguarding model of practice. A new service model is principally based on the Hertfordshire experience but also other nationally recognised pilot models. A very wide range of benefits have been seen to accrue, both for children and families, and for the service. Evaluation of these models has resulted in the following benefits being delivered:
 - Significant reductions in repeat police call outs to domestic abuse incidents between the parents of the families in the model.
 - Significant reductions in emergency hospital admissions for the adults within the families in the model.
 - Significant improvement in school attendance.
 - A reduction in children subject to child protection plans.
 - A reduction in care proceedings.
 - A reduction in use of 'care' by the County Council (in Hertfordshire there were 200 fewer under 12's in care compared with the previous year without the model).
 - Review of fostering allowances and fostering service redesign. The review and redesign has the ambition of increasing the proportion of internal fostering placements compared with external fostering placements,

leading to savings being generated with effect from 2022/23.

- 4.19 Planned savings (net of DSG savings) of **£3.7m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.20 The key explanations of changes in the 2021/22 budget for the portfolio are shown in Table 7.

Table 7: Children and Young People Budget Changes

Item	£m
Demand growth – placements for children looked after	9.8
Demand growth – increasing staff in children looked after	0.3
Children First improvement programme	2.9
Children First governance team	0.2
National House Project	0.3
Fostering allowances	1.3
One-off funding received in 2020/21	-8.7
Pay and price rise allowance	-0.1
Transfers between portfolios	0.3
Savings (total savings for the portfolio are £3.9m, with £0.2m relating to DSG – see Table 10)	-3.7
LA contribution to DSG (see Table 10)	0.5
Net change	3.1

- 4.21 In addition, capital investment includes a programme of development of existing Children's Social Care placements to provide improved and more local services for vulnerable children and young people. Further details of the Capital Strategy can be found in Annex 2 (a).

Economy and Corporate Resources

- 4.22 The Economy and Corporate Resources budget provides for net spending of **£49.9m**. The majority of this budget relates to the Cabinet Member's responsibility for a range of support service functions, including customer services, together with outsourced contracts for various support services and information technology. It also covers the costs of economic growth and feasibility support for the One Public Estate programme.
- 4.23 We continue to review and benchmark the provision of a range of support service functions, so that they provide the support required by frontline services in the most appropriate and efficient manner. The County Council has a long-standing partnership through an outsourced contract with Capita, to provide a number of these services, including information technology, administrative support, HR and payroll. These commercial arrangements will come to an end in September 2022 and work is already underway to review the future of these services and, where appropriate, propose changes ahead of the natural conclusion of the current arrangements.

- 4.24 Work on the provision of information technology services has concluded that there are benefits to the council by moving to a new provision model at an earlier date. The proposed approach will better support the delivery of council services and the ability to transform its services to provide a modern, responsive and flexible digital, data and technology service. In addition, it is anticipated the new model will be delivered in a reduced cost envelope, delivering a £0.75m per annum financial benefit in a full year and £0.5m in 2021/22.
- 4.25 The past year has also seen the County Council 'in source' services that have previously been provided by Capita and this has seen a reduction in the payments made under the contract, with a corresponding increase in the cost of internally provided services. The largest of these was the insourcing of the Service Finance function and this accounts for a transfer of £1.5m between this portfolio and Finance.
- 4.26 The full impact of the pandemic has yet to be reviewed but it is clear that the way that we will be working in the future will be significantly different to the practices of the past. The County Council will be looking closely at future working practices, in order to ensure that we make the most of efficiencies that have been gained over the periods of enforced home working particularly in terms of travel costs.
- 4.27 The Council continues to invest in the implementation of Oracle Fusion, our new enterprise resource planning platform, which supports the Council with its HR and Finance processes. Replacing the current system will support the delivery of the automation and improved efficiency of existing business processes. It will enable the Council's workforce to work more effectively and efficiently, not least by supporting staff to undertake more tasks via self-service.
- 4.28 Planned savings of **£3.4m** are included to balance the County Council's overall budget, as described in Appendix 3. The key explanations of changes in the 2021/22 budget for the portfolio are shown in Table 8.

Table 8: Economy and Corporate Resources Budget Changes

Item	£m
Reversal of undelivered saving relating to the redesign of business processes in 2020/21	2.4
Reserves transfers	-3.5
Transformation (£0.7m) and Customer Experience (£1.4m) reversal of expenditure funded on a one-off basis for 2020/21 from capital receipts	2.1
Pay and Price allowance	0.7
Transfer between portfolios - insourcing of Service Finance (transfer to Finance portfolio)	-1.5
Savings	-3.4
Other service changes	0.3
Net change	-2.9

- 4.29 In addition, capital investment supports Growth Programmes which enable strategic infrastructure improvements, focused on improving connectivity and access to the town centres at the heart of the West Sussex economy as well as digital infrastructure for gigabit accessibility for business and residents. Further details of the Capital Strategy can be found in Annex 2 (a).

Education and Skills

- 4.30 The Education budget for 2021/22 allows for net expenditure of **£21.8m** and includes additional investment of **£1.4m** compared with 2020/21.
- 4.31 The Home to School transport budget continues to come under pressure as a result of the continuing rise in SEND placements and higher contractual costs due to a growing shortage of external taxi drivers and the increased wage costs of escorts. £0.8m has been allocated to the portfolio to meet both existing pressures carried over from 2020/21 and growth in 2021/22.
- 4.32 Staffing levels within the Special Educational Needs Assessment Team have remained the same since 2016, whilst over the same period of time the number of children with an EHCP has increased by 20%. An additional £0.4m is therefore required in order to increase the capacity of this team so that it can manage over 5,800 pupils with SEND and help meet future demand.
- 4.33 Planned savings (net of DSG savings) of **£0.7m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.34 The key explanations of the changes for the 2021/22 budget are shown in Table 9.

Table 9: Education and Skills Budget Changes

Item	£m
Home to School Transport to meet the increasing number of High Needs pupils and living wage pressures	0.8
Crawley Schools PFI for inflationary pressure	0.2
Special Educational Needs Assessment Team (SENAT)	0.4
Transfer between portfolios	0.1
Pay and price allowance	0.2
Savings (total savings for the portfolio are £0.8m, with £0.1m relating to DSG – see Table 10)	-0.7
Net change	1.0

- 4.35 Use of capital investment to support the Special Educational Needs Strategy, with a programme of investment in additional places in West Sussex schools, thereby enhancing the choices for children with special educational needs through making adaptations in mainstream schools to accommodate a wider variety of needs. The capital programme also funds additional school places to meet growing demand as well as expenditure to ensure safety within school through boundary and access improvements. Further details of the Capital Strategy can be found in Annex 2 (a).

Dedicated Schools Grant

- 4.36 The Dedicated Schools Grant settlement has increased by **£57.1m** (9%) to £693.0m across both the Children and Young People (£49.6m) and Education and Skills portfolios (£643.4m).
- 4.37 2021/22 is the fourth year of the National Funding Formula (NFF) for mainstream schools under the Dedicated Schools Grant (DSG). Allocations for next year have been announced, which include pupil growth, and West Sussex schools are set to gain £45.7m (9.3%). £23.4m of this funding relates to teachers' pay and pension employer contribution costs which were previously funded through separate grants. The remaining £22.3m equates to a 3% increase in most of the national funding formula unit rates and an increase in the Minimum per Pupil Funding levels to £4,000 for primary schools (as previously announced) and £5,150 (3%) for secondary schools. With the inclusion of an additional £180 and £265 per pupil respectively to cover the additional teachers' pay and teachers' pension employer contribution costs now rolled into the DSG, the actual funding rates will be £4,180 and £5,415.
- 4.38 The maximum sparsity value is set to increase from £26,000 to £45,000 for primary schools, and from £67,600 to £70,000 for secondary schools. This is set to be a first step in expanding and improving the support the NFF provides to small and remote schools. Further changes, planned from 2022/23, will be consulted on in due course.
- 4.39 The Central School Services DSG block is made up of two separate funding streams: one for the ongoing responsibilities of the Local Authority and the second for historic commitments. Although the former is set to increase by £0.2m (4.9%), again mostly due to teachers' pay and pension employer contribution costs which were previously funded through separate grants, the latter is being reduced by £0.8m (20%).
- 4.40 In order to help mitigate this £0.8m reduction in funding and the impact this would have on children and young people, a transfer of commissioned school improvement costs to School Effectiveness is being undertaken (£0.1m) and the Early Years DSG block funding contribution towards the cost of the Early Help Service is set to be increased by £0.2m in 2021/22. This will increase the County Council's centrally retained element of the three- and four-year-old funding it receives to 4.5%. The remaining funding shortfall of £0.5m will be met by the LA in 2021/22, for one year only. £0.2m of this will be found in 2022/23 by increasing the Early Years centrally retained element to 5%, which is the maximum allowed under the national funding regulations, whilst further savings will need to be explored over the next 12 months in order to find the remaining £0.3m. This is summarised in Table 10 below:

Table 10: LA Contribution to DSG

Item	CYP £m	E&S £m
Reduction in DSG historic commitments funding	0.7	0.1
Savings	-0.2	-0.1
LA Contribution to DSG	0.5	0.0

- 4.41 The Early Years DSG block is set to increase by £1.2m in 2021/22 following an increase in the hourly funding rates of 8 pence for 2 year-olds and 6 pence for 3 and 4 year-olds. This allocation is a provisional one based on the January 2020 census and will be updated later in the year.
- 4.42 Funding pressures affecting the High Needs Block within the DSG have continued to grow over the last five years since the implementation of the Children and Families Act 2014 resulting in increased requests for:
- Education Health and Care Needs Assessments;
 - pre-16 specialist placements (special schools, Special Support Centres (SSCs) and Independent and Non-Maintained Special Schools;
 - post-16 High Needs placements in special schools, colleges of Further Education or Independent Specialist Providers (ISP); and
 - personal budgets and exceptional needs expenditure to meet very complex needs.
- 4.43 Our High Needs DSG funding from the Department for Education rose by £8.4m (10.4%) in 2020/21 and is set to rise by a further £10.8m (12.2%) in 2021/22, including £1.4m for teachers' pay and pension employer contribution costs which were previously funded through separate grants. These funding increases are welcome but are not enough to meet the increasing costs of providing for the number of children with education health and care plans (EHCPs).
- 4.44 Following increasing rates of EHCPs over the past five years, numbers have continued to rise at a lower level than previous years. This is largely due to the impact that the Covid-19 pandemic has had on the EHCP process this year, and the challenges that this has presented to the Special Educational Needs Assessment Team (SENAT) in terms of meeting the statutory timescales. With over 200 EHC needs assessments in process at the beginning of the autumn term we are expecting overall EHCP numbers to start rising sharply again over the remainder of the current year.
- 4.45 This year the High Needs block is currently forecast to overspend by £9m, and despite the increased funding announced for next year a further shortfall of £5.8m is also expected. Since the County Council's DSG reserves went into deficit for the first time at the end of 2019/20, it is now expected that this deficit will increase to over £18m by the end of 2021/22. The County Council has therefore requested a transfer of £2.5m from the Schools DSG block to the High Needs DSG block. This represents 0.5% of the total Schools block, and a decision is expected to be made by the Secretary of State for Education in January 2021.
- 4.46 In the meantime, the Council continues to adopt a long-term approach to the High Needs funding issue. The SEND and Inclusion Strategy for West Sussex 2019-2024, which built on the SEND strategy for 2016-2019 and the outcomes of the 2018 Ofsted/CQC SEND local area inspection, was published last year. This strategy will continue to help address some of the causes of the pressures on the High Needs block. Some of the action being taken under the strategy includes re-designating the post-16 provision at Oak Grove College to become

more specialist from September 2021 and converting the freed up places into pre-16 places in order to reduce the number required in the independent sector, increasing the number of pupils aged 14-16 with SEND receiving education through Chichester College, and the setting up of a specialist outreach team to support the inclusion of year 7 learners with SEND in their local mainstream school.

Environment

- 4.47 The Environment budget provides for net spending of **£62.1m**. Working with customers and partners, the Waste Management team will continue their work to reduce waste going to landfill through education aimed at changing customer behaviour, as well as the use of alternative disposal routes such as the Refuse Derived Fuel (RDF) contract and separate food waste collections. Over £55m of our net revenue budget is dedicated to supporting our waste disposal and recycling infrastructure.
- 4.48 A planned refresh of the waste composition analysis that was supposed to take place during 2020 has been delayed due to the impact of Covid-19. However, the premise that food waste comprises the largest element of the residual waste stream is still seen as valid.
- 4.49 The changed working patterns arising from the restrictions imposed in response to the pandemic will have seen a shift in the mix of recyclables and residual waste. Much of the focus over the coming year will be understanding that shift and any impact that may have on the cost of disposal.
- 4.50 Trials will be undertaken in 2021 to demonstrate that the introduction of weekly food and absorbent hygiene product waste collections, maintaining fortnightly comingled recycling collections and reducing the frequency of residual waste collections to three weekly, will not only reduce the overall volume of waste collected, but will also improve recycling performance and ultimately deliver savings in the future for the authority.
- 4.51 Throughout the latter stages of 2019 and into 2020 the wholesale energy market has seen price decreases and increased volatility, impacted by high wind generation and influenced by the nationwide lockdowns. As a consequence, the income generated from the solar farms has been impacted. The budget for 2021/22 reflects the continued pressure that these market forces bring to the commercial investments.
- 4.52 Alongside the focus on waste, our proposed spending will continue to enhance plans for developing other sustainable technologies, particularly solar energy and battery storage for power.
- 4.53 In July 2020 the County Council approved a new Climate Change Strategy with a vision that:
- ‘In 2030, West Sussex County Council is carbon neutral and climate resilient, using our limited resources wisely. West Sussex County Council has enabled positive actions and behaviours across our county to mitigate and adapt to climate change’.

- 4.54 The strategy sets out our commitments to achieve this vision. It gives everyone working at, and with, the County Council a clear indication of our priorities for the next ten years, to realise the short and long-term benefits for our organisation and for our communities.
- 4.55 Planned savings of **£0.5m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.56 The key explanations of the changes for the 2021/22 budget are shown in Table 11.

Table 11: Environment Budget Changes

Item	£m
Increase in insurance premium for the Mechanical and Biological Treatment Plant	0.4
Reduction in market rates for generated energy	1.0
Highways and Transport Restructure cross portfolio movement	-0.4
Pay and price allowance	0.7
Reserves transfers	0.6
Savings	-0.5
Net change	1.8

- 4.57 The capital programme provides the means to invest in green energy technology supporting the Climate Change Strategy and targeting investment in low-carbon upgrade options for routine maintenance and planned projects. Further details of the Capital Strategy can be found in Annex 2 (a).

Finance

- 4.58 The Finance budget provides for net spending of **£15.8m**. The majority of this budget relates to the Cabinet Member's responsibility for the Finance and Procurement functions. It also covers capital planning and projects, asset management and estates teams, as well as various corporate items such as insurance and precept payments levied by external bodies.
- 4.59 The impact of Covid-19 has brought about new working practices across the County Council. There is now a strong move to establish these more flexible ways of working on a permanent basis. This means that we are unlikely to need all the administration assets that we currently hold. We are therefore undertaking a review of these assets, in order to understand which ones we need to retain for future use and which ones will be surplus to our requirements. The County Council will then look to dispose of those surplus assets or, where it is more applicable, will try to maximise their use by looking creatively at how we might use them to support economic growth (e.g. sharing space in our buildings with other organisations, such as start-ups). For retained assets we will look at ways to reduce our overall energy consumption, in order to meet our ambition of being a net carbon zero organisation by 2030.

- 4.60 In order to take further advantage of these opportunities, the County continues to explore innovative ways to work with the private sector to increase the yield we can obtain from surplus assets. We are proposing to set up a Joint Venture (JV) with a long term partner to take forward, and benefit from, the development opportunities that are available by developing these sites with our partner, rather than simply selling the land to a developer. This proposal, setting up a JV with a professional development company, is an established model across a number of local authorities who are looking to maximise the returns from their surplus assets, whilst at the same time minimising the financial risk to the authority.
- 4.61 Planned savings of **£0.2m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.62 The key explanations of the changes for the 2021/22 budget are shown in Table 12.

Table 12: Finance Budget Changes

Item	£m
Transfers between portfolios	1.9
Savings	-0.2
Other service changes	0.2
Net change	1.9

- 4.63 The capital programme provides the means to invest in major development projects as well as tactical site improvement works to optimise usage and future options. Further details can be found in the Capital Strategy (Annex 2 (a)).

Fire & Rescue and Communities

- 4.64 The portfolio budget provides for net spending of **£38.0m** and includes additional investment of **£0.6m** compared with 2020/21. The budget includes the West Sussex Fire and Rescue Service (WSFRS) which aims to provide an assured 24/7 emergency response service around the County. WSFRS also has a dedicated resilience and emergency team which, along with the Council's support to community functions, works to promote resilience and capacity across the localities of West Sussex. The portfolio also includes the County Council's Library Service, Archive Service and Registration Service which all provide excellent services to the county's residents.

Fire and Rescue Service

- 4.65 WSFRS have developed an improvement plan following the inspection by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in November 2018 to effectively respond to the recommendations of the HMICFRS and to ensure we can provide our residents and communities with confidence in our actions. Re-phasing of the plan took place following

Ministerial recommendations that the timelines of the original improvement plan, presented to Members in July 2019, were too ambitious.

- 4.66 The investment into the service has resulted in significant improvements. In November 2020 a decision was made to close the Independent Advisory Panel as a result of the considerable improvements made by West Sussex Fire and Rescue. The panel recognised that there has been an overwhelming amount of progress since the first meeting on 11 December 2019 and subsequent HMICFRS revisit of which recognition was also reported regards the pace of change and positive impact this was having on staff. In order to continue to deliver the Improvement Plan and embed the changes the base budget has been increased by a further £0.6m.

Communities

- 4.67 The service works across directorates in collaboration with both local and national partners to support and enable our residents to have safe digital lives. We offer a range of resources developed in response to local intelligence that our communities can access to help them stay safe, connected and to fulfil their potential.
- 4.68 Working together with our Library Service, the Remote Digital Support Offer supports residents with basic digital help through a team of library staff and volunteers and we are supporting care homes to deliver virtual visits.
- 4.69 Planned savings of **£0.4m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.70 The key explanations of the changes for the 2021/22 budget are shown in Table 13.

Table 13: Fire & Rescue and Communities Budget Changes

Item	£m
Fire Improvement Programme	0.6
Reversal of Fire improvement expenditure funded on a one-off basis from capital receipts for 2020/21	1.2
Pay and price allowance	0.1
Savings	-0.4
Transfers between portfolios	0.8
Net change	2.3

- 4.71 The capital programme covers the investment in the Live Training Centre and Horsham Fire Station and Fire and Rescue Service equipment to ensure emergency response needs are met. Further details of the Capital Strategy can be found in Annex 2 (a).

Highways and Infrastructure

- 4.72 The Highways and Infrastructure budget provides for net spending of **£36.6m** and includes additional investment of **£1.5m** compared with 2020/21. This budget maintains and delivers highways and other infrastructure which businesses and local communities need to support economic growth and allows our customers to access services across the County. We will maintain, improve and, where appropriate, expand the highways network for the benefit of all residents and visitors to West Sussex.
- 4.73 We will invest over £10m of revenue funding each year in highways support and maintenance, this includes additional funding of £0.3m to address a number of safety critical areas including repairs to highways, aids to movement and winter service contributing to a decreased risk for users of being injured on the network.
- 4.74 A corporate Ash Dieback Action Plan has been developed to effectively address the risks presented by the impact of ash dieback, conserve the ecosystems ash trees are found in across the county, and prepare for a positive regeneration phase with a net biodiversity gain. It is estimated that more than 40,000 trees on A and B roads will be affected by the disease, although survey work continues to be undertaken to confirm the exact number across the whole network. The proposed budget has growth of £1.5m allocated to enable the programme to begin in 2021/22.
- 4.75 We continue to review the charges we make to highway users in order to ensure that we recover fully our costs and continue to explore ways of utilising funding available to ensure delivery of our core services. The service continues to invest in feasibility studies, enabling the Council to develop sound project proposals for submission for additional funding to improve infrastructure.
- 4.76 Planned savings of **£1.3m** are included to balance the County Council's overall budget, as described in Appendix 3.
- 4.77 The key explanations of the changes for the 2021/22 budget are shown in Table 14.

Table 14: Highways and Infrastructure Budget Changes

Item	£m
Investment in Ash Die Back Programme	1.5
Pay and price allowance	1.0
Reserves transfers	0.2
Savings	-1.3
Other service changes	-0.2
Net change	1.2

- 4.78 There is significant planned investment in Highways and Infrastructure reflecting the importance of the infrastructure for economic growth. To support our commitment to our highways we are proposing to invest an additional £12m, over and above the existing works programme, in our road maintenance over the next two years. Further details of the Capital Strategy can be found in Annex 2 (a).

Leader

- 4.79 The Leader budget provides for net spending of £1.4m, which is the same level of spend as 2020/21. This budget supports the costs of running the Chief Executive's office and Policy.

Non-Portfolio

- 4.80 For completeness, corporate items for commitments and service changes are given in Table 15.

Table 15: Non-Portfolio Budget Changes

Item	£m
Transfers to and from earmarked reserves (net)	-0.3
Transfer from the Business Rates Pilot reserve	-1.4
Increase in the capital financing costs	0.2
Decrease in general contingency	-0.4
Pay contingency	2.2
Decrease in the revenue contribution to capital	-1.8
Increase in the revenue contribution to capital for the Business Rates Pilot	1.4
Covid-19 Fund	22.2
Net change	22.1

- 4.81 The contingency budget is generally held to cushion the impact of unexpected events or emergencies arising during the year, which were not known about at the time the budget was approved. For 2021/22, given the financial uncertainty as a result of the pandemic, the Council has set the general contingency at £6.4m and added a further £2.2m to establish a pay contingency to cover additional pay pressures the Council may face.

Section Five: Future Financial Risks

- 5.1 There have been particularly challenging circumstances around budget setting this year; the economic and social impacts of the Covid-19 pandemic, Brexit and uncertainty around the future of local government funding. These present significant levels of uncertainty and potential financial risk and instability.

- The ongoing impacts of Covid-19 remain uncertain, both in terms of service pressures and economically. The government has committed to providing £15.6m to support impacts of the pandemic but the timing and nature of a new workable normal is unknown and the ongoing impact of the pandemic on service demand levels is uncertain.
- The Office for Budget Responsibility (OBR) has forecast the economy will contract by 11.3% this year and will take until the end of 2022 to return to pre-pandemic levels. Unemployment is expected to peak in the second quarter next year at 7.5% and fall to 4.4% by 2025 (pre-pandemic was 3.8% in 2019) with more pessimistic scenarios showing unemployment peaking at 11% by the end of Q1 2021. There is significant variation in these predictions and the extent of unemployment and how quickly and fully the economy will recover is uncertain.
- The economic downturn and high unemployment rates could adversely impact the income derived from both Council Tax and Business rates. There is the potential for revaluations or reductions in Rateable Values for office space, fire stations and hospitals that could further adversely impact income received. The government has committed to providing funding for 75% of 'irrecoverable losses' but the total impact remains unclear.
- The economy could be further impacted by Brexit and the conditions of the UK's trade deal, both in terms of the financial outlook for local government funding and with regards to the availability of people in areas like social care, which have become heavily dependent on EU nationals.
- Service budgets already include an allowance for inflation, where appropriate. However, there could be a significant risk with Brexit that we see much higher inflation which drive additional cost pressures in 2021/22. Also, in the longer term, if actual inflation exceeds the Council's assumptions in the MTFS, this could potentially add significantly to the budget pressures we face.
- It was anticipated that there would be a three year Comprehensive Spending Review undertaken by the Government ahead of 2021/22, however this was delayed in order to focus on responding to the public health and economic impacts of the pandemic. The national reviews were due to provide clarity around the Fair Funding Review, Business Rates Review and Adult Social Care in the medium to long term. There was instead a one-year Spending Review to provide clarity for 2021/22. The demographic profile within West Sussex indicates that we have a higher and growing proportion of older people, which will bring increased demand for services, particularly adults' social care. In addition to this, we are also facing growing demand pressures from increased complexity of care needs, both of which may result in additional financial pressures.
- Within social care growing demand, whether from children looked after, people with a disability or older people, is a major risk. Part of this is the result of population growth, but equally relevant as cost drivers are rising complexity of needs and market-related pressures because of competition for service provision. The proposed increase in the National Living Wage to £10.50 per hour by 2024/25 will add further to this mix of factors.

- Changes in legislation or accounting policies in the future may have a financial impact for the Council. Any developments will be closely monitored and if there is any impact, this could potentially be mitigated through the temporary use of reserves.
- The Council will continue to keep the MTFS under review, given the high degree of uncertainty surrounding any potential impacts from the ongoing pandemic, Brexit and possible service pressures.

Section Six: Robustness of Estimates, Adequacy of Reserves and the Management of Risk

- 6.1 Section 25 of the Local Government Act 2003 requires each Chief Financial Officer to report to their authority about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Each authority is required to consider their Chief Financial Officer's report when setting the level of council tax. The Director of Finance and Support Services has provided the following assurance:

'By the end of 2020/21 the County Council will have delivered around 258m of savings since austerity began with public finances in 2010. Setting a balanced budget has become more challenging each year as we deal with uncertainty in government funding as well as increasing demand and costs, especially in our social care services. This is particularly relevant for 2021/22 given the financial uncertainty created by the pandemic'

2020/21 financial position

'The current year's budget came under pressure at the start of the year due to the uncertainty of the full impact of the pandemic alongside pressures within the normal County Council services. As at the end of September, we forecast a £5.5m overspend which will be managed through further management actions and/or the use of the Council's contingency budget to meet the estimated shortfall between the cost of the pandemic and the funding supplied from central government.

'In total we are projecting we will hold earmarked reserves (excluding schools and the General Fund) of £148.8m at the end of 2020/21, an increase of £5.9m compared to the forecast included in 2020/21 budget report (£142.9m). This largely relates to an increase in the balances on the districts and boroughs collection funds along with a reduction in the drawdown required from the Service Transformation Reserve.

Managing 2021/22 budget

'The savings proposals for 2021/22, £18.5m in total, take account of the ongoing effects of the current year's financial position. These savings have been assessed as robust, with reliable plans supporting them. The strategic decisions savings proposals are worth approximately £2.8m. In recent years West Sussex County Council has a good track record (in excess of 90%) in delivering its planned savings. The general contingency for the revenue budget is £6.4m.

'On-going robust financial management, strict budgetary control and the

on-going monitoring of both savings and investment delivery plans, with processes in place to promote these during the next year is necessary to ensure this budget is delivered. We have done this in previous years, and I believe our processes are robust for this purpose going forward.

'During 2021/22 improvement plans will be developed for all services to ensure services are delivered efficiently and effectively ensuring the long term sustainability of services.

CIPFA Financial Resilience Index

'A financial resilience index for local authorities is published by CIPFA to provide reassurance to councils who are financially stable as well as to prompt challenge where it may be needed. The index applies 15 measures, including areas such as reserves, flexibility with budget and reliance on different funding sources, including fees and charges. It compares the outcome for each authority to peer groups. It does not translate these 15 measures into any 'overall assessment' or make specific comment on the results. The latest published index was as at March 2019 and showed the Council had good resilience in terms of a strong council tax base and at the end of March 2019 had a reasonable level of overall reserves (earmarked and general reserves) when compared to other counties. Since March 2019 the Council still has a reasonable council tax base and the level of reserves has been maintained at a reasonable level.

Conclusion

'For the reasons listed in this section, I am comfortable as the County Council Chief Financial Officer that the Council is operating prudently and has sufficient financial resilience to deal with the risks highlighted within the budget report.

Katharine Eberhart
Section 151 Officer'

Section Seven: Precept and Council Tax

- 7.1 The 2021/22 council tax base is 337,276.40 Band D equivalents and is set out across the district and borough councils in Table 16 below. The table also shows the sums due under precepts from the respective authorities.

Table 16: Tax Base and Precept 2021/22

District/Borough Council	Tax base	Precept
Adur	21,232.80	£32,073,418.37
Arun	62,628.00	£94,603,351.68
Chichester	53,983.80	£81,545,768.93
Crawley	34,961.90	£52,812,047.66
Horsham	63,115.10	£95,339,145.45
Mid Sussex	62,223.80	£93,992,783.33
Worthing	39,131.00	£59,109,723.36
Total	337,276.40	£509,476,238.78

- 7.2 The impact of a 1.99% increase in Council Tax for General Fund purposes and a further 3% for Adults' Social Care, considered in the budget proposals outlined in the previous paragraphs, imply a precept requirement of £509.476m and a Band D council tax of £1,510.56.
- 7.3 The budget embodies the core principles of living within our means, protecting the vulnerable and bearing down vigorously on administration costs.

Section Eight: Equality Act Considerations

- 8.1 The County Council formulates its budget proposals having regard to the duties under the Equality Act 2010 and the likely impact on those with protected characteristics, as set out in the Treating People as Individuals Policy.
- 8.2 In the assessment of individual proposals and in the overall assessment of its plans for savings across portfolios the County Council must have regard to the public sector equality duty. This will ensure that all decisions that will be finally taken include an understanding of the likely impact upon persons with protected characteristics and the steps that are planned to mitigate any adverse impact or otherwise address the commitments the County Council has to its duty. Appendix 3 also mentions any requirement for an Equality Impact Assessment as part of the decision on the saving.
- 8.3 The budget approval does not constitute a final decision about what the Council's service priorities and service budget commitments will be, or about what sums must be saved within each service portfolio. Specific executive decisions will be taken by the relevant portfolio holders and directors; and shall be made based on a clear understanding of what the potential impacts of doing one thing rather than another will be for the residents of West Sussex. It will be open to directors and Cabinet Members at the time of taking those decisions to choose to spend more on one activity and less on another or, where necessary, to go back to County Council and invite it to reconsider the allocations to different service budgets within the overall Council budget that has been set.
- 8.4 An overarching Equality Impact Assessment has been carried out and is set out at Annex 3.

Section Nine: Other Issues

Human Resources Implications

- 9.1 The savings proposals already submitted and agreed by Cabinet Members and those specified within the budget indicate a potential impact for up to 103FTE, where known. This figure may change as plans develop over the coming months. This currently equates to approximately 2.2% of our active workforce as at the end of December 2020. Full consultation has and will continue to occur when needed.

Legal Implications

- 9.2 The County Council has a legal obligation to deliver a balanced budget within a prescribed timeframe each year. This is part of the set of legal obligations within the Local Government and Finance Acts 1992 and 2003 which also

describe the factors and financial considerations which must, in law, inform the calculation of the budget and any council tax precept. The Chief Financial Officer has a responsibility to give formal notice to the Council if those provisions are at risk of not being adhered to. Ultimately the Secretary of State has powers of intervention in local authorities which fail to meet their fiduciary duty. This report outlines how the budget will be balanced with £18.5m of savings. Despite the challenge of reduced government funding we continue to invest in priority areas to deliver the aims of the West Sussex Reset Plan to benefit our residents.

Recommended

That, taking account of the priorities contained in the West Sussex Reset Plan, the Medium Term Financial Strategy and the Provisional Local Government Finance Settlement and noting the Director of Finance and Support Services' assessment of the robustness of estimates and adequacy of reserves (Section 6), the following items be approved:

- (1) Net revenue expenditure in 2021/22 of £624.833m (as set out in paragraph 4.1 and Appendix 1);
- (2) An increase in council tax in 2021/22 of 4.99% comprising 3.00% for Adults' Social Care and 1.99% to support other General Fund services;
- (3) The following amounts be approved for the financial year 2021/22 in accordance with Section 42A of the Local Government Finance Act 1992:
 - (a) That the council tax requirement for 2021/22 is £509.476m.
 - (b) The council tax base for the year 2021/22 is the aggregate amount calculated of Band D equivalents by the billing authorities to which the County Council issues precepts totalling 337,276.40.
 - (c) The amount of council tax being the council tax requirement at 3(a) above divided by the council tax base at 3(b) above, shall be £1,510.56 to the nearest penny for Band D.
 - (d) The amount of council tax payable for dwellings listed in a particular valuation band, calculated in accordance with the proportion set out in Section 5(1) of the Act, shall be as follows:

Band	Amount	Band	Amount
A	£1,007.04	E	£1,846.24
B	£1,174.88	F	£2,181.92
C	£1,342.72	G	£2,517.60
D	£1,510.56	H	£3,021.12

- (e) That the district and borough councils be requested to make payments totalling £509.476m to West Sussex County Council of sums due under

precepts calculated in proportion to their council tax Band D equivalents as set out in section 7 of the report.

- (4) The delegation to the Director of Finance and Support Services of authority to make changes to the report on net revenue expenditure or to the precepts required:

- as a result of a change in the council tax base notified by the district and borough councils,
- arising from updated information from the district and borough councils to the council tax collection funds and business rates forecast and collection funds, or
- arising from any funding announcements from central government.

All such changes of funding (positive or negative) to be applied through the appropriate reserve.

- (5) The following further provisions:

- (a) The Capital Strategy for the period 2021/22 to 2025/26, as set out in Annex 2(a).
- (b) The Flexible Use of Capital Receipts Strategy as set out within the Capital Strategy, Annex 2(a), section 8.
- (c) The Treasury Management Strategy Statement 2021/22, as set out in Annex 2(b).
- (d) The Prudential Indicators, as set out in Annex 2(c).

