

## Joint Overview and Scrutiny Committee

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|---------------|---|
| <b>Date:</b>  | <b>17 March 2016</b>                            |
| <b>Time:</b>  | <b>6:30pm</b>                                   |
| <b>Venue:</b> | <b>Gordon Room, Stoke Abbott Road, Worthing</b> |

### Committee Membership:

**Adur District Council:** Councillors James Butcher, Stephen Chipp, Ken Bishop, Ann Bridges, Liz Haywood, Rod Hotton, Emily Hilditch, Liza McKinney

**Worthing Borough Council:** Councillors Roy Barraclough (Chair), Keith Bickers (Vice Chair), Charles James, Nigel Morgan, Luke Proudfoot, Vino Vinojan, Mary Lermite, Keith Sunderland

## Agenda

### Part A

#### 1. Declarations of Interest / Substitute Members

Members and officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

#### 2. Confirmation of Minutes

To approve the minutes of the Joint Overview and Scrutiny Committee meeting of

held on 21 January 2016, copies of which have been previously circulated.

### **3. Public Question Time**

So as to provide the best opportunity for the Committee to provide the public with the fullest answer, questions from the public should be submitted by 6.30pm  
Tuesday 15 March 2016

Where relevant notice of a question has not been given, the person presiding may either choose to give a response at the meeting or respond by undertaking to provide a written response within three working days.

Questions should be submitted to Chris Cadman-Dando.  
[chris.cadman-dando@adur-worthing.gov.uk](mailto:chris.cadman-dando@adur-worthing.gov.uk) , 01903 221364

*(Note: Public Question Time will operate for a maximum of 30 minutes.)*

### **4. Items Raised Under Urgency Provisions**

To consider any items the Chairman of the meeting considers to be urgent

### **5. Consideration of any matter referred to the Committee in relation to a call-in of a decision**

### **6. Interview with the Executive Members for the Environment**

To consider a report by the Director for Digital and Resources, copy attached as item 6

### **7. Review of the Performance of Adur Community Leisure and South Downs Leisure**

To consider a report by the Director for Communities, copy attached as item 7

### **8. Review of the Grounds Maintenance Budget**

To consider a report by the Director for Communities, copy attached as item 8

### **9. Worthing Theatres Review – Maintenance Works and Recharges**

To consider a report by the Director for Digital and Resources, copy attached as item 9

**10. Digital Inclusion Review**

To consider a report by the Joint Scrutiny Working Group, copy attached as item 10

**11. Worthing Borough Council Overall Budget Estimates 2016/17 And Setting of 2016/17 Council Tax**

To consider a report by the Director for Digital and Resources, copy attached as item 11

**12. Adur and Worthing Joint Overview and Scrutiny Committee Work Programme – 2015/16**

To consider a report by the Director for Digital and Resources, copy attached as item 12

**Part B - Not for publication - Exempt Information Reports**

None

**Recording of this meeting:** The Council will be voice recording the meeting including public question time. The recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).

|  |  |
|--|--|
| For Democratic Services enquiries relating to this meeting please contact:                                   | For Legal Services enquiries relating to this meeting please contact:      |
| Chris Cadman-Dando<br>Democratic Services Officer<br>01903 221364<br>chris.cadman-dando@adur-worthing.gov.uk | Joanne Lee<br>Solicitor<br>01903 221134<br>joanne.lee@adur-worthing.gov.uk |

**Duration of the Meeting:** Four hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.



## **Interview with the Executive Members for the Environment**

### **Report by the Director for Digital and Resources**

#### **1.0 Summary**

- 1.1 As part of the current Work Programme, the Committee have agreed to interview Executive Members on their portfolio responsibilities and priorities for 2015/16.
- 1.2 At this meeting, members of the Committee are asked to consider the responsibilities and priorities for the two Executive Members responsible for the Environment, Councillors Keith Dollemore and Clive Roberts..

#### **2.0 Background**

- 2.1 As part of their 'Challenge' role, the Joint Overview and Scrutiny Committee are asked to consider the delegated functions for each Executive Member as set out below. It is part of the Scrutiny role to challenge, in the form of questions as to progress that has been made in respect of Councillor Dollemore and Roberts' portfolios.
- 2.2 The Committee are entitled to ask for further investigation into items that they may not be satisfied with the progress.
- 2.3 The Adur District Council Executive Member for Environment has responsibility for the following delegated functions:-
  - Waste collection and recycling.
  - Street cleaning.
  - Streetscene, including abandoned vehicles, bus shelters, enforcement, street names and numbering, road name plates, street furniture.
  - Environmental management and strategy.
  - Highways liaison.
  - Cemeteries and burials.

- Parks and grounds maintenance, including allotments and dog control. Adur Watch.
- On and off street car parking.
- Public conveniences.
- Energy management and sustainability.
- Transport (maintenance).
- Events and Cultural Projects (with Executive Member for Regeneration).
- Client for culture, Adur Community Leisure Ltd and management of Adur Leisure facilities and sites.
- Foreshore management, including beach huts and chalets, beach maintenance.

2.4 The Worthing Borough Council Executive Member for Environment has responsibility for the following delegated functions

- Waste collection and recycling.
- Street cleaning.
- Streetscene, including abandoned vehicles, bus shelters, enforcement, street names and numbering, road name plates, street furniture.
- Environmental protection, including noise, food hygiene, land drainage, pest control, air quality.
- Environmental management and strategy.
- Highways liaison.
- Cemeteries and burials.
- Crematorium (Worthing)
- Leisure Centre Site Management.
- Parks and ground maintenance, including allotments and dog control.
- On and off-street car parking.
- Public conveniences.
- Energy management and sustainability.
- Transport (maintenance).
- Events and Cultural Projects (with Executive Member for Regeneration).

### **3.0 Proposals**

3.1 That the Joint Overview and Scrutiny Committee asks questions of the two Executive Members with responsibility for the Environment based on their functions as outlined above.

#### **4.0 Legal**

4.1 The Joint Overview and Scrutiny Committee follow the procedures outlined within the Councils constitution.

#### **5.0 Financial implications**

5.1 There are no direct financial implications to consider within this report.

#### **6.0 Recommendation**

6.1 Members of the Committee are asked to question the two Executive Members with responsibility for the Environment.

#### **Local Government Act 1972**

##### **Background Papers:**

Joint Overview and Scrutiny Committee Work Programme 16/17

##### **Contact Officer:**

Mark Lowe  
Policy Officer  
Tel 01903 221009  
mark.lowe@adur-worthing.gov.uk

## **Schedule of Other Matters**

### **1.0 Council Priority**

1.1 Any Council priorities will be considered within the annex to this report.

### **2.0 Specific Action Plans**

2.1 Any specific action plans will be considered within the report.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified.

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered and no issues identified.

### **8.0 Consultations**

8.1 The Executive Members for Environment and key senior officers were consulted as part of the preparation for this report.

### **9.0 Risk Assessment**

9.1 Any areas of risk are identified in the report.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified. [



## **12.0 Partnership Working**

12.1 Matter considered and no issues identified.



## Review of the Performance of Adur Community Leisure and South Downs Leisure

### Report by the Director for Communities

#### 1.0 Summary

- 1.1 The report provides a briefing on the performance of Adur Community Leisure and South Downs Leisure.

#### 2.0 Background

- 2.1 In Adur and Worthing the delivery of Council leisure services has been outsourced to two independent organisations.
- 2.2 In Adur District, the Councils' leisure services are delivered by Adur Community Leisure - a company limited by guarantee trading as "Impulse Leisure".
- 2.3 In Worthing, the Councils' leisure services are delivered by South Downs Leisure.
- 2.4 Adur Community Leisure was established over 10 years ago in 2005, while South Downs Leisure was established in 2015.
- 2.5 The Director for Communities provides the client side function for both Councils, representing the interests of the Councils in discussions and negotiations with Adur Community Leisure and South Downs Leisure.
- 2.6 Leisure falls in the Environment portfolio for both Councils. Both of the Executive Members for Environment have played an active part in their respective relationship with Adur Community Leisure and South Down Leisure and the provision of Council leisure services in Adur and Worthing more generally.

#### 3.0 Proposals

- 3.1 As part of its programme of work, Committee has requested a performance report from Adur Community Leisure and South Downs Leisure.

3.2 At Appendix One and Two performance review reports produced by officers of Adur Community Leisure and South Downs Leisure.

3.3 Officers from Adur Community Leisure and South Downs Leisure will be available to answer questions from members of the Committee on their respective performance reports

#### **4.0 Legal**

4.1 Section 19 Local Government (Miscellaneous Provisions) Act 1976 empowers the Council to provide recreational facilities as it thinks fit and that includes the power to provide buildings, facilities, equipment, supplies and assistance of any kind, either without charge or on such payment as the Authority thinks fit.

4.2 Section 1 Localism Act 2011 provides a Local Authority with a power to do anything that individuals generally may do, providing no other legislation exists to prevent it. This provision confers power on the Councils to enter into legal arrangements with others, for the provision of leisure and recreational facilities.

#### **5.0 Financial implications**

5.1 Reference to financial performance is included in the performance reports produced by Adur Community Leisure and South Downs Leisure.

5.2 There are no direct financial implications arising from the performance reports of Adur Community Leisure and South Downs Leisure.

#### **6.0 Recommendation**

**6.1 Committee is asked to note the performance reports of Adur Community Leisure and South Downs Leisure.**

#### **Local Government Act 1972**

**Background Papers: None**

#### **Contact Officer:**

John Mitchell,  
Director for Communities  
Worthing Town Hall  
john.mitchell@adur-worthing.gov.uk

## **Schedule of Other Matters**

### **1.0 Council Priority**

- 1.1 Surf's Up: Cultivating Enterprising Communities:  
Create new social businesses, joint ventures and service delivery models that encourage and support the long term development of enterprising communities

Support the establishment and development of South Downs Leisure Trust and review Adur Council's relationship with Adur Community Leisure.

