

County Council – 17 February 2017

Agenda Item No. 5 – Draft Budget 2017/18 to 2020/21

Revision from the Cabinet Member for Finance

Revenue Budget 2017/18

A number of late changes to the budget have arisen due to late notification from borough and district councils of funding information. The changes are summarised below:

Item	£m
Additional compensation from the Government for business rate concessions (called business rate cap grants). This affects recommendation (10)(b).	0.375
Sub Total: Extra Funding	0.375
Less: Change compared with budget assumed Business Rates Growth. This affects recommendation (10)(b).	-1.644
Less: Change compared with budget assumed Business Rates Collection Fund. This affects recommendation (10)(b) and (10)(h).	-0.380
Sub Total: Overall Net Reduction in Funding	-1.649
Funded by: Contribution from Budget Management Reserve	1.649
Net Change	0

The council tax base to which the County Council issues precepts has increased by 0.10 and now totals 322,466.70 Band D equivalents. This change has been reflected in recommendations 10(c) and 10(f).

As made clear in the budget report, to ensure no late changes are made in the budget available to services arising from late swings in the funding, the overall net reduction of £1.649m is taken against the balance within the budget management reserve. It does, however, produce a change in the net budget which becomes £530.3m (per recommendation (2) and (10)(a)).

As a result of these amendments recommendations (2), (3), (10)(a) to (10)(c), (10)(f), (10)(h) need to be revised. Replacement recommendations to those set out on pages 37 to 39 of Item 5 - Appendix 2 **are therefore attached** with the changes marked in bold, italic text.

Note: There is no impact on the precept sum and therefore on the proposed council tax charge.

A replacement Table 1 to Appendix 2 (page 43), providing a Summary of the Revenue Budget and Precept 2017/18, **is also attached**.

The final local government settlement from the Government is now not expected until after the County Council meets to set the budget. Any variation in funding arising from the final settlement will also be taken to the budget management reserve (see recommendation (11)).

Capital Programme 2017/18

The National Productivity Investment Fund

In January 2017, in another late announcement, the Department for Transport announced £185m of additional capital funding for 2017/18 for local councils to improve the productivity of local roads. The funding aims to reduce congestion at key locations, upgrade or improve the maintenance of local highways assets to improve access to employment and housing, to develop economic and job creation opportunities. Local authorities are asked to confirm that this funding from the National Productivity Investment Fund will be spent on improving local road networks, for example, highways and public transport networks. The allocation for West Sussex County Council is worth £2.783m. This funding will be applied to the Highways and Transport capital programme for 2017/18.