Jeremy Hunt

Cabinet Member for Finance

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Annex 1 – Appendices

- 1 Summary of Revenue Budget and Precept 2021/22
- 2 Analysis of Changes
- 3 Balancing the Budget
- 4 Grants Towards Specific Services
- 5 Reserves
- 6 Detailed Portfolio Pages
 - Adults and Health
 - Children and Young People

Economy and Corporate Resources

Education and Skills

Environment

Finance

Fire & Rescue and Communities

Highways and Infrastructure

Leader

7 Fees and Charges

Annex 2(a) - Capital Strategy 2021/22 to 2025/26

Annex 2(b) - Treasury Management Strategy Statement 2021/22

Annex 2(c) - Prudential Indicators 2021/22 to 2025/26

Annex 3 – Equality Impact Assessment

Annex 4 – Member comments considered by Cabinet

Background Papers

None

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APPENDIX 1

Agenda Item 7
Annex 1

SUMMARY OF REVENUE BUDGET AND PRECEPT 2021/22

Total Net Expenditure 2020/21			Total Net Expenditure 2021/22	
Amount	Amount per Council Taxpayer (Band D equivalent)	SERVICE	Amount	Amount per Council Taxpayer (Band D equivalent)
£000	£		£000	£
209,423	620.36	Adults and Health	209,991	622.61
129,571	383.82	Children and Young People	132,631	393.24
52,805	156.42	Economy and Corporate Resources	49,278	146.11
20,815	61.66	Education and Skills	21,805	64.65
60,378	178.86	Environment	62,129	184.21
13,892	41.15	Finance	15,841	46.97
35,732	105.85	Fire & Rescue and Communities	38,042	112.79
35,401	104.87	Highways and Infrastructure	36,577	108.45
1,452	4.30	Leader	1,452	4.30
559,469	1,657.29	SERVICE TOTALS	567,746	1,683.33
28,719	85.07	Capital Financing Costs	28,934	85.79
2,377	7.04	Revenue Contribution to Capital Outlay - County Council	532	1.58
500	1.48	Revenue Contribution to Capital Outlay - Business Rates Pilot	1,900	5.63
-2,970	-8.80	Investment Income	-2,970	-8.81
6,832	20.24	General Contingency	6,400	18.98
0	0.00	Pay Contingency	2,200	6.52
25	0.07	Care Leavers Council Tax Support	25	0.07
-595	-1.76	Transfers to/from (-) Earmarked Reserves - County Council	21,966	65.13
-500	-1.48	Transfers to/from (-) Earmarked Reserves - Business Rates Pilot	-1,900	-5.63
34,388	101.86	NON-SERVICE TOTALS	57,087	169.26
593,857	1,759.15	NET EXPENDITURE	624,833	1,852.59
-85,110	-252.12	Business Rates Retention Scheme	-79,257	-234.99
0	0.00	Covid-19 Expenditure Pressures Grant	-15,618	-46.31
0	0.00	Local Council Tax Support Grant	-6,628	-19.65
-3,713	-11.00	New Homes Bonus Grant	-2,352	-6.98
-17,343	-51.37	Social Care Support Grant	-18,169	-53.87
-2,000	-5.92	Collection Fund Surplus (-) / Deficit	6,667	19.77
485,691	1,438.74	PRECEPT	509,476	1,510.56
3.99%	Increase in Council Tax Band D on Previous Year		4.99%	
337,580.90	Council Tax Band D Equivalents		337,276.40	

APPENDIX 2

ANALYSIS OF CHANGES

PORTFOLIO	Budget 2020/21	Pay and prices	Committed and Service Changes	Balancing the Budget (Appendix 3)	Total Change in Spending (col 2+3+4) ¹	Transfers between Portfolios	Overall Change in Spending (col 5+6)	Budget 2021/22 (col 1+7)
	column 1	column 2	column 3	column 4	column 5	column 6	column 7	column 8
	£000	£000	£000	£000	£000	£000	£000	£000
Adults and Health	209,423	237	8,369	-7,976	630	-62	568	209,991
Children and Young People	129,571	351	6,286	-3,906	2,731	329	3,060	132,631
Economy and Corporate Resources	52,805	694	649	-3,371	-2,028	-1,499	-3,527	49,278
Education and Skills	20,815	216	1,439	-781	874	116	990	21,805
Environment	60,378	786	1,907	-540	2,153	-402	1,751	62,129
Finance	13,892	24	256	-203	77	1,872	1,949	15,841
Fire & Rescue and Communities	35,732	181	1,734	-438	1,477	833	2,310	38,042
Highways and Infrastructure	35,401	1,016	1,494	-1,297	1,213	-37	1,176	36,577
Leader	1,452	4	-9	-1	-6	6	0	1,452
SERVICE TOTALS	559,469	3,509	22,125	-18,513	7,121	1,156	8,277	567,746
Capital Financing Costs	28,719		215		215		215	28,934
Revenue Contribution to Capital Outlay - County Council	2,377		-1,845		-1,845		-1,845	532
Revenue Contribution to Capital Outlay - Business Rates Pilot	500		1,400		1,400		1,400	1,900
Investment Income	-2,970				0		0	-2,970
General Contingency	6,832		724		724	-1,156	-432	6,400
Pay Contingency	0		2,200		2,200		2,200	2,200
Care Leavers Council Tax Support	25				0		0	25
Transfers to/from (-) Earmarked Reserves - County Council	-595		22,561		22,561		22,561	21,966
Transfers to/from (-) Earmarked Reserves - Business Rates Pilot	-500		-1,400		-1,400		-1,400	-1,900
NON-SERVICE TOTALS	34,388	0	23,855	0	23,855	-1,156	22,699	57,087
NET EXPENDITURE	593,857	3,509	45,980	-18,513	30,976	0	30,976	624,833

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

APPENDIX 3

BALANCING THE BUDGET

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
	£000	£000	£000			
Adults and Health:						
<i>Strategic Decisions:</i>						
Review of in-house residential services	640		640	In 2018 the 'Choices for the Future' transformation programme for in-house services was approved by the Adults Cabinet Member. Within the programme there was a commitment to review the in-house residential services. The County Council is developing an accommodation strategy, partly as significantly fewer referrals are being made to older people's residential services due to initiatives like Home First. It is anticipated there could be opportunities to redevelop some sites into extra care housing or release for a capital receipt. One of these is Marjorie Cobby House in Selsey, which is a resource centre that works primarily with St Richard's Hospital, providing Discharge to Assess (D2A) and interim beds. Since the introduction of Home First and the increase of capacity in the Community Rehabilitation Services there has been a change in referral patterns into the service. It is anticipated there will be a need for a small provision of D2A beds in the Western area, which could be purchased in the external market and closer to the acute setting. The cost for replacing eight beds is approximately £320K, which would be funded from the gross saving to deliver a net benefit of £640k. Marjorie Cobby House is not a long stay resource so impacts for families and people using the service will be minimised if closure is agreed, following consultation that will include staff.	Up to 50 people, circa 30 fte, will be affected. There will be some opportunities for redeployment.	Usual EIA Methodology will apply
Review of Shaw day services	250		250	Shaw day services are provided at six of the 12 care homes that are operated by Shaw Healthcare as part of a block contract on behalf the County Council. Before Covid-19 pandemic closed the services on the 25th March 2020, 92 people were registered to attend the six services which were operating at an average of 45% attendance against capacity. This meant that the County Council was paying for places that were not being used. Since March operational staff report that now only 50 people are either able to or want to return to the same day service provision meaning that demand has significantly reduced further.	n/a	Usual EIA Methodology will apply
Review of Lifelong services day services		2,240	2,240	The County Council has a clear strategic intent to reduce dependence on building based day services for people with learning disabilities and to ensure that people, wherever possible, are able to access local community provision. There is a renewed focus on enabling independence and increasing employment opportunities. There is an intention to significantly reduce the spend on building based services to create the savings. This will be phased in part due to the reduced use of day provision during Covid-19 and the emergence of new ways of offering support, the opportunities afforded by the re-procurement of services at the end of the current contract in March 2022 and continued development of the Council provided day services. Initial discussions have been held with contracted day services about a new model and there will be further consultation with all stakeholders including customers and family carers.	n/a	Usual EIA Methodology will apply

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
<i>Business as usual:</i>						
Non-residential customers to remain at home with reduced package	890	2,610	3,500	An additional 1600 people to benefit from reablement prior to receiving long-term care. The service is proven to deliver better care outcomes. The outcome is expected to be average reductions in care packages that will fund both the increase in investment and produce a net saving.	n/a	Not likely to be required
Redirecting residential customers to home-based care		2,020	2,020	Around 670 older people enter residential care per year, excluding nursing placements. Through the promotion of independence, the aim is to reduce that total by around 450, which is in line with best practice.	n/a	Not likely to be required
Increase supply and use of shared lives carers	448		448	30 additional placements, saving an average of £15k per person per year after allowing for additional investment of £50k in Shared Lives.	n/a	Not likely to be required
Supported Living - transfer of customers from residential provision	1,059		1,059	50 customers to move from residential care to supported living, saving an average of £500 per person per week.	n/a	Not likely to be required
Increase number of customers supported by live-in care	106		106	5 customers to be supported through live-in care rather than by personal assistants/domiciliary care, saving an average of £21.2k per person per year.	n/a	Not likely to be required
Reduce use of single person services for customers where shared services may be suitable	114		114	6 customers currently living in single person services, who would be suitable for living in a shared service, to be moved into new arrangements, saving an average of £19k per person per year.	n/a	Not likely to be required
Absorption of demand growth for adult social care from older people through demand management	4,361		4,361	Demand growth will be managed within the limits of the existing budget, so avoiding the need for the County Council to provide the increase in funding that otherwise would have been necessary. Most of this will be delivered from the full-year effect of actions that are already in place, such as Home First, technology enabled care and an increase in provision of extra care housing.	n/a	Not likely to be required
Review of agency staff	108		108	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	7,976	6,870	14,846			
Children and Young People:						
<i>Strategic Decisions:</i>						
National House Project	250	750	1,000	<p>The National House Project is a social enterprise built with young people leaving care, providing sustainable homes and a community of support that enables young people to have confidence in themselves and their future.</p> <p>The cost of accommodation for young people represents one of the highest challenges to local authority budgets. National House Projects deliver improved outcomes for young people at lower costs and reduces demand on wider local authority and partner agency budgets with fewer tenancy breakdowns, improved emotional, physical and mental health and less contact with criminal justice services.</p> <p>Savings of up to £0.2m per annum could be achieved for every residential placement avoided, meaning maximum savings potential of £2m per annum based on a cohort of 10 young people. However, in reality not all young people will be stepped down from residential placements, but potentially foster placements which cost less.</p>	n/a	Usual EIA Methodology will apply

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
Increase in Council's top slice of Early Years DSG to compensate for lost Central DSG grant funding used for wider benefit of children and young people	225	225	450	<p>To compensate for the continued reduction of DSG grant for the Central Services Schools block used to fund support to the MASH, Early Help services and Education Area Inclusion and Improvement Boards the council could increase the total funds to be topsliced from the DSG Early Years block. Under the Early Years funding regulations 95% of the Early Years funding for 3 and 4 year olds must be passed through to Early Years providers, but the remaining 5% can be topsliced by the County Council towards the overheads incurred in running the service. Since we are currently only topslicing 4% of this budget, we can under the national regulations look to increase our share by a further 1% (£0.450m).</p> <p>The proposed increase in the County Council's centrally retained element equates to 5p per pupil on the hourly rate paid to Early Years providers. This will need to be phased in over the next two years. The DSG funding rates paid to the County Council are set to increase by 8p per hour for 2 year olds and 6p per hour for 3 and 4 year olds in 2021/22.</p>	n/a	Not likely to be required
<i>Business as usual:</i>						
In-house residential programme – reduced independent placement costs	200	100	300	<p>The focus of phase 1 of this proposal is the reopening of the 3 closed homes (Cissbury Lodge, May House and Seaside) in order to both increase capacity and create more appropriate, safe and high-quality provision in response to demand. This will avoid cost in external agency residential placements, particularly high-cost out of county placements, through better meeting the needs of more complex children in county.</p> <p>Phase 2 will focus on investing in the 3 open homes (Orchard House, High Trees and Teasel Close) in order to resolve critical issues with the sites and close the gap between good and outstanding care.</p>	n/a	Usual EIA Methodology will apply
Reduce the number of solo placements and retainers	100	95	195	The main aim of this proposal is to reduce annual spend on solo placements by 50% from 2021 to 2025, with the assumption that the alternative would be shared accommodation sourced through the Dynamic Purchasing System at £1.3k per week, the cost of which has been taken into account when calculating savings.	n/a	Usual EIA Methodology will apply
Improved commissioning for children's social care service	1,800	750	2,550	This proposal includes a number of initiatives that will look to step down young people from a residential care into an alternative setting, increase market capacity to effect a change from spot purchasing to increased block contracting, reduce the excessive costs of the most expensive residential placements, and ensure any additional costs are closely monitored to ensure good outcomes and best use of resources.	n/a	Usual EIA Methodology will apply
Early help restructure (year 2 savings)	550	400	950	Redesign of the service to deliver a more targeted Early Help offer, focussed towards supporting the most vulnerable children and families (year 2 of earlier decision).	40-50	Usual EIA Methodology will apply

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
Lease of vacant properties to reduce intentionally homeless costs	100		100	The council is proposing to enter into a lease agreement with a registered housing provider, through which approximately 10 Vacant council owned properties will be used to accommodate intentionally homeless families rather than bed and breakfast arrangements.	n/a	Not likely to be required
Increased grant funding towards support for unaccompanied asylum seeking children	450		450	Increased grant funding rate for 18+ unaccompanied asylum seeking children leaving care.	n/a	Not likely to be required
Review of agency staff	231		231	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	3,906	2,320	6,226			
Economy and Corporate Resources:						
<i>Strategic Decisions:</i>						
IT service redesign	500	250	750	The current contract for IT services concludes at the end of September 2022 and work has demonstrated that there are benefits to the council of moving to a new provision model at an earlier date.	n/a	Not likely to be required
Review of Democratic Support	108		108	Removal of post supporting the Community Initiative Fund and a review of member and meeting costs.	1	Usual EIA Methodology will apply
Public Health – use of uncommitted Public Health Grant/other changes within existing contracts	370	88	458	This savings has two elements. (1) Decommissioning of the Help at Home Contract. This has provided a subsidised home support service, but has been used by significantly fewer people during the Covid-19 pandemic and does not align with the County Council's current model of community led support for adult social care. There will be a tapered withdrawal of the service accompanied by ongoing assessment of service user needs and integration with community support. (2) A reduction of £0.1m in the Wellbeing Programme. This will focus on activity that has been disrupted due to Covid-19 and the options created as a result.	n/a	Not likely to be required
<i>Business as usual:</i>						
Reduction in professional fees to support One Public Estate (OPE) delivery	50		50	Reprioritisation of the OPE programme will reduce the requirement for external technical advice and project management.	n/a	Not likely to be required
Review of Economy project budgets	100		100	Projects have now entered the delivery phase and technical and project support is no longer required within the revenue budget.	n/a	Not likely to be required
Digital Infrastructure - 1 FTE Vacancy Freeze	45	-45	0	1 Fte has been frozen for 2021/22 only within the Digital Infrastructure team.	1	Not likely to be required
Facilities Management - associated services	40		40	The reprocurement of soft FM services has led to savings in service provision.	n/a	Not likely to be required
Reshaping communications offer	200		200	A review of the Communications support offered to the County Council in light of changing requirements.	2-4	Usual EIA Methodology will apply
Reduction in corporate stationary requirements	100		100	Savings arising from reduced demand for stationery as a result of new ways of working.	n/a	Not likely to be required
Licencing savings following reprocurement of ERP Solution	400		400	Efficiencies resulting from the replacement of the corporate system which supports the Council with its HR and Finance processes.	n/a	Not likely to be required
Reduction in legal costs required for child protection cases	200		200	Reduction in the level of support required to support child protection cases.	n/a	Not likely to be required

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
HR service redesign	300		300	Restructuring of HR Services to reflect support required to frontline services.	3-5	Usual EIA Methodology will apply
Review of agency staff	118		118	Savings from contract reprocurement.	n/a	Not likely to be required
Public Health – use of uncommitted Public Health Grant/other changes within existing contracts	840	0	840	This saving covers a mix of items, utilising £0.49m of uncommitted growth funding from 2020/21 together with measures that will reduce spending in areas like Substance Misuse but with limited impacts on current activity levels. This will allow expenditure in Economy and Corporate Resources that supports delivery of Public Health to be recharged against the Public Health Grant and so realise the saving.	n/a	Not likely to be required
Sub-total	3,371	293	3,664			
Education and Skills:						
<i>Business as usual:</i>						
Home to school transport – increased internal fleet and greater taxi competition	500		500	There are a number of workstreams already in motion such as paying parents a fuel allowance and annual reviews of lone taxi use. Proposed new initiatives to reduce transport costs include the following: i) Investing and increasing our own internal fleet of minibuses and cars to reduce the need for external commissioning of some SEND transport; ii) Investigating the recent increase in taxi competition due to a downturn in public use to bring greater efficiencies and savings in contract and journey costs which have been controlled by a limited supply; iii) Investigating route and branch project reviews of our transport approach and focusing on particular programmes to bring longer term savings and creative approaches that have not had the time or capacity to undertake internally.	n/a	Not likely to be required
Improve school trading offer (year 2 savings)	150		150	A number of trading opportunities are being explored and developed with the view of increasing overall income (year 2 of earlier decision).	n/a	Not likely to be required
Charge Inclusion and Disadvantaged Pupils Programme to School Effectiveness	127		127	The Disadvantaged Pupils programme is to be funded out of the existing School Effectiveness budget which is funded by government grant next year thereby making a saving within the commissioned school improvement budget.	n/a	Not likely to be required
Closure of Martlets Public Café	0		0	Cost avoidance from closure of onsite catering facility.	4	Not likely to be required
Review of agency staff	4		4	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	781	0	781			

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
Environment:						
<i>Strategic Decisions:</i>						
Reduction in MBT Insurance		750	750	Reduction in the Insurance Premium for the MBT facility at Warnham.	n/a	Not likely to be required
<i>Business as usual:</i>						
Review Countryside Fees and Charges	20		20	Review current fees and charges to ensure cost recovery.	n/a	Not likely to be required
Community support for the mobile Household Waste Recycling Sites (HWRS)	50		50	Changes to the funding arrangements in respect of service provision in Selsey and the Witterings.	n/a	Not likely to be required
Restructure of Waste Prevention budgets	128		128	Review of waste prevention support and projects.	n/a	Not likely to be required
Restructure of Electricity Budget	190		190	Savings to reflect the continued reduction in the unit rates in wholesale energy costs.	n/a	Not likely to be required
Development of battery storage site	100		100	Additional income arising from the development of the Halewick Lane site including provision of a Battery storage Facility.	n/a	Usual EIA Methodology will apply
Charge for monitoring travel plans	50		50	The Council requires developers to provide travel plans to support initiatives such as sustainable travel on new sites. The cost of monitoring these plans should be met by the developer and will be through this charge. The charge will be introduced through the planning process and agreed as part of the application.	n/a	Not likely to be required
Review of agency staff	2		2	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	540	750	1,290			
Finance						
<i>Business as usual:</i>						
Finance service redesign following implementation of ERP		250	250	Efficiency savings resulting from ERP implementation.	3-4	Usual EIA Methodology will apply
Asset & Estates holding of staffing changes	96	-66	30	Review of recruitment plans to deliver temporary and permanent savings without significant impact on ability to deliver the service.	1	Not likely to be required
Reduction in business rates payable on corporate estate	100		100	Rationalisation in County Council building estate through implementation of the Asset Strategy will reduce business rate liability.	n/a	Not likely to be required
Review of agency staff	7		7	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	203	184	387			

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
Fire & Rescue and Communities:						
<i>Strategic Decisions:</i>						
Development of adapted library service offer in conjunction with Parish Councils	70		70	The opportunity exists to explore the potential for a Parish to take over the existing Library building whilst maintaining a self-service library offer for the community. The way in which this might work would be dependent on discussions with the individual Parish. Depending on those discussions, savings could also be made on property maintenance (dependent on the continued level of support WSCC wishes to provide), IT and staff supervision.	2	Usual EIA Methodology will apply
Removal of Community Initiative Fund (CIF)	140		140	Cessation of the Community Initiative Fund.	n/a	Usual EIA Methodology will apply
<i>Business as usual:</i>						
Increased income from copy certificates for registrars services	150		150	Increased income as a result of increases in statutory charges for copy certificates.	n/a	Not likely to be required
Review of Partnerships & Communities Team	70		70	Developments in partnership working enable consolidation of team structure and release of vacant posts.	1	Not likely to be required
Review of agency staff	8		8	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	438	0	438			
Highways and Infrastructure:						
<i>Strategic Decisions:</i>						
Review highway and transport fees and charges	200		200	Review opportunities to introduce new fees and charges and levels of charge in respect of Highway and Transport services.	n/a	Not likely to be required
<i>Business as usual:</i>						
Use of one off funding to support highways and transport priorities	500		500	Use of unallocated reserve funding.	n/a	Not likely to be required
Reduced level of demand for concessionary bus travel scheme	400		400	Reflects reduced demand for concessionary travel.	n/a	Not likely to be required
Review the management of graffiti removal	50		50	Review approach to graffiti removal and management across the County, with no reduction to service.	n/a	Not likely to be required
On street parking (year 2 savings)	76	75	151	Additional income expected from the implementation of the County Council's Parking Management Plan (year 2 of earlier decision).	n/a	Not likely to be required
Redesign processes for the delivery of highways schemes	50		50	Review the processes for delivery of highways and TROs to improve efficiency. The capital funding for delivery of these schemes remains unchanged.	n/a	Not likely to be required

APPENDIX 3

Activity	2021/22	2022/23	Total	Description	Estimated fte impact (if known)	Equality Impact Assessment (EIA)
Review of agency staff	21		21	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	1,297	75	1,372			
Leader						
Business as usual:						
Review of agency staff	1		1	Savings from contract reprocurement.	n/a	Not likely to be required
Sub-total	1	0	1			
Overall total	18,513	10,492	29,005			
Portfolio Summary:	2021/22	2022/23	Total			
	£000	£000	£000			
Adults and Health	7,976	6,870	14,846			
Children and Young People	3,906	2,320	6,226			
Economy and Corporate Resources	3,371	293	3,664			
Education and Skills	781	0	781			
Environment	540	750	1,290			
Finance	203	184	387			
Fire & Rescue and Communities	438	0	438			
Highways and Infrastructure	1,297	75	1,372			
Leader	1	0	1			
Total	18,513	10,492	29,005			

GRANTS TOWARDS SPECIFIC SERVICES

Portfolio and Grant	2020/21 Budget	2021/22 Budget	Change from 2020/21 Budget	
Specific Government Grants ¹	£000	£000	£000	%
Adults and Health				
Independent Living Fund	4,309	4,309	0	0.0
Local Reform and Community Voices	465	473	8	1.7
Social Care in Prison	68	65	-3	-4.4
Syrian Vulnerable Persons Resettlement Scheme	155	441	286	184.5
Public Health	19,221	19,525	304	1.6
Improved Better Care Fund	19,878	19,878	0	0.0
War Pensions Scheme Disregard	153	137	-16	-10.5
Children of Alcohol Dependent Parents	194	0	-194	-100.0
Rough Sleeping	238	0	-238	-100.0
HIV Pre-exposure Prophylaxis	0	139	139	N/A
	44,681	44,967	286	0.6
Children and Young People				
Dedicated Schools	49,124	49,599	475	1.0
Child Asylum Seekers	2,774	2,774	0	0.0
Adoption Support Fund	1,530	1,830	300	19.6
Asylum - Leaving Care	884	1,684	800	90.5
Public Health	12,962	13,122	160	1.2
Troubled Families	1,190	1,190	0	0.0
Staying Put	241	359	118	49.0
Youth Justice Good Practice	552	563	11	2.0
Improved Better Care Fund	128	128	0	0.0
Extending Personal Advisor Offer (Care Leavers)	72	108	36	50.0
	69,457	71,357	1,900	2.7
Economy and Corporate Resources				
Public Health	0	1,210	1,210	N/A
	0	1,210	1,210	N/A
Education and Skills				
Dedicated Schools	586,801	643,372	56,571	9.6
16-19 Sixth Form	13,403	12,793	-610	-4.6
Pupil Premium	13,723	13,492	-231	-1.7
Crawley Schools PFI	4,532	4,532	0	0.0
Extended Rights to Free Travel	417	483	66	15.8
Higher Education Funding Council for England	120	95	-25	-20.8
PE & Sports	3,400	3,330	-70	-2.1
Universal Free School Meals	7,363	7,100	-263	-3.6
Skills Funding Agency	3,006	3,006	0	0.0
Moderation and Phonics Key Stage 2	27	27	0	0.0
School Improvement Monitoring and Brokerage	800	825	25	3.1
European Structural and Investment Fund	168	0	-168	-100.0
Teachers Pensions	12,403	0	-12,403	-100.0
Teachers Pay	4,344	0	-4,344	-100.0
	650,507	689,055	38,548	5.9
Environment				
Waste PFI	2,124	2,124	0	0.0
	2,124	2,124	0	0.0

APPENDIX 4

Portfolio and Grant	2020/21 Budget	2021/22 Budget	Change from 2020/21 Budget	
Finance				
Inshore Fisheries and Conservation Support	148	148	0	0.0
	148	148	0	0.0
Fire & Rescue and Communities				
Public Health	832	832	0	0.0
Fire Revenue	2,199	2,199	0	0.0
	3,031	3,031	0	0.0
Highways and Infrastructure				
Street Lighting PFI	6,069	6,069	0	0.0
Bus Service Operators	436	436	0	0.0
Lead Local Flood Authority	66	66	0	0.0
Public Health	50	50	0	0.0
	6,621	6,621	0	0.0
TOTAL SPECIFIC GOVERNMENT GRANTS	776,569	818,513	41,944	5.4
¹ Where final grant confirmations are outstanding, provisional 2021/22 allocations have been budgeted				
Memo: Other Non-Service and Financing Grants	2020/21 Budget	2021/22 Budget	Change from 2020/21 Budget	
	£000	£000	£000	%
Business Rate Retention Scheme	85,110	79,257	-5,853	-6.9
Covid-19 Expenditure Pressures Grant	0	15,618	15,618	N/A
Local Council Tax Support Grant	0	6,628	6,628	N/A
New Homes Bonus Grant	3,713	2,352	-1,361	-36.7
Social Care Support Grant	17,343	18,169	826	4.8
TOTAL OTHER NON-SERVICE AND FINANCING GRANTS	106,166	122,024	15,858	14.9

APPENDIX 5

RESERVES

Reserve	Projected balance at 31 March 2021 £000	Projected balance at 31 March 2022 £000	Description
Adult Social Care Support Grant	-1,317	-299	Earmarked as a contribution towards funding the cost of engaging a strategic partner to support the delivery of the Adults' Improvement Programme.
Budget Management	-35,066	-38,248	Held to guard against uncertainty and volatility over future Local Government Finance Settlements, business rate income and localisation of Council Tax benefits, as well as guarding against the risk of non delivery of savings. The projected balances do not include any adjustments which are required to reflect the final collection fund and business rates figures for 2021/22 once these are confirmed by billing authorities, including the 2021/22 s31 grant and 2020/21 reconciliation payment, or any changes arising from the final Local Government Finance Settlement.
Business Infrastructure	-256	-256	Reserve held to pump-prime local economic developments, through developing the broadband network, facilitating new business start-ups, and financing internal infrastructure improvements using local contractors where appropriate.
Business Rates Pilot	-20,750	-18,850	This reserve holds the gains from the 75% business rates retention pilot scheme from 2019/20. The gain will be invested jointly by the County Council and Districts/Boroughs on project work with economic benefit, but is reflected in the County's budget as the lead authority.
Children First Improvement Plan	-2,000	-500	Reserve created to support the delivery of the Children First Improvement Plan. The balance at 31 March 2021 represents a planned outturn carry-forward to be applied in 2021/22 to fund ongoing improvement work.
Contracts Reserve	-349	-349	Provides for potential claims arising from the settlement of contractual arrangements.
Covid-19 Fund	0	-22,246	Holds the balance of monies allocated by central government to support local authorities with pressures arising from the coronavirus pandemic. It is expected that all funding received up to 31 March 2021 will be deployed in 2020/21. The 31 March 2022 balance provisionally includes the new Covid-19 Expenditure Pressures and Local Council Tax Support grants which are being held in the reserve pending spending decisions.
Economic Growth Reserve (including Strategic Economic Plan)	-1,671	-1,648	Held to deliver the Economic Growth Plan 2018-2023, including the progression of the economic priorities within the Coast to Capital Local Enterprise Partnership.
Elections	-600	0	To hold annual contributions built into the base revenue budget. Will be used to finance administrative costs in an election year.
Highways Commuted Sums	-4,282	-4,880	Holds a balance of contributions received from developers in respect of future maintenance costs of non-standard highways infrastructure.

APPENDIX 5

Reserve	Projected balance at 31 March 2021 £000	Projected balance at 31 March 2022 £000	Description
Infrastructure Works Feasibility	-801	-2,324	Reserve held to support the development of the County Council's Capital Programme.
Insurance	-4,349	-4,349	Held in respect of the Authority's self-funding insurance scheme, to provide for the risk of unknown future claims. The value of the reserve is subject to regular review by independent insurance advisers to assess its validity in consideration of historical and market trends.
Interest Smoothing Account	-2,111	-2,111	Held to meet temporary shortfalls arising from fluctuations in interest rates, such as a reduction in investment returns or increased costs of borrowing, in line with the prudence principle in the financial strategy over matters over which the Council has little control.
Investment Property Sinking Fund	-100	-200	Held to meet one off expenses associated with the maintenance of the Council's commercial investment property portfolio.
NNDR Appeals	-460	-460	To cover the council's share of any potential liability following successful business rates appeals.
On Street Parking	-1,250	-1,250	Represents the surplus of charges over enforcement and associated costs, which is used to finance on street parking development and eligible transport network expenditure.
One Public Estate	-120	-120	Reserve established in 2017/18 to hold the balance of Government grant funding received to develop plans for rationalising the public estate together with partners including District Councils, Health and Sussex Police.
Crawley Schools Private Finance Initiative (PFI)	-140	-140	The PFI reserves hold the surplus of government credits and other sources of finance over unitary charge payments and other expenditure in the early years of the respective contracts, to meet future expenditure over the life of the PFI arrangements. This equalises the costs to the taxpayer of building and maintaining the facilities over the duration of the contracts. This is underpinned by detailed financial models to ensure that the schemes remain solvent throughout their durations.
PFI Street Lighting	-23,466	-23,024	
PFI Waste Management	-10,541	-10,341	
Schools Sickness and Maternity Insurance Scheme	-1,933	-1,933	Holds the accumulated surplus on the Sickness and Maternity Insurance Scheme operated by the Authority for its maintained schools.
Service Transformation Fund	-9,113	-9,113	The Service Transformation Fund is held to meet the costs of major organisational transformation. It is used to fund short-term costs in order to deliver on-going savings, and as a source of investment to finance improvements to services so that they become more efficient and provide better outcomes.

APPENDIX 5

Reserve	Projected balance at 31 March 2021 £000	Projected balance at 31 March 2022 £000	Description
Statutory Duties Reserve	-2,256	-2,256	Holds funding to meet any obligations over and above that which the Authority has made provision for, such as those relating to payments made outside of payroll, and to meet any costs associated with the implementation of the General Data Protection Regulation (GDPR) and Health and Safety requirements.
Street Works Permit Scheme	-194	-194	Street Works Permit surplus income transferred into reserve as the use of this income is restricted to supporting the delivery of the scheme in line with legislation.
Unapplied Revenue Grants	-360	-360	The Unapplied Revenue Grants reserve represents the unspent balance on revenue grants which are received for specific purposes but where there are no outstanding conditions on the grant which could require its repayment. The grant has therefore been recognised in full in accordance with accounting standards, but the unapplied balance is held in a reserve to fund future expenditure plans relevant to the purpose of the grant.
Waste Management MPMC	-25,350	-23,450	An investment fund to meet the 25-year Materials Resource Management Contract (MPMC) with Biffa Waste Services Ltd for the treatment and disposal of waste, including the development of appropriate facilities.
TOTAL EARMARKED RESERVES (NON SCHOOLS)	-148,835	-168,901	
Dedicated Schools Grant (DSG)	12,459	18,236	Dedicated Schools Grant: DSG is ring-fenced and can only be applied to finance expenditure on schools. This includes individual school budgets and an element of central expenditure on educational services provided on an authority-wide basis. The accumulated deficit on the reserve is carried forward to be funded from future DSG income in accordance with statute.
School Balances	-15,544	-15,544	The School Balances reserve holds net underspending on locally managed budgets.
TOTAL EARMARKED RESERVES (SCHOOLS & NON SCHOOLS)	-151,920	-166,209	
General Fund	-20,286	-20,286	The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment.
Capital Receipts Reserve	-259	-259	Holds the balance of receipts generated through the disposal of assets which have yet to be applied to finance spend via the capital programme.

APPENDIX 5

Reserve	Projected balance at 31 March 2021 £000	Projected balance at 31 March 2022 £000	Description
Capital Grants Unapplied	-45,400	-45,400	Holds the unspent balance on capital grants which are received for specific purposes where there are no outstanding conditions on the grant which could require repayment.
TOTAL USABLE RESERVES	-217,865	-232,154	

Agenda Item 7
Annex 1

APPENDIX 6

ADULTS AND HEALTH

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Older People						
<i>Commissioned Costs</i>						
20,446 Nursing Care (OP)	31,485	-14,094	0	0	17,391	-14.9%
34,220 Residential Care (OP)	76,557	-26,894	-5,502	-13,062	31,099	-9.1%
14,552 Personal Budgets - Council Managed (OP)	33,301	-9,450	-1,869	-1,616	20,366	40.0%
5,729 Personal Budgets - Direct Payments (OP)	6,685	-1,368	0	-48	5,269	-8.0%
<i>Other Costs</i>						
2,388 In-House Day and Residential Care (OP)	2,107	-69	0	-392	1,646	-31.1%
9,234 Social Care Activities (OP)	14,977	0	-4,764	-1,509	8,704	-5.7%
86,569	165,112	-51,875	-12,135	-16,627	84,475	-2.4%
Physical and Sensory Impairment						
<i>Commissioned Costs</i>						
2,190 Nursing Care (PSI)	2,042	-410	0	0	1,632	-25.5%
6,222 Residential Care (PSI)	6,582	-686	0	0	5,896	-5.2%
4,520 Personal Budgets - Council Managed (PSI)	7,196	-869	0	-105	6,222	37.7%
8,081 Personal budgets - Direct Payments (PSI)	9,305	-724	0	-1,021	7,560	-6.4%
621 Social care activities (PSI)	615	0	0	0	615	-1.0%
21,634	25,740	-2,689	0	-1,126	21,925	1.3%
Learning Disabilities						
1,155 Nursing Care (LD)	1,162	-118	0	0	1,044	-9.6%
40,571 Residential Care (LD)	42,444	-3,210	0	0	39,234	-3.3%
34,245 Personal Budgets - Council Managed (LD)	40,844	-2,740	0	-2,745	35,359	3.3%
7,326 Personal Budgets - Direct Payments (LD)	10,652	-544	0	-1,081	9,027	23.2%
0 Preventative Services (LD)	1,328	0	-1,328	0	0	N/A
In-House Day and Residential Care						
10,345 Recharges (LD)	10,427	0	0	0	10,427	0.8%
3,275 Health Services (LD)	3,805	0	-403	-128	3,274	0.0%
<i>Other Costs</i>						
3,312 Social Care Activities (LD)	3,366	0	0	0	3,366	1.6%
-19,064 CCG Contribution to Pooled Budget	0	0	-19,333	0	-19,333	1.4%
81,165	114,028	-6,612	-21,064	-3,954	82,398	1.5%

APPENDIX 6

ADULTS AND HEALTH

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Working Age Mental Health						
<i>Commissioned Costs</i>						
1,666 Nursing Care (MH)	2,567	-63	0	0	2,504	50.3%
8,417 Residential Care (MH)	9,894	-506	0	0	9,388	11.5%
2,921 Personal Budgets - Council Managed (MH)	7,192	-234	0	-33	6,925	137.1%
966 Personal Budgets - Direct Payments (MH)	1,079	-50	0	-19	1,010	4.6%
-13,970 Recharges To Health	0	0	-19,827	0	-19,827	41.9%
<i>Other Costs</i>						
430 Social Care Activities (MH)	3,150	0	-2,262	-150	738	71.6%
County Council Contribution to Pooled						
9,185 Budget	9,481	0	0	0	9,481	3.2%
9,615	33,363	-853	-22,089	-202	10,219	6.3%
Assistive Equipment and Technology						
0 Community Equipment	9,139	0	-9,139	0	0	N/A
0 Telecare	879	0	-879	0	0	N/A
0	10,018	0	-10,018	0	0	N/A
Universal Services						
0 Community Reablement Service	2,719	0	-2,719	0	0	N/A
0 Occupational Therapy & Sensory Services	6,045	0	-5,678	-367	0	N/A
0 Meals on Wheels	934	-934	0	0	0	N/A
2,050 Support for Carers	4,882	0	-1,950	-870	2,062	0.6%
0 Information and Early Intervention	760	0	-760	0	0	N/A
2,050	15,340	-934	-11,107	-1,237	2,062	0.6%

APPENDIX 6

ADULTS AND HEALTH

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Other Responsibilities						
	Independent Mental Capacity					
1,320	Act/Deprivation of Liberty Safeguarding	1,461	0	0	-158	1,303 -1.3%
100	Local Assistance Network	100	0	0	0	100 0.0%
2,341	Housing Related Support	2,704	0	-350	0	2,354 0.6%
795	Safeguarding	1,296	0	-223	-210	863 8.6%
2,201	Commissioning and Service Delivery	4,072	0	-883	-532	2,657 20.7%
297	Blue Badge Scheme	451	-157	0	0	294 -1.0%
0	Syrian Refugees	441	0	0	-441	0 N/A
1,336	Mortuary Services	1,342	0	-1	0	1,341 0.4%
8,390		11,867	-157	-1,457	-1,341	8,912 6.2%
Public Health						
0	Staffing & Development	3,561	0	0	-3,561	0 N/A
	Health Intelligence, Economic Evaluation					
0	& Needs Assessment	39	0	0	-39	0 N/A
0	Health Protection & Quality Programme	110	0	0	-110	0 N/A
0	Integrated Sexual Health Services	4,989	0	0	-4,989	0 N/A
0	Living Well	3,908	0	0	-3,908	0 N/A
0	Ageing Well	1,755	0	-245	-1,510	0 N/A
0	Drugs and Alcohol Action Team	6,165	-14	-104	-6,047	0 N/A
0	Health Watch	316	0	0	-316	0 N/A
0		20,843	-14	-349	-20,480	0 N/A
209,423	PORTFOLIO TOTAL	396,311	-63,134	-78,219	-44,967	209,991 0.3%