Public Health and Wellbeing:

Promote and support the role of SDLT and ACL in delivering access to health and wellbeing offers in leisure facilities and off site

### **2.0 Specific Action Plans**

- 2.1 Adur & Worthing Public Health Plan

### **3.0 Sustainability Issues**

- 3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

- 4.1 ACL & SDL both deliver services and schemes to groups and clients who experience inequalities.

### **5.0 Community Safety Issues (Section 17)**

- 5.1 ACL & SDL both run schemes that help act as diversionary interventions to help reduce the risk of crime and antisocial behaviour

### **6.0 Human Rights Issues**

- 6.1 Matter considered and no issues identified

### **7.0 Reputation**

- 7.1 Matter considered and no issues identified

### **8.0 Consultations**

- 8.1 Matter considered and no issues identified

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified

**10.0 Health & Safety Issues**

10.1 Matter referred to in Performance Reports

**11.0 Procurement Strategy**

11.1 Matter considered and no issues identified

**12.0 Partnership Working**

12.1 Matter considered and no issues identified

## **Appendix One**

### **Adur Community Leisure Performance Report**

Adur Community Leisure (ACL) is a company limited by guarantee trading as Impulse Leisure. ACL was established in 2005 and is a registered charity providing the management of Lancing Manor Leisure Centre, Southwick Leisure Centre, Wadurs Community Swimming Pool and Chanctonbury Leisure Centre.

ACL is a charitable subsidiary of the Group Parent – Impulse Leisure (IL). IL is a Non-Profit-Distributing-Organisation (NPDO) that provides management, support and development services to its subsidiary companies. ACL pay IL for these services, but IL only charge an amount equal to its expenditure, and charging between Group members is tax efficient. An Intra Group Agreement governs the relationship between IL and the subsidiary companies.

ACL is dedicated to improving the quality of life in the local community by providing a variety of leisure opportunities. This is achieved through direct management of the four leisure centres, which together welcome over 600,000 visitors per year. In addition ACL provides 'Outreach' services in the community, to schools and 'hard to reach groups' for the benefit of the local community.

ACL is a 'Social Enterprise', an efficient business providing inclusive leisure and public benefit. ACL contributes to a cross cutting agenda, wider than the sporting and fitness services provided. This wider agenda, which relates well with the partners' aspirations includes contribution to physical and mental well-being, promotes social interaction and integration, encourages self-empowerment, contributes to crime and disorder reduction strategy, and above all, is fun!

ACL has continued to develop the services and facilities inherited from ADC and maintain a close working relationship with them. This partnership is managed through a thirty year lease and a rolling five year Funding and Management Agreement. The Funding and Management Agreement outlines a service fee payment schedule (using the current ACL Corporate Plan as a guide) which has historically delivered a reducing service fee payment on a sliding scale.

In 2006/07 this stood at £405,000 and is currently £170,000 for 2016/17, with the next review date in 2018.

To date ACL have invested approximately £3 million into the Adur sites.

Comprising Fitness Suites, Studios, Health Suites, Wellbeing Suites, external courts and ancillary facilities. These developments have encouraged an increased number of Adur inhabitants to take part in sport, health and fitness.

## Performance April 15–Jan 16 Financial

To date bottom line performance is worse than budget by £31k. Membership income has been the issue in 2015/16 however all sites continue to generate a surplus individually with Lancing Manor and Southwick just not reaching the same levels of surplus as the previous year.

Wadurs and Bar & Catering are both performing above previous years.

### Lancing Manor

Membership net gain has been the challenge this year. Local competition has been very strong with the opening of two gyms within a mile of Lancing Manor as well as the expansion of the Underground Gym.

This has most definitely diluted the current market and has resulted in a DD figure that is currently running approximately 6k behind target per month. There has been step change in the sales of 6 month contracts v's 18 month contracts. These are now running at a 50:50 split resulting in a decrease in upfront income.

However the positive compound impact of extended length of stay will be felt in 2016.

The introduction of heating within the Main Hall has had a positive impact on the attendance levels, particularly within the under 5's activities. This has had a positive knock on effect to the bar & catering performance.

The 3G pitches will provide some unbudgeted income in the final quarter (although weather delayed the construction process). It is anticipated that these will provide approximately 5k per month income.

### Southwick

Membership is currently down against budget by 3k per month and demonstrates a similar theme to the Lancing sales ratios.

However Southwick has stood up well to the local competition and continues to produce a surplus.

The Centre has seen a decrease against budget in terms of some longer term bookings. These have been due to cuts in the general funding streams e.g.

Albion in the Community Education department has seen cuts which have negatively impacted upon the number of courses being delivered at Southwick.

However the site has managed to combat this by forming partnerships with local schools / clubs to deliver an increase number of hall hire sessions.



## Wadurs

Wadurs is again the success story contributing a £51k surplus which is £27k upon budget and £17k up on last year.

The Swim School continues to run at over 90% capacity although a shortage of swim teachers has had an impact on numbers of classes.

Encouragingly all sites have performed well in January 16 and are on target to achieve their 1st April DD figures which bodes well for the 16/17 budget.

Overall Income is 2.2% better than the previous year although the target was a 14% increase.

Membership retention has been at 66% for the year, which is above our target of maintaining 60% Staff costs as a % of income are at 52%. Income is up on the previous year but staff costs have also increased. We aim to maintain this ratio at 50%.

In terms of cash flow ACL started the year with £320k in reserves and forecast year end to be at £226k. The decrease is largely due to the continued capital investment into the current facilities agreed by the ACL Board including the Sports Hall heating (£29k) at Lancing and the Solar Panel Projects at Southwick and Lancing (£140k) both of which will deliver future efficiencies.

Other improvements to the facilities this year include a new café and Wellbeing Suite which opened in March / April 15 and two 3G pitches at Lancing Manor.

## Staffing

Staff turnover has been particularly high this year at 31% to date. The vast majority of staff have left to pursue careers in other industries.

We have also found it difficult within the last 10 months to recruit quality staff and in particular Recreation / Leisure Assistants, Membership Advisors and bar & catering staff.

On a positive note staff sickness absence has been well controlled at 1.5% year to date which is less than the targeted 2% Quality All Adur sites have maintained their Quest registration.

## Health & Safety

We document accident rates from January – December. At the end of the year there were 163 recorded accidents and the rate is lower than the prior year at 3.7 accidents per 10,000 visits. For information we document every accident that is reported.

## Budget 2016/17

The budget for 16/17 will be one of consolidation whilst we await the car park expansion at Lancing Manor. This will allow for further investment by the ACL

Board into the fitness product at Lancing, which is much needed. The approved budget demonstrates a small surplus.

Planned improvements in 16/17 include new changing facilities at Wadurs (funded by ADC), refurbished health suites at both Lancing & Southwick and further investigation into improved usage of South wick's internal space and external courts.

**Contact Officer:**

Andrew Dunstan  
Contract Manager  
Impulse Leisure  
Email: [adunstan@impulseleisure.co.uk](mailto:adunstan@impulseleisure.co.uk)  
Tel: (01903) 524620

## Appendix Two

### Report by the CEO, South Downs Leisure

#### 1.0 Summary

- 1.1 South Downs Leisure has been in operation since May 2015
- 1.2 The Leisure Trust established a number of Key Performance Indicators (KPI's) and financial targets for the first 5 years of the contract with an internal review each year along with a joint review with the council in year 4 for years 6-10.

#### 2.0 Background

- 2.1 The Trust was established in response to a strategic assessment by the Council to provide and protect leisure services for the future whilst maximising the opportunities to develop new services and partnerships with others. .
- 2.2 One of the main rationales for the development of South Downs Leisure was the ability to re-invest any surpluses back into the facilities.
- 2.3 South Downs Leisure has a Board (Trustees) of 11 local people, 8 community Trustees, 2 council representatives and 1 staff representative.
- 2.4 There is also a good balance with 6 females and 5 male members on the Board.
- 2.5 Below are some of the KPI's and financial targets set for South Downs Leisure
  - 2.5.1 The agreement between SDL and WBC should achieve a saving of £250,000 per annum for Worthing Borough Council.
  - 2.5.2 To achieve an operational surplus for South Downs Leisure in the first year of £75,000.
  - 2.5.3 Potentially be able to deliver a gain share to the council in year 6 (2020-2021). Once our risk reserve has been reached of £560,000, we would initiate a gain share when South Downs Leisure achieve over £100,000 surplus in any one financial year after this time.

| EXAMPLE OF GAIN SHARE                | Surplus of £100,000 | Surplus of £200,000 | Surplus of £350,000 |
|--------------------------------------|---------------------|---------------------|---------------------|
| South Downs Leisure                  | £100,000            | £100,000            | £100,000            |
| Worthing Borough Council             | £0                  | £50,000             | £125,000            |
| South Downs Leisure                  | £0                  | £50,000             | £125,000            |
| <b>Total for South Downs Leisure</b> | <b>£100,000</b>     | <b>£150,000</b>     | <b>£225,000</b>     |

2.5.4 Achieve 1.5million visits to our sites in 2015-16

2.5.5 Increase the average number of swim school customers per week to 1,500

2.5.6 Increase the average number of Junior Fit4 members from 1900 to 2100

2.5.7 Deliver 5 different types of healthy living programmes across our sites

2.5.8 Increase usage within the referral scheme from 275 to 300 per year

2.5.9 Achieve 80% plus at the external H&S audits across our venues

2.5.10 Achieve an average score of 75% plus in our Quality Audits

2.5.11 Achieve Quest Accreditation (Quest: National Leisure Award)

2.5.12 The average 10,000 Fit4 members in the course of the year

2.5.13 We will be reviewing our KPI's over the next twelve months to come in line with national targets and new Sport England targets within the Sporting Future Government document "A New Strategy for an Active Nation" which include:

### **Sport England KPIs local to Worthing and how we will achieve these**

KPI 1 – Increase in percentage of the population taking part in sport and physical activity at least twice in the last month

KPI 2 – Decrease in percentage of people physically inactive (KPI 1 and 2 from Active Lives survey)

KPI 3 – Increase in the percentage of adults utilising outdoor space for exercise/ health reasons

**Encourage people to use the National Park, Park Runs, Street running Club, Walks, Mountain Biking and The Good Gym.**

KPI 4 – Increase in the percentage of children achieving physical literacy standards

**We will encourage children at an early age through our Creche, Amazon soft play, parent & Baby Swimming lessons, Tumbling Tinies, Mini Kickers and Bee Fit sessions.**

KPI 5 – Increase in the percentage of children achieving swimming proficiency  
**We will continue to grow the Swimming academy to create more space, Work with the schools to provide sessions during the day time and work with the swimming club to move our top end swimmers into the club through trials and galas.**

KPI 6 – Increase in the percentage of young people (11-18) with a positive attitude towards sport and being active (KPI 4, 5 and 6 from Taking Part)

KPI 7 – Increase in the number of people volunteering in sport at least twice in the last year (from Active Lives survey)  
**We will establish how many volunteer hours we have across our sites to manage all the clubs from Worthing Thunder Basketball, Harriers Athletics, Worthing Swimming Club and the Phoenix over 50's.**

KPI 8 – The demographics of volunteers in sport to become more representative of society as a whole (from Active Lives survey and ONS population data)

KPI 16 – Employment in the sport sector (from Sport Satellite Account)  
**As South Downs Leisure grows we will employ more people in the town.**

KPI 18 – Percentage of publicly owned facilities with under-utilised capacity (through revised National Benchmarking Service)  
**We will continue to improve usage at our facilities**

### 3.0 Performance

#### 3.1

| KPI's                         | End of year estimate |
|-------------------------------|----------------------|
| £75,000 surplus               | £300,000 surplus     |
| 1.5m visits per year          | 1.5m                 |
| Swim school 1500 per week     | 1750                 |
| Junior Fit4 members 2100      | 2088                 |
| Exercise Referrals 300 per yr | 291                  |
| 80% scores in H&S Audit       | 89%                  |
| 75% in Quality Audits         | 76%                  |
| Average 10,000 Fit4 members   | 10,200 Average       |

3.2 We have also delivered an expansive range of community activities, some of these include:

- Disability open day on 12<sup>th</sup> March 2016
- Given 10 Families from the Think Families a free 6 month family membership which equates to a value of £7,000.
- Introduced the only walking football league in Sussex with six teams

- Continue the strong partnership with Sustainable Sussex helping them build their model of gardening for the community and catering for all needs including physical and mental disabilities.
- Recently supported Worthing Churches for the Homeless with collection of food and design and print of posters.
- Working with the Sussex Wildlife Trust with a view to introduce nature walks on the Downs and along the sea front for both Adults and Children.
- Took part in both the Littlehampton Bonfire Parade and Worthing Carnival.
- Organising a Community Food and Greenspaces festival at Field Place on 2<sup>nd</sup> October, Green Dreams.
- Met with the Lawn Tennis Association focusing on a Tennis Development plan for the Town which includes sustainability of the current courts, improving facilities and access and sessions for customers in wheelchairs.
- Working with the South Downs National Park and Public Health England focusing on how we can work closer in partnership to get more people more active on the National Park.
- Added an Inclusive Access page on our website
- Introduced a new session called Junior Fit Boxing working in partnership with Network Rail who initially funded the project.

3.3 South Downs Leisure has also invested over £100,000 of its own resources into the sites with a £30,000 investment on new Fitness equipment at Splashpoint in December 2015, £20,000 investment into a changing room refurbishment at Worthing Leisure Centre in February 2016 and £57,000 on a new underwater CCTV to help assist Lifeguards with safety in our pools.

3.4 Later this year we will also be investing in the region of £140,000 on new Fitness Equipment at Worthing Leisure Centre.

3.5 We are also waiting on news for £70,000 of funding from Badminton England to increase badminton usage over the next decade at Worthing Leisure Centre. If we are successful with Badminton England we would like to add this to the capital bid for 2016-17 for a new sport hall floor to improve facilities in the sports hall and studio.

**Contact Officer:**

Duncan Anderson  
 General Manager  
 Worthing Leisure  
 01903 502237  
 Duncan.anderson@adur-worthing.gov.uk

## **Review of the Grounds Maintenance Budget**

### **Report by the Director of Communities - John Mitchell**

#### **1.0 Summary**

- 1.1 This report provides information relating to a review of the Grounds Maintenance budgets for the in house Grounds Maintenance service for Adur & Worthing which was formed on the 1st January 2013.
- 1.2 The report also provides information on some of the initiatives that the Service has implemented since the in house Service was formed.

#### **2.0 Background**

- 2.1 At the Joint Strategic Committee (JSC) on 27th September 2012, a recommendation to create a single in house grounds maintenance service for Adur & Worthing from 1st January 2013 was approved.
- 2.2 For Worthing, this meant an end to its 10 year grounds maintenance contract with Continental Landscapes Ltd on 31st December 2012.
- 2.3 Adur's grounds maintenance of its Parks, Open Spaces and Cemeteries was already delivered in house.
- 2.4 At the same JSC meeting, the proposal for saving a net £500,000 from the Worthing grounds maintenance budget was also approved as part of the Worthing medium term financial plan.

#### **3.0 Joint Grounds Maintenance Service**

- 3.1 A new staffing structure was designed and implemented to reflect the new joint in house service being provided from 1st January 2013, with the reduction in staff numbers that resulted being managed through the Voluntary Redundancy process.
- 3.2 Since 2013/14 , the Parks section like all other Council sections has seen its annual revenue budget reduced year on year as part of both Councils savings plans and

the Service has had to proactively look at other innovative ways to deliver its service to the local community whilst trying to protect front line staff wherever possible.

- 3.3 To achieve this, Service Managers have introduced following consultation with the respective Cabinet Members for the Environment a raft of changes to how the grounds maintenance service is delivered to achieve the saving plan target. These have included:

#### **4.0 Rethinking Parks**

- 4.1 Both Councils provided a very traditional Parks service model prior to the joint in house service being created where all decision making and maintenance was provided by the Council with minimal community involvement which in some cases no longer met the changing communities needs and demands.
- 4.2 The Rethinking Parks project provided a model where the local community and user groups are able to be fully involved in being able to radically redesign the delivery of these services in a way that increases community involvement in the co-design, ownership and running of the services.
- 4.3 To accelerate the implementation of this project, both Councils in partnership with The Conservation Volunteers (TCV) submitted in 2014/15 a successful bid for £100,000 of external funding for our Rethinking Parks project from the Department of Communities and Local Government (DCLG) Transformation Challenge Award.
- 4.4 The funding has offered the opportunity to employ two full time project workers to increase the levels of community involvement in both Councils Parks and Open Spaces through providing volunteering opportunities, supporting the setting up of new Friends of groups, create a Adur & Worthing greenspace forum and helping to provide training and tailored support for existing groups.
- 4.5 There are presently 29 active Greenspace groups operating across Adur & Worthing, an increase of 7 since the Rethinking Parks project started.

#### **5.0 Worthing Allotment Management (WAM)**

- 5.1 A real greenspace success story in Worthing has been the formation of Worthing Allotment Management (WAM) to self - manage 6 out of 7 of Worthing Councils allotment sites.
- 5.2 This follows the successful self-management trial of West Tarring allotment site over 2013/14. WAM is run and managed by Worthing allotment tenant volunteers for the benefit of all Worthing allotment tenants and is now fully responsible for the management and maintenance of the 6 allotment sites they run under a 5 year Service Level Agreement with the Council. WAM have taken over these responsibilities that used to be carried out by the Council, allowing the Service to reduce considerably its expenditure on managing the allotments.



## **6.0 Enhancing Biodiversity across Adur & Worthing**

6.1 The Parks section is always striving to enhance biodiversity across Adur & Worthing and improve local flora and fauna. Initiatives include :

- Reduce and alter mowing regimes where appropriate for the benefit of wildlife
- Reduce pesticide use , introducing green alternatives
- Changing from traditional seasonal bedding displays to vibrant, colourful displays that encourage pollinators to flourish ( i.e. wildflower meadows)
- Creating habitats within greenspaces for wildlife to thrive
- Continue to maintain both Councils tree stock to enhance the landscape, reduce pollution and make the community areas greener.

6.2 These initiatives have also enabled the Councils to lower its maintenance costs whilst also improving the local environment. It must be noted that it remains challenging to alter significantly the current maintenance regimes in place for fine turf areas - bowls, Par 3 course, cricket wickets etc. without affecting the quality of play, however Officers continue to monitor greener ways of delivery being researched by the Sports Turf Research Institute.

## **7.0 Reshaping Service Delivery**

7.1 The Head of Environment and Service Managers have been working to streamline service delivery, whilst at all times protecting front line staff and have introduced the following measures / initiatives to work towards this aim.