ADULTS AND HEALTH

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £0.568m or 0.3%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		237	0.1
Committed and Service Changes			
Rising trend in means-tested customer contributions towards social care	-1,000		
Adults demand pressure	6,051		
National Living Wage	2,600		
Increase in application of the Adult Social Care Support Grant 2018/19 reserve	1,018		
Actuarial review of employer pension contributions	-300		
		8,369	4.0
Balancing the Budget			
As detailed in Appendix 3		-7,976	-3.8
Transfers between Portfolios			
Net cross portfolio transfers		-62	0.0
TOTAL CHANGE IN SPENDING		568	0.3

APPENDIX 6

CHILDREN AND YOUNG PEOPLE

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
<u>Local Authority Funding</u>						
Services for Children with Disabilities						
6,201	In House Residential & Fostercare	7,018	0	0	7,018	13.2%
	Externally Commissioned Residential &					
7,055	Fostercare	6,001	0	-466	5,535	-21.5%
2,073	Disability Short Breaks	2,065	0	0	2,065	-0.4%
3,883	Direct Payments	4,095	0	-337	3,758	-3.2%
795	Client Expenditure	870	0	-122	748	-5.9%
Services for Children without Disabilities						
8,488	In House Residential & Fostercare	8,893	0	0	8,893	4.8%
	Externally Commissioned Residential &					
21,653	Fostercare	29,151	0	-60	29,091	34.4%
4,948	Adoption & Special Guardianship	7,343	0	-81	5,432	9.8%
1,331	Client Expenditure	1,331	0	0	1,331	0.0%
1,086	Supervised Contact	1,070	0	0	1,070	-1.5%
Services for Asylum Seekers						
494	In House Residential & Fostercare	294	0	0	294	-40.5%
	Externally Commissioned Residential &					
2,912	Fostercare	3,449	0	0	3,449	18.4%
267	Client Expenditure	287	0	0	287	7.5%
415	Asylum Staffing	421	0	0	421	1.4%
-3,658	Asylum Grant	0	0	0	-4,458	21.9%
Social Care Activities (including Children's Improvement Programme)						
49,100		46,396	0	-129	46,167	-6.0%
Services for Care Leavers						
4,921	Care Leavers Accommodation & Support	5,443	0	0	5,084	3.3%
1,222	Care Leavers Staffing	1,344	0	0	1,236	1.1%

APPENDIX 6

CHILDREN AND YOUNG PEOPLE

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
1,935 Children's Safeguarding	2,022	0	-127	0	1,895	-2.1%
754 Youth Offending Service	1,543	0	-226	-563	754	0.0%
Child and Adolescent Mental Health						
1,284 Services	2,086	0	-801	0	1,285	0.1%
Early Help & Prevention						
2,114 Early Help Other	2,477	-65	-706	0	1,706	-19.3%
7,159 Early Help Hubs	9,433	0	-6	-2,986	6,441	-10.0%
0 Healthy Child Programme	11,026	0	0	-11,026	0	N/A
2,071 Intentionally Homeless	2,681	0	-600	0	2,081	0.5%
916 Domestic Abuse Services	1,273	0	-80	-300	893	-2.5%
152 Young Carers	469	0	-286	-28	155	2.0%
129,571 Local Authority Funding	158,481	-65	-4,027	-21,758	132,631	2.4%
Dedicated Schools Grant Funding						
DSG Early Years						
4,617 2 year old entitlement	4,582	0	0	0	4,582	-0.8%
41,869 3 & 4 year old entitlement	42,119	0	0	0	42,119	0.6%
1,144 Early Years Central Expenditure	1,154	0	0	0	1,154	0.9%
Other DSG						
673 Early Help	1,123	0	0	0	1,123	66.9%
821 Children's Social Care	621	0	0	0	621	-24.4%
-49,124 Dedicated Schools Grant	0	0	0	-49,599	-49,599	1.0%
Dedicated Schools Grant and Other						
0 Schools Funding	49,599	0	0	-49,599	0	N/A
129,571 PORTFOLIO TOTAL	208,080	-65	-4,027	-71,357	132,631	2.4%

CHILDREN AND YOUNG PEOPLE**CHANGE IN SPENDING**

As analysed in the table below, the increase in spending is £3.06m or 2.4%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		351	0.3
Committed and Service Changes			
Children's Improvement Fund - reversal of prior year one-off funding	-6,873		
Children's Residential Review - reversal of prior year one-off funding	-1,800		
Actuarial review of employer pension contributions	-434		
Increased demand for Children Looked After placements	9,775		
Extending temporary element of Improvement Fund	2,880		
Increased staffing pressure due to Children Looked After demand	250		
Children First Governance Team	235		
Increased Local Authority share of combined services budgets	703		
National House Project	250		
Fostering Allowances and Support	1,300		
		6,286	4.9
Balancing the Budget			
As detailed in Appendix 3		-3,906	-3.0
Transfers between Portfolios			
Net cross portfolio transfers		329	0.3
TOTAL CHANGE IN SPENDING		3,060	2.4

APPENDIX 6

ECONOMY AND CORPORATE RESOURCES

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Commercial Services						
22,199	20,381	-535	0	0	19,846	-10.6%
Support Services						
2,163	2,254	0	0	0	2,254	4.2%
7,621	8,132	-243	-175	0	7,714	1.2%
4	188	-99	-20	0	69	1,625.0%
6,412	6,414	-103	-107	0	6,204	-3.2%
0	742	0	0	0	742	N/A
2,542	0	0	0	0	0	-100.0%
5,935	6,344	-489	-105	0	5,750	-3.1%
1,270	1,283	0	-122	0	1,161	-8.6%
26	1,026	0	0	0	1,026	3,846.2%
1,434	1,434	0	0	0	1,434	0.0%
1,519	1,377	-58	0	0	1,319	-13.2%
56	1,563	0	-5	0	1,558	2,682.1%
0	0	0	0	-1,210	-1,210	N/A
28,982	30,757	-992	-534	-1,210	28,021	-3.3%
Economy						
318	714	0	-441	0	273	-14.2%
306	333	-28	0	0	305	-0.3%
215	164	0	0	0	164	-23.7%
782	801	0	-132	0	669	-14.5%
3	0	0	0	0	0	-100.0%
1,624	2,012	-28	-573	0	1,411	-13.1%
52,805	53,150	-1,555	-1,107	-1,210	49,278	-6.7%

ECONOMY AND CORPORATE RESOURCES**CHANGE IN SPENDING**

As analysed in the table below, the decrease in spending is £3.527m or 6.7%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		694	1.3
Committed and Service Changes			
Actuarial review of employer pension contributions	-156		
Reversal of prior year Transformation Portfolio Office funding from capital receipts	742		
Reversal of prior year Customer Experience transformation costs funding from capital receipts	1,419		
County Council Election costs	200		
Enhanced maintenance to inspected services	100		
Independent Visitor Scheme	100		
2020/21 undeliverable saving relating to the redesign of business processes	2,400		
Increase in application of the Elections Reserve	800		
Net reduction in application of the Strategic Economic Plan Reserve	-14		
Net reduction in application of the Service Transformation Fund	-4,942		
		649	1.2
Balancing the Budget			
As detailed in Appendix 3		-3,371	-6.4
Transfers between Portfolios			
Net cross portfolio transfers		-1,499	-2.8
TOTAL CHANGE IN SPENDING		-3,527	-6.7

APPENDIX 6

EDUCATION AND SKILLS

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
<u>Local Authority Funding</u>						
School Budgets						
0 Government Grants to Schools	15,657	0	0	-15,657	0	N/A
Education and Skills Service						
294 Director of Education	128	0	-16	0	112	-61.9%
994 Skills & Commercial Services	1,140	0	-21	0	1,119	12.6%
-167 School Effectiveness	743	0	-212	-852	-321	92.2%
3,173 Inclusion & SEND	4,216	0	-585	0	3,631	14.4%
278 Compliance & Pupil Entitlement	357	0	-68	0	289	4.0%
School Transport						
369 Transport Management	369	0	0	0	369	0.0%
3,506 Mainstream Transport	3,896	-125	-25	0	3,746	6.8%
13,477 SEND Transport	14,243	0	-125	-483	13,635	1.2%
181 Post-16 Transport	286	-104	0	0	182	0.6%
315 School Crossing Patrols	321	0	-1	0	320	1.6%
Support to Schools						
-37 School Catering	7,368	-152	-152	-7,100	-36	-2.7%
1,374 Crawley Private Finance Initiative (PFI)	7,444	0	-1,292	-4,532	1,620	17.9%
0 Pupil Premium (Children Looked After)	1,257	0	0	-1,257	0	N/A
1,189 School Redundancies & Pensions	1,277	0	0	-95	1,182	-0.6%
Other						
-39 Adult Education	3,081	-64	0	-3,058	-41	5.1%
-1,611 Overheads & Recharges	-1,521	0	0	0	-1,521	-5.6%
23,296 Local Authority Funding	60,262	-445	-2,497	-33,034	24,286	4.2%

APPENDIX 6

EDUCATION AND SKILLS

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
<u>Dedicated Schools Grant Funding</u>						
School Budgets						
491,541 Mainstream Schools	550,972	0	0	-12,649	538,323	9.5%
39,602 Special Schools & APC	41,964	0	0	0	41,964	6.0%
Education and Skills						
990 Director of Education	1,094	0	0	0	1,094	10.5%
404 Skills & Commercial Services	414	0	0	0	414	2.5%
1,309 School Effectiveness	1,208	0	0	0	1,208	-7.7%
2,481 Inclusion & SEND	2,924	-18	-67	0	2,839	14.4%
1,727 Compliance & Pupil Entitlement	2,012	0	-114	0	1,898	9.9%
454 School Organisation & Resources	474	0	0	0	474	4.4%
Special Educational Needs						
22,223 Independent & Non-Maintained Schools	32,547	0	0	0	32,547	46.5%
1,168 Other Local Authority Schools	1,196	0	0	0	1,196	2.4%
5,316 Post-16 Placements	5,963	0	0	0	5,963	12.2%
6,794 Alternative Provision	7,073	0	-279	0	6,794	0.0%
2,674 Specialist Support	3,955	0	0	0	3,955	47.9%
Support to Schools						
691 Collaborative Inclusion & Improvement	687	0	0	0	687	-0.6%
2,900 Growth Fund	2,000	0	0	0	2,000	-31.0%
648 Transport (Alternative Provision)	648	0	0	0	648	0.0%
63 School Catering	63	0	0	0	63	0.0%
940 School Redundancies & Pensions	934	0	0	0	934	-0.6%
782 Other Support to Schools	836	0	0	0	836	6.9%
Other						
1,613 Overheads & Recharges	2,831	0	0	0	2,831	75.5%
0 Transfer from DSG Reserves	-5,777	0	0	0	-5,777	N/A
Government Grant						
-586,801 Dedicated Schools Grant	0	0	0	-643,372	-643,372	9.6%
-2,481 Dedicated Schools Grant	654,018	-18	-460	-656,021	-2,481	0.0%
20,815 PORTFOLIO TOTAL	714,280	-463	-2,957	-689,055	21,805	4.8%

EDUCATION AND SKILLS

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £0.99m or 4.8%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		216	1.0
Committed and Service Changes			
Home to School Transport pressures	800		
Crawley Schools PFI	200		
Increased Local Authority share of combined services budgets	127		
Special Educational Needs Assessment Team	350		
Educational Psychology Service	62		
Commercial Services	110		
Post-16 Service	72		
Small schools project	-184		
Adult Education management fee	-60		
Actuarial review of employer pension contributions	-38		
		1,439	6.9
Balancing the Budget			
As detailed in Appendix 3		-781	-3.8
Funding from Central Government			
Expenditure:			
Directly allocated to mainstream schools	29,209		
Special educational needs	15,183		
Other minor variations	-67		
Financed by:			
Dedicated Schools Grant (DSG)	-56,571		
Transfer from DSG Reserves	-5,777		
16-19 Sixth Form Grant	610		
Teachers Pay Grant	4,344		
Teachers Pensions Grant	12,403		
PE & Sports Grant	70		
Pupil Premium Grant	231		
Universal Free School Meals	263		
European Structural and Investment Fund	168		
Extended Rights to Free Travel	-66		
Higher Education Funding Council for England	25		
School Improvement Monitoring & Brokerage Grant	-25		
		0	0.0
Transfers between Portfolios			
Net cross portfolio transfers		116	0.6
TOTAL CHANGE IN SPENDING		990	4.8

APPENDIX 6

ENVIRONMENT

REVENUE BUDGET 2021/22

Net Expenditure 2020/21		Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000		£000	£000	£000	£000	£000	%
Environment and Public Protection							
2,204	Energy and Sustainability	5,012	-1,717	-296	0	2,999	36.1%
18,179	Waste Recycling	23,103	-1,934	-725	-2,124	18,320	0.8%
36,619	Waste Disposal	38,365	-250	-11	0	38,104	4.1%
1,059	Waste Strategy and Support	1,004	0	0	0	1,004	-5.2%
1,315	Trading Standards	1,361	-34	-11	0	1,316	0.1%
59,376		68,845	-3,935	-1,043	-2,124	61,743	4.0%
Other Responsibilities							
	Countryside Services (Including Public						
1,433	Rights of Way)	1,486	-41	-16	0	1,429	-0.3%
-431	Planning Services	2,770	-2,667	-1,146	0	-1,043	142.0%
60,378	PORTFOLIO TOTAL	73,101	-6,643	-2,205	-2,124	62,129	2.9%

ENVIRONMENT

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £1.751m or 2.9%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		786	1.3
Committed and Service Changes			
Reduction in market rates for generated energy	1,000		
Increase in Waste Mechanical and Biological Treatment facility insurance premium	400		
Actuarial review of employer pension contributions	-43		
Net increase in application of Waste Management Material Resource Management Contract (MRMC) reserve	<u>550</u>		
		1,907	3.2
Balancing the Budget			
As detailed in Appendix 3		-540	-0.9
Transfers between Portfolios			
Net cross portfolio transfers		<u>-402</u>	<u>-0.7</u>
TOTAL CHANGE IN SPENDING		<u>1,751</u>	<u>2.9</u>

APPENDIX 6

FINANCE

REVENUE BUDGET 2021/22

Net Expenditure 2020/21		Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000		£000	£000	£000	£000	£000	%
	Finance						
3,533	Finance	5,931	-573	-350	0	5,008	41.7%
595	Internal Audit	595	0	0	0	595	0.0%
	Strategic Procurement and Contract						
1,388	Management	1,803	-218	0	0	1,585	14.2%
1,171	Intelligence and Performance	1,233	0	0	0	1,233	5.3%
1,737	Levies and Precepts	1,974	0	0	-148	1,826	5.1%
331	Fees and Other Payments	380	0	-49	0	331	0.0%
40	Council Tax Hardship Fund	40	0	0	0	40	0.0%
170	Insurance	158	0	0	0	158	-7.1%
8,965		12,114	-791	-399	-148	10,776	20.2%
	Asset & Capital Programme						
4,927	Capital and Infrastructure (Property)	10,433	-3,755	-1,613	0	5,065	2.8%
13,892	PORTFOLIO TOTAL	22,547	-4,546	-2,012	-148	15,841	14.0%

FINANCE

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £1.949m or 14%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		24	0.2
Committed and Service Changes			
Actuarial review of employer pension contributions	-73		
Undeliverable income on commercial properties	275		
Littlehampton Harbour Board	62		
Net reduction in application of the Infrastructure Works Feasibility Reserve	<u>-8</u>		
		256	1.8
Balancing the Budget			
As detailed in Appendix 3		-203	-1.5
Transfers between Portfolios			
Net cross portfolio transfers		<u>1,872</u>	<u>13.5</u>
TOTAL CHANGE IN SPENDING		<u>1,949</u>	<u>14.0</u>

APPENDIX 6

FIRE & RESCUE AND COMMUNITIES

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Fire & Rescue						
	Strategic Leadership, Assurance and					
2,187	Governance	4,213	-298	0	-1,727	2,188 0.0%
2,751	Fleet and Fire Equipment	3,741	-14	0	-413	3,314 20.5%
1,874	People and Organisational Development	2,334	0	0	0	2,334 24.5%
841	Prevention and Inspection	1,228	0	0	0	1,228 46.0%
778	Protection	1,626	0	0	-477	1,149 47.7%
383	Resilience and Emergencies	383	0	0	0	383 0.0%
17,193	Response	17,576	0	0	-59	17,517 1.9%
863	Strategic Risk and Improvement	920	0	0	0	920 6.6%
26,870		32,021	-312	0	-2,676	29,033 8.0%
Information and Regulatory Services						
6,997	Library Service	7,811	-565	-66	-105	7,075 1.1%
768	Record Office	821	-49	0	0	772 0.5%
	Registration of Births,					
-815	Deaths and Marriages	1,357	-2,199	-134	0	-976 19.8%
6,950		9,989	-2,813	-200	-105	6,871 -1.1%
Communities						
1,520	Communities and Partnerships	2,217	0	-57	-250	1,910 25.7%
175	Community Safety and Wellbeing	881	-380	-350	0	151 -13.7%
141	County Local Committees	0	0	0	0	0 -100.0%
76	Edes House	77	0	0	0	77 1.3%
1,912		3,175	-380	-407	-250	2,138 11.8%
35,732	PORTFOLIO TOTAL	45,185	-3,505	-607	-3,031	38,042 6.5%

FIRE & RESCUE AND COMMUNITIES

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £2.31m or 6.5%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		181	0.5
Committed and Service Changes			
Actuarial review of employer pension contributions	-91		
Fire & Rescue - reversal of prior year one off funding	-100		
Reversal of prior year Fire & Rescue transformation costs funding from capital receipts	1,200		
Fire Improvement Plan - Phase one	500		
Fire Improvement Plan - full year effect of phase two	100		
Worthing Community Hubs project	150		
Increased income from the Registration Service	-25		
		1,734	4.9
Balancing the Budget			
As detailed in Appendix 3		-438	-1.2
Transfers between Portfolios			
Net cross portfolio transfers		833	2.3
TOTAL CHANGE IN SPENDING		2,310	6.5

APPENDIX 6

HIGHWAYS AND INFRASTRUCTURE

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21
£000	£000	£000	£000	£000	£000	%
Highways Service						
2,893	4,811	-1,560	-250	0	3,001	3.7%
9,768	10,066	0	0	-66	10,000	2.4%
0	1,500	0	0	0	1,500	N/A
0	1,757	-1,757	0	0	0	N/A
8,913	15,536	0	-139	-6,069	9,328	4.7%
21,574	33,670	-3,317	-389	-6,135	23,829	10.5%
Transport and Countryside						
10,966	11,804	0	-1,514	-19	10,271	-6.3%
1,214	2,316	0	-740	-355	1,221	0.6%
1,120	2,383	-439	-559	-112	1,273	13.7%
0	2,520	-2,420	-100	0	0	N/A
0	4,619	-4,558	-61	0	0	N/A
13,300	23,642	-7,417	-2,974	-486	12,765	-4.0%
Other Responsibilities						
-89	73	0	-90	0	-17	-80.9%
616	0	0	0	0	0	-100.0%
527	73	0	-90	0	-17	-103.2%
35,401	57,385	-10,734	-3,453	-6,621	36,577	3.3%
PORTFOLIO TOTAL						

HIGHWAYS AND INFRASTRUCTURE

CHANGE IN SPENDING

As analysed in the table below, the increase in spending is £1.176m or 3.3%

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		1,016	2.9
Committed and Service Changes			
Ash Dieback action plan	1,500		
Removal of one-off increase to 2020/21 highway maintenance budget	-178		
Actuarial review of employer pension contributions	-58		
Net increase in application of the Street Lighting PFI reserve	206		
Net increase in application of the Highways Commuted Sums reserve	24		
		1,494	4.2
Balancing the Budget			
As detailed in Appendix 3		-1,297	-3.7
Transfers between Portfolios			
Net cross portfolio transfers		-37	-0.1
TOTAL CHANGE IN SPENDING		1,176	3.3

APPENDIX 6

LEADER

REVENUE BUDGET 2021/22

Net Expenditure 2020/21	£000		Gross Expenditure 2021/22	Sales, Fees and Charges 2021/22	Other Income 2021/22	Specific Government Grants 2021/22	Net Expenditure 2021/22	Net Expenditure Change from 2020/21	
			£000	£000		£000	£000		%
		Chief Executive							
540		Chief Executive	540	0	0	0	540	0.0%	
283		Policy Team	283	0	0	0	283	0.0%	
629		Personal Assistants	629	0	0	0	629	0.0%	
1,452		PORTFOLIO TOTAL	1,452	0	0	0	1,452	0.0%	

LEADER

CHANGE IN SPENDING

As analysed in the table below, the overall change in spending is nil

	£000	£000	%
Allowance for Pay and Price Increases			
Pay and price rise allowance		4	0.3
Committed and Service Changes			
Actuarial review of employer pension contributions		-9	-0.6
Balancing the Budget			
As detailed in Appendix 3		-1	-0.1
Transfers between Portfolios			
Net cross portfolio transfers		6	0.4
TOTAL CHANGE IN SPENDING		0	0.0

APPENDIX 7

FEES AND CHARGES

Section 3 of the Localism Act 2011 and Section 93 of the Local Government Act sets out the general legal framework regarding charging for services, albeit that various other specific legal provisions and local policy objectives may also influence or dictate the level of fees or income to be generated.

Statutory Fees and Charges are charging structures set by relevant national bodies, usually with regulatory responsibility for the service which must be adhered to.

The proposed **Discretionary Fees and Charges** for 2021/22 are detailed in the document below. Discretionary fees and charges generally fall into the following broad categories:

- **Cost Recovery** - a fee or charge levied to ensure the cost of the service provided is fully recovered,
- **Subsidised** - where the County Council has decided to subsidise a service when setting the related fees and charges.

Generally, the County Council increases its fees and charges by the published September Retail Price Index (RPI) rate. This is in-line with the County Council's policy to budget for cost inflation. The **RPI rate as at September 2020 increased by 1.1%**. All changes will be implemented from 1st April 2021, unless otherwise stated.

A full list of the West Sussex Fees and Charges for 2021/22 will be published separately on our website.

Adult's Services Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Adult Services	Meeting space letting (1)	Small room/Hour	8.29	Exempt (0%)	8.29	8.38	8.38	1.1%	Cost Recovery
Adult Services	Meeting space letting (1)	Medium room/Hour	10.99	Exempt (0%)	10.99	11.11	11.11	1.1%	Cost Recovery
Adult Services	Meeting space letting (1)	Large room/Hour	13.91	Exempt (0%)	13.91	14.06	14.06	1.1%	Cost Recovery
Adult Services	Care Act 2014: support brokerage	One off discretionary fee	176.39	Non-business (0%)	176.39	178.33	178.33	1.1%	Cost Recovery
Adult Services	Care Act 2014: support brokerage	Review request	176.39	Non-business (0%)	176.39	178.33	178.33	1.1%	Cost Recovery
Adult Services	Care Act 2014: support brokerage	Weekly admin fee	5.66	Non-business (0%)	5.66	5.72	5.72	1.1%	Cost Recovery
Adult Services	Care Act 2014: deferred payment agreements	Set-up one-off fee	559.41	Non-business (0%)	559.41	565.56	565.56	1.1%	Cost Recovery
Adult Services	Care Act 2014: deferred payment agreements	One-off fee	282.45	Non-business (0%)	282.45	285.56	285.56	1.1%	Cost Recovery
Adult Services	Care Act 2014: deferred payment agreements	Weekly admin fee	8.08	Non-business (0%)	8.08	8.17	8.17	1.1%	Cost Recovery
Adult Services	Transport to Day Services (2)	Return trip per day	6.04	Non-business (0%)	6.04	6.11	6.11	1.1%	Subsidised

1) Meeting Space Letting: the full charge only applies when the use of the room is unrelated to Adult Services. If use is mixed including Adults' services, then the charge is set at 50%

2) This charge forms part of a social care customer's personal budget if using an in-house day service. This does not generate any income to the County Council

APPENDIX 7

Children's Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Early years providers - Training course fee	Early Years Training - Webinar (1-2 hours)	Training attendee		Exempt (0%)		15.00	15.00	New	Cost Recovery
Early years providers - Training course fee	Early Years Training - Webinar or Face to Face Half day	Training attendee		Exempt (0%)		25.00	25.00	New	Cost Recovery
Early years providers - Training course fee	Early Years Training - Webinar or Face to Face Full Day	Training attendee		Exempt (0%)		50.00	50.00	New	Cost Recovery
Early years providers - Training course fee	Early Years Training - Online course log in	Training attendee		Exempt (0%)		10.00	10.00	New	Cost Recovery
Early years providers - Training course fee	Early Years Training - Conference Face to Face	Training attendee		Exempt (0%)		75.00	75.00	New	Cost Recovery
Early years providers - Training course fee	Early Years Training - Paediatric First Aid full 12 hour course	Training attendee		Exempt (0%)		60.00	60.00	New	Cost Recovery

Legal Services Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Legal	Fee to copy a Common Land or Town or Village Green register entry	Copy	23.55	Non-business (0%)	23.55	23.81	23.81	1.1%	Cost Recovery
Legal	Fee for the supply of a definitive map/statement extract	Copy	11.26	Non-business (0%)	11.26	11.38	11.38	1.1%	Cost Recovery
Legal	Fee for copy orders/agreements	Copy	6.15	Non-business (0%)	6.15	6.22	6.22	1.1%	Cost Recovery
Legal	Fee for other copying - in accordance with the Record Office's current scale of charges	Copy	1.03	Non-business (0%)	1.03	1.04	1.04	1.0%	Cost Recovery
Legal	Fee to process a Highways or CROW Act landowner deposit	Deposit	402.43	Non-business (0%)	402.43	406.90	406.90	1.1%	Cost Recovery
Legal	Fee to process a corrective application made under the Commons Act 2006	Course	846.85	Non-business (0%)	846.85	856.17	856.17	1.1%	Cost Recovery
Legal	Legal agreements linked to S106 contributions	Hour	196.61	Non-business (0%)	196.61	198.77	198.77	1.1%	Cost Recovery
Legal	Highway agreement works	Hour		Non-business (0%)		198.77	198.77	New	Cost Recovery
Legal	West Sussex transit site plot rental (nine plots)	Week	77.00	Non-business (0%)	77.00	77.00	77.00	0.0%	Subsidised

APPENDIX 7

Property Services Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Nursery	SLA	1,387.00	Non-business (0%)	1,387.00	1,402.50	1,402.50	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Nursery Number On Roll	SLA	4.00	Non-business (0%)	4.00	4.05	4.05	1.3%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Primary	SLA	1,387.00	Non-business (0%)	1,387.00	1,402.50	1,402.50	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support)- Primary Number On Roll	SLA	4.00	Non-business (0%)	4.00	4.05	4.05	1.3%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Primary Academy	SLA	1,387.00	Standard	1,664.40	1,402.50	1,683.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Primary Academy Number On Roll	SLA	4.00	Standard	4.80	4.05	4.86	1.3%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Secondary	SLA	1,819.00	Non-business (0%)	1,819.00	1,839.00	1,839.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Secondary Number on Roll	SLA	3.10	Non-business (0%)	3.10	3.15	3.15	1.6%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support)- Secondary Academy	SLA	1,819.00	Standard	2,182.80	1,839.00	2,206.80	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Secondary Academy Number on Roll	SLA	3.10	Standard	3.72	3.15	3.78	1.6%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Special Schools	SLA	1,512.00	Non-business (0%)	1,512.00	1,529.00	1,529.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support) - Special Schools Number on Roll	SLA	3.40	Non-business (0%)	3.40	3.45	3.45	1.5%	Cost Recovery
Facilities Management	Schools SLA's (Building Services and Engineering Support)- Alternative Provision	SLA	1,639.00	Non-business (0%)	1,639.00	1,657.50	1,657.50	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Nursery	SLA	580.80	Non-business (0%)	580.80	587.50	587.50	1.2%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Primary	SLA	580.80	Non-business (0%)	580.80	587.50	587.50	1.2%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Primary Academy	SLA	580.80	Standard	696.96	587.50	705.00	1.2%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Secondary	SLA	1,047.00	Non-business (0%)	1,047.00	1,059.00	1,059.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Secondary Academy	SLA	1,047.00	Standard	1,256.40	1,059.00	1,270.80	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Special Schools	SLA	618.70	Non-business (0%)	618.70	626.00	626.00	1.2%	Cost Recovery

APPENDIX 7

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Facilities Management	Schools SLA's (Caretaking and Premises Support) - Alternative Provision	SLA	618.70	Non-business (0%)	618.70	626.00	626.00	1.2%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Nursery	SLA	339.00	Non-business (0%)	339.00	342.80	342.80	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Primary	SLA	339.00	Non-business (0%)	339.00	342.80	342.80	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Primary Academy	SLA	339.00	Standard	406.80	342.80	411.36	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Secondary	SLA	511.00	Non-business (0%)	511.00	516.80	516.80	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Secondary Academy	SLA	511.00	Standard	613.20	516.80	620.16	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Special Schools	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) - Alternative Provision	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) Additional Play Area Inspection - Nursery, Primary, Secondary, Special School & Alternative Provision	SLA		Non-business (0%)		80.00	80.00	New	Cost Recovery
Facilities Management	Schools SLA's (Grounds Maintenance Support) Additional Play Area Inspection - Primary & Secondary Academy	SLA		Standard		80.00	96.00	New	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Nursery	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Primary	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Primary Academy	SLA	428.20	Standard	513.84	433.00	519.60	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Secondary	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Secondary Academy	SLA	428.20	Standard	513.84	433.00	519.60	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Special Schools	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Schools SLA's (Contract Services Team) Supplies-Alternative Provision	SLA	428.20	Non-business (0%)	428.20	433.00	433.00	1.1%	Cost Recovery
Facilities Management	Buyback 4 SLA'S Nursery - Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Non-business (0%)		2,515.80	2,515.80	New	Cost Recovery
Facilities Management	Buyback 4 SLA'S Primary - Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Non-business (0%)		2,515.80	2,515.80	New	Cost Recovery

APPENDIX 7

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Facilities Management	Buyback 4 SLA'S Secondary - Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Non-business (0%)		3,597.80	3,597.80	New	Cost Recovery
Facilities Management	Buyback 4 SLA'S Special Schools - Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Non-business (0%)		2,771.00	2,771.00	New	Cost Recovery
Facilities Management	Buyback 4 SLA'S Primary Academies- Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Standard		2,515.80	3,018.96	New	Cost Recovery
Facilities Management	Buyback 4 SLA'S Secondary Academies- Building & Surveying, Caretaking, Grounds Maintenance & Contract Services	Four SLA'S		Standard		3,597.80	4,317.36	New	Cost Recovery
Facilities Management	Schools Management Project Admin Fee (SMP) - Nursery, Primary, Secondary, Special Schools	Project		Non-business (0%)		100.00	100.00	New	Cost Recovery
Facilities Management	Schools Management Project Admin Fee (SMP) - Primary Academy & Secondary Academy	Project		Standard		100.00	120.00	New	Cost Recovery
Facilities Management	Mid Year Joining Fee - Nursery, Primary, Secondary & Special School	SLA		Non-business (0%)		50.00	50.00	New	Cost Recovery
Facilities Management	Mid Year Joining Fee - Primary Academy & Secondary Academy	SLA		Standard		50.00	60.00	New	Cost Recovery

APPENDIX 7

Education and Skills Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Education & Skills	SLA With Schools - Governor Services: training and support for school governing bodies	Lump sum based on total pupil numbers: <150 pupils	1,079.00	Exempt (0%)	1,079.00	1,091.00	1,091.00	1.1%	Cost Recovery
Education & Skills	SLA With Schools - Governor Services: training and support for school governing bodies	Lump sum based on total pupil numbers: = >150 <500 pupils	1,186.00	Exempt (0%)	1,186.00	1,199.00	1,199.00	1.1%	Cost Recovery
Education & Skills	SLA With Schools - Governor Services: training and support for school governing bodies	Lump sum based on total pupil numbers: = >500 <850 pupils	1,406.00	Exempt (0%)	1,406.00	1,421.00	1,421.00	1.1%	Cost Recovery
Education & Skills	SLA With Schools - Governor Services: training and support for school governing bodies	Lump sum based on total pupil numbers: =>850 pupils	1,513.00	Exempt (0%)	1,513.00	1,530.00	1,530.00	1.1%	Cost Recovery
Education & Skills	SLA With Schools - Outdoor Education: Charge to academies, FE colleges etc	Pupil	1.43	Exempt (0%)	1.43	1.45	1.45	1.4%	Cost Recovery
Education & Skills	SLA With Schools - Free School Meals	N/A	N/A	Exempt (0%)	N/A	N/A	N/A	1.1%	Cost Recovery
Education & Skills	SLA With Schools - Special School Meals	N/A	N/A	Exempt (0%)	N/A	N/A	N/A	1.1%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Secondary School Teacher	Weighted pupil no.	35.48	Non-business (0%)	35.48	36.00	36.00	1.5%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Primary School Teacher	Weighted pupil no.	39.60	Non-business (0%)	39.60	40.00	40.00	1.0%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Nursery, planned places - Teacher	Weighted pupil no.	93.00	Non-business (0%)	93.00	46.00	46.00	-50.5%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Caretaker / Bursar	Flat rate, pro-rated for hours	253.00	Non-business (0%)	253.00	256.00	256.00	1.2%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Nursery Nurse	Flat rate, pro-rated for hours	202.00	Non-business (0%)	202.00	204.00	204.00	1.0%	Cost Recovery
Education & Skills	Schools Financial Services Sickness Maternity Scheme -Special School Teachers	Weighted pupil no.	250.70	Non-business (0%)	250.70	186.00	186.00	-25.8%	Cost Recovery
Education & Skills	Home to School Transport - Primary school children living within walking distance	Year	245.00	Non-business (0%)	245.00	266.00	266.00	8.6%	Cost Recovery
Education & Skills	Home to School Transport - Primary school children living beyond walking distance	Year	280.00	Non-business (0%)	280.00	308.00	308.00	10.0%	Cost Recovery
Education & Skills	Home to School Transport - Secondary school children living within walking distance	Year	371.00	Non-business (0%)	371.00	406.00	406.00	9.4%	Cost Recovery
Education & Skills	Home to School Transport - Secondary school children living beyond walking distance	Year	420.00	Non-business (0%)	420.00	462.00	462.00	10.0%	Cost Recovery
Education & Skills	Home to School Transport - Post 16 students (concessionary and SEN)	Year	651.00	Non-business (0%)	651.00	658.00	658.00	1.1%	Cost Recovery

APPENDIX 7

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Education & Skills	SLA with Schools - Education Psychology and behaviour	Full day course	550.00	Non-business (0%)	550.00	550.00	550.00	0.0%	Cost Recovery
Education & Skills	SLA With Schools - Education Psychology and behaviour	Half day course	275.00	Non-business (0%)	275.00	275.00	275.00	0.0%	Cost Recovery
Education & Skills	SLA With Schools - Charges to schools for statutory induction for Newly Qualified Teachers (NQTs)	NQT FTE	309.00	Exempt (0%)	Exempt (0%)	309.00	309.00	0.0%	Cost Recovery
Education & Skills	Charges to Schools for services provided in converting to academy status	School	8,000.00	Exempt (0%)	Exempt (0%)	8,000.00	8,000.00	0.0%	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning NCER	Lump sum according to school size plus sum per pupil: Infant	£0.42 per pupil	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	LA Schools £0.42 per pupil Academies £0.50 per pupil	£0.46 per pupil	LA schools - £0.46 per pupil Academies £0.55 per pupil	9.5%	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning FFT	Lump sum according to school size plus sum per pupil: Infant	£40 school rate + £0.35 per pupil	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	LA Schools £40 school rate + £0.35 per pupil Academies £48 school rate + £0.42 per pupil	£40 school rate + £0.37 per pupil	LA schools £40 school rate + £0.37 per pupil Academies £48 school rate + £0.44 per pupil	5.7% on per pupil rate	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning FFT	Lump sum according to school size plus sum per pupil: Primary	£52 school rate + £0.35 per pupil	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	LA Schools £52 school rate + £0.35 per pupil Academies £52 school rate + £0.42 per pupil	£52 school rate + £0.37 per pupil	LA Schools £52 school rate + £0.37 per pupil Academies £62.40 school rate + £0.44 per pupil	5.7% on per pupil rate	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning FFT Academy Admin	Lump sum according to school size plus sum per pupil: Secondary	Various	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	Various	Various	Various	5.7%	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning FFT	Lump sum according to school size plus sum per pupil: Secondary	£460 school rate + £0.35 per pupil	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	LA schools £460 school rate + £0.35 per pupil Academies £460 school rate + £0.42 per pupil	£460 school rate + £0.37 per pupil	LA Schools £460 school rate + £0.37 per pupil Academies £552 school rate + £0.44 per pupil	5.7% on per pupil rate	Cost Recovery
Education & Skills	SLA With Schools -Subscriptions: Charges to schools and academies for subscriptions for pupil data analyses to support school improvement planning	Lump sum according to school size plus sum per pupil: Special schools	£2.36 per statemented pupil	LA Schools - Outside scope (0%) Academies Standard Rating (20%)	LA schools £2.36 per statemented pupil Academies £2.83 per statemented pupil	£2.49 per statemented pupil	LA Schools £2.49 per statemented pupil Academies £2.99 per statemented pupil	5.7% on per pupil rate	Cost Recovery
Education & Skills	Range of Ad-hoc services within Education and Skills	Various		Standard		Various	Various	New	Cost Recovery