- Restructure of Environment Division staffing structure to reflect changing service demands and contribute to the Division's Saving Plan targets
- Deletion of Park Attendant Posts and introduced self-management of season tickets and daily play for Worthing bowls clubs to mirror the system already successfully in place in Adur
- Stopped the practice of grounds maintenance staff being allowed to use Council vehicles to travel to and from the workplace, reducing fuel and vehicle maintenance costs.
- Cut significantly overtime payments through empowering sporting clubs to take on basic weekend maintenance tasks
- Secured Service Level agreements to provide a grounds maintenance service for Worthing College and Adur Homes
- Retained the grounds maintenance of South Downs Leisure sites through a 5 year Service Level Agreement
- Increased the number of external works contracts that the Service undertakes
- Procuring more effective and flexible use plant and machinery

## 8.0 Adur - Grounds Maintenance Budget Review

| ADUR GROUNDS MAINTENANCE BUDGETS |                |                |                |                |                |                |                |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                  | 2013/14        |                | 2014/15        |                | 2015/16        | 2015/16        | 2016/17        |
|                                  | Budget         | Actual         | Budget         | Actual         | Budget         | Forecast       | Budget         |
|                                  | £              | £              | £              | £              | £              | £              | £              |
| Salary costs                     | 371,192        | 385,560        | 427,063        | 445,262        | 461,038        | 472,535        | 396,539        |
| Severance costs                  | 0              | 7,512          | 0              | 0              | 0              | 34,563         | 0              |
| Premises                         | 450,330        | 374,432        | 84,343         | 55,058         | 277,900        | 277,049        | 283,060        |
| Transport                        | 117,025        | 82,473         | 151,832        | 105,506        | 155,171        | 120,404        | 112,445        |
| Supplies & Services              | 167,890        | 125,182        | 152,381        | 162,262        | 152,986        | 126,360        | 130,381        |
| Income                           | -518,463       | -418,513       | -491,971       | -451,118       | -477,873       | -479,550       | -441,206       |
| <b>Total Controllable Costs</b>  | <b>587,975</b> | <b>556,646</b> | <b>323,648</b> | <b>316,970</b> | <b>569,222</b> | <b>551,362</b> | <b>481,219</b> |
| Support costs                    | 125,915        | 2,423          | 388,412        | 401,441        | 178,778        | 178,778        | 171,841        |
| Capital costs                    | 80,900         | 84,640         | 104,000        | 90,330         | 99,230         | 99,230         | 126,830        |
| <b>TOTAL COSTS</b>               | <b>794,790</b> | <b>643,709</b> | <b>816,060</b> | <b>808,741</b> | <b>847,230</b> | <b>829,370</b> | <b>779,890</b> |

- 8.1 In 2013/14, in the first year the joint in house grounds maintenance service was formed, the total cost for the Service returned £151,081 under the budget set of £794,790 at £643,709.
- 8.2 In 2014/15, in the second year the total annual cost for the Service returned £7,319 under the budget set of £816,060 at £808,741.
- 8.3 For 2015/16, the Service is forecast to be under budget by £17,860.
- 8.3 For all three financial years, the in house Grounds Maintenance Service has been formed, the Service has come in under budget in Adur.

## 9.0 Worthing - Grounds Maintenance Budget Review

|                                 | 2013/14          |                  | 2014/15          |                  | 2015/16          | 2015/16          | 2016/17          |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                 | Budget           | Actual           | Budget           | Actual           | Budget           | Forecast         | Budget           |
|                                 | £                | £                | £                | £                | £                | £                | £                |
| Salary costs                    | 747,705          | 773,492          | 634,625          | 654,714          | 637,545          | 635,863          | 734,545          |
| Severance costs                 | 0                | 55,091           | 0                | 0                | 0                | 33,619           | 0                |
| Premises                        | 192,780          | 339,548          | 433,091          | 276,780          | 634,790          | 698,640          | 642,300          |
| Transport                       | 215,245          | 151,692          | 173,988          | 121,038          | 187,219          | 145,247          | 211,605          |
| Supplies & Services             | 325,030          | 325,284          | 268,719          | 282,748          | 275,244          | 366,603          | 290,839          |
| Income                          | -1,013,367       | -759,781         | -669,880         | -666,847         | -606,117         | -745,308         | -667,044         |
| <b>Total Controllable Costs</b> | <b>467,392</b>   | <b>885,326</b>   | <b>840,542</b>   | <b>668,432</b>   | <b>1,128,681</b> | <b>1,134,663</b> | <b>1,212,245</b> |
| Support costs                   | 651,078          | 723,075          | 595,288          | 610,717          | 340,169          | 340,169          | 265,015          |
| Capital costs                   | 139,310          | 179,400          | 203,610          | 203,610          | 222,990          | 222,990          | 233,850          |
| <b>TOTAL COSTS</b>              | <b>1,257,780</b> | <b>1,787,801</b> | <b>1,639,440</b> | <b>1,482,760</b> | <b>1,691,840</b> | <b>1,697,822</b> | <b>1,711,110</b> |

- 9.1 It was noted in the JSC report - 27 September 2012 that the £500,000 savings target set for Worthing would take some time to be achieved and that the full £500,000 may not be achieved in Year 1.
- 9.2 As it happens, in 2013/14, the Service returned £530,027 over the set budget, resulting that none of the savings target set was achieved.
- 9.3 This resulted in the Service being put under enhanced monitoring for 2014/15, with the Service Manager receiving additional support from the Head of Finance, the Service Accountant and the Cabinet Member for Resources - Worthing.
- 9.4 In 2014/15, with the benefits of the service changes outlined above starting to materialise, there was an underspend of £156,680 and the Service was released from enhanced monitoring.
- 9.5 For 2015/16, the Parks service is scheduled to be over budget by £5,982, with the biggest factor for this due to one off severance costs following the recent Environment Division restructure.

## 10.0 Joint - Grounds Maintenance Budget Review

|                                 | 2013/14          |                  | 2014/15          |                  | 2015/16          | 2015/16          | 2016/17          |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                 | Budget<br>£      | Actual<br>£      | Budget<br>£      | Actual<br>£      | Budget<br>£      | Forecast<br>£    | Budget<br>£      |
| Salary costs                    | 1,118,897        | 1,159,051        | 1,061,687        | 1,099,976        | 1,098,583        | 1,108,398        | 1,131,084        |
| Severance costs                 | 0                | 62,604           | 0                | 0                | 0                | 68,181           | 0                |
| Premises                        | 643,110          | 713,980          | 517,434          | 331,838          | 912,690          | 975,689          | 925,360          |
| Transport                       | 332,270          | 234,165          | 325,820          | 226,544          | 342,390          | 265,652          | 324,050          |
| Supplies & Services             | 492,920          | 450,466          | 421,100          | 445,010          | 428,230          | 492,962          | 421,220          |
| Income                          | -1,531,830       | -1,178,294       | -1,161,852       | -1,117,965       | -1,083,990       | -1,224,857       | -1,108,250       |
| <b>Total Controllable Costs</b> | <b>1,055,367</b> | <b>1,441,972</b> | <b>1,164,190</b> | <b>985,403</b>   | <b>1,697,903</b> | <b>1,686,025</b> | <b>1,693,464</b> |
| Support costs                   | 776,993          | 725,498          | 983,700          | 1,012,158        | 518,947          | 518,947          | 436,856          |
| Capital costs                   | 220,210          | 264,040          | 307,610          | 293,940          | 322,220          | 322,220          | 360,680          |
| <b>TOTAL COSTS</b>              | <b>2,052,570</b> | <b>2,431,510</b> | <b>2,455,500</b> | <b>2,291,501</b> | <b>2,539,070</b> | <b>2,527,192</b> | <b>2,491,000</b> |

10.1 The above chart shows the Grounds Maintenance budget summary has a joint service.

10.2 In the Environment Division overall, there are other Service areas where additional income is forecast, notably Bereavement Service and Beach Huts through increased fees and charges.

## 11.0 Summary

11.1 Overall following the recent restructure, the Service is now in a better shape to maintain the Parks & Open Spaces across Adur & Worthing within the revenue budget set and continue to deliver the initiatives outlined above in this high profile service area.

## 12.0 Legal

12.1 Section 151 Local Government Act 1972 provides that the Councils must make arrangements for the proper administration of their financial affairs.

12.2 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything (whether or not involving expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

## 13.0 Financial implications

13.1 The grounds maintenance service was given a target saving of £496k as part of the 2013/14 budget round. Subsequently, the budget was increased by £300k as part of the 2014/15 budget round to give the service additional time to make the initial savings target set by members.

13.2 Since this time the service has made substantial contribution to the Council's financial strategy identifying £81k savings for the 2015/16 budget and £147k for the 2016/17 budget round. The total found to date is £424k and is on track to meet the initial target set for the service. This excludes the savings generated from the Beach Hut and Bereavement Services.

#### **14.0 Recommendation**

14.1 That the Joint Overview and Scrutiny Committee notes the progress made in meeting the budgets set for the joint in house Grounds Maintenance service.

That the Joint Overview and Scrutiny Committee acknowledges the initiatives and new ways of service delivery introduced by the Service.

#### **Local Government Act 1972**

##### **Background Papers:**

Joint Strategic Committee - 27 September 2012 - Future Grounds Maintenance Services

Joint Strategic Committee - 3 March 2014 - Rethinking Parks - A proposal to support enterprising Communities & Wellbeing in Adur & Worthing

Joint Strategic Committee - 3rd December 2015 - Outline 5 Year Forecast and Savings Proposals

Joint Strategic Committee - 2nd December 2014 - Outline 5 Year Forecast and Savings Proposals

##### **Contact Officer:**

**Andy Edwards**

**Head of Environment**

**Commerce Way**

**Tel 01903 263137**

**[andy.edwards@adur-worthing.gov.uk](mailto:andy.edwards@adur-worthing.gov.uk)**

## **Schedule of Other Matters**

[To be completed on all reports. If no issues are identified under a heading then it should read "Matter considered and no issues identified."]

### **1.0 Council Priority**

1.1 The Service helps to contribute to the Council's objectives of Cultivating Enterprising Communities and Becoming an Adaptive Council.

### **2.0 Specific Action Plans**

2.1 The Service helps to contribute to :  
Create new social businesses, joint ventures and service delivery models that encourage and support the long term development of enterprising communities.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified. The Service continues to strive to operate in an Environmentally friendly and sustainable manner.

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified.