APPENDIX 7

Planning Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Implementation	S38 & S278 Highway agreements	Agreement	Various	Non-business (0%)	Various	Various	Various	0%	Cost Recovery
Monitoring and Records	Local land charge fees	Search	20.00	Standard	24.00	22.00	26.40	10%	Cost Recovery
Monitoring and Records	Local land charge search follow-up	Request	Various	Standard	Various	Various	Various	7.8-10.5%	Cost Recovery
Monitoring and Records	Highway boundaries information	Request	Various	Standard	Various	Various	Various	7.8-10.5%	Cost Recovery
Monitoring and Records	S106 agreement enquiries	Hour	45.00	Standard	54.00	50.00	60.00	11%	Cost Recovery
Planning and Transport Policy	Access to traffic modelling	Request	Various	Standard	Various	Various	Various	0%	Cost Recovery
Planning and Transport Policy	Copies of highway scheme plans	Plan	Various	Standard	Various	At cost	At cost	0%	Cost Recovery
Highways Development Management	Pre-application advice fees	Written Response or Meeting/Site Visit & Written Response	Various	Standard	Various	Various	Various	0%	Cost Recovery
Monitoring and Records	Monitoring of S106 contributions	Per Trigger	200.00	Outside scope (0%)	200.00	200.00	200.00	0%	Cost Recovery
Monitoring and Records	Highway boundaries – Bespoke enquiries	Hour		Standard		50.00	60.00	New	Cost Recovery
County Planning	Pre-application advice fees	Meeting or Site Visit and Written Response, or Written Response Only	Various	Standard	Various	Various	Various	11.2-15.0%	Cost Recovery
Environment & Heritage	Historic environment record - searches	Householder search	95.00	Standard	114.00	95.00	114.00	0%	Cost Recovery
Environment & Heritage	Historic environment record - searches	Standard search	158.00	Standard	189.60	158.00	189.60	0%	Cost Recovery
Environment & Heritage	Historic environment record - searches	Priority search	252.00	Standard	302.40	252.00	302.40	0%	Cost Recovery
Environment & Heritage	Historic environment record - searches	Statutory undertaker standard search	164.00	Standard	196.80	164.00	196.80	0%	Cost Recovery
Environment & Heritage	Historic environment record - searches	Statutory undertaker priority search	338.00	Standard	405.60	338.00	405.60	0%	Cost Recovery
Environment & Heritage	Advice and support to statutory undertakers	Hours	87.00	Standard	104.40	87.00	104.40	0%	Cost Recovery
Environment & Heritage	Pre-application advice fees	Written response or meeting/site visit & written response	Various	Standard	Various	Various	Various	0%	Cost Recovery
Environment & Heritage	Contribution by District and Borough Councils to maintenance of the Historic environment record	Annual fee	3,000.00	Non-business (0%)	3,000.00	3,000.00	3,000.00	0%	Cost Recovery

APPENDIX 7

Rights of Way and Countryside Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Countryside Facilities	Rental of land and fishing rights	Agreement	Various	Exempt (0%)	Various	Various	Various	N/A	Cost Recovery
Countryside Services	Family Bushcraft	Per family	63.50	Exempt (0%)	63.50	64.20	64.20	1.10%	Cost Recovery
Countryside Services	All guided walks/night hike/food for free with/without hot drink	Per person	6.50	Exempt (0%)	6.50	6.60	6.60	1.10%	Cost Recovery
Countryside Services	Craft events e.g. Christmas Wreaths (includes materials/drinks)	Per person	21.00	Exempt (0%)	21.00	21.50	21.50	2.38%	Cost Recovery
Countryside Services	Hire of Buchan Country Park Countryside Centre with refreshments hourly charge (All potential bookings must be checked and agreed with the duty ranger first)	Per hour (minimum 2-hour charge)	21.00	Exempt (0%)	21.00	21.50	21.50	2.38%	Cost Recovery
Countryside Services	Schools and hire of Forest School area (per child)	Per child	2.10	Exempt (0%)	2.10	2.20	2.20	4.76%	Cost Recovery
Rights of Way	Unopposed Public Path Orders administrative fees	Order	2,300.00	Non-business (0%)	2,300.00	2,325.00	2,325.00	1.09%	Cost Recovery
Rights of Way	Opposed Public Path Orders administrative fees - legal and case officer support to Public Inquiry (in addition to the fee stated as "Unopposed Public Path Order").	Order	1,300.00	Non-business (0%)	1,300.00	1,315.00	1,315.00	1.15%	Cost Recovery
Rights of Way	Opposed Public Path Orders administrative fees - where objections withdrawn following officer correspondence, so Order can be confirmed as unopposed (in addition to the fee stated as "Unopposed Public Path Order").	Order	400.00	Non-business (0%)	400.00	405.00	405.00	1.25%	Cost Recovery
Rights of Way	Un/Opposed Public Path Orders administrative fees - additional Order(s) in addition to the fee stated as "Unopposed Public Path Order" and "Opposed Public Path Order" fee as applicable)	Order	400.00	Non-business (0%)	400.00	405.00	405.00	1.25%	Cost Recovery
Rights of Way	Un/Opposed Public Path Orders administrative fees - additional site inspections by case officer prior to determining application (in addition to the fee stated as "Unopposed Public Path Order" and "Opposed Public Path Order" fee as applicable).	Site visit plus associated costs	200.00	Non-business (0%)	200.00	205.00	205.00	2.50%	Cost Recovery
Rights of Way	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (21 days emergency/ unplanned Orders)	Path order	550.00	Non-business (0%)	550.00	556.00	556.00	1.09%	Cost Recovery
Rights of Way	Public Path Orders administrative fees - Temporary Traffic Regulation Order (path closure) (5 days planned works Orders)	Path order	550.00	Non-business (0%)	550.00	556.00	556.00	1.09%	Cost Recovery
Countryside Services	Licence fee for access across or on to COUNCIL land	Application	Various	Non-business (0%)	Various	Various	Various	1.10%	Cost Recovery
Rights of Way	Charge for advice on PPO legislation and procedures to potential applicants and Order Making Authorities	Per hour	28.00	Exempt (0%)	28.00	28.30	28.30	1.07%	Cost Recovery

APPENDIX 7

Trading Standards Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Trading Standards	Weights and Measures Act 1985 - Inspector of weights and measures	Hour	74.00	Standard	88.80	74.80	89.76	1.08%	Cost Recovery
Trading Standards	Weights and Measures Act 1985 - Support officer	Hour	47.50	Standard	57.00	48.00	57.60	1.05%	Cost Recovery
Trading Standards	Hourly charge for demand led discretionary business support services	Hour	74.00	Standard	88.80	74.80	89.76	1.08%	Cost Recovery
Trading Standards	Variation of a licence (other than name or address)	Hour	74.00	Standard	88.80	74.80	89.76	1.08%	Cost Recovery

Waste Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Waste Recycling	Co-mingled recyclate	Tonne	105.83	Standard	127.00	107.50	129.00	1.6%	Cost Recovery
Waste Disposal	Trade waste	Tonne	147.50	Standard	177.00	150.00	180.00	1.7%	Cost Recovery
Waste Recycling	Green waste	Tonne	61.67	Standard	74.00	62.50	75.00	1.3%	Cost Recovery
Waste Recycling	WEEE category A	Tonne	145.00	Standard	174.00	146.67	176.00	1.2%	Cost Recovery
Waste Recycling	WEEE category B	Tonne	407.08	Standard	488.50	411.67	494.00	1.1%	Cost Recovery
Waste Recycling	WEEE category C	Tonne	407.08	Standard	488.50	411.67	494.00	1.1%	Cost Recovery
Waste Recycling	WEEE category D	Tonne	407.08	Standard	488.50	411.67	494.00	1.1%	Cost Recovery
Waste Recycling	WEEE category E	Tonne	145.00	Standard	174.00	146.67	176.00	1.2%	Cost Recovery
Waste Recycling	Single stream recyclate	Tonne	12.42	Standard	14.90	12.58	15.10	1.3%	Cost Recovery
HWRS Non-Household	Motor vehicle tyre	Tyre	4.17	Standard	5.00	4.17	5.00	0.0%	Cost Recovery
Waste Disposal	Trade waste - mattress disposal	Mattress		Standard		12.50	15.00	New	Cost Recovery

APPENDIX 7

Energy Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Energy Services	Schools display energy certificates - SLA	Per certificate	55.00	Non-business (0%)	55.00	56.00	56.00	1.8%	Cost Recovery
Energy Services	Schools display energy certificates - SLA Academy	Per certificate	55.00	Standard	66.00	56.00	67.20	1.8%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 1	1-5 meters	338.00	Non-business (0%)	338.00	342.00	342.00	1.2%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 1. Academy	1-5 meters	338.00	Standard	405.60	342.00	410.40	1.2%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 2	6-9 meters	394.00	Non-business (0%)	394.00	399.00	399.00	1.3%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 2. Academy	6-9 meters	394.00	Standard	472.80	399.00	478.80	1.3%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 3	10+ meters	490.00	Non-business (0%)	490.00	496.00	496.00	1.2%	Cost Recovery
Energy Services	Schools energy management service - SLA. Band 3. Academy	10+ meters	490.00	Standard	588.00	496.00	595.20	1.2%	Cost Recovery

APPENDIX 7

Finance Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Schools Financial Services	Schools financial services SLA - Section 8 charges. Secondary school	School, per annum	852.00	Non-business (0%)	852.00	£1,000 per school plus £0.50 per pupil	£1,000 per school plus £0.50 per pupil	Not applicable - Change in charging basis	Cost Recovery
Schools Financial Services	Schools financial services SLA - Section 8 charges. Primary & nursery school	School, per annum	1,200.00	Non-business (0%)	1,200.00	£1,000 per school plus £0.50 per pupil	£1,000 per school plus £0.50 per pupil	Not applicable - Change in charging basis	Cost Recovery
Schools Financial Services	Schools financial services SLA - Section 8 charges. Special school	School, per annum	1,200.00	Non-business (0%)	1,200.00	£1,000 per school plus £0.50 per pupil	£1,000 per school plus £0.50 per pupil	Not applicable - Change in charging basis	Cost Recovery
Schools Financial Services	Schools Financial Services - Level 3 services. Year-end financial closedown	Fixed (4 hours)	144.00	Non-business (0%)	144.00	146.00	146.00	1.4%	Cost Recovery
Schools Financial Services	Pre-booked visits to schools	Hours	130 minimum	Non-business (0%)	130 minimum	£36.50 per hour (minimum 2.5 hours) plus a flat rate travel charge of £40.50	132 minimum	Not applicable - Change in charging basis	Cost Recovery
Schools Financial Services	Pre-booked dial-ups to schools	Hour	36 minimum	Non-business (0%)	36 minimum	£36.50 per hour (minimum 1 hour)	36.50 minimum	Not applicable - Change in charging basis	Cost Recovery
Schools Financial Services	Training events/workshops	Person	50.00	Non-business (0%)	50.00	50.00	50.00	0%	Cost Recovery
Schools Financial Services	Training events/workshops	Person	80.00	Non-business (0%)	80.00	80.00	80.00	0%	Cost Recovery

APPENDIX 7

Fire Service Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
FRS - Special Services	Major appliance/ large vehicle & crew	Hour	345.00	Standard	414.00	350.00	420.00	1.4%	Cost Recovery
FRS - Special Services	Major appliance/ small vehicle & crew	Hour	295.00	Standard	354.00	300.00	360.00	1.7%	Cost Recovery
FRS - Special Services	Pumping appliance	Hour	230.00	Standard	276.00	235.00	282.00	2.2%	Cost Recovery
FRS - Special Services	Small vehicle (e.g. 4wd)	Hour	225.00	Standard	270.00	230.00	276.00	2.2%	Cost Recovery
FRS - Special Services	Testing of dry riser	Test	299.40	Standard	359.28	305.00	366.00	1.9%	Cost Recovery
FRS - Special Services	Additional dry riser	Test		Standard		225.00	270.00	New	Cost Recovery
FRS - Special Services	Copy of fire report	Report	90.00	Standard	108.00	95.00	114.00	5.6%	Cost Recovery
FRS - Special Services	Fire investigation interview	Hour	135.00	Standard	162.00	140.00	168.00	3.7%	Cost Recovery
FRS - Special Services	Fire investigation report (standard)	Report	437.25	Standard	524.70	440.00	528.00	0.6%	Cost Recovery
FRS - Special Services	Fire report photocopies of maps and plans	Copy		Standard		25.00	30.00	New	Cost Recovery
FRS - Special Services	Labour (dependent on role) - First hour or part thereof	Hour	Various	Standard	Various	70.00	84.00	n/a	Cost Recovery
FRS - Special Services	Labour (dependent on role) - Each subsequent 1/2 hour	Half Hour	Various	Standard	Various	37.00	44.40	n/a	Cost Recovery
FRS - Special Services	Event Charges	Hour	350.00	Standard	420.00	355.00	426.00	1.4%	Cost Recovery
FRS - Special Services	Repeated calls to an unwanted automatic fire alarm (AFA)	Per incident		Standard		400.00	480.00	New	Cost Recovery
Commercial Training	Open course face to face training - Fire safety - various	Per head	125.00	Exempt (0%)	125.00	125.00	125.00	0.0%	Cost Recovery
Commercial Training	On-Site face to face training - Fire safety awareness	Course - Max 20 people.	350.00	Exempt (0%)	350.00	350.00	350.00	0.0%	Cost Recovery
Commercial Training	On-Site face to face training - Fire extinguisher	Course - Max 15 people.	440.00	Exempt (0%)	440.00	440.00	440.00	0.0%	Cost Recovery
Commercial Training	On-Site face to face training - Fire warden	Course - Max 15 people.	585.00	Exempt (0%)	585.00	585.00	585.00	0.0%	Cost Recovery
Commercial Training	On-Site face to face training - Manual handling	Course - Max 15 people.	585.00	Exempt (0%)	585.00	585.00	585.00	0.0%	Cost Recovery
Commercial Training	On-Site face to face training - Management of fire risk	Course - Max 15 people.	585.00	Exempt (0%)	585.00	585.00	585.00	0.0%	Cost Recovery
Commercial Training	Fire extinguisher maintenance	Extinguisher	Various	Exempt (0%)	Various	Various	Various	0.0%	Cost Recovery

APPENDIX 7

Records Office Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Record Office	Publication fees for film and TV	Photograph	53.33	Standard	64.00	54.17	65.00	1.6%	Cost Recovery
Record Office	Room hire of work room (up to 12 people)	Full day	84.00	Exempt (0%)	84.00	85.00	85.00	1.2%	Cost Recovery
Record Office	Publication fees for Garland photos UK rights	Image	22.50	Standard	27.00	23.33	28.00	3.7%	Cost Recovery
Record Office	Publication fees for Garland photos world rights	Image	45.00	Standard	54.00	46.67	56.00	3.7%	Cost Recovery
Record Office	Publication fee in books with print run of 1-1000	Photograph	5.83	Standard	7.00	5.83	7.00	0.0%	Cost Recovery
Record Office	Publication fee in books with print run of 1001-3000	Photograph	11.67	Standard	14.00	11.67	14.00	0.0%	Cost Recovery
Record Office	Publication fee in books with print run of 3001-5000	Photograph	17.50	Standard	21.00	17.50	21.00	0.0%	Cost Recovery
Record Office	Publication fee in books with print run of 5001 and over	Photograph	23.33	Standard	28.00	23.33	28.00	0.0%	Cost Recovery
Record Office	Publication fees for national media/ periodicals	Photograph	22.50	Standard	27.00	23.33	28.00	3.7%	Cost Recovery
Record Office	Record Office 'surgeries'	Hour	34.17	Standard	41.00	34.17	41.00	0.0%	Cost Recovery
Record Office	Publication fees for other commercial publications	Photograph	31.67	Standard	38.00	31.67	38.00	0.0%	Cost Recovery
Record Office	Publication fees for local media	Photograph	5.83	Standard	7.00	5.83	7.00	0.0%	Cost Recovery
Record Office	Publication fees for Eric Gill Collection	Item	9.58	Standard	11.50	9.58	11.50	0.0%	Cost Recovery
Record Office	Scanned image and print A3	Sheet	19.17	Standard	23.00	19.17	23.00	0.0%	Cost Recovery
Record Office	Scanned image and print A3-A1	Sheet	38.33	Standard	46.00	38.33	46.00	0.0%	Cost Recovery
Record Office	Scanned image and print A4	Sheet	9.58	Standard	11.50	9.58	11.50	0.0%	Cost Recovery
Record Office	Supply of scanned image - A3-A0	Sheet	25.00	Standard	30.00	25.00	30.00	0.0%	Cost Recovery
Record Office	Supply of scanned image - A4-A3	Sheet	12.50	Standard	15.00	12.50	15.00	0.0%	Cost Recovery
Record Office	Supply of scanned image - up to A4	Sheet	6.25	Standard	7.50	6.25	7.50	0.0%	Cost Recovery
Record Office	Car parking - full day	Day	6.25	Standard	7.50	6.25	7.50	0.0%	Cost Recovery

APPENDIX 7

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Record Office	Car parking - half day	Half day	3.13	Standard	3.75	3.13	3.75	0.0%	Cost Recovery
Record Office	Daytime tours of Record Office	Tour	36.00	Exempt (0%)	36.00	37.00	37.00	2.8%	Cost Recovery
Record Office	Genealogical research fees	Tour	30.00	Standard	36.00	30.00	36.00	0.0%	Cost Recovery
Record Office	Other searches	Hour	30.00	Standard	36.00	30.00	36.00	0.0%	Cost Recovery
Record Office	Orders by post (up to 3 colour copies)	Up to 3 sheets	7.08	Standard	8.50	7.08	8.50	0.0%	Cost Recovery
Record Office	Orders by post (up to 5 copies)	Up to 5 sheets	5.42	Standard	6.50	5.42	6.50	0.0%	Cost Recovery
Record Office	Evening tours of Record Office	Tour	67.00	Exempt (0%)	67.00	68.00	68.00	1.5%	Cost Recovery
Record Office	Out of office talks	Talk	55.83	Standard	67.00	56.67	68.00	1.5%	Cost Recovery
Record Office	Short research fee	30 mins	15.00	Standard	18.00	15.00	18.00	0.0%	Cost Recovery
Record Office	Evening talks at the Record Office	Person	6.67	Standard	8.00	6.67	8.00	0.0%	Cost Recovery
Record Office	Self-service microform copying	Sheet	0.38	Standard	0.45	0.38	0.45	0.0%	Cost Recovery
Record Office	Self-service printing from computer	Sheet	0.38	Standard	0.45	0.38	0.45	0.0%	Cost Recovery
Record Office	A3 and A4 photocopies	Sheet	0.50	Standard	0.60	0.50	0.60	0.0%	Cost Recovery
Record Office	Coffee time sessions	Person	7.50	Exempt (0%)	7.50	7.50	7.50	0.0%	Cost Recovery
Record Office	Photocopies - A3 colour	Sheet	2.50	Standard	3.00	2.50	3.00	0.0%	Cost Recovery
Record Office	Photocopies - A4 colour	Sheet	1.25	Standard	1.50	1.25	1.50	0.0%	Cost Recovery
Record Office	Room hire of work room (up to 12 people)	Half day	42.00	Exempt (0%)	42.00	42.50	42.50	1.2%	Cost Recovery
Record Office	Certified copies of documents	Document	11.67	Standard	14.00	12.50	15.00	7.1%	Cost Recovery
Record Office	DIY photography in search room	Day	10.00	Standard	12.00	10.00	12.00	0.0%	Cost Recovery
Record Office	Baptism certificate			Standard		25.83	31.00	New	Cost Recovery

APPENDIX 7

Libraries Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Libraries	Audiobooks (up to 8 cassettes/CDs)	3 weeks	1.45	Non-business (0%)	1.45	1.45	1.45	0%	Cost Recovery
Libraries	Audiobooks (9+ cassettes/CDs)	3 weeks	2.90	Non-business (0%)	2.90	2.90	2.90	0%	Cost Recovery
Libraries	Audiobooks (Playaway - digital audio)	3 weeks	2.90	Non-business (0%)	2.90	2.90	2.90	0%	Cost Recovery
Libraries	Fax: to UK	Per page	1.67	Standard	2.00	1.67	2.00	0%	Cost Recovery
Libraries	Fax: to Europe	Per page	2.25	Standard	2.70	2.25	2.70	0%	Cost Recovery
Libraries	Fax: to Rest of World	Per page	2.83	Standard	3.40	2.83	3.40	0%	Cost Recovery
Libraries	Fax: receiving fax	Per page	1.13	Standard	1.35	1.13	1.36	0%	Cost Recovery
Libraries	Public access computers: Charge for non-members using PCs	Hour	1.67	Standard	2.00	1.67	2.00	0%	Cost Recovery
Libraries	Reservation Fees - Books in West Sussex or partnership libraries	Item	1.00	Non-business (0%)	1.00	1.00	1.00	0%	Cost Recovery
Libraries	Reading groups - Subscription	Year	27.50	Standard	33.00	27.50	33.00	0%	Cost Recovery
Libraries	CDs - Other	1 week	1.20	Non-business (0%)	1.20	1.20	1.20	0%	Cost Recovery
Libraries	Membership card replacement	Card	1.75	Non-business (0%)	1.75	1.75	1.75	0%	Cost Recovery
Libraries	Overdue charges (Administration charge for overdue letter)	Letter	1.75	Non-business (0%)	1.75	1.75	1.75	0%	Cost Recovery
Libraries	Reservation fees - Books reserved directly online	Item	0.60	Non-business (0%)	0.60	0.60	0.60	0%	Cost Recovery
Libraries	Reservation fees - Books from elsewhere	Item	7.50	Non-business (0%)	7.50	7.50	7.50	0%	Cost Recovery
Libraries	Reservation fees - Books from British Library	Item	11.00	Non-business (0%)	11.00	11.00	11.00	0%	Cost Recovery
Libraries	Overdue charges (Adult Books)	Day	0.30	Non-business (0%)	0.30	0.30	0.30	0%	Cost Recovery
Libraries	Overdue charges (Audio books)	Day	0.30	Non-business (0%)	0.30	0.30	0.30	0%	Cost Recovery
Libraries	Overdue charges (General DVDs)	Day	0.60	Non-business (0%)	0.60	0.60	0.60	0%	Cost Recovery
Libraries	Overdue charges (Music CDs)	Day	0.30	Non-business (0%)	0.30	0.30	0.30	0%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Libraries	DVDs (General)	1 Week	2.00	Non-business (0%)	2.00	2.00	2.00	0%	Cost Recovery
Libraries	Exhibition booking fee	Per week, when items are for sale	13.50	Exempt (0%)	13.50	13.50	13.50	0%	Cost Recovery
Libraries	Photocopying - A4 Black and White	Copy	0.13	Standard	0.15	0.13	0.16	0%	Cost Recovery
Libraries	Photocopying - A3 Black and White	Copy	0.17	Standard	0.20	0.17	0.20	0%	Cost Recovery
Libraries	Photocopying - A4 Colour	Copy	0.42	Standard	0.50	0.42	0.50	0%	Cost Recovery
Libraries	Photocopying - A3 Colour	Copy	0.83	Standard	1.00	0.83	1.00	0%	Cost Recovery
Libraries	Printing: charge for internet prints - A4 Black and White	Page	0.17	Standard	0.20	0.17	0.20	0%	Cost Recovery
Libraries	Printing: charge for internet prints - A4 Colour	Page	0.50	Standard	0.60	0.50	0.60	0%	Cost Recovery
Libraries	Reference research	Half-hour, after initial free 30 mins	15.00	Standard	18.00	15.00	18.00	0%	Cost Recovery
Libraries	Lettings - Community use	1 hour	10.00	Exempt (0%)	10.00	10.00	10.00	0%	Cost Recovery
Libraries	Lettings - SME business	1 hour	20.00	Exempt (0%)	20.00	20.00	20.00	0%	Cost Recovery
Libraries	Lettings - Commercial use	1 hour	40.00	Exempt (0%)	40.00	40.00	40.00	0%	Cost Recovery
Libraries	Lettings - Crawley library meeting rooms - Community use	1 hour	12.00	Exempt (0%)	12.00	12.00	12.00	0%	Cost Recovery
Libraries	Lettings - Crawley library meeting rooms - SME business use	1 hour	24.00	Exempt (0%)	24.00	24.00	24.00	0%	Cost Recovery
Libraries	Lettings - Crawley library meeting rooms - Commercial use	1 hour	48.00	Exempt (0%)	48.00	48.00	48.00	0%	Cost Recovery
Libraries	Lettings - Longley exhibition room - Community use	1 hour	22.00	Exempt (0%)	22.00	22.00	22.00	0%	Cost Recovery
Libraries	Lettings - Longley exhibition room - SME business use	1 hour	44.00	Exempt (0%)	44.00	44.00	44.00	0%	Cost Recovery
Libraries	Lettings - Longley exhibition room - Commercial use	1 hour	88.00	Exempt (0%)	88.00	88.00	88.00	0%	Cost Recovery
Libraries	Lettings - Worthing library lecture theatre - Community use	1 hour	22.00	Exempt (0%)	22.00	22.00	22.00	0%	Cost Recovery
Libraries	Lettings - Worthing library lecture theatre - SME business use	1 hour	44.00	Exempt (0%)	44.00	44.00	44.00	0%	Cost Recovery
Libraries	Lettings - Worthing library lecture theatre - Commercial use	1 hour	88.00	Exempt (0%)	88.00	88.00	88.00	0%	Cost Recovery

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Registrar's Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Citizenship ceremony	Individually organised citizenship ceremony for one person at a registration office.	Ceremony	115.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	115.00	95.83	115.00	0.00%	Cost Recovery
Citizenship ceremony	Individually organised citizenship ceremony for a family at a registration office.	Family ceremony	150.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	150.00	125.00	150.00	0.00%	Cost Recovery
Citizenship ceremony	Individually organised citizenship ceremony for one person at a registration office on a Saturday	Ceremony	130.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	130.00	108.33	130.00	0.00%	Cost Recovery
Citizenship ceremony	Individually organised citizenship ceremony for a family at a registration office on a Saturday	Family ceremony	160.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	160.00	133.33	160.00	0.00%	Cost Recovery
Non-Statutory Ceremonies	Fee for commemorative certificate	Certificate	9.17	Standard	11.00	9.17	11.00	0.00%	Cost Recovery
Additional fee for Notice of Marriage given on Saturdays	Additional administration fee for notice appointments requested on Saturdays. Added to reflect increased cost of delivery of a Saturday service	Notice	10.42	Standard	12.50	10.42	12.50	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony, Chichester ceremony room) To register a marriage/ civil partnership	Monday - Thursday	Ceremony	217.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	217.00	180.83	217.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony, Chichester ceremony room) To register a marriage/ civil partnership	Friday	Ceremony	280.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	280.00	233.33	280.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony, Chichester ceremony room) To register a marriage/ civil partnership	Saturday / Sunday	Ceremony	310.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	310.00	258.33	310.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat A room (e.g. Balcony, Chichester ceremony room) To register a marriage/ civil partnership	Public Holiday	Ceremony	404.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	404.00	336.67	404.00	0.00%	Cost Recovery
Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A)	Monday - Thursday	Ceremony	181.00	Standard	217.00	180.83	217.00	0.00%	Cost Recovery
Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A)	Friday	Ceremony	233.00	Standard	280.00	233.33	280.00	0.00%	Cost Recovery
Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A)	Saturday / Sunday	Ceremony	258.00	Standard	310.00	258.33	310.00	0.00%	Cost Recovery
Non statutory Ceremonies such as Baby naming & Renewal of vows in West Sussex Rooms (Cat A)	Public Holiday	Ceremony	337.00	Standard	404.00	336.67	404.00	0.00%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall) To register a marriage/ civil partnership	Monday - Thursday	Ceremony	260.00	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	260.00	216.67	260.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall) To register a marriage/ civil partnership	Friday	Ceremony	315.00	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	317.00	264.17	317.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall) To register a marriage/ civil partnership	Saturday / Sunday	Ceremony	371.83	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	376.00	313.33	376.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat B room (e.g. Parlour, Henshall) To register a marriage/ civil partnership	Public Holiday	Ceremony	476.17	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	490.00	408.33	490.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B)	Monday - Thursday	Ceremony	217.00	Standard	260.00	216.67	260.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B)	Friday	Ceremony	264.00	Standard	317.00	264.17	317.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B)	Saturday / Sunday	Ceremony	313.00	Standard	376.00	313.33	376.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat B)	Public Holiday	Ceremony	408.00	Standard	490.00	408.33	490.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership	Monday - Thursday	Ceremony	430.00	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	455.00	379.17	455.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership	Friday	Ceremony	471.67	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	505.00	420.83	505.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership	Saturday / Sunday	Ceremony	573.50	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	618.00	515.00	618.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat C room (e.g. The Drawing Room) To register a marriage/ civil partnership	Public Holiday	Ceremony	636.17	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	682.00	568.33	682.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C)	Monday - Thursday	Ceremony	379.00	Standard	455.00	379.17	455.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C)	Friday	Ceremony	421.00	Standard	505.00	420.83	505.00	0.00%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C)	Saturday / Sunday	Ceremony	515.00	Standard	618.00	515.00	618.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat C)	Public Holiday	Ceremony	568.00	Standard	682.00	568.33	682.00	0.00%	Cost Recovery
Attendance of Registrars in West Sussex Venue Cat C room (e.g. The Drawing Room)	Additional ceremony at venue already paying for one ceremony - i.e. baby naming	Additional ceremony	96.00	Standard	115.00	95.83	115.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D)	Monday - Thursday	Ceremony	645.83	Standard	775.00	645.83	775.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D)	Friday	Ceremony	688.33	Standard	826.00	688.33	826.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D)	Saturday / Sunday	Ceremony	753.33	Standard	904.00	753.33	904.00	0.00%	Cost Recovery
Non statutory ceremonies such as Baby Naming & Renewal of vows in West Sussex Rooms (Cat D)	Public Holiday	Ceremony	817.50	Standard	981.00	817.50	981.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership	Monday - Thursday	Ceremony	696.67	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	775.00	645.83	775.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership	Friday	Ceremony	739.17	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	826.00	688.33	826.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership	Saturday / Sunday	Ceremony	811.83	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	904.00	753.33	904.00	0.00%	Cost Recovery
Attendance of Registrars in a West Sussex Venue. Cat D room (e.g. The Richmond Room Room) To register a marriage/ civil partnership	Public Holiday	Ceremony	885.33	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	981.00	817.50	981.00	0.00%	Cost Recovery
Attendance of Registrars at an outside venue to register a marriage / civil partnership	Monday - Thursday	Ceremony	430.00	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	455.00	379.17	455.00	0.00%	Cost Recovery
Attendance of Registrars at an outside venue to register a marriage / civil partnership	Friday	Ceremony	471.67	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	505.00	420.83	505.00	0.00%	Cost Recovery
Attendance of Registrars at an outside venue to register a marriage / civil partnership	Saturday / Sunday	Ceremony	573.50	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	618.00	515.00	618.00	0.00%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Attendance of Registrars at an outside venue to register a marriage / civil partnership	Public Holiday	Ceremony	636.17	Standard 1st April 2020 - Standard & non business (0%) 1st April 2019	682.00	568.33	682.00	0.00%	Cost Recovery
Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licensed premises	Monday - Thursday	Ceremony	379.00	Standard	455.00	379.17	455.00	0.00%	Cost Recovery
Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licensed premises	Friday	Ceremony	421.00	Standard	505.00	420.83	505.00	0.00%	Cost Recovery
Non-Statutory ceremonies such as Baby Naming & Renewal of vows at Outside Venues and non-licensed premises	Saturday / Sunday	Ceremony	515.00	Standard	618.00	515.00	618.00	0.00%	Cost Recovery
Venue Licensing	Licence valid for three years for a venue to hold marriages & civil partnerships	License	2018.00	Non-business (0%)	2018.00	2018.00	2018.00	0.00%	Cost Recovery
Licensing a Religious Building to hold civil partnerships	Appeal against a refusal to grant a license.	Appeal	403.00	Non-business (0%)	403.00	403.00	403.00	0.00%	Cost Recovery
Venue Licensing	License valid for three years for a venue to hold marriages & civil partnerships: Fee for additional room	Additional room	347.00	Non-business (0%)	347.00	347.00	347.00	0.00%	Cost Recovery
Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office	Monday - Thursday	Ceremony	366.67	Standard	440.00	366.67	440.00	0.00%	Cost Recovery
Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office	Friday	Ceremony	406.67	Standard	488.00	406.67	488.00	0.00%	Cost Recovery
Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office	Saturday / Sunday	Ceremony	501.67	Standard	602.00	501.67	602.00	0.00%	Cost Recovery
Attendance of Registrars at venue of choice to celebrate of marriage or civil partnership following statutory ceremony in the West Sussex Register Office	Public Holiday	Ceremony	555.00	Standard	666.00	555.00	666.00	0.00%	Cost Recovery
Registrar to register a civil partnership at a religious building	Monday - Thursday	Ceremony	172.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	172.00	143.33	172.00	0.00%	Cost Recovery
Registrar to register a civil partnership at a religious building	Friday	Ceremony	231.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	231.00	192.50	231.00	0.00%	Cost Recovery
Registrar to register a civil partnership at a religious building	Saturday / Sunday	Ceremony	260.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	260.00	216.67	260.00	0.00%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Registrar to register a civil partnership at a religious building	Public Holiday	Ceremony	346.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	346.00	288.33	346.00	0.00%	Cost Recovery
Attendance of Registrars at a venue subject to specific partnership arrangement to Register a marriage/civil partnership	Friday	Ceremony	279.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	279.00	232.50	279.00	0.00%	Cost Recovery
Attendance of Registrars at a venue subject to specific partnership arrangement to Register a marriage/civil partnership	Saturday	Ceremony	310.00	Standard 1st April 2020 - Non business (0%) 1st April 2019	310.00	258.33	310.00	0.00%	Cost Recovery

Gypsy and Travellers Sites Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Gypsy and Travellers Sites	Gypsy Roma Traveller site plot rental – Fairplace Hill (4 X Double pitch plot rental)	Week	104.50	Exempt (0%)	104.50	105.50	105.50	0.96%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller Site plot rental – Fairplace Hill (5 X Single pitch plot rental)	Week	83.00	Exempt (0%)	83.00	84.00	84.00	1.20%	Subsidised
Gypsy and Travellers Sites	Plot rental all other sites	Week	56.50	Exempt (0%)	56.50	57.00	57.00	0.88%	Subsidised
Gypsy and Travellers Sites	Gypsy Roma Traveller site plot rental – Fairplace Hill (1 X Single pitch plot rental)	Week	99.69	Exempt (0%)	99.69	100.69	100.69	1.00%	Subsidised

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Highways Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Licensing - Highways	Hoarding application	M2 per 6 weeks	N/A	Non-business (0%)	N/A	27.00	27.00	New	Cost Recovery
Licensing - Highways	Hoarding application - Extension	M2 per 8 weeks	N/A	Non-business (0%)	N/A	27.00	27.00	New	Cost Recovery
Licensing - Highways	Hoarding application - Retrospective	Additional fee per license	302.00	Non-business (0%)	302.00	305.30	305.30	1.1%	Cost Recovery
Licensing - Highways	Scaffold license	Month	190.00	Non-business (0%)	190.00	192.10	192.10	1.1%	Cost Recovery
Licensing - Highways	Scaffold license - Extension	Extra months	127.00	Non-business (0%)	127.00	128.40	128.40	1.1%	Cost Recovery
Licensing - Highways	Scaffold license - Retrospective	Additional fee per license	302.00	Non-business (0%)	302.00	305.30	305.30	1.1%	Cost Recovery
Licensing - Highways	Special event orders Section 16 (Note: In exceptional circumstances, a fee reduction may be agreeing at the discretion of the Traffic Manager for community events with minimal impact on the network)	Order	2,145.00	Non-business (0%)	2,145.00	2,168.60	2,168.60	1.1%	Cost Recovery
Licensing - Highways	Temporary traffic orders: by Notice - only if agreed with Streetworks Section (S14 (2))	Notice	428.00	Non-business (0%)	428.00	432.70	432.70	1.1%	Cost Recovery
Licensing - Highways	Temporary traffic orders: by Notice followed by full Order (NOTICE + 2nd public notice) (S14 (1))	Order	2,145.00	Non-business (0%)	2,145.00	2,168.60	2,168.60	1.1%	Cost Recovery
Licensing - Highways	Temporary traffic orders: by Order (S14 (1))	Order	2,145.00	Non-business (0%)	2,145.00	2,168.60	2,168.60	1.1%	Cost Recovery
Licensing - Highways	Temporary traffic orders: Extension	Order	2,145.00	Non-business (0%)	2,145.00	2,168.60	2,168.60	1.1%	Cost Recovery
Licensing - Highways	Public path orders administrative fees - Temporary traffic regulation order (path closure) (6-month orders)	Path order	2,000.00	Non-business (0%)	2,000.00	2,022.00	2,022.00	1.1%	Cost Recovery
Licensing - Highways	Public path orders administrative fees - Temporary traffic regulation order (Path closure) (Extensions)	Path order	2,000.00	Non-business (0%)	2,000.00	2,022.00	2,022.00	1.1%	Cost Recovery
Licensing - Highways	Vehicle crossover licence - Application fee	Application fee	154.00	Non-business (0%)	154.00	155.70	155.70	1.1%	Cost Recovery
Licensing - Highways	Vehicle crossover licence - Works permission fee	Works permission fee	221.00	Non-business (0%)	221.00	223.40	223.40	1.1%	Cost Recovery
Licensing - Highways	Letter to support VCO legality - Part of house sale	Per letter	50.00	Non-business (0%)	50.00	50.60	50.60	1.2%	Cost Recovery
Licensing - Highways	Section 50 - New Roads and Street Works Act 1991: Private apparatus in the highway	Units of 200m per street	586.00	Non-business (0%)	586.00	592.50	592.50	1.1%	Cost Recovery
Document Copies - Highways	Local land charges -Provision of site drawing, electronic	Number	51.00	Standard	61.20	51.60	61.90	1.1%	Cost Recovery
Document Copies - Highways	Local land charges -Provision of controller specification	Number	53.00	Standard	63.60	53.58	64.30	1.1%	Cost Recovery

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Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Document Copies - Highways	Local Land Charges -Provision of SCOOT, UTC or MOVA data	Number	99.00	Standard	118.80	100.10	120.10	1.1%	Cost Recovery
Flood Risk Management/Drainage Advice and Data	Developer enquiries (pre app advice) for housing developments - professional advice over and above risk summary data - one off charge	Hectares of development - banded	Various	Standard	Various	Various	Various	1.1%	Cost Recovery
Local Highway Operations - Markings	Access protection lines - road markings to deter parking across private access - per set	New lines	135.00	Standard	162.00	136.50	163.80	1.1%	Cost Recovery
Local Highway Operations - Markings	Access protection lines - road markings to deter parking across private access - per set	Refurbishment	135.00	Standard	162.00	136.50	163.80	1.1%	Cost Recovery
Licensing - Highways	Moving elevated work platform - Notice required	Up to 10 working days	103.00	Non-business (0%)	103.00	104.00	104.00	1.0%	Cost Recovery
Local Highway Operations	Tourist & private directional signs – Survey and admin fees (Design and manufacture costs in addition to this)	Application	319.00	Non-business (0%)	319.00	323.00	323.00	1.3%	Cost Recovery
Signs - Highways	Tourist & private directional signs - Non-refundable vetting fee	Application	128.00	Non-business (0%)	128.00	129.40	129.40	1.1%	Cost Recovery
Temp Signs - Highways	Temporary direction signs (new developments) - First 5 signs	Up to 5 signs	561.00	Non-business (0%)	561.00	567.20	567.20	1.1%	Cost Recovery
Temp Signs - Highways	Temporary direction signs (new developments) - Additional signs	Additional sign	112.00	Non-business (0%)	112.00	113.20	113.20	1.1%	Cost Recovery
TROs - Highways	TROs required as a consequence of development or another promoter	TRO	7,847.00	Non-business (0%)	7,847.00	7,933.30	7,933.30	1.1%	Cost Recovery
Licensing - Highways	Skip license - Initial 14-day license	14 days	62.00	Non-business (0%)	62.00	63.00	63.00	1.6%	Cost Recovery
Licensing - Highways	Skip license - 14-day extension	14 days	62.00	Non-business (0%)	62.00	63.00	63.00	1.6%	Cost Recovery
Licensing - Highways	Skip license - Over run fee cost recovery	License	92.00	Non-business (0%)	92.00	93.00	93.00	1.1%	Cost Recovery
Licensing - Highways	Skip license - Retrospective	Application	103.00	Non-business (0%)	103.00	104.00	104.00	1.0%	Cost Recovery
Licensing - Highways	Materials on a highway - Licence 171 to temporarily deposit building materials etc, no excavation (non-apparatus) etc OVER 24-hours: 1 to 5 days	Licence 1 to 5 days	90.00	Non-business (0%)	90.00	91.00	91.00	1.1%	Cost Recovery
Licensing - Highways	Licence 171 excavation	Licence 1 to 5 days		Non-business (0%)		592.50	592.50	New	Cost Recovery
Licensing - Highways	Moving elevated work platform - Over run fee	Day	154.00	Non-business (0%)	154.00	155.70	155.70	1.1%	Cost Recovery
Licensing - Highways	Moving elevated work platform - Admin fee for change of date	One off	36.00	Non-business (0%)	36.00	36.40	36.40	1.1%	Cost Recovery
Licensing - Highways	Scaffold - Fine for over run or failure to notify removal complete	Application	239.00	Non-business (0%)	239.00	242.00	242.00	1.3%	Cost Recovery

APPENDIX 7

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Licensing - Highways	Materials on a Highway - Licence to temporarily deposit building materials - Over run per day	Day	36.00	Non-business (0%)	36.00	36.40	36.40	1.1%	Cost Recovery
Licensing - Highways	Temp vehicle crossover licence: Developer applications - 1 to 5 properties (dwellings) on site	Application	559.00	Non-business (0%)	559.00	565.20	565.20	1.1%	Cost Recovery
Licensing - Highways	Temp vehicle crossover licence: Developer applications - 6 to 25 (dwellings) properties on site	Application	1,118.00	Non-business (0%)	1,118.00	1,130.30	1,130.30	1.1%	Cost Recovery
Licensing - Highways	Temp vehicle crossover licence: Developer applications - 25+ properties (dwellings)	Application	2,794.00	Non-business (0%)	2,794.00	2,824.70	2,824.70	1.1%	Cost Recovery
Licensing - Highways	Temporary direction signs (new developments) - unauthorised sign removal	Each sign removal	103.00	Non-business (0%)	103.00	104.10	104.10	1.1%	Cost Recovery
Traffic Signals	Temporary switch off for pedestrian crossing	Each	611.00	Non-business (0%)	611.00	617.00	617.00	1.0%	Cost Recovery
Traffic Signals	Temporary switch off for signalised junction	Each	796.00	Non-business (0%)	796.00	804.00	804.00	1.0%	Cost Recovery
Local Highway Operations	Tree planting contribution	Application	150.00	Outside scope (0%)	150.00	200.00	200.00	33.3%	Subsidised
Local Highway Operations	Various licences -Under S115E of Highways Act and Consents to temporary activities - Admin fee	Application		Non-business (0%)		Various	Various	New	Subsidised
Local Highway Operations	S59 Licence Agreements	Application		Non-business (0%)		500.00	500.00	New	Cost Recovery

Transport Fees and Charges

Service	Fee or Charge	Per what?	2020/21 Fee or Charge ex VAT (£)	VAT Type	2020/21 Fee or Charge (inc VAT where applicable) (£)	Proposed 2021/22 Fee or Charge ex VAT (£)	Proposed 2021/22 Fee or Charge (inc VAT where applicable) (£)	% Increase 2021/22	Type of Charge
Road Safety	Cycle training course - complete beginner	1 hour session	35.30	Exempt (0%)	35.30	35.70	35.70	1.13%	Cost Recovery
Road Safety	Cycle training course - beginner/road riding	1.5 hour session	41.00	Exempt (0%)	41.00	41.40	41.40	0.98%	Cost Recovery
Transport Bureau - Transport	Minibus permit S19	Permit	15.00	Non-business (0%)	15.00	15.00	15.00	0.00%	Cost Recovery
Road Safety	Experienced driver assessment	Hour	47.60	Exempt (0%)	47.60	48.10	48.10	1.05%	Cost Recovery
Road Safety	Cycle training course - advanced	2 hour	46.10	Exempt (0%)	46.10	46.60	46.60	1.08%	Cost Recovery
Transport Bureau - Transport	English National Concessionary Travel Scheme - replacement bus pass	Pass	10.00	Exempt (0%)	10.00	10.00	10.00	0.00%	Cost Recovery
Transport Bureau - Transport	Transport DBS – DBS Checks for external transport staff	Check	70.00	Non-business (0%)	70.00	72.00	72.00	2.86%	Cost Recovery

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West Sussex Capital Strategy 2021-2041

1. Purpose

- 1.1 The West Sussex Capital Strategy 2021-41 drives the Council's strategic capital investment ambition to support the sustainable long-term delivery of services. The Strategy supports delivery of the West Sussex Plan, the Council's vision for the county and its commitment to the communities of West Sussex as part of a suite of strategic financial management approaches that inform the Medium-Term Financial Strategy.
- 1.2 The Capital Strategy is informed by the Council's Asset Management Strategy, which collates services' asset requirements and integrates them with corporate asset management objectives. It sets the framework for prioritising the identification, development and delivery of capital projects across all services seeking investment. It establishes the control environment for delivering and reporting projects, ensuring consistent and transparent decision-making.
- 1.3 The Strategy conforms with the Local Government Act 2003, which sets out the power to borrow, affordable borrowing limits, power to invest and relevant guidance. It is also informed by the CIPFA Prudential Code 2017 and Treasury Code of Practice 2017 and relevant guidance. In line with best practice set out in the Prudential and Treasury Codes, it:
 - applies a long-term approach
 - explores external influence on the Capital Strategy e.g. a Local Enterprise Partnership
 - examines commercial activity/ambition
 - determines implications of the Treasury Management Strategy
 - ensures Council Plan priorities drive capital investment
 - examines available resources and capacity to deliver
 - assesses affordability against ambition and addresses any gap
 - identifies capital financing principles
 - demonstrates integration with other strategies and plans
 - produces a 5-year capital investment plan, with actions, timescale, outputs and outcomes; plus a five-year funded programme in line with the Medium Term Financial Strategy
 - identifies risks and mitigations
 - outlines capital governance, monitoring, processes and procedures.
- 1.4 Several external organisations and partners help inform the Council's capital strategy, including district and borough councils via local plans and partnerships and funding bodies, including Government departments and devolved funding bodies. The Capital Strategy brings together the demand for capital investment and the available funding to enable the Council to set out its plan to fund the development and delivery of its priorities over the medium term through the five-year Capital Programme.

2. Principles

- 2.1 Capital expenditure is defined as expenditure that results in the acquisition, construction or enhancement of an asset that continues to benefit the Council for a period of more than one financial year. Assets can include land, buildings, roads and plant and equipment. At West Sussex County Council (WSCC),

spending on projects can be capitalised if they meet the definition of capital expenditure.

- 2.2 The Capital Strategy sets the direction for the next 20 years. It informs and shapes the five-year Capital Programme, which acts as the delivery mechanism for the Strategy. The Capital Programme is reviewed and updated annually to ensure it remains focused on the Council's Priority Outcomes and can react to changes in circumstances.
- 2.3 The key principles of the Capital Strategy are:
- Maintenance of assets is prioritised ahead of other projects
 - Capital expenditure contributes to the achievement of the Council's Priority Outcomes
 - Investment decisions make the best use of resources
 - Capital investment decisions are made within a clear framework
 - There is a corporate approach to generating capital resources
 - Business intelligence data drives long-term asset planning to meet the needs of services
- 2.4 Block Maintenance Programmes of investment are prioritised for funding ahead of any further investment projects. Block Maintenance Programmes are made up of:
- Asset condition works – maintaining assets at an agreed level
 - ICT infrastructure – ensuring the Council remains able to deliver a modern and compliant service
- 2.5 Other projects are considered after the Block Maintenance Programme has been financed based on the extent to which they contribute towards the Council's Reset Plan priorities. Projects are assessed via business cases demonstrating they will deliver benefits derived from the Reset Plan priorities and the extent to which they impact ongoing revenue costs to the County Council.
- 2.6 Projects that deliver Reset Plan objectives and are self-financing, in that the revenue benefits include income sufficient to cover the total cost of delivery, including financing costs, are funded from the Future Economic Developments line in the programme. Section 7 covers the arrangements for the projects funded from the Future Economic Developments line in detail.

3. Programme Objectives and Priorities

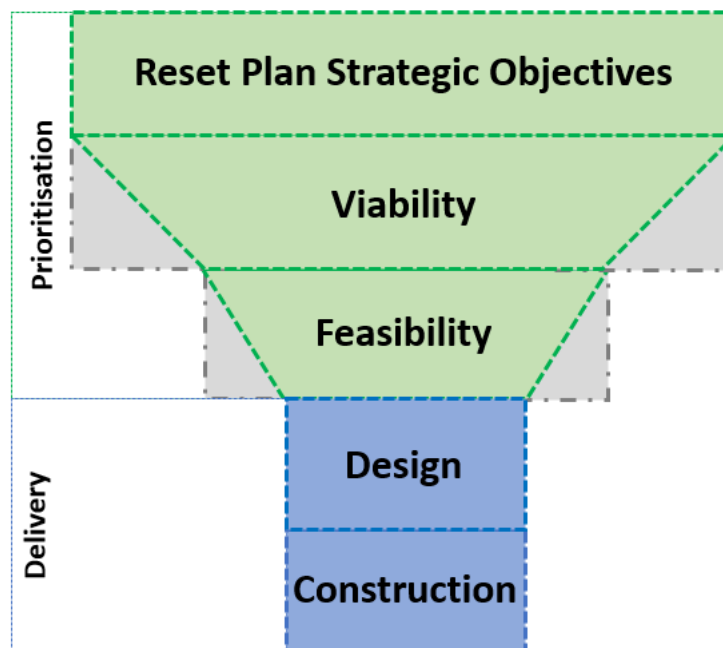
- 3.1 The West Sussex Reset Plan sets out the Council's vision and priority areas for the county. Individual Service Business Plans identify objectives for each service to deliver the Reset Plan for their area of responsibility. Service-owned Asset Management Strategies set out the fixed asset requirements and opportunities to deliver those objectives.
- 3.2 The Block Maintenance Programme includes the following areas of asset management:
- Corporate Estate maintenance – including the corporate and service-operated estate
 - Schools maintenance – across the Local Authority maintained school estate

- Highways maintenance – including network condition-based repairs, upgrade and replacement of signals and signage and structural maintenance
 - Fleet – investment in the Council’s vehicles including Fire and Rescue, Highways and Transport and Social Care vehicles
 - Energy efficiency projects – where external Salix funding pays back the investment
 - ITC investment - so the Council can deliver modern and compliant services
- 3.3 Other projects are discretionary and the justification for prioritising investment is made via a business case. The business case considers the extent to which projects deliver Reset Plan objectives set against technical project deliverables and the financial impact to the Council. Where the Council receives external funding to meet strategic demands and objectives (including provision of school places and highways improvements to meet increased demographic and development demand), this reduces or even eliminates the capital costs of projects. Financial considerations include:
- Cost Avoidance – projects that fully offset the costs of increasing service demand, including the cost of project development and delivery with a clear net revenue payback
 - Cost-Neutral Outcome – projects that deliver service outcomes that can be delivered at no additional net revenue cost to the Council, including project development, delivery and priced risk
 - Strategic Investments - with a longer-term payback period within the approved framework governing the approach to acquiring investment assets, including that cash receipts on disposal to be treated as general capital receipt
 - Borrowing costs – where external funding is not received, the cost of borrowing is included to indicate the full cost of project delivery
- 3.4 Current examples of Opportunity Programme spend include: Highways Major Projects, funded from external grants and developer contributions; and SEND Strategy, where increased in-county capacity reduces requirements for more costly independent placements.
- 3.5 Future Economic Developments is a financing line in the programme through which projects are developed according to the same process as projects in the Opportunities programme but financed under different arrangements. Projects are funded from Future Economic Developments because the revenue benefits exceed the total cost of their delivery, including development, operational and financing costs. As such, the revenue cost of borrowing is not budgeted.

4. Corporate Governance Arrangements for Capital Investment

- 4.1 The Block Maintenance Programmes are approved via a simple business case led by service asset condition survey data. Agreed condition scoring methodologies define an on-going programme of activity designed to maintain an overall standard for each type of asset. A list of proposed works is presented each year, with delivery, changes and reactive budgets delegated to the relevant Asset Manager. A list of actual works completed in the previous year and impact on the overall condition is included alongside options for future years programmes and funding.

- 4.2 Other proposed projects are led by Reset Plan objectives based on service data and expressed through Asset Management Strategies. A framework of clear investment criteria is agreed by elected members as a filter to ensure that project development time and costs are focused on the projects and options most likely to meet service and corporate objectives.
- 4.3 Each project is brought through a standard gateway process characterised by the following stages, which focus and reduce the options taken forward:



- 4.4 Detailed planning is delegated to officers within an approved Capital Prioritisation Framework. Proposals are assessed via standard business case demonstrating the extent to which they contribute towards Reset Plan strategic objectives and performance indicators and:
- Contribute towards the execution of Statutory functions
 - Incur capital costs against corporate resources
 - Invest to save, with a clear revenue payback
 - Invest strategically, with a longer-term payback period
 - Support the Council's Climate Change Strategy
- 4.5 Revenue viability funding is allocated to projects emerging from service asset strategies demonstrating likely contributions to corporate objectives. Investment of revenue feasibility funding is subject to senior officer approval of shortlisted options.
- 4.6 Member approvals are required for delivery stages for significant and high value projects and changes and projects costing over £0.5m are subject to Key Decision before proceeding. Lower value or less significant changes are approved within agreed limits set out in Table 1.

Table 1 Senior officer approval limits

Limit	Approval
(i) Where the level of investment or variation is no more than 5% of the total project cost or no greater than £250,000	Senior officer
(ii) Where, not fitting within (i), the level of investment or variation is no more than 10% of the total project cost or no greater than £500,000 and (iii) Where the decision has not previously been marked by the relevant Cabinet Member for decision by the Cabinet Member	Senior officer will consult the Cabinet Member before deciding
(iv) Where the matter has been the subject of previous Cabinet Member decision delegating further decisions	Delegated Officer
(v) Where the relevant Executive Director, in discussion with the Cabinet Member, does not consider the matter to be politically sensitive and so the use of officer delegation would be appropriate	Executive Director

- 4.7 The overall programme approach is reviewed and approved by the County Council each year at its budget setting meeting and Financial Regulations (Financial Regulation B, paragraphs 2.2 – 2.4) set out the associated governance arrangements.
- 4.8 Options appraisals are based on the HM Treasury Green Book five-case business case model, adapted to meet local requirements¹. All business cases and project changes are reviewed at officer 'Programme Board' meetings before being recommended to the relevant decision-maker for approval.
- 4.9 As well as the maintenance programmes, large schemes and development projects that make up much of the Capital Programme, the Council also allocates grants to community groups. Grant Allocation programmes are approved by the County Council based on their SOC and delegated to an identified member or officer to make awards in accordance within the agreed process.
- 4.10 A quarterly performance report on the Capital Programme is published in the Members' Bulletin and linked to the Members' Information Network database. Oversight of programme performance management is part of the core business of the Cabinet and the Performance and Finance Scrutiny Committee (PFSC) each quarter. Scrutiny committees may also consider individual projects.
- 4.11 The quarterly report includes a summary of the Capital Programme Risk Register, maintained in accordance with the Council's Risk Strategy. The Risk

¹ HM Treasury's Green Book Five-Case Model, is as follows:

Strategic – there is a robust "case for change" which meets corporate objectives

Economic – the scheme delivers value for money

Financial – the scheme is affordable within capital and revenue resources

Commercial – procurement arrangements and any deal structure have been considered

Management – ensuring strong arrangements for the set-up and delivery of the project

Register is reviewed monthly at officer programme boards and a summary of new and changed risks is presented to the senior officers on a monthly basis, or escalated directly, as appropriate.

5. Current 5-year programme

- 5.1 Capital investment is made in order to maintain, support and enhance delivery of the County Council's strategic objectives as set out in the Reset Plan. The Reset Plan objectives and current programme allocations in each area are set out below:

Keeping people safe from vulnerable situations

- Children's Social Care – a programme of development of existing Children's Social Care placements to provide improved and more local services for vulnerable children and young people
- Adults' Social Care – a range of investments in the care market, including the high needs sector, Extra Care and in-house improvements
- Live Training Centre and Horsham Fire Station – a new fire station and training centre, ensuring future emergency response needs are met
- Fire and Rescue Service equipment – keeping the service supported with state-of-the-art emergency response equipment
- Highways safety and resilience improvements – including flood risk-management, road safety schemes and footways improvements

A sustainable and prosperous economy

- Growth Programmes – strategic infrastructure improvements improving connectivity and access to the town centres at the heart of the West Sussex economy
- Digital Infrastructure – providing the infrastructure backbone for gigabit accessibility for businesses and residents
- Major Highways Projects – including the Lyminster Bypass, re-alignment of the A29 between Bognor and Westergate and corridor improvements on the A2300 and A259
- Local Transport Improvements – a programme of traffic management schemes aimed at improving traffic flow

Helping people and communities to fulfil their potential

- Additional School places – to meet the needs of our growing communities
- Special Educational Needs and Disabilities Strategy – a programme of investment in additional places in West Sussex schools, increasing quality and local choices
- School Access Initiative – enhancing the choices for children with special educational needs by making minor adaptations to accommodate a wider variety of needs in mainstream schools

- Safeguarding Schools – boundary and access improvements to ensure that children are safe and secure within schools

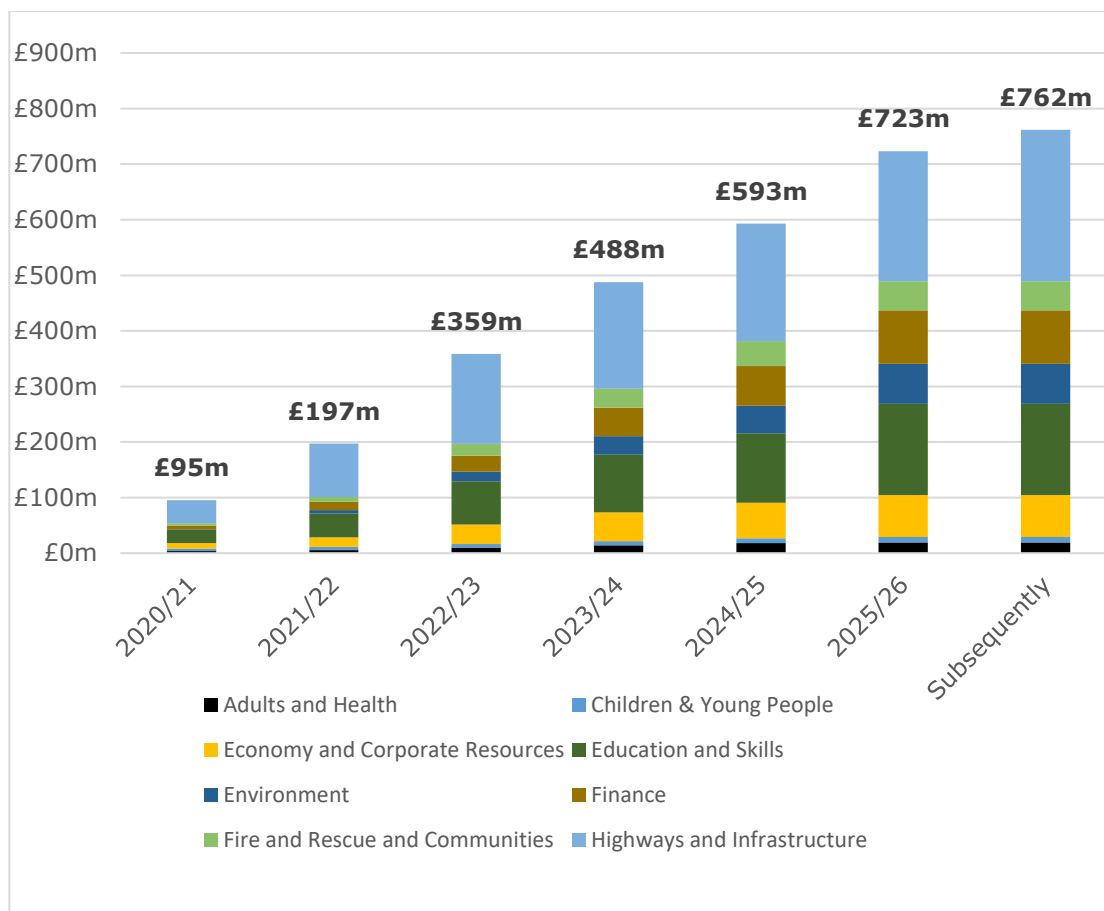
Making best use of resources

- Highways maintenance across the networking, including programmes addressing the condition of carriageways, footways, structures, signals
- Education property maintenance across the school estate, ensuring that schools are safe, secure and suitable learning environments
- Corporate maintenance across the property estate, ensuring that buildings are safe, secure and suitable for service requirements
- Energy Generation – exploring green energy technology to reduce the Council's reliance on fossil fuels, reduce carbon consumption and maximise cost-efficiency of energy usage
- Carbon reduction – targeting investment in low-carbon upgrade options for routine maintenance and planned projects
- Corporate estate improvements – including major development projects at Broadbridge Heath Park development and Horsham Enterprise Park, as well as tactical site improvement works to optimise usage and future options
- Waste management – ensuring closed landfill sites are suitably maintained and managed to protect local environments
- Fleet – investment in the Council's vehicle requirements to support activities across the range of services

6. Capital Programme expenditure and funding

- 6.1 The total value of schemes in the 2021/22–2025/26 capital programme is £666.5m. Figure 1 analyses the Capital programme; Appendix A gives further details.

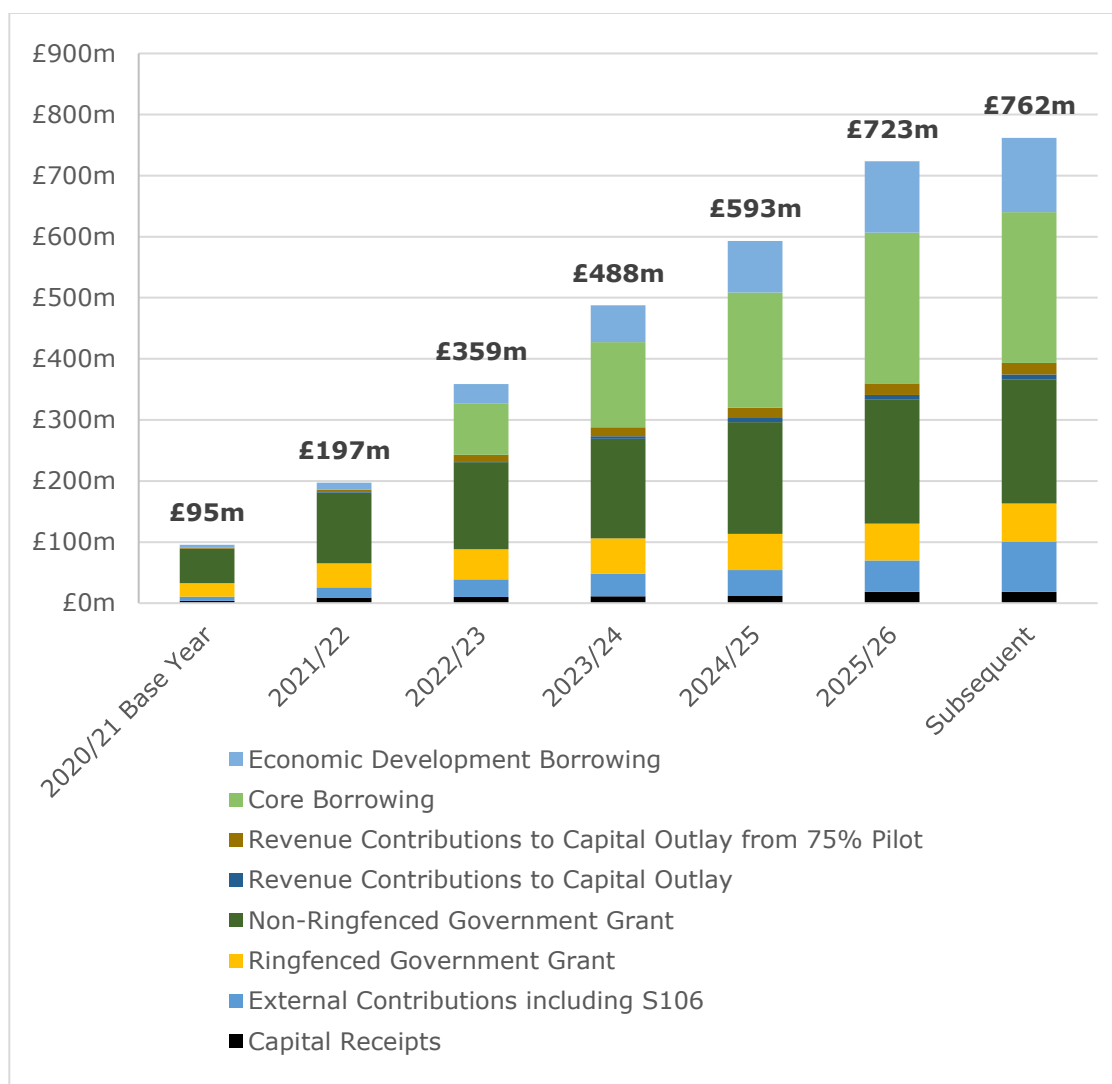
Figure 1: Capital programme expenditure 2020/21 to 2025/26 and subsequent years



6.2 Capital expenditure may be financed from a range of corporate and external resources. Corporate resources include capital receipts, revenue contributions, reserves and corporate borrowing. External sources include Government grants and private sector contributions such as developer contributions. External resources can sometimes come with limitations on their use such as ring-fenced grants or restrictions on the application of s106 funds. The programme reflects capital spending plans at the date when the County Council formally approves the Budget and MTFS. During the year additional funding (for instance, capital grants or developer contributions) may become available.

6.3 The assumed funding profile for the programme to 2025/26 is shown in Figure 2.

Figure 2: Capital programme funding 2020/21 to 2025/26 and subsequent years



- 6.4 Capital plans, outlined in section 5, show a borrowing requirement of £6.9m is required to finance the Council's capital expenditure plans in 2021/22.
- 6.5 The revenue impact (capital financing cost as a percentage of net revenue streams) of the recommended borrowing strategy for the Council's capital programme (excluding Economic Development schemes, PFI and finance leases) is outlined below in Table 2. As part of the capital financing cost, the Council has to make an annual contribution from revenue to repay long-term borrowing, namely its Minimum Revenue Provision (MRP). Appendix B sets out the Council's (MRP) Statement for 2021/22.

Table 2: Revenue impact of the Capital Programme borrowing strategy (excluding Economic Development schemes, PFI and finance leases)

	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Net Revenue Expenditure	624.8	633.9	656.9	687.2	700.0
Capital Programme Financing Charges					
- MRP	10.8	11.2	13.7	15.9	17.8
- Interest	17.9	17.5	18.5	19.3	21.0
Total	28.7	28.7	32.2	35.2	38.8
% Ratio	4.6%	4.5%	4.9%	5.1%	5.5%

- 6.6 The implications of the capital programme outlined in paragraphs 6.1 to 6.3 in terms of the Council's Authorised Borrowing Limit and Operational Boundary are detailed in the Treasury Management Strategy Statement which is set out in Annex 2(b) of the main budget report.
- 6.7 The Council has considered long term capital planning and the implications this will have on both the level of borrowing and the revenue budget. As at 31 March 2021 the Council had external loans with the Public Works Loans Board (PWLb) totalling £474.8m, with a maturity profile which stretches out to 2071. Appendix C sets out the Council's borrowing profile to 2071 and assumes that from 2026/27 onwards the Council has an annual core programme borrowing requirement of £20m and continues to hold useable reserves, provisions and working capital (£130m each year from 2043/44 onwards).
- 6.8 Within the Economic Developments borrowing figures, the borrowing need gradually reduces over the period to 2071, due to both the application of capital receipts generated by some of the Economic Development projects, along with other projects generating revenue returns to reduce the associated borrowing need.
- 6.9 A list of the relevant Prudential Indicators for 2021/22 to 2025/26 is set out in Annex 2(c) of the main budget report, including the commercial investment indicators.

7. Non-Treasury Investments

- 7.1 The Council's capital investment plans (Section 3) includes a portfolio of Economic Development projects, or non-treasury investments. This portfolio will generate economic benefit to the county and a revenue return to the Council, which will meet the West Sussex Reset Plan objectives. The Council's Economic Development projects are only agreed when supported by approved business cases and subject to members' obtaining appropriate assurance regarding the security of capital sums involved. PFSC undertakes appropriate scrutiny.
- 7.2 Examples of the Council's non-treasury, Economic Development, investments include (but are not limited to) the following.
- Working in partnership with other councils to improve energy efficiency and reducing energy costs for the local residents and small to medium-sized

- businesses in Sussex (including solar farms and solar panel installations).
 - Third party loans and investments made for service purposes.
 - Corporate estate improvements – including major development projects at Broadbridge Heath Park development and Horsham Enterprise Park, as well as tactical site improvement works to optimise usage and future options
- 7.3 Business cases for all schemes set out the economic or regeneration benefits for the community, together with the funding arrangements and all associated revenue costs (for instance the cost of borrowing) applicable to the schemes. Business cases demonstrate the ongoing stewardship, sustainability, affordability and benefits of any proposed project. Funding arrangements may include (but are not limited to) the following:
- Corporate borrowing when evidenced that any income return will first cover all associated revenue (capital financing) costs.
 - Share capital in companies associated with the project(s).
 - Capital receipts generated by the project(s).
- 7.4 The Council acts prudently investing in Economic Development projects, including a rigorous evaluation of potential opportunities and risks against the principles outlined above. As a minimum, the Council discloses the assessment of Economic Developments and the associated capital financing costs over the life-cycle of the MTFS; but also as assessed over the longer-term (as set out in the Prudential Indicators – Annex 2(c) within the main budget report).
- 7.5 The Council's Economic Development projects forecast to achieve a contribution net of capital financing costs (MRP and interest) of £1.2m in 2020/21 as shown in Table 3.