### **5.0 Community Safety Issues (Section 17)**

5.1 Matter considered and no issues identified.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 [Is the proposal likely to have an impact on the reputation of the Council(s)]

### **8.0 Consultations**

8.1 Extensive consultation with user groups and the local community has been undertaken during the Rethinking Parks project and has been used to shape the project's aims.

### **9.0 Risk Assessment**

9.1 Matter considered and no issues identified.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

## **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.

## **12.0 Partnership Working**

12.1 Partnership working is key to the on-going and future management and maintenance of both Councils Parks and Open Spaces. Strong partnerships continue to be developed with The Conversation Volunteers (TCV) and a large number of Greenspace User Groups.





**WORTHING THEATRES REVIEW - MAINTENANCE WORK AND RECHARGES  
REPORT BY SARAH GOBEY, CHIEF FINANCIAL OFFICER**

**1.0 SUMMARY**

- 1.1 This report informs members of the process and procedures for the charges made for building maintenance works and the recharges applied by the Business and Technical Services section

**2.0. BACKGROUND**

- 2.1 Following a substantial overspend of £484,000 by Worthing Theatres in 2013/14 a scrutiny review was commissioned whose brief was to review of the Business Plan for Worthing Theatres and to examine what has and has not been delivered. The review included an assessment of:-
- Income targets versus Actual expenditure;
  - Budgeting controls in place;
  - Catering and events costs/income;
  - Benchmarking information to review how the theatres provision in Worthing compares with other local theatres provision;
  - Marketing expenditure and the marketing approach.
- 2.2 One of the recommendations from this review was that the Committee receives a report on policy and procedures relating to recharges applied by the Business and Technical Services section, to provide greater openness and transparency on the recharging system.

**3.0 CHARGES FOR BUILDING MAINTENANCE WORK**

- 3.1 There are two aspects to the charges made for building maintenance works:

1. Charges made for the building maintenance works undertaken. These works are normally either for routine maintenance or reactive repairs

2. Recharges for the professional services provided by the surveying and engineering teams.

The processes and procedures associated with these aspects are detailed below.

### **3.2 Building maintenance charges:**

- 3.2.1 Works and services carried out at our theatre venues consist of either *routine maintenance* or *reactive repairs*. The term "*routine maintenance*" includes all the servicing and maintenance checks to ensure we operate our buildings safely. This will include roof checks, emergency lighting, fall arrest systems, inspection of hoists, legionnaires testing etc. This heading will also cover service contracts for heating systems, fire/intruder alarm systems, fire extinguishers etc.
- 3.2.2 *Reactive repairs* will include those items that require repair during the course of the theatres day to day operations. These will include repairs to toilets, doors and windows, heating system, electrical installations, flooring, roof repairs etc. Some of these repairs will be as a result of vandalism. Where we can, some minor re decorations are also carried out within this heading and the Surveying team will work with the Theatres Operations Manager to agree any works. Regular meetings are held now between the Operations Manager and the Head of Business & Technical Services to discuss maintenance and repair issues.
- 3.2.3 The Councils have a contract for most regular maintenance on corporate buildings in place. In 2013/14 Adur Building Services (part of Adur Homes) won the contract and provided maintenance services on all corporate buildings, including the Theatres. The prices charged for any work undertaken is detailed in a schedule of works which is agreed when the contract is let. Adur Building Services will only carry out routine maintenance issues where they have the skills to do so.
- 3.2.3 Specialised work, not contained within the main contract, is procured as and when required by obtaining quotations from qualified suppliers in accordance with the Councils contract standing orders. For some categories, (eg Electrical) the council has tendered contracts for a fixed period of time.

3.2.4 As work is completed, the relevant supplier will invoice the Council. These bills are paid each week once the invoice has been certified as correct.

3.2.5 However, in 2013/14, the Councils were not billed promptly for the work undertaken by Adur Building services which led to delay in when the Council settled the bills.

### 3.3 Recharges for professional services:

3.3.1 All support services recharge for the cost of support at the end of the financial year. The concept of recharging central support and departmental management support costs to 'front-line services' is based on the CIPFA Service Reporting Code of Practice. The fundamental accounting principal is that the cost of a service should reflect all of the costs incurred in the delivery of the service including any 'back office' costs.

3.3.2 With respect to surveying and engineering services, the cost of the service is allocated on the basis of time spent on individual services.

## 4.0 LEGAL IMPLICATIONS

4.1 There are no legal implications arising from this report

## 5.0 FINANCIAL IMPLICATIONS

5.1 Overall the expenditure in 2013/14 for theatre budgets managed by Business and Technical Services was as follows:

|                              | Budget<br>£ | Actual<br>£ | Over (-) /<br>Under Spend<br>£ |
|------------------------------|-------------|-------------|--------------------------------|
| Building maintenance         | 125,990     | 101,027.34  | 24,962.66                      |
| Technical Services recharges | 60,200      | 75,911.02   | -15,711.02                     |
| Total                        | 186,190     | 176,938.36  | 9,251.64                       |

## 6.0 RECOMMENDATIONS

**6.1 The Joint Overview and Scrutiny Committee is asked to note the content of this report.**

**Local Government Act 1972**

**Background Papers:**

Reports to the Joint Strategic Committee

**Contact Officer:**

Sarah Gobey – Chief Financial Officer

Direct Dialling No: (01903) 221221

Email: [sarah.gobey@adur-worthing.gov.uk](mailto:sarah.gobey@adur-worthing.gov.uk)

## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

1.1 Matter considered and no issues identified

### **2.0 SPECIFIC ACTION PLANS**

2.1 Matter considered and no issues identified

### **3.0 SUSTAINABILITY ISSUES**

3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

4.1 Matter considered and no issues identified

### **5.0 COMMUNITY SAFETY ISSUES (SECTION 17)**

5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

6.1 Matter considered and no issues identified

### **7.0 REPUTATION**

7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

8.1 Matter considered and no issues identified

### **9.0 RISK ASSESSMENT**

9.1 Matter considered and no issues identified

### **10.0 HEALTH and SAFETY ISSUES**

10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**

11.1 Matter considered and no issues identified

**12.0 PARTNERSHIP WORKING**

12.1 Matter considered and no issues identified

## Digital Inclusion Review

### Report by the Joint Scrutiny Working Group

#### 1.0 Summary

- 1.1 This report sets out the findings of the Adur and Worthing review of Digital Inclusion which was undertaken by a Working Group set up by this Committee.

#### 2.0 Background

- 2.1 As part of its Work Programme for 2015/16 the Joint Committee agreed to set up a Working Group to review digital inclusion.
- 2.2 Councillors Liz Haywood and Rod Hotton (Adur District Council) and Keith Bickers and Nigel Morgan (Worthing Borough Council) were appointed to the Working Group. (Councillor Hotton subsequently withdrew from the Working Group but attended two meetings.). The Working Group met on 3 September, 6 October, 12 November 2015 and 14 January 2016 to undertake the review and review the evidence provided. Councillor Keith Bickers was appointed as Chairman of the Working Group which was supported by Dave Briggs, Head of Digital and Design and Mark Lowe, Policy Officer.
- 2.3 The Working Group agreed the objectives for the review:-
- To help find and recommend ways to provide the Council's customers with better access to Council services by increasing their online confidence and how that might then enable the Council to engage with them on other matters;
  - To review the inclusion work already started by the Communities Team where the Pop-up IT Junction scheme has been established to provide access to computers and the Internet for people to develop their online confidence;
  - To identify the reasons why some customers prefer not to use online channels to access Council services; and
  - To consider and review the Council's draft Digital Inclusion commitment.

## 2.4 The scope of the review was to:-

- Assist the Head of Digital and Design in researching how the internet was used by local residents and businesses and to use that information to inform a strategic approach to digital inclusion that helps support all customers make the most of the opportunities that the internet offers, where it fits in with their lives; and
- To develop an understanding of what the Council's customers want in terms of service and information from the Councils, how they currently access them and how they could do so more easily in the future using the Internet and what skills and support they may need to do this.

## 3.0 Evidence

3.1 As part of the review, the Working Group agreed that it would gather the evidence and supporting information for the review from a number of people connected with digital inclusion issues and those who worked direct with the Councils customers. The Working Group interviewed the following:-

- Mel Shaw - Neighbourhood Manager, Communities Team, Adur and Worthing Councils;
- Paul Twine - Former Interim Head of Customer Contact and Engagement, Adur and Worthing Councils;
- Dominic O'Brien - Customer Services Manager, Adur and Worthing Councils

## 4.0 Digital Inclusion and Digital Inclusion in Adur and Worthing

4.1 Digital Inclusion is the ability of individuals and groups to access and use information and communication technologies (the UK Government has recently begun to use the term 'Digital Engagement' but for the purposes of this report we will continue to use the term 'Digital Inclusion').

4.2 Digital Technology and access to technology has transformed society. It has changed how we communicate, learn, work, socialise, engage and participate. It has dramatically altered relationships between citizens, communities, civil society business and government. Over 3 billion people worldwide were estimated to have access to the Internet in 2015 (source BBC news) which is close to half the population of the World. To put that in context for the UK for the period Quarter 1 January to March 2015, 86% of adults had used the internet in the previous 3 months (44.7 million) (Source ONS).

4.3 However, while the majority of people in the UK enjoy the benefits of at least some aspects of digital technology and the positive impact it can have upon wellbeing, there are many citizens who do not have access to those benefits. There is some argument that those without access to digital technology are suffering a disadvantage as a result of that exclusion. 11% of adults in the UK (5.9 million) have never used the internet. Also, only 33% of those aged 75 and over have recently used the internet. (Source *Internet Users 2015*, ONS, May 2015).