Table 3: Financial performance of Commercial and Economic Development projects 2020/21

Commercial and Economic Development scheme type	Investment to date £m	Capital financing costs £m	Forecast income £m	Net contribution £m
Investment properties	34.890	1.262	2.060	0.798
All solar & battery storage projects	19.037	1.027	1.390	0.363
Total	53.927	2.289	3.450	1.161

8. Flexible Use of Capital Receipts Strategy 2021/22

- 8.1 In 2019/20 and 2020/21, the Council approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State's Direction and outlined in the Government's Statutory Guidance on the flexible use of capital receipts. For 2021/22, the Council proposes to use the flexibility to fund up to £10.0m qualifying transformation expenditure, although the use of capital receipts flexibility is not currently built into the proposed budget. Should availability of suitable, qualifying projects and funding allow, the Council will consider adding projects it will fund through flexible use of capital receipts and this will be reported through the Quarterly Performance Monitor.
- 8.2 The Council's flexible use of capital receipts to fund transformation projects will continue to be subject to development and approval of robust business cases.

The business cases will demonstrate that: the initiative will transform services, generate future savings or reduce future costs, and the costs being funded are implementation or set up costs and not on-going operational costs.

9. Risks

9.1 Preparation, financing and delivery of a multi-year capital programme involves a series of risks. Operational risk management is undertaken proportionately across the range of individual projects and programmes in the wider capital programme. Table 4 sets out the Capital Strategy risks and their mitigations.

Table 4: Capital programme risks and mitigations

Key Risk	Mitigations
Schemes taken forward do not support West Sussex Plan objectives	<ul style="list-style-type: none"> • Service Strategies and Asset Management Strategy aligned with West Sussex Plan • Member engagement in Capital Strategy development and in shaping prioritisation of the programme • Member scrutiny ahead of County Council approval
High priority scheme not reflected in existing capital plans	<ul style="list-style-type: none"> • Yearly review of priorities • Governance flexibility to amend priorities in-year
Availability of feasibility and other revenue funding constrains approved capital plans	<ul style="list-style-type: none"> • Creation of Feasibility Reserve • Outline Business Cases to include feasibility funding requirement • Future programmes to be funded on basis of capital and revenue requirements
Schemes' total costs are above budget	<ul style="list-style-type: none"> • Comprehensive viability/ feasibility studies undertaken before capital estimates are included in the funded programme • Budgets managed by SRO and programme sponsors within defined functional programmes
Lack of capacity prevents timely delivery of schemes	<ul style="list-style-type: none"> • Use of multi-disciplinary consultancy (MDC) for professional services • Monthly highlight reports for timely identification and resolution of resource issues
Unaffordability of financing costs in revenue budget	<ul style="list-style-type: none"> • Preparation of Treasury Management Strategy • MTFs budgets reflect ongoing revenue costs of capital programme
Economic Development schemes fail to generate an adequate revenue return	<ul style="list-style-type: none"> • Rigorous evaluation and scrutiny of business cases before making investments • Regular monitoring of income against relevant costs
Expiry of time limited S106 contributions	<ul style="list-style-type: none"> • Monitoring system in place to ensure that contributions are spent within appropriate time period

Key Risk	Mitigations
Spending is not in line with grant conditions (e.g. Local Growth Fund)	<ul style="list-style-type: none"> • Monitoring of spending against agreed profiles and grant conditions • Negotiation with grant-awarding bodies where conditions may not be met
Interest rate volatility regarding borrowing	<ul style="list-style-type: none"> • Regular monitoring of interest rates • Use of external advisors
Implications of Brexit both on delivery and financing of capital programme	<ul style="list-style-type: none"> • Regular monitoring and awareness

10. Knowledge and Training

- 10.1 Comprehensive Capital Programme and Project Management training was undertaken during the summer of 2016, reaching the majority of Programme and Project Managers following the implementation of governance arrangements in December 2015. Further Project Management and Business Case development training was undertaken ahead of a review of capital governance and management arrangements. Further training and support will be put in place following implementation of the review. The Capital Programme Office provides advice and support to programme and project managers on an ongoing basis.
- 10.2 The Council uses professional advisory services as necessary in the preparation and delivery of its capital programme. For example, these include:
- Faithfull + Gould (multi-disciplinary consultant)
 - WSP (highways and public realm consultant)
 - Savills (property advisory services)
 - Montagu Evans (valuers)
 - Link (treasury management advisory)
- 10.3 CIPFA's Treasury Management Code of Practice requires that staff with responsibility for treasury management and property investment receive adequate training. Staff undertake regular professional training to ensure their skills are kept up to date. Future training needs are periodically reviewed as part of staff appraisals and personal development plans. Training options for officers include professional qualifications from CIPFA and other appropriate organisations; attendance at workshops and seminars run by the Council's appointed treasury management advisor; and on the job training.

Appendices

Appendix A – Capital Programme Portfolio Pages

Appendix B – Minimum Revenue Provision (MRP) Statement 2021/22

Appendix C - Illustrative External Debt/Internal Borrowing Projections

Appendix D – Graphical Illustration of Debt Projections to March 2071

Appendix E – Flexible Use of Capital Receipts

Background papers

Statutory Guidance on the Flexible Use of Capital Receipts (updated)
Department for Communities and Local Government, March 2016

CAPITAL PROGRAMME 2021/22 - 2025/26

2020/21 £000	CAPITAL PROGRAMME (Expenditure)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
3,571	Adults and Health	2,039	4,300	4,345	3,973	1,000	0	15,657
4,522	Children and Young People	1,000	1,060	1,000	1,000	1,200	0	5,260
9,851	Economy and Corporate Resources	7,358	17,679	16,886	11,979	12,000	0	65,902
23,569	Education and Skills	19,506	34,816	25,582	21,583	38,935	0	140,422
1,453	Environment	4,511	11,220	16,000	16,330	22,500	0	70,561
6,457	Finance	8,837	13,836	22,262	20,252	24,293	0	89,480
4,681	Fire and Rescue and Communities	3,645	12,731	13,289	10,696	7,550	0	47,911
41,391	Highways and Infrastructure	54,761	65,735	29,747	19,780	22,639	38,602	231,264
95,495	TOTAL CAPITAL PROGRAMME	101,657	161,377	129,111	105,593	130,117	38,602	666,457

2020/21 £000	FINANCING	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
3,700	Capital Receipts	5,300	1,000	1,000	1,000	6,500	0	14,800
6,977	External Contributions including S106	9,730	12,521	7,998	5,102	9,103	30,815	75,269
22,304	Ringfenced Government Grant	17,015	9,913	8,580	1,200	1,200	2,400	40,308
55,712	Non-Ringfenced Government Grant	60,265	26,345	20,596	20,210	20,006	0	147,422
612	Revenue Contributions to Capital Outlay	532	532	2,532	2,532	1,032	0	7,160
1,500	Revenue Contribution to Capital Outlay – Business Rates Pilot	1,900	7,040	4,500	2,000	2,000	0	17,440
0	Core Borrowing	0	84,314	55,060	49,059	58,378	0	246,811
4,690	Economic Development Borrowing	6,915	19,712	28,845	24,490	31,898	5,387	117,247
95,495	TOTAL PROGRAMME	101,657	161,377	129,111	105,593	130,117	38,602	666,457

CAPITAL PROGRAMME 2021/22

FINANCED FROM	£000	£000	%
External Sources and Service Portfolio Direct Funding			
Government Grants			
Adults and Health	750		
Economy and Corporate Resources	1,081		
Education and Skills	3,229		
Highways and Infrastructure	11,955		
		17,015	16.74%
External Contributions			
Education and Skills	1,894		
Highways and Infrastructure	7,836		
		9,730	9.57%
Total		26,745	26.31%
Corporate Funding			
- Capital Receipts	5,300		
- Government Grant	60,265		
- Revenue Contributions to Capital Outlay	532		
- Revenue Contribution to Capital Outlay – Business Rates Pilot	1,900		
- Borrowing	6,915		
Total Corporate Funding		74,912	73.69%
TOTAL CAPITAL PAYMENTS		101,657	100%

Adults and Health

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
NHS Transfer/A Place to Live - 38 Alinora Crescent	20	0	0	0	0	0	0	0
Westergate Extra Care	750	750	0	0	0	0	0	750
Tempe	2	0	0	0	0	0	0	0
Choices For The Future Part A	659	311	0	0	0	0	0	311
Choices For The Future Part B	1,180	978	1,800	600	0	0	0	3,378
East Grinstead Extra Care Housing	960	0	0	0	0	0	0	0
Total In-Flight Approved Projects	3,571	2,039	1,800	600	0	0	0	4,439
Proposed Projects*								
NHS Capital Grants	0	0	1,000	745	455	0	0	2,200
Adults In-House Residential Services Phase 1	0	0	1,500	3,000	3,518	1,000	0	9,018
Total Proposed Starts List	0	0	2,500	3,745	3,973	1,000	0	11,218
TOTAL PROGRAMME	3,571	2,039	4,300	4,345	3,973	1,000	0	15,657

Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
A Plave to Live Grant	20	0	0	0	0	0	0	0
Department of Health Grant	750	750	0	0	0	0	0	750
NHS Capital Grant	339	0	0	745	0	0	0	745
Corporate Resources	2,462	1,289	4,300	3,600	3,973	1,000	0	14,162
Total Funding	3,571	2,039	4,300	4,345	3,973	1,000	0	15,657

* All projects approved subject to business case

Children and Young People

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Cissbury Lodge	2,303	0	0	0	0	0	0	0
Seaside	1,474	0	0	0	0	0	0	0
May House	745	0	0	0	0	0	0	0
Brick Kiln Farmhouse Accommodation	0	60	0	0	0	0	0	60
Total In-Flight Approved Projects	4,522	60	0	0	0	0	0	60
Proposed Projects*								
Children’s Social Care – Phase 2	0	940	1,060	1,000	1,000	1,200	0	5,200
Total Proposed Starts List	0	940	1,060	1,000	1,000	1,200	0	5,200
TOTAL PROGRAMME	4,522	1,000	1,060	1,000	1,000	1,200	0	5,260

Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Corporate Resources	4,522	1,000	1,060	1,000	1,000	1,200	0	5,260
Total Funding	4,522	1,000	1,060	1,000	1,000	1,200	0	5,260

* All projects approved subject to business case

Economy and Corporate Resources

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Crawley Growth Programme	805	0	0	0	0	0	0	0
Worthing Public Realm	314	661	2,300	0	0	0	0	2,961
Burgess Hill Growth Programme	719	0	0	0	0	0	0	0
Converged Fibre (Business Rates Pilot)	3,099	600	300	0	0	0	0	900
Transformation Programme	3,700	2,800	0	0	0	0	0	2,800
Gigabit Voucher Scheme (Business Rates Pilot)	200	800	1,850	0	0	0	0	2,650
Creative Bognor	241	0	0	0	0	0	0	0
Gigabit	773	474	0	0	0	0	0	474
Total In-Flight Approved Projects	9,851	5,335	4,450	0	0	0	0	9,785
Proposed Projects*								
Digital Infrastructure (Business Rates Pilot)	0	500	2,890	3,301	0	0	0	6,691
Rural Connectivity (Business Rates Pilot)	0	0	2,000	2,000	2,000	2,000	0	8,000
Crawley Growth Programme	0	415	3,339	5,585	6,877	5,000	0	21,216
Growth Programme	0	0	0	1,000	1,000	3,000	0	5,000
Worthing Public Realm	0	442	1,000	0	0	0	0	1,442
Burgess Hill Growth Programme	0	666	4,000	5,000	2,102	2,000	0	13,768
Total Proposed Starts List	0	2,023	13,229	16,886	11,979	12,000	0	56,117
TOTAL PROGRAMME	9,851	7,358	17,679	16,886	11,979	12,000	0	65,902

Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Local Enterprise Partnership (LEP) Grant	3,301	1,081	6,000	5,201	0	0	0	12,282
Corporate Resources	4,970	4,377	4,639	5,000	7,877	8,000	0	29,893
External Contributions	0	0	0	2,185	2,102	2,000	0	6,287
Revenue Contribution to Capital Outlay - Business Rates Pilot	1,580	1,900	7,040	4,500	2,000	2,000	0	17,440
Total Funding	9,851	7,358	17,679	16,886	11,979	12,000	0	65,902

* All projects approved subject to business case

Education and Skills

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Basic Need Programme	7,172	1,606	3,026	3,000	3,000	3,401	0	14,033
Special Educational Needs & Disability Programme	1,445	2,029	0	0	0	0	0	2,029
Schools Access Initiative	244	250	250	0	0	0	0	500
Community Schools Capital Maintenance Grant	10,053	2,017	2,400	0	0	0	0	4,417
Devolved Formula Capital Grant	1,360	0	0	0	0	0	0	0
Safeguarding in Schools	570	0	0	0	0	0	0	0
Tanbridge All Weather Pitch	15	68	0	0	0	0	0	68
Forest All Weather Pitch	20	90	0	0	0	0	0	90
Woodlands Mead College	850	2,807	10,015	6,220	0	0	0	19,042
Weald All Weather Pitch	780	0	0	0	0	0	0	0
Section 106 Infrastructure Programme	250	1,418	5,000	0	0	0	0	6,418
Section 106 FFE & IT Programme	810	220	0	0	0	0	0	220
Total In-Flight Approved Projects	23,569	10,505	20,691	9,220	3,000	3,401	0	46,817
Proposed Projects*								
Future Years Basic Need	0	1,000	5,000	5,000	10,000	29,055	0	50,055
Future Years Capital Maintenance	0	6,801	6,291	5,819	5,383	5,229	0	29,523
Future Years Devolved Formula Capital Grant	0	1,200	1,200	1,200	1,200	1,200	0	6,000
Schools Capital Maintenance Block (Additional)	0	0	470	500	0	0	0	970
Special Educational Needs & Disability Programme	0	0	1,164	3,843	2,000	0	0	7,007
Titnore Lane - Land	0	0	0	0	0	50	0	50
Total Proposed Starts List	0	9,001	14,125	16,362	18,583	35,534	0	93,605
TOTAL PROGRAMME	23,569	19,506	34,816	25,582	21,583	38,935	0	140,422

Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Basic Need Grant	6,264	2,508	5,026	7,690	11,670	28,028	0	54,922
Capital Maintenance Grant	9,821	8,818	8,691	5,819	5,383	5,229	0	33,940
Devolved Formula Capital Grant	1,360	1,200	1,200	1,200	1,200	1,200	0	6,000
Special Educational Needs & Disability Grant (SEND)	556	2,029	1,164	1,153	0	0	0	4,346
Corporate Resources	1,660	3,057	10,735	6,720	330	0	0	20,842
External Contributions	3,908	1,894	8,000	3,000	3,000	4,478	0	20,372
Total Funding	23,569	19,506	34,816	25,582	21,583	38,935	0	140,422

* All projects approved subject to business case

Environment

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
General After Care Works	15	34	27	0	0	0	0	61
Faygate	18	82	546	0	0	0	0	628
Carbon Reduction Programme	152	0	0	0	0	0	0	0
Fairbridge Waste Transfer Site - Japanese Knotweed	12	300	0	0	0	0	0	300
Your Energy Sussex - Schools Solar PV Programme	486	355	200	0	0	0	0	555
Your Energy Sussex - Westhampnett Solar Farm	30	40	0	0	0	0	0	40
Your Energy Sussex - Project Design	6	200	0	0	0	0	0	200
Your Energy Sussex - Halewick Lane	600	2,500	6,447	2,000	0	0	0	10,947
Your Energy Sussex - Bird Protection	134	0	0	0	0	0	0	0
Total In-Flight Approved Projects	1,453	3,511	7,220	2,000	0	0	0	12,731
Baystone Farm	0	0	0	0	550	0	0	550
Climate Change	0	1,000	3,000	3,000	3,000	0	0	10,000
Faygate	0	0	0	0	780	0	0	780
Brookhurst Wood - Site HA	0	0	0	2,000	2,000	500	0	4,500
Your Energy Sussex Programme	0	0	1,000	9,000	10,000	22,000	0	42,000
Total Proposed Starts List	0	1,000	4,000	14,000	16,330	22,500	0	57,830
TOTAL PROGRAMME	1,453	4,511	11,220	16,000	16,330	22,500	0	70,561
Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Corporate Resources	1,453	4,511	11,220	14,000	14,330	22,000	0	66,061
Revenue Contribution to Capital Outlay (RCCO)	0	0	0	2,000	2,000	500	0	4,500
Total Funding	1,453	4,511	11,220	16,000	16,330	22,500	0	70,561

* All projects approved subject to business case

Finance

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Structural Maintenance	2,200	759	500	0	0	0	0	1,259
Staff Capitalisation - Property	702	0	0	0	0	0	0	0
Gypsy, Roma & Traveller Site Improvements Programme	220	120	0	0	0	0	0	120
Burrscliffe Demolition	7	0	0	0	0	0	0	0
Crawley County Buildings Demolition	392	398	0	0	0	0	0	398
Targeted Minor Asset Improvement Plan (CLOG)	100	100	215	0	0	0	0	315
Chichester High School Demolition	77	0	0	0	0	0	0	0
Willow Park Departure	172	0	0	0	0	0	0	0
Accessibility Audit	200	200	700	1,100	0	0	0	2,000
Stedham Depot	40	0	0	0	0	0	0	0
Propco: Barnham	10	0	0	0	0	0	0	0
Propco: Orchard Street	1	106	0	0	0	0	0	106
Horsham Enterprise Park	2,336	1,000	825	0	0	0	0	1,825
Total In-Flight Approved Projects	6,457	2,683	2,240	1,100	0	0	0	6,023
Proposed Projects*								
Capital Improvements Programme	0	700	620	4,868	6,000	9,028	0	21,216
Future Years Staff Capitalisation - Property	0	614	626	639	652	665	0	3,196
Future Years Structural Maintenance	0	2,300	2,300	1,000	2,300	2,300	0	10,200
Future Years Gypsy, Roma & Traveller Improvements Site Programme	0	300	300	300	300	300	0	1,500
Propco Others	0	0	250	1,750	1,000	2,000	0	5,000
Future Economic Developments	0	0	0	5,000	10,000	10,000	0	25,000
Procurement of Business Management Solution	0	1,500	0	0	0	0	0	1,500
Broadbridge Heath Park	0	740	7,500	7,605	0	0	0	15,845
Total Proposed Starts List	0	6,154	11,596	21,162	20,252	24,293	0	83,457
TOTAL PROGRAMME	6,457	8,837	13,836	22,262	20,252	24,293	0	89,480
Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Corporate Resources	6,457	8,837	13,836	22,262	20,252	24,293	0	89,480
Total Funding	6,457	8,837	13,836	22,262	20,252	24,293	0	89,480

* All projects approved subject to business case

Fire and Rescue and Communities

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Fleet	1,840	950	1,681	0	0	0	0	2,631
Fire Equipment	366	34	0	0	0	0	0	34
Live Training Centre and Horsham Fire Station	859	1,461	7,000	7,389	5,000	0	0	20,850
Worthing Community Hub	1,093	400	600	0	0	0	0	1,000
Self Service Library Terminals	523	0	0	0	0	0	0	0
Total In-Flight Approved Projects	4,681	2,845	9,281	7,389	5,000	0	0	24,515
Proposed Projects*								
Electric Vehicles	0	0	100	0	0	0	0	100
Future Years Fire Equipment	0	300	350	400	350	350	0	1,750
Future Years Fleet	0	500	2,000	4,500	4,346	5,200	0	16,546
Fire and Rescue Estate Improvements Programme	0	0	1,000	1,000	1,000	2,000	0	5,000
Total Proposed Starts List	0	800	3,450	5,900	5,696	7,550	0	23,396
TOTAL PROGRAMME	4,681	3,645	12,731	13,289	10,696	7,550	0	47,911
Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Electric Vehicles Grant	0	0	100	0	0	0	0	100
Corporate Resources	4,681	3,645	12,631	13,289	10,696	7,550	0	47,811
Total Funding	4,681	3,645	12,731	13,289	10,696	7,550	0	47,911

* All projects approved subject to business case

Highways and Infrastructure

CAPITAL PROGRAMME 2021/22 to 2025/26

Project	Approved Budget Profiled							
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
In-Flight Projects								
Annual Works Programme	19,592	3,744	7,526	0	0	0	0	11,270
Footway Improvement Programme	1,516	0	0	0	0	0	0	0
A2300 Corridor Capacity Enhancement, Burgess Hill	9,500	5,500	4,471	0	0	0	0	9,971
A259 Corridor Capacity Enhancement, Arun	4,616	10,073	7,470	0	0	0	0	17,543
A284 Lyminster Bypass	1,030	2,276	12,348	8,513	0	0	0	23,137
A285 Road Safety	19	0	0	0	0	0	0	0
A29 Re-alignment, Arun, Phase One	1,500	5,039	4,500	0	0	0	0	9,539
Flood Management	278	102	0	0	0	0	0	102
On Street Parking	27	0	0	0	100	398	0	498
Operation Watershed	375	0	0	0	0	0	0	0
Staff Capitalisation 2020/21	1,908	0	0	0	0	0	0	0
West of Horsham	741	2,500	674	0	0	0	0	3,174
Emergency Active Travel Fund, Tranche One	176	0	371	0	0	0	0	371
A259 Bognor to Littlehampton Corridor Enhancement, Arun	0	325	849	0	0	0	0	1,174
LED Street Lighting	113	1,500	3,490	3,490	3,490	3,398	5,387	20,755
Total In-Flight Approved Projects	41,391	31,059	41,699	12,003	3,590	3,796	5,387	97,534
Proposed Projects*								
Footways Improvement Programme	0	1,500	0	0	0	0	0	1,500
Annual Works Programme	0	13,320	15,777	16,077	14,777	14,777	0	74,728
Future Years Operation Watershed	0	300	300	0	0	0	0	600
Future Years Staff Capitalisation - Highways	0	1,332	1,359	1,386	1,413	1,441	0	6,931
Traffic Signals Refurbishment Programme	0	250	0	0	0	0	0	250
Emergency Active Travel Fund Tranche Two	0	1,000	600	281	0	0	0	1,881
Haywards Heath South Road	0	0	0	0	0	2,625	0	2,625
Additonal Highways Maintenance	0	6,000	6,000	0	0	0	0	12,000
A29 Re-alignment, Arun, Phase Two	0	0	0	0	0	0	33,215	33,215
Total Proposed Starts List	0	23,702	24,036	17,744	16,190	18,843	33,215	133,730
TOTAL PROGRAMME	41,391	54,761	65,735	29,747	19,780	22,639	38,602	231,264
Financing	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Subsequent £000	Total £000
Sources of Funding								
Flood & Coastal Erosion Grant	78	102	0	0	0	0	0	102
Local Enterprise Partnership (LEP) Grant	15,242	7,735	0	0	0	0	2,400	10,135
Local Transport Maintenance Grant	16,681	14,787	11,043	11,043	11,043	11,043	0	58,959
Local Integrated Transport Grant	3,734	3,734	3,734	3,734	3,734	3,734	0	18,670
Department for Transport A259 Bognor to Littlehampton	0	0	849	0	0	0	0	849
Pot Hole Action Fund	0	818	0	0	0	0	0	818
Highways Incentive Fund	2,300	2,300	0	0	0	0	0	2,300
Emergency Active Travel Fund	176	1,000	971	281	0	0	0	2,252
Rural Payments Agency Grant	111	0	0	0	0	0	0	0
Corporate Resources	0	16,449	44,617	11,876	5,003	5,237	5,387	88,569
External Contributions	3,069	7,836	4,521	2,813	0	2,625	30,815	48,610
Total Funding	41,391	54,761	65,735	29,747	19,780	22,639	38,602	231,264

* All projects approved subject to business case

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Minimum Revenue Provision (MRP) Statement – 2021/22

- 1.1 In accordance with the Local Authorities (Capital and Accounting) (England) Regulations 2003, the Council is required to make an annual contribution from revenue to repay long-term borrowing, namely its 'Minimum Revenue Provision (MRP)'. The 2008 amendment to these regulations gives local authorities the flexibility to set MRP at a level it considers to be prudent.
- 1.2 The Ministry of Housing, Communities and Local Government (MHCLG) has issued statutory guidance (updated 2018) on determining a prudent level of MRP, which presents four ready-made options for the calculation, but makes clear that other methodologies are permissible. The guidance distinguishes between historic capital expenditure notionally supported by central government through the provision of Revenue Support Grant ('supported borrowing'), and self-financed 'unsupported' borrowing. Transitory provisions of the MHCLG guidance permit the treatment of any self-financed borrowing prior to 1 April 2008 as supported for the purposes of the MRP calculation.
- 1.3 The Council has adopted the Asset Life Annuity method (MHCLG option 3b) for the calculation of MRP on unsupported borrowing. Under this approach, the Council fully expenses to the General Fund the cost of the asset initially financed through borrowing over a period equal to the useful life of that asset. Annuity rates are linked to rates published by the Public Works Loans Board (PWLb). MRP on outstanding supported borrowing is made on a 2% annuity basis over a 40-year period.
- 1.4 Private Finance Initiatives and leases may be arranged to finance the acquisition of non-current assets as an alternative to borrowing where this is financially or operationally advantageous and is in accordance with the strategy for the capital programme. In line with MHCLG guidance and to mitigate the impact of the move to International Financial Reporting Standards (IFRS) on the Council's revenue account, it is the policy of West Sussex County Council to make an annual MRP charge equal to the portion of the PFI unitary charge or lease payment taken to the Balance Sheet to reduce the liability. However, where a lease premium is made (and immediately taken to write down the Balance Sheet liability), the Council shall spread the MRP charge over the useful life of the asset.
- 1.5 This statement takes immediate effect, and MRP in the current financial year shall be calculated in accordance with the methodology set out above.

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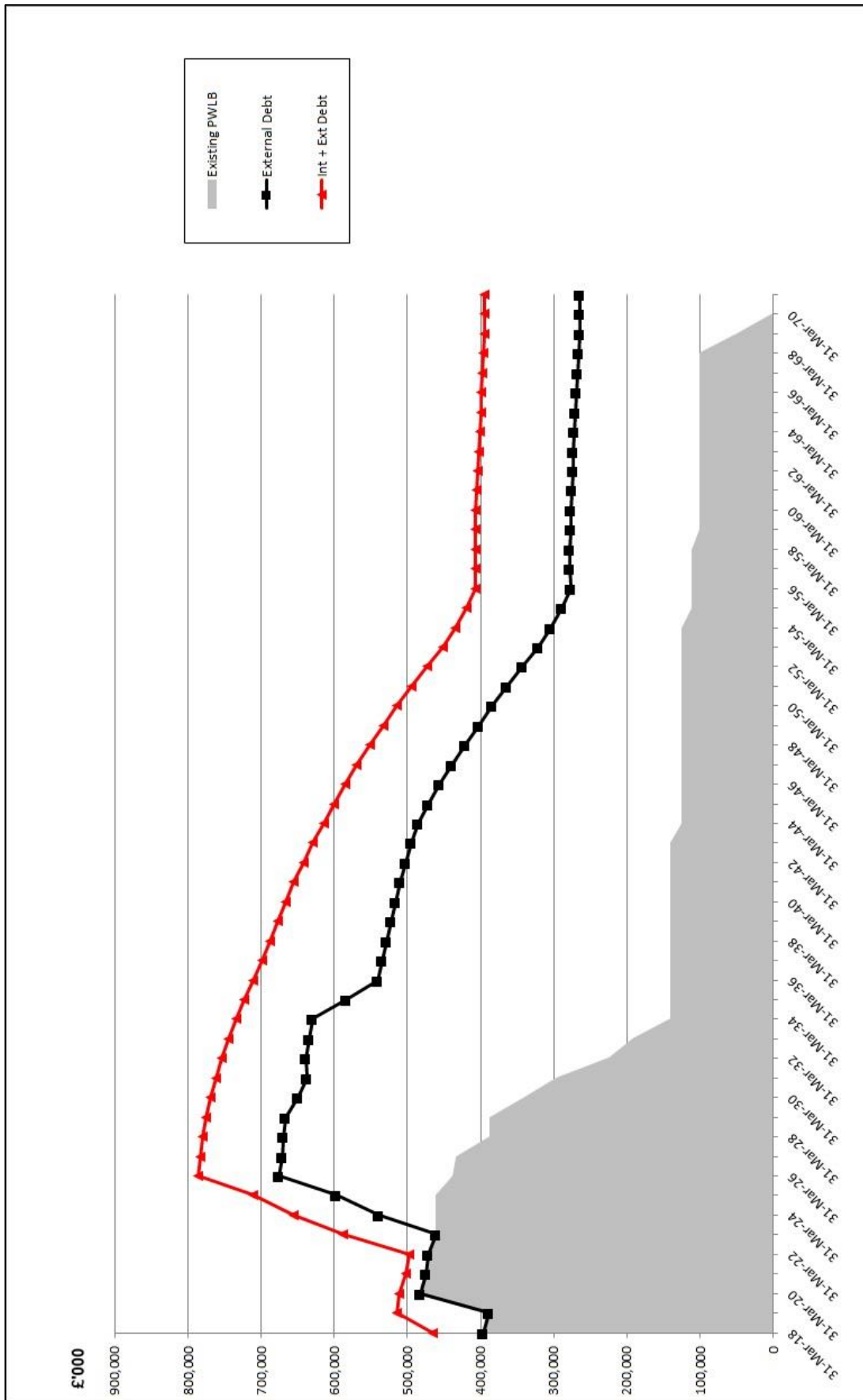
Illustrative External Debt/Internal Borrowing Projections
(Excluding short-term borrowing from the Chichester Harbour Conservancy)

Year Ending	Existing PWL Debt £'m	Core Borrowing (New) £'m	Other Borrowing (New) £'m	New Borrowing (Total) £'m	Internal Borrowing £'m	Total Borrowing £'m
31 March 2020	481.8	0.0	0.0	0.0	28.7	510.5
31 March 2021	474.8	0.0	0.0	0.0	27.9	502.7
31 March 2022	471.3	0.0	0.0	0.0	25.9	497.2
31 March 2023	461.3	0.0	0.0	0.0	127.0	588.3
31 March 2024	461.3	0.0	77.0	77.0	118.0	656.3
31 March 2025	461.3	0.0	135.6	135.6	114.5	711.4
31 March 2026	437.2	55.0	183.5	238.5	110.7	786.4
31 March 2027	432.5	59.1	178.8	237.9	113.1	783.5
31 March 2028	386.4	108.3	174.0	282.3	110.9	779.6
31 March 2029	386.4	110.7	169.1	279.8	108.4	774.6
31 March 2030	339.2	145.4	164.2	309.6	119.9	768.7
31 March 2031	295.9	182.0	159.1	341.1	124.7	761.7
31 March 2032	224.9	260.1	153.9	414.0	114.7	753.6
31 March 2033	192.2	293.8	148.6	442.4	109.7	744.3
31 March 2034	140.0	346.4	143.2	489.6	104.7	734.3
31 March 2035	140.0	305.7	137.7	443.4	139.7	723.1
31 March 2036	140.0	269.0	132.0	401.0	169.7	710.7
31 March 2037	140.0	268.2	126.2	394.4	164.7	699.1
31 March 2038	140.0	268.0	120.3	388.3	159.7	688.0
31 March 2039	140.0	268.1	114.2	382.3	154.7	677.0
31 March 2040	140.0	268.6	108.1	376.7	149.7	666.4
31 March 2041	140.0	268.4	101.7	370.1	144.7	654.8
31 March 2042	140.0	267.1	95.4	362.5	139.7	642.2
31 March 2043	140.0	264.9	89.1	354.0	134.7	628.7
31 March 2044	125.0	277.1	82.7	359.8	130.0	614.8
31 March 2045	125.0	268.6	77.0	345.6	130.0	600.6
31 March 2046	125.0	259.2	71.2	330.4	130.0	585.4
31 March 2047	125.0	248.7	65.3	314.0	130.0	569.0
31 March 2048	125.0	237.1	59.4	296.5	130.0	551.5
31 March 2049	125.0	224.4	53.3	277.7	130.0	532.7
31 March 2050	125.0	212.0	47.0	259.0	130.0	514.0
31 March 2051	125.0	198.5	40.6	239.1	130.0	494.1
31 March 2052	125.0	183.9	34.3	218.2	130.0	473.2
31 March 2053	125.0	168.1	28.6	196.7	130.0	451.7
31 March 2054	125.0	155.5	23.6	179.1	130.0	434.1
31 March 2055	110.0	159.4	19.8	179.2	130.0	419.2
31 March 2056	110.0	149.5	16.9	166.4	130.0	406.4
31 March 2057	110.0	151.6	15.7	167.3	130.0	407.3
31 March 2058	110.0	152.9	14.5	167.4	130.0	407.4
31 March 2059	100.0	163.5	13.3	176.8	130.0	406.8
31 March 2060	100.0	164.1	12.1	176.2	130.0	406.2
31 March 2061	100.0	164.6	10.8	175.4	130.0	405.4
31 March 2062	100.0	164.6	9.5	174.1	130.0	404.1
31 March 2063	100.0	164.6	8.2	172.8	130.0	402.8
31 March 2064	100.0	164.6	6.8	171.4	130.0	401.4
31 March 2065	100.0	164.6	5.4	170.0	130.0	400.0
31 March 2066	100.0	164.6	4.0	168.6	130.0	398.6
31 March 2067	100.0	164.6	2.6	167.2	130.0	397.2
31 March 2068	100.0	164.6	1.4	165.9	130.0	395.9

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Year Ending	Existing PWL Debt £'m	Core Borrowing (New) £'m	Other Borrowing (New) £'m	New Borrowing (Total) £'m	Internal Borrowing £'m	Total Borrowing £'m
31 March 2069	50.0	214.6	0.1	214.7	130.0	394.7
31 March 2070	0.0	264.6	0.0	264.6	130.0	394.6
31 March 2071	0.0	264.6	0.0	264.6	130.0	394.6

Graphical Illustrative of Debt Projections to 31 March 2071



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Projects to be funded from flexible use of capital receipts

The Council intends to apply £2.8m capital receipts in 2021/22 to fund the following transformation projects.

Project description	Qualifying expenditure	Budgeted expenditure £m	Expected Savings *
Smartcore	Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency	1.5	Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service
Waste Service	Service redesign to improve efficiencies in waste collection and disposal contracts	0.3	Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025
Waste Service Transformation	Continuation of initiatives with the district and boroughs to incentivise recycling (rephased from 2020/21 due to Covid restrictions)	1.0	Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025
Total		2.8	

* In most instances the ongoing savings do not depend solely on this investment. Delivering the forecast savings will also require the focus of other, existing resources.

Expenditure on further activities to which the Council could potentially apply flexible use of capital receipts include the following:

- Work to support the transfer of information technology services to a new provision model and the transfer of the remainder of support services ahead of the contract end in September 2022. The expenditure would be to enable efficiencies and achieve savings.
- Any further investment on Fire & Rescue in order to effectively respond to the recommendations of the HMICFRS report particularly in areas surrounding Fire Safety, prevention and protection. This expenditure would be transformational work to improve the service.
- Any further investment on Children First Improvement Programme to transform the service for improved practice, efficiency and effectiveness.

Impact on affordability of Prudential Borrowing

The incremental impact on the Council's Prudential Indicators of £2.8m additional Capital Expenditure in 2021/22 due to its Flexible use of Capital Receipts Strategy is as follows.

Prudential Indicators	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Capital Financing Requirement	+£2.8m	-	-£0.1m	-£0.1m	-£0.1m
Operational Boundary	-	+£1.4m	+£1.3m	-£0.1m	-£0.1m
Authorised Borrowing Limit	+£2.7m	-£0.1m	-£0.1m	-	-

Flexible Use of Capital Receipts – Status on Projects relating to Expenditure in 2019/20

In 2019/20, we incurred £4.0m qualifying expenditure on activities within the Children First Improvement Plan (£2.3m), Fire & Rescue Improvement Plan (£0.1m) and Service Transformation Activities (£1.6m). This expenditure in 2019/20 has enabled a number of workstreams of improvement activity which have led to improved practice, efficiency and effectiveness.

Children's Services are at the start of their improvement journey so much of the work has been to develop the plan for the most critical areas of practice improvement and the progress has been evidenced and tracked by the independent commissioner appointed by the Secretary of State for Education, along with the Ofsted monitoring visit in November 2019 and focused visit in October 2020.

Qualifying expenditure on Fire & Rescue Improvement Plan was on improving the accuracy of data and the timely processing of information enabling transformation of the stations' analysis of local risk management to target the highest risks and to reduce demand and cost for the service.

Service Transformation activities have focused on enhancing digital capabilities and delivering service improvements, increasing efficiencies and improving customers' experience. For example, enabling customers to pay electronically or book online for the majority of the Council's services.

Treasury Management Strategy Statement (2021/22)

1 Background

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

“The management of the Council’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.2 In accordance with the CIPFA definition, the Council’s treasury management function aims to manage risk; the successful identification, control and monitoring of risk are integral elements to treasury management activities and include credit and counterparty risk, liquidity risk, market and interest rate risk, refinancing risk and legal and regulatory risk.
- 1.3 The Council is required to operate a balanced budget which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties, financial instruments or externally managed pooled funds commensurate with the Council’s risk appetite, providing adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure the Council can meet its capital spending obligations. The management of longer term cash may involve the arrangement of long and/or short term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing). On occasion, when it is prudent and economic, any external debt previously drawn may be repaid and/or restructured to meet the Council’s risk or cost objectives.
- 1.5 The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The resulting treasury operations generate interest costs in relation to external debt and income arising from investments, both of which affecting the available revenue budget. Furthermore, since cash balances generally arise from the Council’s earmarked reserves and working balances, it remains paramount to ensure adequate security of the sums invested, as any loss of principal will in effect result in a loss to the General Fund Balance.
- 1.6 Additionally, the Council’s commercial activities (economic developments) or loans to third parties will impact on the treasury function; these activities are generally classed as non-treasury investments (usually arising from capital expenditure) and are separate from the day-to-day treasury management activities. Further details are set out in the annual Capital Strategy report (see Section 2).

2 Reporting Requirements

- 4.1 **Capital Strategy:** CIPFA's Prudential and Treasury Management Codes require all local authorities to prepare a separate Capital Strategy report which provides the following:
- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed; and
 - The implications for future financial sustainability.
- 4.2 The aim of the Capital Strategy is to ensure that all elected members of the County Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy is reported alongside the Budget Report and the Treasury Management Strategy Statement for Council approval. Details of the Council's borrowing needs arising from the capital plans along with associated Prudential Indicators are also set out in the Capital Strategy.
- 4.3 Non-treasury investments will be reported through the Capital Strategy. This ensures the separation of the core treasury management function for investments made under statutory provisions granted to the Council under the Local Government Act 2003 (governed by security, liquidity and yield principles) from the Council's commercialism policies where investments are usually driven by expenditure on an asset. To demonstrate proportionality between the Council's treasury management operations and non-treasury (economic developments) high-level comparators are shown in Sections 5 and 6 of this report.
- 4.4 **Treasury Management Reporting:** In accordance with CIPFA's 'Treasury Management Code of Practice' the Council is required to receive and approve, as a minimum, three main reports each year, which incorporates a variety of policies, estimates and actuals, including:
- (a) The Treasury Management Strategy Statement (TMSS) detailing how the Council's investments and borrowings are to be organised; including the annual investment strategy which approves the parameters on how treasury investments are to be managed. Details of the Council's capital plans (including relevant prudential indicators) and the Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time) are set out in the Council's Capital Strategy.
 - (b) A Mid-Year Treasury Management Report – Updating the Council with the progress of the capital position, treasury management activity and performance, and whether any policies and/or prudential and treasury indicators require revision; delegated to the Performance and Finance Scrutiny Committee in accordance with governance arrangements approved in February 2014. Additionally, the Regulation, Audit and Accounts Committee receive quarterly reports on compliance with the treasury management strategy.

- (c) An Annual Treasury Management Report – Providing details of actual treasury operation as compared to the estimates within the strategy, together with a selection of actual prudential and treasury indicators; delegated to the Performance and Finance Scrutiny Committee as approved by County Council in July 2018.
- 4.5 Before recommendation to County Council, the TMSS report receives appropriate scrutiny from the Performance and Finance Scrutiny Committee. In addition, the Council maintains a Treasury Management Panel comprising the Cabinet Member for Finance and four other elected members. The Panel functions as an advisory body supporting the Director of Finance and Support Services in implementing the Council's borrowing and investment strategies and reviewing all treasury management reports.
- 4.6 Treasury management issues reported within the attached 2021/22 TMSS include the Council's:

Capital Issues:

- A summary of capital expenditure plans up to 31 March 2026; and
- Associated capital financing plans, including forecasts of the Council's future borrowing requirement.

Treasury Management Issues:

- Current treasury position (**attached at Appendix A**);
 - Treasury indicators which limit the treasury risk and activities of the Council;
 - Prospects for interest rates as provided by the Council's treasury management advisor (**attached at Appendix B**);
 - The borrowing and repayment strategy;
 - Policy on borrowing in advance of need;
 - Debt rescheduling;
 - The investment strategy;
 - Creditworthiness policy; and
 - Policy on the use of external service providers.
- 4.7 These elements cover the requirements of the Local Government Act 2003; CIPFA's Prudential and Treasury Management Codes; and the Ministry of Housing, Communities and Local Government's (MHCLG) Investment Guidance.

3 Training

- 3.1 CIPFA's Code of Practice requires the Director of Finance and Support Services to ensure that members involved with treasury management receive adequate training in treasury management. Future training for members responsible for the scrutiny of the Council's treasury management policies and activities, and members acting in an advisory role to the Director of Finance and Support Services remain under constant review.
- 3.2 Additionally, the training needs of treasury management officers are periodically reviewed as part of staff appraisals and personal development plans. Ongoing training options for officers include professional qualifications

from CIPFA and other appropriate organisations; attendance at workshops and seminars run by the Council's appointed treasury management advisor; and on the job training in line with the approved Treasury Management Practices (TMPs) as provided by the Principal Finance Officer (Treasury Management & Insurance).

4 Treasury Management Advisors

- 4.1 The Council contracts external providers of treasury management services in order to acquire access to a wide range of specialist skills and resources including:
- Credit advice;
 - Investment advice;
 - Debt management advice;
 - Capital and financial accounting advice; and
 - Economic and interest rate forecasting.
- 4.2 The Council recognises that the responsibility for all treasury management decisions always remain with the organisation and therefore will ensure that undue reliance is not placed upon its external service providers. Treasury management decisions will be undertaken with regards to all available information including, but not solely, that received from treasury advisors.
- 4.3 The Council will ensure that the terms of the appointment of external treasury management advisors and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review. A three year contract with Link Group (Treasury Solutions) commenced on 1 November 2016 and was extended for an additional two years up to 31 October 2021 following a review undertaken in 2019 of the service received.
- 4.4 With the contractual period with Link Group ending in 2021/22, a treasury management advisor procurement exercise is scheduled to take place during 2021. Any resulting changes to the existing arrangements will be reported to the Performance and Finance Scrutiny Committee and the Treasury Management Panel.

5 Capital Programme (2021/22 to 2025/26)

- 5.1 The Council's capital expenditure and financing plans as contained within the approved Capital Programme set out in the Capital Strategy are key drivers of treasury management activity. The output of the Capital Programme is reflected in the Council's prudential indicators (which are included within the Capital Strategy) which are designed to provide members with an overview and confirm such expenditure and financing plans are both affordable and prudent.
- 5.2 The table below is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of the current budget cycle for approval by County Council in February 2021:

Capital Expenditure by Service	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Est. (i) £'m
Adults and Health	3.6	2.1	4.3	4.3	4.0	1.0
Children & Young People	4.5	1.0	1.1	1.0	1.0	1.2
Economy and Corporate Resources	9.8	7.4	17.6	16.9	12.0	12.0
Education & Skills	23.6	19.5	34.8	25.6	21.6	38.9
Environment	1.4	4.5	11.3	16.0	16.3	22.5
Finance	6.5	8.8	13.9	22.3	20.2	24.3
Fire & Rescue and Communities	4.7	3.6	12.7	13.3	10.7	7.6
Highways and Infrastructure	41.4	54.8	65.7	29.7	19.8	61.2
Total Capital Expenditure	95.5	101.7	161.4	129.1	105.6	168.7

(i) 2025/26 estimate includes subsequent years spend.

5.3 Capital expenditure as reported above may be financed from a range of external and internal sources. External sources include private sector contributions (such as s106 developer contributions) as well as government grants; internal sources include capital receipts, revenue contributions and reserves set aside for capital purposes.

5.4 Borrowing is required to meet the cost of any capital expenditure not financed by internal and/or external funding sources. The table below summarises how the Council's capital expenditure plans will be financed across the period through to 2025/26, with any funding shortfall resulting in a borrowing requirement:

Financing the Capital Programme	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Capital Expenditure	95.5	101.7	161.4	129.1	105.6	168.7
Government Grants	-78.0	-77.3	-36.3	-29.2	-21.4	-23.6
External Contributions	-7.0	-9.8	-12.5	-8.0	-5.1	-39.9
Capital Receipts	-3.7	-5.3	-1.0	-1.0	-1.0	-6.5
Revenue Funding	-2.1	-2.4	-7.6	-7.0	-4.5	-3.1
Financing	-90.8	-94.8	-57.4	-45.2	-32.0	-73.1

Financing the Capital Programme	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
(Excl. Borrowing)						
Borrowing (Core)	0.0	0.0	-84.3	-55.1	-49.1	-58.3
Borrowing (Economic Developments)	-4.7	-6.9	-19.7	-28.8	-24.5	-37.3
Total Financing	-95.5	-101.7	-161.4	-129.1	-105.6	-168.7

- 5.5 The above financing table excludes other long-term liabilities, such as existing PFI schemes (Crawley Schools; Street Lighting and Waste Management) and leasing arrangements which already include borrowing instruments within their contractual terms; and so the Council is not required to separately borrow for them.

6 Borrowing and Repayment Strategy

- 6.1 The capital expenditure plans set out in Section 5 provide details of the service activity of the Council. The treasury management function ensures that cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the Council's cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.
- 6.2 The borrowing strategy covers the relevant prudential and treasury indicators, and the current and projected debt positions. The key objectives of the Council's current borrowing strategy are:
- (1) Ensure that future external debt is affordable within revenue budget constraints; with the timing of when to arrange new debt governed by the Council's long-term cash flow forecasts (as per the requirements of the capital plans through to 2025/26); and
 - (2) Potentially borrowing in advance of need so that external debt (fixed-rate funding) is arranged whilst interest rates are lower than they are projected to be over the next few years.
- 6.3 For all new external debt arrangements, the Council will first ensure that due diligence is given to both the affordability of such debt in the revenue budget and the future plans regarding the repayment of the debt; including the possible use of capital receipts or as per the agreed terms and conditions of any new debt arrangements (including 'annuity' and 'equal instalments of principal' loan structures).
- 6.4 **Approved Funding Sources:** The Council's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest borrowing costs whilst achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the

Council's long-term capital plans change is a secondary objective.

- 6.5 There is no counterparty risk associated with borrowing, except that associated with money laundering. In conjunction with advice received from its treasury management advisor the Council will keep under review the following fixed or variable rate long-term and short-term (in lieu of long-term) borrowing options as sources of finance for the approved capital programme, including:
- Borrowing against internal resources held by the Council (including usable reserves and working capital) in lieu of external borrowing;
 - Public Works Loan Board (PWLB) and any successor body;
 - Borrowing from other UK local authorities (particularly regarding borrowing for Economic Developments on a short-term basis);
 - Borrowing from the money markets (institutional lenders authorised by the Prudential Regulation Authority and/or the Financial Conduct Authority to operate in the UK);
 - Borrowing from multilateral development banks; and
 - Borrowing from the UK Municipal Bond Agency plc and/or other special purpose companies created to enable local authority bond issue.
- 6.6 The Council has previously relied on the PWLB as its only source of funding, with approved alternative market borrowing options (including forward starting loans and bond issuance via the UK Municipal Bond Agency) being held under consideration. The Director of Finance and Support Services will continue to assess the benefits of approved market loan alternatives during 2021/22. Capital finance may additionally be raised by other methods that are not borrowing but may be classed as other debt liabilities (including leasing).
- 6.7 In November 2020 HM Treasury published the outcomes of the PWLB review that aims to ensure that local authorities invest public funds in infrastructure and front-line services only. As a result, from December 2020 local authorities (non-HRA) will be able to access funding at the PWLB Certainty Rate of UK Gilts plus 0.80%; representing a 1% reduction as compared with the cost of pre-December borrowing. From this date however all new PWLB borrowing will be conditional on the Council demonstrating that over the period of the capital programme there will be no intention to buy investment assets primarily for yield (for example the purchase of investment property) irrespective of whether the transaction would be financed from a source other than the PWLB. The Council confirms that capital plans have been reviewed and are compliant with these PWLB requirements.
- 6.8 **Current Portfolio Position:** At 31 December 2020 the Council had external loans with the PWLB totalling £474.8m. In accordance with the approved 2020/21 Treasury Management Strategy no external borrowing was arranged during the period April to December 2020; cash supporting the Council's usable reserves and working capital was used as a temporary funding measure in lieu of external borrowing. Consequently, the Council's internal borrowing at the end of 2020/21 is forecast to be £27.9m (£28.7m at 31 March 2020) as set out in paragraphs 6.11 and 6.12.
- 6.9 Capital plans (paragraph 5.4) highlight that a borrowing requirement of £6.9m is required to finance the Council's capital expenditure plans in 2021/22; all relating to economic development projects.

- 6.10 In accordance with CIPFA's Prudential Code, the Council's underlying borrowing need (the total historic outstanding capital expenditure which has not yet been financed) is represented by its Capital Financing Requirement (CFR). Capital expenditure financed through debt is subject to a minimum revenue provision charge (the Minimum Revenue Policy) which is set out in the Capital Strategy.
- 6.11 An analysis of the Council's levels of usable reserves, provisions and working balances show these are likely to be sufficient to continue with an internal borrowing strategy throughout 2021/22 and 2022/23, with the need to externally borrow for the capital programme from 2023/24 onwards. The table below details the estimates of these year-end balances through to 2025/26, assuming no new additional external debt or optional refinancing of existing debt is arranged:

Balance Sheet Projections (at 31 March)	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Capital Financing Requirement	518.5	505.2	577.8	615.4	644.9	682.2
CFR (Economic Developments)	81.4	86.2	103.6	129.6	150.5	183.5
Capital Financing Requirement	599.9	591.4	681.4	745.0	795.4	865.7
Less: PFI Schemes and Leases (i)	-91.7	-88.7	-87.6	-83.2	-78.5	-73.8
Borrowing CFR (ii)	508.2	502.7	593.8	661.8	716.9	791.9
Existing Borrowing Profile (PWLB)	-474.8	-471.3	-461.3	-461.3	-461.3	-437.2
Short-Term Borrowing (iii)	-5.5	-5.5	-5.5	-5.5	-5.5	-5.5
Under Borrowing	27.9	25.9	127.0	195.0	250.1	349.2

- (i) International Financial Reporting Standards (IFRS)16 requires the Council to account for lessee operating leases (off Balance Sheet) as finance leases from 1 April 2022. The Council currently estimates that leases totalling £3.4m will be added to the Balance Sheet from 1 April 2022 as a result of IFRS16; and as such have been included in the above (and subsequent) tables in Section 6.
- (ii) The 'Borrowing CFR' excludes other long-term liabilities (PFI schemes and finance leases) that form part of the Council's total borrowing requirement.
- (iii) Money held and invested on behalf of the Chichester Harbour Conservancy (CHC) and its associated charities; repayable to CHC on any given notice.

Balance Sheet Projections (continued)	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Under Borrowing	27.9	25.9	127.0	195.0	250.1	349.2
Usable Reserves	-217.9	-232.2	-148.3	-138.0	-134.5	-130.7
Provisions	-15.0	-15.0	-15.0	-15.0	-15.0	-15.0
Working Capital	-65.0	-65.0	-65.0	-65.0	-65.0	-65.0
Funding required for investments greater than one year	100.0	100.0	100.0	100.0	100.0	100.0
Short Term Investment(-) / External Borrowing (cumulative)	-170.0	-186.3	-1.3	77.0	135.6	238.5

6.12 The Council has previously approved that a proportion of its usable reserves (including PFI/MRMC reserve balances) are held in long-term strategic investments; as a result the Council's external debt and internal borrowing projections (including CFR forecasts; and internal borrowing as a percentage of the CFR) are summarised below:

Debt Projections	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Gross External Debt (1-Apr)	581.2	572.0	565.5	554.4	627.0	680.9
Repayment of Existing Debt	-7.0	-3.5	-10.0	0.0	0.0	-24.1
CHC Movement	0.5	0.0	0.0	0.0	0.0	0.0
External Debt (Core Borrowing)	0.0	0.0	0.0	0.0	0.0	55.0
External Debt (Economic Developments)	0.0	0.0	0.0	77.0	58.6	47.9
PFI/Finance Lease Movement	-2.7	-3.0	-1.1	-4.4	-4.7	-4.7
Gross External Debt (31-Mar)	572.0	565.5	554.4	627.0	680.9	755.0

Debt Projections (continued)	2020/21 Estimate £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Cumulative Gross External Debt (at 31-March)	572.0	565.5	554.4	627.0	680.9	755.0
Cumulative Internal Borrowing (at 31 March)	27.9	25.9	127.0	118.0	114.5	110.7
Capital Financing Requirement	599.9	591.4	681.4	745.0	795.4	865.7
Internal Borrowing (%)	4.6%	4.4%	18.6%	15.8%	14.4%	12.8%

6.13 As shown in the table above, under the Council's current capital plans, usable reserves and long-term strategic investment assumptions, it is forecast that the Council will be required to externally borrow in 2023/24 which reflects the need to ensure that cash (useable reserves and working capital) is available to maintain the £100m long-term investment limit up to 2025/26 (as set out in paragraph 7.49). Whilst the continuation of an internal borrowing strategy in 2021/22 remains prudent, the continued benefits will be regularly monitored against the potential for incurring additional costs through deferring external borrowing into future years when long-term borrowing rates are forecast to rise (**Appendix B**).

6.14 **Revenue Impact:** The revenue impact (capital financing cost as a percentage of net revenue streams) of the recommended borrowing strategy relating to the Council's capital programme (excluding service funded Economic Developments, PFI schemes and Finance Leases) is outlined below:

	2020/21 Actual £'m	2021/22 Estimate £'m	2022/23 Estimate £'m	2023/24 Estimate £'m	2024/25 Estimate £'m	2025/26 Estimate £'m
Net Revenue Expenditure	593.9	624.8	633.9	656.9	687.2	700.0
Capital Financing Charges	28.5	28.7	28.7	32.2	35.2	38.8
% Ratio	4.8%	4.6%	4.5%	4.9%	5.1%	5.5%

6.15 In accordance with this recommended borrowing strategy, the Council forecasts that the costs of long-term external borrowing (interest charges) in 2021/22 will be:

- PWLB Borrowing: £19.3m (£19.5m in 2020/21); of which £1.4m will be service funded from economic development schemes.
- PFI schemes and finance leases: £11.0m (£11.2m in 2020/21)

- 6.16 **Borrowing in Advance of Need:** Any decision to borrow in advance will be within forward approved CFR estimates and arranged to take advantage of favourable borrowing rates (given such rates are forecast to rise in the future) thereby ensuring that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through quarterly compliance reports (and annual report to the Performance and Finance Scrutiny Committee).
- 6.17 The Authorised Borrowing Limit (paragraph 6.21) constrains borrowing in advance of future capital need by limiting such borrowing to within CFR estimates over a three year planning period, therefore confirming that it is not being taken for revenue profit (investment of the extra sums borrowed) or speculative purposes.
- 6.18 **Limits to Borrowing Activity:** Within the prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. These indicators ensure that the Council's gross external debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus estimates for any additional CFR for 2021/22 and the following two financial years. Based on the gross external debt projections (paragraph 6.12) the Director of Finance and Support Services reports that the Council complied with these prudential indicators in 2020/21 and does not envisage any non-compliance over the period of the capital programme.
- 6.19 The 'Operational Boundary' is the limit (Prudential Indicator) beyond which external debt is not normally expected to exceed, as set out below:

Operational Boundary	Estimate 2020/21 £'m	Estimate 2021/22 £'m	Estimate 2022/23 £'m	Estimate 2023/24 £'m	Estimate 2024/25 £'m	Estimate 2025/26 £'m
External Debt (including CHC)	480.3	476.8	466.8	466.8	466.8	497.7
Economic Developments	0.0	0.0	0.0	77.0	135.6	183.5
PFI Schemes/ Finance Leases	91.7	88.7	87.6	83.2	78.5	73.8
Operational Boundary	572.0	565.5	554.4	627.0	680.9	755.0

- 6.20 The 'Authorised Borrowing Limit' is a further key Prudential Indicator that reports the maximum level of borrowing. This represents the limit beyond which external debt (including overdrawn bank balances and short-term borrowing undertaken for unexpected cash flow movements) is prohibited, as approved by County Council. It reflects the level of external debt which, whilst not desired, could be afforded in the short-term (e.g. when borrowing in advance of capital need) but is not desirable in the long term.
- 6.21 This limit is a statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans or those of a specific council; although to-date this

power has not yet been exercised.

Authorised Borrowing Limit	Estimate 2020/21 £'m	Estimate 2021/22 £'m	Estimate 2022/23 £'m	Estimate 2023/24 £'m	Estimate 2024/25 £'m	Estimate 2025/26 £'m
Gross Debt (i)	600.5	578.3	633.3	711.8	716.5	721.2
PFI Schemes / Finance Leases	91.7	88.7	87.6	83.2	78.5	73.8
Authorised Borrowing Limit	692.2	667.0	720.9	795.0	795.0	795.0

- (i) Gross debt estimates allow for external borrowing in advance of need for up to a maximum of two years; furthermore, gross debt includes additional headroom (£40m) for unexpected cash flow movements. For example, the 'Authorised Borrowing Limit' for 2021/22 (£667m) equals the maximum external debt forecast in any one financial year over a three year period (i.e. the 'Operational Boundary' over the period 2021/22 to 2023/24; therefore £627m for 2023/24) plus £40m.
- (ii) The Authorised Borrowing Limit as reported above (£795m in 2025/26) is lower than the equivalent limit approved in the 2020/21 Treasury Management Strategy; reflecting a reduction to commercial property investment opportunity borrowing and the inclusion of the 2025/26 annual revenue charge (MRP) reducing the overall borrowing requirement.

6.22 In addition, the 'Maturity Structure of External Borrowing' Treasury Indicator are limits that highlight the existence of any large concentrations of external debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposures to interest rate changes in any one period, in particular over the course of the next ten years. It is calculated as the amount of projected debt that is maturing in each period as a percentage of total projected external debt. The maturity period of borrowing is determined by reference to the earliest date on which the lender can require payment.

6.23 The upper and lower limits for the maturity structure of external debt in 2021/22 (with actual split as at 31 December 2020 included for comparison) are set out below:

Debt Maturity	Actual 31/12/20	Lower Limit 2021/22	Upper Limit 2021/22
Over 30 Years	26%	0%	40%
Over 25 to 30 Years	0%	0%	25%
Over 20 to 25 Years	3%	0%	25%
Over 15 to 20 Years	0%	0%	25%
Over 10 to 15 Years	38%	0%	50%
Over 5 to 10 Years	28%	0%	60%
Over 1 to 5 Years	3%	0%	35%
Under 12 Months	2%	0%	25%

- 6.24 **Borrowing for Cash-flow Purposes:** The Council continues to approve the use of short-term loans (normally for up to one to three months) to cover unexpected cash-flow shortages. Short-term borrowing for cash-flow purposes, up to a maximum of £40m, will be limited to the following external funding sources:
- Borrowing from other UK local authorities (excluding Police and Crime Commissioners, Fire Authorities and Local Authority Pension Funds);
 - Borrowing from the money markets (financial institutions authorised by the Prudential Regulation Authority to operate in the UK).
- 6.25 Additionally, the Council holds and invests money on behalf of third parties including the Chichester Harbour Conservancy and its associated charities. The Council reports any such money as short-term borrowing given the requirement that it is available for repayment at any future point in time.
- 6.26 **Debt Rescheduling:** Depending on the interest rates during 2021/22, there may be opportunities to reschedule some of the council's debt. However, if any repayment or rescheduling of existing PWLB debt was approved the rationale would be one or more of the following:
- The generation of cash savings and/or discounted cash flow savings;
 - Helping to fulfil the treasury management strategy;
 - Enhancing the balance of the debt portfolio (amending the maturity profile and/or the balance of volatility).
- 6.27 **Reporting:** All borrowing and rescheduling activity will be reported to the Performance and Finance Scrutiny Committee (within the Mid-Year Review and/or Annual Treasury Management reports); and to the Regulation, Audit and Accounts Committee and Treasury Management Panel within the prescribed compliance reports.

7 Annual Investment Strategy (Treasury Investments)

- 7.1 CIPFA and the MHCLG have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with financial investments, as managed by the Council's Treasury Management Team. Non-financial investments are dealt with in the separate Capital Strategy report.
- 7.2 The Council's main treasury management activity continues to be the investment of its surplus funds, representing income received in advance of expenditure plus balances and reserves held. All treasury (financial) investments are made under statutory provisions granted to the Council by the Local Government Act 2003 (Section 12; 'Power to Invest').
- 7.3 The Director of Finance and Support Services, in consultation with the Cabinet Member for Finance and the Treasury Management Panel, recommends that a continuation of the existing investment strategy be approved in 2021/22; subject to the following changes.
- (1) To ensure that the Council achieves a more ethical investment policy (in line with Council's Climate Change Strategy):

- (a) The inclusion of the requirement that in the future all external fund managers selected by the Council in relation to its pooled fund investments be signed up to the United Nations "Principles of Responsible Investment" (UNPRI).
 - (b) That internally managed investments made in the future with corporate (non-bank) organisations will adhere to the UNPRI principles.
 - (2) The Council approves the use of short-term Money Market Funds that operate under a Variable Net Asset Valuation, when a change from a Low Volatility Net Asset Valuation is adopted by the fund to allow continual and effective operation in a (or potential) negative interest rate environment.
 - (3) An increase to the maximum limit for the total invested in short-term Money Market Funds from £150m to £175m. To be utilised only in exceptional circumstances for the management of the Council's daily cash flows given the high level of investment balances currently held (see paragraph 7.4).
- 7.4 At 31 December 2020 the Council's investments amounted to £400.6m (**Appendix A**). In the past twelve months the Council's average investment balance was circa £375m (higher than original £280m forecast due to emergency Covid-19 funding received in 2020 ahead of actual spend) and is forecast to average around £320m throughout 2021/22.
- 7.5 The Council's investment policy has regard to the CIPFA Treasury Management Code of Practice and MHCLG's Guidance on Local Government Investments. The Council's investment priorities will be the security first, liquidity second and then investment return ('SLY' investment principles). Accordingly, the Council will look to strike an appropriate balance between risks and return; minimising the risk of incurring losses from defaults against the risk of receiving unsuitably low investment income.
- 7.6 In accordance with the CIPFA and MHCLG guidance, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of high creditworthy counterparties which also enables diversification and thus avoidance of concentration risks. In assessing credit ratings (as provided by Link Group) the Council employs the 'Lowest Common Denominator (LCD)' approach, meaning that it uses the lowest rating of those published by Fitch Ratings Ltd, Moody's Investors Service Ltd or Standard & Poor's.
- 7.7 Credit ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of markets. To achieve this consideration the Council will engage with its treasury management advisors to maintain a monitor on market pricing such as 'credit default swaps' and overlay that information on top of credit ratings.
- 7.8 Other information sources used will include the financial press, share price and other such information pertaining to institutions (banks, corporates etc.) in

order to establish the most robust scrutiny process on the suitability of potential investment counterparties. The Council continues to remain alert for any signs of credit or market distress that might adversely affect its treasury management activities and corrective action will be taken when deemed appropriate to ensure the security of the total investment portfolio.

7.9 Accordingly, the Director of Finance and Support Services will comply with the following policies when investing funds, whether directly or via the London money market. Investments arranged via the London money market will be made through approved brokers. The list of approved brokers in 2021/22 comprises:

- BGC Partners (including Martin Brokers)
- Imperial Treasury Services
- Institutional Cash Distributors (ICD) Ltd
- King and Shaxson Limited
- Tradition (UK) Limited
- TP ICAP Group (including ICAP and Tullett Prebon Europe Ltd)

7.10 **Creditworthiness Policy:** The primary objective governing the Council's investment criteria is the security of its investments, although the yield or investment return is also a key consideration (paragraph 7.5). After this objective the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security (including monitoring their security); and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

7.11 The credit risks associated with making unsecured bank deposits remain evident (due to bail-in legislation) relative to the risks of other investment options available to the Council (including bank secured, local authority and non-bank corporate deposits). In addition to the risks associated with bail-in, the largest UK banks (those with more than £25bn of retail/Small and Medium-sized Enterprise (SME) deposits) are required by UK law to separate core retail banking services from their investment and international banking activities; this being known as 'ring-fencing'. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt-up. Several banks are very close to the threshold so may come into scope in the future regardless.

7.12 Ring-fencing is a regulatory initiative created in response to the global financial crisis to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank will be focused on lower risk, day-to-day core transactions; whilst more complex and 'riskier' activities are required to be housed in a separate non-ring-fenced bank. This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

- 7.13 While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The probability of a bail-in of a ring-fenced bank is smaller than a non-ring-fenced entity from the same banking group; but the loss incurred as a result of a bail-in would likely be higher. This is because retail (ring-fenced) banks will typically have more capital to protect against losses, but fewer wholesale deposits and senior unsecured creditors to share losses with. The Council will continue to assess ring-fenced and non-ring-fenced banks in the same way that it does for other financial institutions. Those with sufficiently high ratings (and other credit metrics considered, paragraphs 7.7 and 7.8) will be considered for investment purposes.
- 7.14 At 31 December 2020, 45% of the Council's internally managed investment portfolio (excluding externally managed pooled funds) is invested in short-term unsecured bank deposits and short-term money market funds in accordance with the policies as contained within the 2020/21 TMSS. The Director of Finance and Support Services confirms that the Council will not be holding any investment at 31 March 2021 that will be in breach of the recommended 2021/22 strategy.
- 7.15 Under MHCLG Investment Guidance investments are categorised as either '**Specified**', '**Non Specified**' (both categories being approved as suitable for Council treasury investment) or '**Loans**'. Specified investments are designed to offer high security and high liquidity, with the minimum of formalities. The MHCLG Guidance defines specified investments as those:
- Denominated in Sterling;
 - With a maximum maturity of one year (365 days);
 - Not defined as capital expenditure by legislation; and
 - Invested with one of:
 - The UK Government (including Gilts, Treasury Bills and DMADF).
 - A local authority in England, Wales, Scotland or Northern Ireland.
 - An institution or investment scheme of 'high credit quality'.
 - Supranational Institutions (e.g. The European Investment Bank).
- 7.16 For investments to be regarded as specified, the Council defines 'high credit quality' as institutions and securities meeting the following criteria:
- (a) UK Institutions (Banks, Building Societies and Corporates): Minimum long-term credit rating of **A-**; rated by at least two of the three rating agencies; Fitch, Moody's and Standard & Poor's (S&P).
 - (b) Non-UK Banks: Minimum long-term credit rating of **A+**; rated by at least two of the three rating agencies (Country holding a sovereign rating of at least **AA+**).
 - (c) Non-UK Corporates: Minimum long-term credit rating of **A-**; rated by at least two of the three rating agencies (Country holding a sovereign rating of at least **AA+**).
 - (d) Money Market Funds: Assigned a **AAA** credit rating; rated by at least two of the three rating agencies and holding assets exceeding £1bn. The

Council approves the use of Money Market Funds that operate under a Constant Net Asset Valuation (funds that invest exclusively in government securities) or operate under a Low Volatility and/or Variable Net Asset Valuation (all other short-term liquidity funds).

- (e) UK Local Authorities: Assumed rating aligned with the prevailing UK sovereign rating (**AA-** as at 31 December 2020) unless an actual credit rating exists from any of the three rating agencies.
 - (f) UK Registered Social Landlords (formerly Housing Associations): Minimum long-term credit rating of **A-**; rated by at least one of the three rating agencies.
 - (g) Externally Managed Pooled Funds: Assigned a **AAA** credit rating; rated by at least one of the three rating agencies.
- 7.17 Any investment not meeting the 'Specified' investment criteria listed above will be treated as if it were unrated ('Non-Specified' investment; paragraph 7.45). For secured investments the credit rating relevant to the specific investment (covered bonds) or underlying collateral (reverse repurchase agreements) will be used as opposed to the individual rating of the bank/building society issuing the security.
- 7.18 **Monitoring Credit Quality:** Credit rating information is supplied by Link Group (the Council's treasury advisor) on all active counterparties that comply with the criteria listed above. Any counterparty failing to meet the criteria will be omitted from the counterparty (dealing) list. Any rating changes, rating 'watches' (notification of a likely change) or rating 'outlooks' (notification of the longer term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before actual dealing arrangements. Where an institution has its credit rating downgraded so that it fails to meet any of the approved investment criteria then:
- No new investments will be made after the date of notification;
 - Any existing investments that can be immediately recalled or sold at no cost (financial penalty) will be;
 - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty; and
 - Details will be reported to the Director of Finance and Support Services, the Cabinet Member for Finance and Treasury Management Panel members.
- 7.19 Where an institution is placed on negative rating watch (notification of a possible rating downgrade) the reasons for the rating action will be evaluated. Unless there is sufficient cushion to absorb a two-notch downgrade to the long-term credit rating (to remain at or above the Council's minimum approved rating criteria) then decisions on new investments will be subject to approval by the Director of Finance and Support Services. This policy will not apply to negative 'outlooks', which indicate a longer term view rather than an imminent change to an institution's rating.
- 7.20 If an institution is placed on negative rating watch and is at (or likely to fall below) the Council's minimum rating criteria then no investments will be

arranged until the outcome of the review is announced. Again, this policy will not apply to negative 'outlooks'.

- 7.21 Additional requirements under the CIPFA Treasury Management Code require the Council to supplement credit rating information. Whilst the above policies rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use; additional market information (see paragraphs 7.7 and 7.8) will be applied before making any specific investment decisions from the approved pool of counterparties. This additional market information will be applied to compare the relative security of differing investment counterparties.
- 7.22 The Director of Finance and Support Services and the Council's treasury management advisor will continue to analyse and monitor market indicators and credit developments on a regular basis and respond as necessary to ensure the security of the capital sums invested. No investments will be made with an organisation if there are substantive concerns about its credit quality, even though it may meet the approved minimum credit rating criteria (as set out in paragraphs 7.16 and 7.25).
- 7.23 **Liquidity Management:** The Council uses purpose-built short-term cash flow forecasting software (SAP Treasury Management Module) to determine the maximum period for which funds may prudently be invested. The Council is however planning to undertake a procurement exercise to replace the existing treasury management system in 2021; as part of the Council's SAP replacement project. It is expected that new cash flow forecasting software will be operational from August 2021.
- 7.24 Cash flow forecasts are made on a prudent basis with income under-estimated and expenditure over-estimated. Additionally, the Council seeks to maintain a smooth profile of maturing investments, allowing it to cover unexpected items of expenditure and to react to favourable market conditions as they arise. Monetary limits on long-term investments are set by reference to the Council's Medium Term Financial Strategy (MTFS) and long-term forecasts of usable reserve balances. The Council also operates a number of interest paying bank call (instant-access) accounts and money market funds where cash is deposited at competitive overnight interest rates and can be withdrawn without notice; these funds are therefore highly liquid.
- 7.25 **Investment Policy:** The Director of Finance and Support Services will undertake the most appropriate form of investments in keeping with the approved strategy objectives, income and risk management requirements and the Council's Treasury Indicators. Accordingly the Council may invest its surplus funds over a range of maturity periods with any of the approved counterparty types listed below, subject to maximum monetary and duration limits (covering both 'Specified' and 'Non-Specified' investments) as shown, to ensure that prudent diversification of the investment portfolio is achieved:

(a) **Unsecured Bank Deposits**

Credit Rating	Cash Limit (i)	Time Limit (i)
AAA	£15m	2 Years
AA+	£15m	1 Year

Credit Rating	Cash Limit (i)	Time Limit (i)
AA	£15m	1 Year
AA-	£15m	1 Year
A+	£15m	1 Year
A	£15m	6 Months
A-	£15m	100 Day
RBS Banking Group: Ring Fenced Bank only	£15m	1 Year
Money Market Funds	£25m (ii)	Overnight
BBB+ (or below)	No Approval	No Approval

- (i) Maximum exposure limits (monetary and time) approved per individual financial institution holding an applicable credit rating.
- (ii) Maximum monetary limits per fund approved as £25m or 0.5% of the fund's total assets under management (AUM), whichever is lower.
- (b) **Other Internally Managed Investments** (Bank Secured, Government Issues, UK Local Authorities and Non-Bank)

Institution/ Issue Credit Rating	Cash Limit (iii)	Time Limit (iii)
UK Government	Unlimited	50 Years
Local Authorities	£25m	20 Years
AAA	£25m	10 Years
AA+	£25m	5 Years
AA	£25m	4 Years
AA-	£25m	3 Years
A+	£15m	2 Years
A	£15m	1 Year
A-	£15m	6 Months
BBB+	£10m	100 Days
Money Market Funds	£25m (iv)	Overnight
Housing Associations (rated A- or higher)	£15m	5 Years
BBB (or below)	No Approval	No Approval

- (iii) Maximum exposure limits (monetary and time) approved per individual Local Authority, Housing Association, financial institution (secured bond) and applicably rated non-financial institution.
- (iv) Maximum monetary limits per fund that invest in **government securities only** approved as £25m or 2% of the fund's total assets under management (AUM), whichever is lower.
- (c) **Externally Managed Investments**

Externally Managed	Cash Limit	Time Limit
Pooled Funds	See Note (v)	No Defined Maturity. Withdrawals made on: - Liquidity requirements - Fund performance

- (v) Maximum monetary limits for externally managed pooled funds (including ultra-short dated bond, multi-asset income and property funds) will be approved as £25m (AAA rated funds), £15m (all other funds) or 5% of the fund's total assets under management (AUM), whichever is lower.