## 5.0 Digital Inclusion Work in Adur and Worthing

5.1 **Adur and Worthing IT Junction Scheme** - As part of the investigative work for this review, the Working Group looked in detail at the work of the Adur and Worthing IT Junction scheme which had been created to provide free and regular Internet access at 8 neighbourhood based IT Centres/Junctions in Adur and Worthing. These Centres are situated at various locations in Adur and Worthing:-

- Northbrook IT Junction - Durrington Community Centre
- Durrington IT Junction - St Symphorians Church Hall
- Goring IT Junction - Maybridge Keystone Centre
- Broadwater - The Wave Centre - Broadwater Baptist Church
- Sompting IT Junction - SBL Community Hub
- Southwick IT Junction - Southwick Community Church
- Fishersgate IT Junction - Laylands Road

It is also planned to provide a further IT Junction at the Shoreham Centre

5.2 The IT Junction Scheme had been set up to help improve Internet access/on line confidence, digital skills and pathways to employment for local people. Local people were able to gain free access to a computer and the Internet including on-line courses. A training provider had been commissioned to deliver a training support programme for recruiting and training digital volunteers on a contract basis to give them skills such as customer service, safeguarding to offer 121 support for the scheme users and at the time of writing the report the scheme had trained 76 volunteers and had visits from 961 scheme users. Funding for the IT Junction scheme was set at £20,000 per annum, (£12,450 was contributed from the 'Think Family' initiative and £7,550 from Adur and Worthing Councils budgets and the funding is in place until June 2016. The Working Group was informed that the current level of funding was potentially at risk which would also put the work and role of the scheme at risk ,as retraining is ongoing due to the digital volunteers leaving to go into employment. It had also been identified that there was a need for Technical support for the IT equipment and sponsorship.

5.3 The Working Group welcomes the good work being undertaken by the scheme . As part of the discussions at the Working Group, Councillor Morgan indicated that his company could offer some additional IT equipment and software for the IT Junctions to use at no cost. This offer would also include ongoing IT maintenance support.

5.4 **Adur and Worthing Councils Digital Inclusion Commitment** - The Working Group has been briefed on a draft Digital Inclusion Commitment which has been prepared which includes a set of 5 practical commitments that outlines the Councils proposed stance towards digital inclusion which if delivered would help tackle digital exclusion whilst also contributing to the delivery of existing strategies. These commitments relate to:-

- Commitment 1 - To take a strategic approach to tackling digital exclusion
- Commitment 2 - To sign up to the digital inclusion charter
- Commitment 3 - To continue to develop and sustain the IT Junction Scheme

- Commitment 4 - To explore how we can support our communities to have access to the Internet .
- Commitment 5 - To ensure everyone working for Adur and Worthing Councils has the opportunity to develop their own basic digital skills.

5.5 **National Digital Inclusion Work** - The Government too has been proactive in setting out its desire to remove digital exclusion and has published a Digital Inclusion Charter  
<https://www.gov.uk/government/publications/government-digital-inclusion-strategy/uk-digital-inclusion-charter>

5.6 This Digital Inclusion Charter makes various commitments which seek to reduce digital exclusion:-

- Enable the use of a common definition of basic online skills and capabilities
- Achieve support for cross-sector national partnership programmes
- Identify and support best practice initiatives to grow through cross-sector working, including:
  - Piloting and scaling up initiatives which bring support to where people are in their daily lives
  - Embedding digital inclusion into partners' communications activity to encourage people, small and medium enterprises (SMEs) and voluntary, community and social enterprises (VCSEs) to take the first steps to going online
  - Piloting practical ways to make Internet access, kit and digital skills cheaper and more easily available
- Make things simpler for users who lack basic online skills and capabilities by using a shared language
- Establish [digital.skills.com](http://digital.skills.com) as the trusted source of information about good quality help available to get people online.
- Support the development of a national volunteering network of digital champions to enhance existing networks
- Support an online skills and capabilities programme for SMEs and VCSEs
- Share best practice and use data to measure performance and improve what we do
- Build the online skills and capabilities of people in our own organisations.
- Work together to support the aims of the Digital Inclusion Strategy.

## 5.7 **Adur and Worthing Council - Access to Services**

The Working Group also received some excellent evidence from the former Interim Head of Customer Contact and Engagement, Paul Twine and the Customer Services Manager, Dominic O'Brien. This included an executive summary of Customer contacts with the Councils for 2015/16 and related customer services contact data for 14/15. This evidence revealed and set in context the needs of the customers against the needs to provide digital services. The evidence suggested that digital inclusion was important but that some customers preferred to deal with the Councils on a face to face basis rather than digitally. This was, in some cases

because some of the customers have complex needs and required/preferred face to face attention. It was suggested that customer advocacy and focus also needed to improve alongside the digital offer. Using digital was considered as a better option in many cases to enable constant access to services. To assist in promoting the various forms of access to Council services it was suggested that there was a need for the Councils to provide better publicity for services to allow customers to access these services. A mini roadshow type event might help with that as well as the possibility of providing some training for customers to help them know how and who to contact.

5.8 As part of the review the Working Group was provided with the results of a customer survey which was undertaken in 2015 that had been collected from customers attending Portland House using the self service PC's. The data was taken from 195 responses received between 1 July 2015 and 30 November 2015. The data revealed that 48% of those responses had been from those customers who had self served from the website or other online services. Some of these customers had indicated that they did not want to use the self service kiosks because they preferred face to face contact rather than using the online service, however, the results of the survey did provide a strong argument to develop and promote a user friendly on-line service for those customers able to use the service.

5.9 The main reasons identified for customers wanting to have face to face contact can be identified as:-

- Customers wanting to deal with people rather than communicate digitally;
- Customers considered themselves as not being computer literate; and
- Customers preferred the personal human touch.

5.10 The Working Group notes the findings of this customer survey and would like to thank the Customer Services staff for providing the results of the survey which have provided useful insight into customers use of Council services.

5.11 The evidence on access to Council services also referred to the Worthing Council Tax account online secure self service system which was an ideal way to view information about property bandings within Worthing and for residents to access the personal detail of their own Council Tax account. The Working Group welcomed this as an excellent example of on line service provision.

#### 5.12 **Adur and Worthing Councils website statistics 2015/16**

The Working Group received the [www.adur-worthing.gov.uk](http://www.adur-worthing.gov.uk) website statistics for the Q2 period 15/16 (July - September 2015) to assess the amount of visitors to the website and the most popular pages. The top 3 pages were The 'Home' page, Car Boot sales and Planning application details.

#### 5.13 **'Going Local' Project**

The Working Group was also advised on the work of the 'Going Local' Project which

seeks to support communities through social prescribing. As part of this work , a bid for £40,000 funding has been submitted to the Local Government Association to provide digital civic infrastructure to support the 'Going Local' initiative - The 'Going Local' Project aims to connect frontline agencies working with the individuals families and communities. The Councils have recently been advised that this bid has been successful.

## **6.0 Legal**

- 6.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 6.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).
- 6.3 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 6.4 In addition to the power under s1 above, the Council must comply with its Contract Standing Orders and the Public Contract Regulations 2015.
- 6.5 Section 38 of the Local Government (Miscellaneous Provisions) Act 1976 permits local authorities to use their own surplus computer capacity to provide computer-based services to third parties and to charge for those services if they consider it appropriate to do so.

## **7.0 Financial implications**

- 7.1 There may be some financial implications relating to the implementation of the options set out in this report.

## **8.0 Conclusions and proposals**

- 8.1 Having reviewed the evidence provided, the Working Group has identified a number of recommendations which it believes the Councils should implement to help reduce digital exclusion in Adur and Worthing. There is a lot of great work already being undertaken to help customers go on line and remove digital exclusion but it remains a big issue but one which can be reduced with more partnership working that long term will help improve wellbeing.

## **8.2 Recommendations/Comments:-**

That the Committee be requested to endorse the following recommendations from the Working Group and submit them to the Joint Strategic Committee for consideration.

## **8.3 IT Junction Scheme :-**

(1) That the valuable work being provided by the IT Junction scheme, supported by the Community Team from Adur and Worthing Councils, to help local people with digital skills and pathways to employment be welcomed.

(2) That there is a need for further IT Junction Centres to be provided at other locations across Adur and Worthing i.e. at East Worthing Community Centre, Shoreham, Mash Barn etc and that officers should investigate the feasibility of setting up these Centres.

(3) That the Councils should seek to continue the current levels of financial support for the IT Junction Networks but should also work in partnership with others to ensure that alternative adequate funding is in place to maintain the current provision of the IT Junction Centres. It is suggested that this can be achieved by:-

- working closely with the Federation of Small Businesses and other local business networks/local businesses to see if any further funding/equipment opportunities exist and to achieve this it is suggested that Officers should set up meetings as soon as possible; and
- that the Officers from the Communities Team should work up an external funding bid working with the External Funding Officer as a matter of urgency to ensure that new funding streams can be put in place during the 2016/17 financial year.

(4) That the support/help of Councillor Morgan in offering to provide equipment/technical support be welcomed. The Working Group acknowledges that he has been integral in supporting the Group's work.

## **8.4 Adur and Worthing Digital Inclusion Commitment**

That the draft Adur and Worthing Digital Inclusion commitment be welcomed as a practical series of commitments that will help reduce digital inclusion whilst also contributing to the delivery of existing Strategies. The Working Group recommends that the draft commitment should be approved as soon as possible by the Councils/Leaders to publicise the Councils intent to remove digital exclusion.

## **8.5 Government Digital Inclusion Charter**

The Working Group notes the Government's Digital Inclusion Charter and recommends that both Councils should support the Charter as soon as possible.

## 8.6 Access to Council Services

(1) That the current levels and type of customer contact be noted.

*The Working Group has noted that some customers prefer to deal with the Councils on a face to face basis rather than digitally and notes the comments contained in the customer survey undertaken in Portland House in 2015 which outlined some reasons why customers would not use online/digital services.*

(2) The Working Group considers that using digital services is a better option in most cases to enable constant access to Council Services, is quicker and adds extra value.