- 7.26 **Bank Unsecured:** Includes bank current accounts, call (instant-access) accounts, notice accounts, fixed-term deposits, certificate of deposits and senior unsecured bonds with banks and building societies, other than multilateral development banks (for example the European Investment Bank). These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- 7.27 **Bank Secured:** Includes covered bonds, reverse repurchase agreements (repos) and other collateralised arrangements with banks and building societies. These investment types are secured against the bank's assets, which consequently limits the potential losses in the unlikely event of insolvency and means that they are exempt from bail-in. Covered bonds will be considered when secured against a 'pool' of residential and/or low loan-to-value mortgages held by the issuing bank. Covered bonds differ from mortgage or asset-backed securities because the bank which issues the bond always remains responsible for paying dividends and repaying capital. The Council's investments are therefore protected firstly by having a direct call on the 'pool' and secondly by a call on the general assets of the issuer.
- 7.28 The Council accepts repo/reverse repo as a form of collateralised lending and will be approved on entering into a Global Master Repo Agreement (GMRA). Should any investment counterparty not meet the Council's senior unsecured rating (as set out in paragraph 7.25) then a 102% collateralisation will be required. Acceptable collateral will include index linked gilts, conventional gilts, UK treasury bills, delivery by value (a basket of gilts covering differing maturity periods) and corporate bonds (subject to a minimum A- bond issue rating).
- 7.29 For secured bank deposits, where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, then the higher of the collateral credit rating or the counterparty credit rating will be used in determining monetary and duration limits (as set out in paragraph 7.25). The combined secured and unsecured investments in any one bank will not exceed the monetary limit approved for secured investments.
- 7.30 **Government Backed:** Loans, deposits, bonds and/or bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in and there is an insignificant risk of insolvency; for example, statutory provisions set out in the Local Government Act 2003 preventing a UK local authority default. Investments with UK local authorities can be made for up to twenty years (but may include early repayment conditions for both lender and borrower).
- 7.31 In any future period of significant market stress, the Council will maintain required levels of security by restricting new investments to those organisations of high credit quality only and reducing maximum duration limits in accordance with the prevailing market conditions. If there are insufficient financial institutions of high credit quality then the Council's surplus cash will be

deposited with the UK Government, via the Debt Management Office (DMO) and UK treasury bills, or other local authorities.

- 7.32 **Registered Social Landlords (RSLs):** Loans, deposits and/or bonds either issued on an unsecured basis or guaranteed by or secured against the assets of the RSL (formerly known as Housing Associations). These bodies are tightly regulated by Homes England and the Regulator of Social Housing; and as providers of public services they retain a likelihood of receiving government support if needed.
- 7.33 **Corporates:** Loans, bonds and/or commercial paper issued by companies other than banks, building societies and RSLs. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. The Council approves the use of investments issued by corporates that hold credit ratings in accordance with the approved investment policy (as set out in paragraphs 7.16 and 7.25) up to a maximum of £15m per company (£10m for corporates rated BBB+). Additionally, the Council will adhere to the UN's Principles of Responsible Investment (UNPRI) when approving investments with corporates.
- 7.34 **Money Market Funds:** Pooled investment vehicles consisting of unsecured money market deposits and similar instruments, unless the fund consists of government securities only (paragraph 7.36). Such funds have the advantage of providing wide diversification of investment risks and high liquidity, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Council.
- 7.35 The Council continues to use short-term money market funds that offer same-day liquidity as an alternative to instant access bank accounts, subject to approved monetary limits per fund set as £25m or 0.5% of the fund's total assets under management (calculated against the previous working day's closing assets total) whichever is lower.
- 7.36 In times of significant market stress the Council may consider the use of money market funds that invest in government securities only as an alternative to Debt Management Office (DMO) deposits, up to a limit per fund of £25m or 2% of the fund's total assets under management, whichever lower (calculated as per paragraph 7.35). Such funds will be treated as a separate counterparty to a standard cash money market fund provided by the same sponsor.
- 7.37 **Externally Managed Pooled Funds:** Shares in diversified investment vehicles which may consist any of the investment types listed above (paragraphs 7.26 to 7.33) plus (but not limited to) equity shares, emerging market debt, and infrastructure/property. These funds allow the Council to diversify its investment portfolio into asset classes other than cash without the need to own and manage the underlying investments (undertaken by a professional fund manager in return for a fee).
- 7.38 Ultra-short dated bond funds (enhanced cash funds) provide an alternative to short-term money market funds in the management of cash-flow liquidity (up to 12 months) with the potential of increasing investment returns; whilst introducing the potential for short-term capital volatility not evident in money market funds. Multi-asset income and property funds provide the potential for enhanced returns over the longer-term but are significantly more volatile when

viewed in the short-term. Consequently, all externally managed pooled funds may experience times of displaying capital losses when viewed over a short-term horizon, contravening 'SLY' investment principles.

- 7.39 The Council will only approve external fund managers who are a confirmed signatory to the UN's Principles of Responsible Investment (UNPRI). Selection of funds will then be subject to credit risk appraisal undertaken by the Director of Finance and Support Services and will be reported to the Cabinet Member for Finance and the Treasury Management Panel. The Council's current investments in such funds are listed in **Appendix A**.
- 7.40 Because these funds have no defined maturity date and may be subject to experiencing periods of capital loss, their performance and continued suitability in meeting the Council's investment objectives will be regularly monitored by the Director of Finance and Support Services. Any compliance issues arising from pooled fund investments (for instance periods of capital loss) will be reported within quarterly compliance reports to the Regulation, Audit and Accounts Committee.
- 7.41 **The Council's Main Provider of Banking Services:** The Council currently banks with Lloyds Bank plc (Lloyds ring-fenced bank), the contract being effective up to 30 September 2022. Lloyds currently meets the Council's minimum credit criteria, however, should its credit rating fall below the minimum rating criteria as prescribed in this strategy report (paragraph 7.16) the provider may continue to be used for short-term (overnight) liquidity requirements and business continuity arrangements.
- 7.42 Balances held within current accounts will be aggregated together with investments held with the Council's banker on a daily basis and should remain within set counterparty monetary limits as prescribed within this strategy report (paragraphs 7.25 and 7.43). Occasionally however, the Council is in receipt of 'large' amounts of income which cannot be deposited into separate investment counterparties due to intra-day dealing deadlines. In such instances the Council approves that an operational breach of the Council's main banker's set monetary limits may occur for a maximum period of one working day, with corrective action being taken on the next available working day as appropriate.
- 7.43 **Country, Group and Sector Limits:** Due care will be taken to consider the country, group and sector exposure (in addition to duration and monetary exposure). Specific limits for which investments may be placed are set out below:

Limit Type	Cash Limit
UK Central Government	Unlimited
Any single UK Local Authority (excluding individual Fire Authorities and Police and Crime Commissioners)	£25m
Any single financial institution, including UK building societies	£25m
Any single corporate or RSL: Rated A- or above	£15m
Any single corporate (including RSLs): Rated BBB+	£10m
Maximum % invested in UK domiciled institutions/organisations	100%
Maximum investment amount per banking group	£25m

Limit Type	Cash Limit
Maximum corporate exposure	£50m
Maximum RSL exposure (rated above A-)	£25m
Maximum money market fund exposure (excluding pooled funds)	£175m
Maximum externally managed pooled fund exposure	£100m
Maximum investment total for non-UK countries	£90m
Maximum investment per individual non-UK country	£30m
Maximum invested in negotiable instruments held in a broker's (including King & Shaxson) nominee account	£100m

7.44 Investments in multilateral development banks, short-term money market funds and externally managed pooled funds do not count against the limit for any single non-UK country as shown above (£30m), since the risk is diversified across many countries.

7.45 **Non-Specified Investments:** Any investment not meeting the MHCLG definition of a 'Specified' investment (or 'Loan') is classified as 'Non-Specified'. Having considered the rationale and risks associated with non-specified investments, the following have been determined appropriate for the Council's use:

- Long-term (greater than one year) investments
- Investments with credit ratings below A- (corporates)
- Investments in externally managed pooled funds (not rated AAA)
- Investments denominated in foreign currencies (Euros)
- Investments that are defined by legislation as capital expenditure

7.46 The following monetary limits will be applied to Non-Specified treasury investments in 2021/22; including maintaining the £100m maximum amount approved as being available for long-term investment (see paragraph 7.49):

Investment Type	Cash Limit
Total long-term investments (greater than one year)	£100m
Total investments with corporates rated below A-	£30m
Total investments within externally managed pooled funds, including ultra-short dated bond funds (not rated AAA);	£60m
Total investments denominated in foreign currencies	£2.8m
Total investments defined as capital expenditure	£0.2m

7.47 **Long-Term Investments:** Long-term investments including gilts, covered bonds, corporate bonds, supranational bank bonds, local authority loans, RSLs deposits/bonds, externally managed pooled funds and an equity investment with the UK Municipal Bond Agency are approved by the Council. At 31 December 2020 the Council had £63.0m invested for greater than one year. The maximum monetary limit for long-term investments with any one organisation is set at £15m (£25m for individual UK local authorities).

7.48 As required by the Prudential Code, the Council is required to set limits for total funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for the early sale of

an investment (potentially incurring additional costs) and are based on the availability of funds after each year-end (as detailed in the Council's Balance Sheet Projections; paragraph 6.11).

7.49 The resulting treasury indicator for long-term investments is shown below:

Treasury Indicator (i)	Upper Limit 2020/21	Upper Limit 2021/22	Upper Limit 2022/23	Upper Limit 2023/24	Upper Limit 2024/25	Upper Limit 2025/26
Maximum Invested for a Year or longer	£100m	£100m	£100m	£100m	£100m	£100m

(i) Limits for future years to be reviewed on an annual basis.

7.50 No long-term investment will be arranged with any bank or building society on an unsecured basis.

7.51 **Non-Sterling Investments:** Occasionally the Council may receive grant funding denominated in Euros and subsequently incurs expenditure in Euros. To remove the exchange rate risk associated with converting such funds into Sterling, these can be held in a Euro denominated bank account. The Director of Finance and Support Services may therefore make investments denominated in Euros up to a maximum limit of €3.1m (£2.8m equivalent based on a 1.1071 exchange rate).

7.52 **Investments Defined as Capital Expenditure:** Investments defined by legislation as capital expenditure, such as company shares, are covered by the Council's non-treasury (commercial) investment policy as set out in the Capital Strategy. The Council does however hold an equity investment in the UK Municipal Bond Agency plc; a capital finance company established in 2014 by the Local Government Association. This capital investment was originally approved in February 2015 considering the Council's significant borrowing requirement in the period up to 2026, having the aim of providing the Council with a borrowing alternative to the PWLB.

7.53 **Policy on Financial Derivatives:** The Council has previously made use of financial derivatives that are embedded into investments, to reduce interest rate risks through the use of forward dated deals and to increase income through the use of callable deposits. The 'General Power of Competence' in Section 1 of the Localism Act 2011 removed much of the uncertainty over local authorities' use of standalone financial derivatives (those not embedded into an investment), including swaps and options. The CIPFA Treasury Management Code of Practice requires the Council to clearly state their policy on the use of financial derivatives in the annual strategy.

7.54 The Council does not intend to use standalone financial derivatives unless they can be clearly demonstrated to reduce the overall level of financial risks the Council is exposed to. Embedded derivatives, including those present in externally managed pooled funds and forward starting investments, will not be subject to this policy; however, the risks they present will be managed in line

with the overall treasury risk management strategy. Should this position change the Director of Finance and Support Services, after seeking a legal opinion on the use of standalone financial derivatives, will develop a detailed and robust risk management framework governing their use and will ensure that treasury management officers have the appropriate training.

- 7.55 **Loans:** Loans to third parties (individuals and/or non-rated companies) will be approved based on the economic and social benefits to the Council and the residents of West Sussex; or following an external credit assessment of the companies involved. At 31 March 2020 the Council had an outstanding loan with the Littlehampton Harbour Board, which commenced in March 2015 and is being repaid annually over a period of twenty years. Interest applicable to this loan is being received to fully recover costs incurred by the Council and not to generate additional income. Additionally, during 2019/20 the Council introduced the "Financial Support for Recruitment and Retention Employee Loan" scheme, whereby eligible employees (in post designated by the Council as hard to fill) can apply for interest free loans up to £10,000 with repayment terms over a maximum five year period.
- 7.56 **CIPFA Consultation on Treasury Management Code of Practice:** Statutory guidance currently issued by CIPFA and MHCLG makes clear that all treasury investments must adopt security, liquidity and yield (SLY) principles; ethical issues then play a subordinate role to those priorities. However, CIPFA plans to undertake a wider consultation in early 2021 which will include how ethical investment policies (including counterparty exposure and risk strategies) can be incorporated into the Treasury Management Code of Practice. It is anticipated that a new Code of Practice will be published in the second half of 2021/22 for adoption from April 2022. CIPFA's planned consultation in no way lessens the Council's commitment to ensure that any fund managers that we consider investing with are signed up to the UNPRI principles (see paragraph 7.3).

8 Investment Income (2021/22)

- 8.1 Interest forecasts provided by Link Group (**Appendix B**) show that the Bank of England's Bank Rate will remain at 0.10% throughout 2021/22 and the Director of Finance and Support Services has calculated expected investment income based on this assumption.
- 8.2 The Council is expected to have an average investment portfolio of £320m throughout 2021/22 (paragraph 7.4). Given the Bank Rate forecast and the continuation of the Council's 2020/21 investment strategy (including approved long-term strategic investments) it is forecast that the portfolio will attract an average interest rate of 0.66% in 2021/22. Consequently, the Council expects to receive investment income totalling £3.0m (including a £1.2m contribution from the interest smoothing reserve) as shown in the table below:

Investment	Average Portfolio £'m	Interest Rate (%)	Interest £'m
Liquidity Portfolio	75.0	0.01	-
Short-Term Investment Portfolio	170.0	0.19	0.3
Long-Term Investment Portfolio	75.0	2.39	1.8

Investment	Average Portfolio £'m	Interest Rate (%)	Interest £'m
Gross Interest Return	320.0	0.66	2.1
Less transfers to specific reserves	n/a	n/a	-0.3
Interest smoothing reserve transfer	n/a	n/a	1.2
Investment Income (2021/22)	n/a	n/a	3.0

- 8.3 If actual levels of investments and interest rates differ from the forecasts then performance against the budget will be correspondingly different. Given the constraints on the Council's 2021/22 revenue budget, the Director of Finance and Support Services will monitor the investment income budget throughout the period and report any changes to the above forecast within Quarterly Performance Monitors (QPMs).

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Appendices

Appendix A – West Sussex County Council - Treasury Portfolio (31/12/2020)

Appendix B – Economic and Interest Rate Forecast (Link Asset Services)

Background Papers

None

West Sussex County Council - Treasury Portfolio (31/12/20)

Gross External Debt

External Borrowing	31/12/20 £'m
Fixed Rate: Public Works Loan Board (PWLB)	474.6
Fixed Rate: PWLB (on behalf of the Littlehampton Harbour Board)	0.2
Variable Rate: Short-Term (Chichester Harbour Conservancy)	4.8
Total External Borrowing	479.6

Other Long Term Liabilities (i)	31/12/20 £'m
Private Finance Initiatives (PFI)	90.0
Finance Leases	1.7
Total Other Long-Term Liabilities	91.7

Total Gross External Debt	571.3
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(i) Other Long Term Liabilities: Expected position at 31 March 2021.

Treasury Investments

Internally Managed Investments	31/12/20 £'m
Bank Secured: Long-Term Covered Bond	10.0
Bank Unsecured: Short-Term Cash Deposits (Current Accounts)	0.1
Bank Unsecured: Short-Term Cash Deposits (Fixed-Term)	40.0
Bank Unsecured: Short-Term Cash Deposits (Notice Accounts)	29.5
Bank Unsecured: Short-Term Certificate of Deposits	15.0
Bank Unsecured: Money Market Funds	68.6
Local Authority: Long-Term Investments	5.0
Local Authority: Short-Term Investments	159.5
Registered Social Landlords: Long-Term Investments	10.0
Total Internally Managed Investments	337.7

Externally Managed Investments	31/12/20 £'m
Multi-Asset Income Funds	15.4
Property Funds	22.6
Ultra-Short Dated Bond Funds	24.9
Total Externally Managed Investments	62.9

Total Treasury Investments	400.6
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Economic and Interest Rate Forecast (Link Group)

1 Prospect for Interest Rates

- 1.1 The Council has appointed Link Group (Treasury Solutions) as its treasury advisor and part of their service is to assist the Council in formulating a view on interest rates. The following table gives their central view (updated November 2020) and reflects the conclusion of the review of PWLB borrowing and the resulting 0.80% margin over gilt yields (PWLB Certainty Rate) available to local authorities:

Rate (%)	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023	Mar 2024
Bank Rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3-Month (i)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6-Month (i)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12-Month (i)	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5-Yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10-Yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25-Yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50-yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

- (i) Link Group's forecast for average investment earnings (replacing previous LIBID forecasts)
- 1.2 As shown in the table above, no increase in Bank Rate is expected over the forecast period (up to March 2024) as UK economic recovery is expected to be only gradual and therefore prolonged. The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to first 0.25% and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to November 2020, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England made it clear that he currently thought that such a move would do more damage than good and that more quantitative easing was the favoured tool if further action became necessary.
- 1.3 Additionally, interest rate forecasts provided by Link Group are predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31 December 2020. However, as the differences between a Brexit deal and a no deal are not as big as they once were, the economic costs of a no deal have diminished. Indeed, since the Withdrawal Agreement laid down the terms of the break-up, both the UK and the EU have made substantial progress in granting financial services equivalence and the UK has replicated the bulk of the trade deals it previously had with non-EU countries via the EU. In a no deal under these circumstances (a "cooperative no deal") UK Gross Domestic Product (GDP) in 2021 may be only 1% lower than if there were a deal. In this situation, financial services

equivalence would probably be granted during 2021 and if necessary, the UK and the EU would probably rollover any temporary arrangements in the future. The bigger risk is that relations between the UK and the EU deteriorate to such an extent that both sides start to unravel the agreements already put in place. In such an “uncooperative no deal” UK GDP could be 2.5% lower in 2021 than if there was a deal, with acrimony continuing beyond 2021.

- 1.4 **Borrowing Rates:** As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take global economies (including the UK) a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment (as shown on 9 November 2020 when the first results of a successful Covid-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.
- 1.5 **Balance of risks to the UK:** The overall balance of risks to economic growth in the UK is probably now skewed to the upside but is subject to major uncertainty due to the coronavirus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by what, if any, trade deal the UK agrees with the EU as part of Brexit. There is relatively little UK domestic risk of increases or decreases in Bank Rate or significant movement in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term (up to six months) and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows due to unexpected domestic developments and those in other major economies could impact UK gilt yields (and so PWLB rates).
- 1.6 A summary of downside/upside risks to the current forecasts for UK gilt yields, and therefore corresponding PWLB borrowing rates, include:

Downside Risks	Upside Risks
<ul style="list-style-type: none"> • Covid – risks of further national lockdowns or severe regional restrictions during 2021. • Brexit – if UK/EU trade negotiations were to cause significant economic disruption and downturn in the rate of growth. • Bank of England acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be 	<ul style="list-style-type: none"> • Post Covid – stronger than currently expected recovery in UK economy, especially if effective vaccines are administered quickly to the UK population and lead to a resumption of normal life and a return to full economic activity across all sectors of the economy. • Post Brexit – if an agreement is reached that removes most threats of economic disruption between the EU and the UK.

Downside Risks	Upside Risks
<p>weaker than we currently anticipate.</p> <ul style="list-style-type: none"> • A resurgence of the Eurozone sovereign debt crisis. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries (e.g. Italy where the cost of the coronavirus pandemic has added to its already huge debt mountain) who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come. • Weak capitalisation of some European banks, which could be undermined further depending on extent of credit losses resultant of the pandemic. • Geopolitical risks, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows. 	<ul style="list-style-type: none"> • The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

1.7 Economic and interest rate forecasting remains difficult with so many influences weighing on UK gilt yields and PWLB rates. The above forecasts (and Bank of England monetary policy decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

1.8 Full details of economic commentaries and interest rate forecasts as provided by Link Group are held by the Director of Finance Support Services (Financial Reporting: Treasury Management Team).

2 Counterparty Creditworthiness Update

2.1 Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30 June 2020 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major UK financial institutions.

However, as more information emerges on actual levels of bank credit losses through quarterly earnings reports, this has the potential to cause rating agencies to revisit their initial rating adjustments from earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that UK banks went into this pandemic with strong balance sheets. Additionally, the three rating agencies have reviewed banks from around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

- 2.2 Although bank CDS prices (these are market indicators of credit risk) spiked upwards at the end of March and into early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated as compared to late February 2020. Pricing is likely to remain volatile as uncertainty continues however, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link Group monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

3 Investment and Borrowing Rates

- 3.1 Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the following two years. Based on the current Link Group central assumptions for interest rates, the suggested budgeted earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average Earnings per Financial Year	Nov-20 Forecast
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long-term (periods over 10 years in the future)	2.00%

- 3.2 **Negative Interest Rates:** While the Bank of England said in August and September 2020 that it is unlikely to introduce a negative Bank Rate (at least in the next 6 to 12 months) and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen several market operators, including the UK Debt Management Office (DMADF account), offer nil or negative rates for very short term maturities. This is not universal, and money market funds (MMFs) are still offering a marginally positive return (albeit by a reduction in the fees charged) as are a number of financial institutions for investments at the very short end of the yield curve.
- 3.3 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many

local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

- 3.4 **Borrowing Advice:** The policy of avoiding new borrowing by running down spare cash balances has served many local authorities well over the last few years. However, borrowing interest rates fell to historically very low rates as a result of the Covid-19 crisis and the quantitative easing operations of the Bank of England; indeed, UK gilt yields up to six years were negative during most of the first half of 2020/21. Furthermore, in November 2020 HM Treasury announced the conclusion to their review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which has the purchase of assets primarily for yield in its three year capital programme.
- 3.5 Link Group's long-term (10-year) forecast for Bank Rate is 2.00% and all PWLB rates are currently under 2.00%. Therefore, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods (and/or the continuation of an internal borrowing policy) so that the Council can assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs.
- 3.6 Longer-term borrowing could also be considered for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

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PRUDENTIAL INDICATORS (2021/22 TO 2025/26)							
Capital Programme	Actual 31-Mar-20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Capital Expenditure (i)	92,339	95,495	101,657	161,377	129,111	105,593	168,719
Capital Financing Requirement (CFR) - Service	531,206	518,502	505,186	577,776	615,379	644,958	682,195
CFR - Economic Developments	78,699	81,440	86,251	103,640	129,624	150,480	183,448
Capital Financing Requirement (Closing Balance)	609,905	599,942	591,437	681,416	745,003	795,437	865,643
Gross External Debt	486,794	480,319	476,803	466,787	466,772	466,756	497,787
Economic Developments	0	0	0	0	76,954	135,623	183,448
PFI Schemes and Finance Leases	94,382	91,726	88,750	87,671	83,251	78,531	73,765
Actual Debt/Operational Boundary (ii)	581,176	572,045	565,553	554,458	626,977	680,910	755,000
Gross External Debt		600,560	578,227	633,240	711,749	716,468	721,235
PFI Schemes and Finance Leases		91,726	88,750	87,671	83,251	78,531	73,765
Authorised Borrowing Limit	N/A	692,286	666,977	720,910	795,000	795,000	795,000
Revenue Impact	Actual 31-Mar-20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Capital Financing Costs (Corporately Funded)	28,189	28,533	28,664	28,669	32,248	35,212	38,758
Net Revenue Expenditure	575,469	593,857	624,833	633,874	656,914	687,238	700,000
Ratio (%)	4.9%	4.8%	4.6%	4.5%	4.9%	5.1%	5.5%
(i) 2019/20 actual capital expenditure includes PFI notional investment, as per Note 6 of the Council's "Statement of Accounts"							
(ii) The <i>Operational Boundary</i> represents the Council's forecast of its gross external debt (including PFI and Finance Lease liabilities)							
Non-Treasury Investments (iii)		Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Forecast Income		3,450	3,777	3,964	4,425	5,089	5,693
Net Revenue Expenditure		593,857	624,833	633,874	656,914	687,238	700,000
Income to Net Service Ratio (%)		0.6%	0.6%	0.6%	0.7%	0.7%	0.8%
Forecast Income		3,450	3,777	3,964	4,425	5,089	5,693
Cost of Borrowing (Capital Financing)		2,289	2,345	2,484	2,824	3,315	3,763
Investment Cover Ratio		1.5	1.6	1.6	1.6	1.5	1.5
(iii) Income relating to Investment Property (purchased before April 2020) and Your Energy Sussex (inc. solar farms and solar panels) schemes.							
TREASURY MANAGEMENT INDICATORS							
Maximum % Gross Borrowing at Fixed and Vairiable Rates	Actual 31-Mar-20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Maximum % Gross Borrowing at Fixed Rates	99%	100%	100%	100%	100%	100%	100%
Maximum % Gross Borrowing at Variable Rates	1%	25%	25%	25%	25%	25%	25%
Internal Borrowing Forecast	Actual 31-Mar-20 £000	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
Under/Over(-) Borrowing (iv)	28,729	27,897	25,884	126,958	118,026	114,527	110,643
Under/Over(-) Borrowing as a % of CFR	4.7%	4.6%	4.4%	18.6%	15.8%	14.4%	12.8%
Maturity Structure of External Debt	Actual 31-Mar-20	Lower Limit 2020/21	Upper Limit 2020/21	Lower Limit 2021/22	Upper Limit 2021/22		
Debt Maturity (v):							
Over 30 Years	26%	0%	40%	0%	40%		
Over 25 to 30 Years	0%	0%	25%	0%	25%		
Over 20 to 25 Years	3%	0%	25%	0%	25%		
Over 15 to 20 Years	0%	0%	25%	0%	25%		
Over 10 to 15 Years	41%	0%	65%	0%	50%		
Over 5 to 10 Years	25%	0%	45%	0%	60%		
Over 1 to 5 Years	3%	0%	35%	0%	35%		
Under 12 months	2%	0%	25%	0%	25%		
(iv) The Council's forecast levels of internal borrowing based on gross external debt projections.							
(v) These percentages reflect maximum values to allow for new external and/or debt restructuring. They do not reflect actual maturity values.							
Upper Limit for Principal Sums Invested over 365 Days	Actual 31-Mar-20	Upper Limit 2020/21	Upper Limit 2021/22	Upper Limit 2022/23	Upper Limit 2023/24	Upper Limit 2024/25	Upper Limit 2025/26
Maximum invested for a year or longer (vi)	£72.2m	£100m	£100m	£100m	£100m	£100m	£100m
(vi) Limits for future years to be reviewed on an annual basis.							

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Equality Impact Report: Budget 2021/22

Implementation date 1 April 2021 – 31 March 2022
EIR completed by: Rebecca Taylor Tel: 0330 222 6878

1 Decide whether this report is needed and, if so, describe how you have assessed the impact of the proposal

- 1.1 One of the County Council's most significant strategic decisions is the budget and the service plans and commitments which it is designed to deliver. In setting the budget the County Council must be aware of and consider a range of statutory and other legal responsibilities. These responsibilities must inform the decision to set the budget and the Council must explain how it undertakes that process of consideration. The public sector equality duty is an important element of this process for delivering a rational and lawful budget.
- 1.2 The public sector equality duty is the duty to have regard to the impact of proposals on persons and groups with protected characteristics. The Council discharges the public sector equality duty through several measures, particularly by applying detailed consideration of such impacts arising from the planning and implementation of service changes, especially where those changes reduce current service levels or reduce the funds available to deliver them. The public sector equality duty impact is best understood and assessed using detailed service and customer information held or secured by those leading, planning and implementing service change. The information is used to support the decisions which generate service plans. The County Council takes the budget decision on the basis that this arrangement for discharging the public sector equality duty is in place.
- 1.3 Where statutory or some other customer or public consultation is required to help the impact assessment work, this is included as part of change planning and implementation. Where specific service user data is required to better understand the potential impact on those with protected characteristics, this is secured. Different levels of assessment or different forms of data gathering are used dependent upon the needs of the particular service plan under consideration. The overall budget proposal explains how these different approaches apply in relation to the body of service plans.
- 1.4 The background to the budget for 2021/22 is continued demand pressure for acute and essential services on which many of our more vulnerable residents rely and that these demand increases will outstrip any Government funding changes. As such, a programme of well-considered and planned savings is essential to ensure the Council achieves its legal duty to approve a realistic and balanced budget, with the minimum adverse impact for residents.
- 1.5 The savings planned for 2021/22 are £18.5m and need to be viewed in the context of a draft overall net revenue budget of around £625m. The savings measures included in the budget report to balance the budget contain further information on how the equality impact work will be addressed as part of each proposed saving (Annex 1, Appendix 3).
- 1.6 The Cabinet's decision of November 2020 included a list of strategic savings proposals which were agreed to be progressed. Some are no longer being pursued at this time but, where required to inform the future decision on these

proposals the Council follows a clear process of consultation, including the range of legal responsibilities to be met. All the proposals for further Cabinet or Cabinet Member decision will be available for pre-scrutiny by the relevant Scrutiny Committee, including consideration of the information from consultations and impact assessments and how these have been taken into account.

- 1.7 The emphasis in budget planning continues to be on delivering efficiencies, cost reductions and income generation with a view to protecting core services along with the Reset Plan priorities. The Council's over-arching aim has been to avoid arbitrary or across the board budget reductions, as these would not reflect the Council's priorities and would be more difficult to assess in terms of impact on the broad range of responsibilities, including the public sector equality duty. Instead the Council has focused on specific measures to both understand impacts and address any adverse impacts for services or support. In all cases, unless stated otherwise, each service prepares an impact assessment to inform the eventual decision based on the Council's approach to its public sector equality duty so that the decision making has full regard to such assessment.

2 Describe any negative impact for customers or residents

- 2.1 Efforts have been made when compiling the savings programme to minimise the impact on residents generally and on those with a protected characteristic where any is identified.
- 2.2 The total £18.5m savings planned for 2021/22 are split between Strategic Decisions (where the relevant Cabinet Member will be making a key decision) amounting to £2.4m and business as usual or operational decisions which make up the remaining £16.1m.
- 2.3 Every effort has been made to indicate the nature of these decisions at an early point in planning for 2021/22, to provide for consultation and maximise consideration of measures to mitigate any adverse effects of the proposals.
- 2.4 The Council has made efforts to continue to provide residents with services to meet needs and identified priorities, even in areas where a reduction to a discretionary activity has needed to be considered. Work will be done on equality impacts and how to mitigate any potentially adverse impact within the individual case for decisions to be taken and their implementation.

3 Describe any positive effects which may offset any negative impact

- 3.1 A balanced budget has been developed on the basis of a primary aim of meeting all statutory duties to provide services supporting the priority needs and interests of West Sussex residents and which should result in a positive impact for residents including those with a protected characteristic. Available information on potential impact has informed the process of prioritisation.
- 3.2 As well as the revenue budget, the County Council will be asked to approve an updated capital programme for 2021/22 to 2025/26. The capital programme sets out how the County Council proposes to invest in assets to deliver the Council's vision for and its commitment to West Sussex as set out in the Capital Strategy in Annex 2 (a). It too will be implemented through decision-

making arrangements which address the need to take account of the public sector equality duty.

4 Describe whether and how the proposal helps to eliminate discrimination, harassment and victimisation

- 4.1 One of the key aims of developing specific savings proposals, rather than simply assume across the board budget cuts, is to plan savings that balance the budget on the basis of protecting core or critical services and delivering West Sussex plan priorities.
- 4.2 In preparing the savings outlined, it is believed that no individual group whether it be by age, sex, race, disability, gender reassignment (including transgender), sexual orientation, religion or belief or any other identifiable group will suffer from discrimination, harassment or victimisation as a direct consequence. The focus on opportunities to eliminate discrimination will be addressed in service plans and implementation.

5 Describe whether and how the proposal helps to advance equality of opportunity between people who share a protected characteristic and those who do not

- 5.1 The savings identified by services will be expected to maintain equality of opportunity between people who share a protected characteristic and those who do not. This is part of the work that will take place ahead of the individual equality impact work on each saving proposal and service plan area.

6 Describe whether and how the proposal helps to foster good relations between persons who share a protected characteristic and those who do not

- 6.1 The savings identified by services will be expected, where possible, to foster good relations between persons who share a protected characteristic and those who do not.
- 6.2 This is part of the work that will take place ahead of the individual equality impact work on each service area.

7 What changes were made to the proposal as a result? If none, explain why

- 7.1 Changes to proposals will be addressed in the evaluation of consultation and representations and recorded in specific decision reports or identified for clarification in service plan implementation.

8 Explain how the impact will be monitored to make sure it continues to meet the equality duty owed to customers and say who will be responsible for this.

- 8.1 Monitoring will be through equality impact work at individual service level and also business planning and performance framework planning processes. Hence each Directorate will be responsible for monitoring the impact on their own services.

To be signed by a Director or Head of Service to confirm that they have read and approved the content

Signed by: Katharine Eberhart

Date: 12 January 2021

Your position: Director of Finance and Support Services

Summary of comments from the Performance and Finance Scrutiny Committee 20 January 2021

The Revenue Budget 2020/21, Capital Strategy 2021/22 to 2025/26 and Treasury Management Statement 2021/22 were presented to the committee to review and make any comments for Cabinet to consider ahead of agreeing the budget to be approved at County Council in February.

The committee recognised the exceptional circumstances and challenges in setting a balanced budget this year and supported the continued lobbying and challenge to central Government for additional funding. This is particularly relevant for Adult Social Care funding and the Public Health Grant.

The committee also recognised the considerable number of external risks which could impact on the budget going forwards through the year.

A number of detailed comments and questions were made which will be included within the Minutes of the meeting. The attendance of Cabinet Members at the meeting was welcomed as this resulted in questions being largely answered during the meeting.

Particular concerns raised by the committee included the savings proposals included within the budget papers in relation to the Early Help redesign.

In relation to the Capital Strategy and Programme the committee commented that the Council's property portfolio could be better utilised, particularly in relation to the number of surplus assets.

Cllr Joy Dennis

Chairman of Performance and Finance Scrutiny Committee

Contact Officer: Susanne Sanger, Democratic Services 033 022 22550

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