(3) The Working Group recommends that better publicity should be provided on access to all Council services, advising customers who to contact and how to contact the Councils either face to face or digitally.

- 8.7 That the findings of the recent report from Age Concern UK 'Later Life in a digital world' be supported as highlighting the concerns of the older population when using digital technology. The Working Group believes that older people should be supported and encouraged to get online but also allowed to access services and supported in ways that suit them.
- 8.8 That the work of the 'Going Local' Project and the recent successful bid for funding be welcomed.

### **Background Papers:**

7 March 2016

### **Contact Officer:**

Mark Lowe  
Policy Officer  
Tel. No. 01903 221009  
E-mail: [mark.lowe@adur-worthing.gov.uk](mailto:mark.lowe@adur-worthing.gov.uk)

## Schedule of Other Matters

### **1.0 Council Priority**

1.1 Matter considered and no issues identified.

### **2.0 Specific Action Plans**

2.1 Matter considered and no issues identified.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

4.1 Matter considered. The Councils will need to consider that all customers have equal access to Council services.

### **5.0 Community Safety issues (Section 17)**

5.1 Matter considered and no issues identified

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified

### **7.0 Reputation**

7.1 Matter considered and no issues identified

### **8.0 Consultations**

8.1 Matter considered. Consultation undertaken as set out in the report.

### **9.0 Risk assessment**

9.1 Any areas of risk are identified within the attached report.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified

## 12.0 **Partnership working**

12.1 The report from the Working Group relates to Adur and Worthing.



**WORTHING BOROUGH COUNCIL OVERALL BUDGET ESTIMATES 2016/17  
AND SETTING OF 2016/17 COUNCIL TAX**

**REPORT BY: DIRECTOR OF DIGITAL AND RESOURCES**

**1.0 SUMMARY**

- 1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:
- The final revenue estimates for 2016/17;
  - An updated outline 5-year forecast; and
  - The provisional level of Council Tax for 2016/17, prior to its submission to the Council for approval on the 23<sup>rd</sup> February 2016. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.
- 1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2016/17 settlement.
- 1.3 The major points raised within the report include:
- A full update on the impact of settlement. The Council should prepare itself for a continuation of the austerity measures for another 2-5 years (see section 3.5) ;
  - The Executive will need to consider whether to increase Council Tax by maximum level possible below 2% (1.96%) or by a lower amount (paragraph 5.10); and, finally
  - The Executive needs to consider the new growth items in Appendix 2.
- 1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2016/17 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2016/17 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2016/17 of 3.44% (as one of the lowest precepts in the country they are permitted to increase by £5) and the proposed 2016/17 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 22<sup>nd</sup> January 2016. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18<sup>th</sup> February 2016 at which point the Commissioner will be in a position to confirm the Council Tax for 2016/17 in time for Council on the 23<sup>rd</sup> February 2016.

## 1.0 SUMMARY

1.6 The Chancellor's Autumn Statement in November 2015 announced that:

*'... in future those local authorities who are responsible for social care will be able to levy a new social care precept of up to 2% on Council Tax.'*

The Right Honorable George Osborne, Chancellor of the Exchequer

With this policy change, the Government has recognised the major financial strain caused by an ageing population.

1.7 The draft Local Government Settlement confirmed that a 2% Council Tax increase specifically to support adult social care services is permissible. This is over and above the existing "referendum limit" of 2% permitted for general Council Tax increases, thereby permitting a maximum Council Tax increase of 4% for Councils with social care responsibilities.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 19<sup>th</sup> February 2016. However, it is likely to be just below the permitted 4% at 3.95%. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 23<sup>rd</sup> February 2016.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** Revenue Budget Summary Statement 2015/16 – 2020/21
- (ii) **Appendix 2** Non-Committed Growth
- (iii) **Appendix 3** Schedule of Earmarked Reserves
- (iv) **Appendix 4** Property Analysis & Calculation of Tax Base
- (v) **Appendix 5** Worthing Budget 2016/17 –Summary of Executive Member Portfolios
- (vi) **Appendix 6** Glossary of technical terms used in Local Government Settlement

## 2.0 BACKGROUND

2.1 The report covering the "Outline 5-year forecast for 2016/17 to 2019/20 and the Budget Strategy" was considered on 7<sup>th</sup> July, 2015. This report outlined the Financial Context, the Key Budget Pressures, the Options for Addressing the Budget Gap and the Budget Strategy for Adur and Worthing Councils. The 7<sup>th</sup> July report proposed a new strategy whose key feature was that the Councils would become self-sufficient by 2020 reliant, by then, only on income from trading and commercial activities, Council Tax income and business rate income.

## 2.0 BACKGROUND

2.2 In line with this new strategy, the Councils have set-up several strategic boards, which are responsible for taking forward key initiatives aimed at delivering savings for the future. These boards are:

- The Major Projects Board will lead on delivering projects to increase employment space and additional housing.
- The Digital Programme Board will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.
- The Strategic Asset Management Board will lead on delivering the income growth associated with the Strategic Property Fund; and
- The Customer and Commercial Programme Board will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

Both the Digital Programme Board and the Customer and Commercial Programme were set explicit targets for 2016/17.

2.3 In addition to the work of the Strategic Boards, the other strands which contributed to the savings targets for 2016/17 include:

- Efficiency reviews
- Procurement reviews
- Base budget reviews

2.4 The subsequent report to the Joint Strategic Committee, on 3<sup>rd</sup> December 2015 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

| Worthing Borough Council  | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---|---------|---------|---------|---------|---------|
|   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Overall shortfall - July forecast                                     | 1,311   | 2,428   | 3,490   | 4,509   | 5,553   |
| Overall shortfall – December forecast (including net approved growth) | 1,540   | 2,480   | 3,514   | 4,507   | 5,522   |
| Increase / (Decrease) in shortfall                                    | 229     | 52      | 24      | -2      | -31     |
| Savings identified in December 2015 report                            | -1,667  | -1,892  | -2,142  | -2,392  | -2,642  |
| Revised budget shortfall/Surplus(-) as at December 2015               | -127    | 588     | 1,372   | 2,115   | 2,880   |

## 2.0 BACKGROUND

2.5 The 2016/17 savings proposals identified within the report for the Council amounted to £1,667,000.

2.6 Since the meeting on 3<sup>rd</sup> December 2015, the Worthing Borough Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Council for 2016/17 can be summarised as:

|  | <b>£'000</b> |
|--|--------------|
| <b>Original shortfall as identified in July</b>  | <b>1,311</b> |
| <b>Changes identified in December 2015:</b>  |              |
| (a) Improvements to the income from Council Tax  | -143         |
| (b) Updated capital financing costs based on 2014/15 outturn   | -28          |
| (c) SDLT pension valuation impact  | 175          |
| (d) Delay in selling Aquarena site   | 150          |
| (e) Net committed growth items identified by budget holders  | 175          |
| (f) Removal of contingency budget  | -100         |
| <b>Budget shortfall as at 3<sup>rd</sup> December 2015</b>   | <b>1,540</b> |
| <b>Business Rate Retention Scheme</b>  |              |
| 2015/16 share of deficit   | 175          |
| Impact of appeals on potential income for 2016/17  | 75           |
| Improving business rate income   | -169         |
| <b>Council Tax</b>   |              |
| Surplus on collection fund   | -48          |
| <b>Settlement</b>  |              |
| Provisional New Homes Bonus allocation   | -518         |
| Reduction in Baseline funding from Business Rates  | 41           |
| Change in tariff (amount of business rates paid to government)   | -83          |
| Additional reduction in Revenue Support Grant  | 441          |
| <b>Adjustment for final items identified</b>   |              |
| Implementation of 0.5% levy  | 41           |
| Reduction in Housing benefit administration grant  | 42           |
| Changes to the capital programme – Windsor Lawns Shelter   | 1            |
| Impact of closure of Brooklands golf course  | 63           |
| Windsor Lawns Shelter  | 1            |
| Adjustment to insurance budget following increase in Insurance Premium Tax which is increasing from 6% to 9.5% net of any savings in inflationary allowances | 11           |
| <b>Final adjustment to allocations between the two Councils</b>  | <b>45</b>    |
| <b>Revised budget shortfall – carried forward</b>  | <b>1,657</b> |

## 2.0 BACKGROUND

|  |              |
|--|--------------|
|  | <b>£'000</b> |
| <b>Revised budget shortfall – carried forward</b>                                    | <b>1,657</b> |
| <b>Less:</b> Net savings agreed in December  | -1,667       |
| Adjustment to final savings arising from Housing restructure                         | 10           |
| <b>Budget surplus to be placed in reserves (before any further action is agreed)</b> | <b>-</b>     |

## 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

### Combined Spending Review & Autumn Statement 2015

3.1.1 The Chancellor presented a joint Spending Review and Autumn Statement on 25<sup>th</sup> November 2015, which covered the Government's spending plans for the next four years. The Chancellor announced £12 billion in savings to government departments. Within these spending plans the picture for local government is complex and mixed.

3.1.2 However, whilst The Chancellor highlighted a cash-terms increase in spending for Local Government between now and 2019/20, Revenue Support Grant was to be phased out in its's entirety.

*'Because the amount we raise in business rates is in total much greater than the amount we give to local councils through the local government grant, we will phase that grant out entirely over this Parliament.'*

The Right Honorable George Osborne, Chancellor of the Exchequer

The Chancellors assertion that there would be a cash-terms increase is based the assumption that substantial local government funding cuts will be offset by increases in Council Tax, the new social care levy and business rates receipts.

| Local Government – Departmental Expenditure Limit (DEL)     |          |         |         |         |         |
|---|----------|---------|---------|---------|---------|
| Departmental Expenditure Limit                              | £Billion |         |         |         |         |
|   | 2015/16  | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Funding for Local Government                                | 11.5     | 9.6     | 7.4     | 6.1     | 5.4     |
| Locally financed expenditure*                               | 28.8     | 29.0    | 31.5    | 33.6    | 35.1    |
| Total Local Government Spending                             | 40.3     | 38.6    | 38.9    | 39.7    | 40.5    |
| Annual percentage reduction in funding for Local Government |          | 16.52%  | 22.92%  | 17.57%  | 11.48%  |
| Overall reduction in funding for Local Government           |          |         |         |         | 53.04%  |

### **3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT**

#### **3.1 Combined Spending Review & Autumn Statement 2015**

\* Treasury's own forecasts of the income to be raised from Council Tax, the New Social Care levy and Business rates.

3.1.3 The combined Spending Review and Autumn Statement 2015 announced additional funding for social care, but most of this funding was to come from other parts of local government. The Statement indicated a potential shift in funding from districts to social care and upper tier authorities.

3.1.4 The Summer Budget had announced that 3 million new apprenticeships would be created by 2020, funded by a levy on large employers. The Chancellor announced that, with effect from April 2017, he would introduce a new apprenticeship levy of 0.5% of an employer's pay bill. Every employer will receive a £15,000 allowance to offset against the levy – which means over 98% of all employers - and all businesses with pay bills of less than £3 million - will pay no levy at all. From April 2017, this is expected to cost the General Fund £41,000.

#### **3.2 2016/17 Local Government Finance Settlement**

3.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Greg Clark delivered the provisional Local Government Finance Settlement on the 17<sup>th</sup> December 2015. Consultation on the provisional settlement closed on the 15<sup>th</sup> January 2016. The provisional settlement elaborated on announcements already made in the Chancellor's combined Spending Review and Autumn Statement. In his speech, the Secretary of State Greg Clark confirmed the continuation of the austerity programme

*“... More savings need to be made as we finish the job of eliminating the remaining deficit...”*

3.2.2 The objectives of the 2016/17 provisional settlement were outlined in the speech as:

- *“the right to spend locally what they raise locally*
- *help with adult social care*
- *expenditure savings which recognise what has already been achieved*
- *recognition of the higher costs of providing services to sparsely populated rural areas*
- *encouragement for cost-saving innovation*
- *rewards for new homes*
- *complete transparency with regard to resource allocation*
- *a move beyond one-year-at-a-time budgeting. ....”*

### **3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT**

#### **3.2 2016/17 Local Government Finance Settlement**

The impact on this authority of the combined Spending Review and Autumn Statement and the 2016/17 Local Government Finance Settlement is summarised in the following sections.

#### **3.3 Four Year Settlements – An offer to all councils**

##### **3.3.1 In his speech, the Secretary of State announced**

*“ .....So in this settlement I do something else that local leaders have yearned for. For the first time ever, I offer a guaranteed budget to every council which desires one and which can demonstrate efficiency savings – for next year, and for every year of this Parliament. A 4-year budget to give certainty and confidence. “*

The Secretary of State for Communities and Local Government - Greg Clark

The government offers “any council that wishes to take it up a four-year funding settlement to 2019-20.” However, this is dependent of the publication of an efficiency plan. The Council intends to publish further details on the nature of the efficiency plan after final settlement.

#### **3.4 Council Tax Referendum**

##### **3.4.1 As part of settlement, the Secretary of State confirmed the referendum criteria:**

*‘So while this settlement maintains the core referendum threshold at 2%, the threshold for the lowest cost district councils will be £5 a year, so they aren’t punished for being economical while those who have spent more in the past are allowed to spend more now’*

The Secretary of State for Communities and Local Government - Greg Clark

##### **3.4.2 The options for the Council Tax increase are discussed in detail later in the report.**

#### **3.5 Revenue Support Grant**

##### **3.5.1 Revenue grant will be withdrawn from the Councils at a far greater rate than originally expected. The annual fall in Revenue Support Grant for 2016/17 is nearly £0.9m. The Councils had originally expected the grant to be withdrawn in a more measured way (over 4 years) with annual reductions of £400,000 (20% per year).**

The grant will be withdrawn over two years will the following impacts:

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.5 Revenue Support Grant

| Worthing Borough Council       | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--------------------------------|---------|---------|---------|---------|---------|---------|
|                                | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Original assumption            | 2,043   | 1,643   | 1226    | 817     | 409     | 0       |
| Draft settlement               | 2,043   | 1,193   | 453     | 8       | 0       | 0       |
| Additional withdrawal of grant |         | -450    | -773    | -809    | -409    | 0       |
| Decrease year on year (£)      |         | 850     |         |         |         |         |
| Decrease year on year (%)      |         | 41.61%  |         |         |         |         |

This will put greater pressure on the budgets in the first few years.

- 3.5.2 It should also be noted that the 2015-16 Council Tax Freeze Grant has been rolled into Revenue Support Grant (paid only to those authorities which qualified for the Council Tax freeze scheme in 2015-16), in the same way as the grant has in previous years. In effect the Freeze Grant will be subject to the same cut in funding as Revenue Support Grant

#### 3.6 New Homes Bonus (NHB)

- 3.6.1 Following the 2015/16 Settlement, the future of The New Homes Bonus was uncertain. As part of the provisional 2016/17 settlement speech, Greg Clark confirmed the continuation of New Homes Bonus, but with changes in the future.

*'The New Homes Bonus provides valuable funding, and, as importantly, encourages house building.*

*So I can announce today that I will extend the Bonus indefinitely, but with some changes, on which I am consulting'*

- 3.6.2 The provisional local government settlement proposed that the NHB scheme is modified with the following major features:

- (a) Previously NHB had been paid in 6 instalments. This is to be reduced to 4 instalments over 2 years.
- (b) NHB may be withheld if no Local Plan is submitted
- (c) Bonus may be reduced by between 50% and 100% if the scheme goes to appeal
- (d) Only growth over a certain limit will be included in the calculation (currently proposed at 0.25%)



### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.6 New Homes Bonus (NHB)

This is the subject of a separate consultation 'New Homes Bonus: sharpening the incentive' which is due to end on the 10<sup>th</sup> March 2016.

- 3.6.3 The retention of the New Homes Bonus will benefit those Councils who have capacity to build. Fortunately, there is significant house building in Worthing at present with the new homes being constructed at West Durrington and other sites. Consequently, the Council will benefit from significant additional income in 2016/17 and beyond.

|  | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--|---------|---------|---------|---------|---------|---------|
|  | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Original assumption  | 1,081   | 1,081   | 808     | 636     | 416     | 246     |
| Draft settlement   |         |         |         |         |         |         |
| Historic allocations                                       | 1,081   | 1,081   | 636     | 246     |         |         |
| 2016/17 allocation   |         | 518     | 518     | 518     | 518     |         |
| Potential future allocations                               |         |         | 360     | 720     | 970     | 1,220   |
| Total New Homes Bonus                                      | 1,081   | 1,599   | 1,514   | 1,484   | 1,488   | 1,220   |
| Increase (-) / decrease in grant from previous assumptions |         | 518     | 706     | 848     | 1,072   | 974     |

- 3.6.4 The New Homes Bonus has been an important source of funding. The 2016/17 allocation for this council is £1,599,440. It should be noted that the future allocations are indicative at this stage as the final details of the new scheme are dependent on the outcome of the consultation.

#### 3.7 Business Rates

- 3.7.1 Retained business rate (baseline funding) is marginally less than expected. In addition, in the later years the Councils will be expected to pay more over to the Government in Tariff as part of a national exercise to equalise resources. Overall the impact is likely to be:

|                                  | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|----------------------------------|---------|---------|---------|---------|---------|---------|
|                                  | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| <b>Worthing Borough Council</b>  |         |         |         |         |         |         |
| Original assumption              | 2,444   | 2,505   | 2,568   | 2,632   | 2,698   | 2,765   |
| Draft settlement                 |         |         |         |         |         |         |
| Baseline funding                 | 2,444   | 2,464   | 2,513   | 2,587   | 2,669   | 2,722   |
| Changes to 'tariff'              |         | 83      | 112     | 91      | -187    | -192    |
| Total Business Rates             | 2,444   | 2,547   | 2,625   | 2,678   | 2,482   | 2,530   |
| Increase / decrease (-) in grant |         | 42      | 57      | 46      | -216    | -235    |

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.8 Summary

3.8.1 In total the impact on the Councils planning assumptions are as follows (excludes changes to other grants):

|  | 2016/17    | 2017/18    | 2018/19   | 2019/20    | 2020/21    |
|--|------------|------------|-----------|------------|------------|
|  | £'000      | £'000      | £'000     | £'000      | £'000      |
| <b>Worthing Borough Council</b>                          |            |            |           |            |            |
| Revenue Support Grant                                    | -450       | -773       | -809      | -409       | 0          |
| New Homes Bonus  | 518        | 706        | 848       | 1,072      | 974        |
| Business Rates   | 42         | 57         | 46        | -216       | -235       |
| <b>Total increase / decrease (-) in expected funding</b> | <b>110</b> | <b>-10</b> | <b>85</b> | <b>447</b> | <b>739</b> |

3.8.2 In overall terms, the 2016/17 settlement revealed that District and Borough Councils were the second most heavily affected class of authority by an overall cut in funding of 16.96%, only marginally less than the most affected Shire County Councils without fire (17.13% drop). For districts, this is even greater than last year's drop of 15.34%.

#### YEAR-ON-YEAR CHANGE FOR THE 2016/17 SETTLEMENT

| Class of Local Authority      | 2015-16                                | 2016-17                       | Overall Reduction in funding |
|-------------------------------|--|-------------------------------|------------------------------|
|                               | Adjusted settlement Funding Assessment | Settlement Funding Assessment |                              |
|                               | £million                               | £million                      | %                            |
| <b>England</b>                | 21,249.94                              | 18,601.46                     | -12.46%                      |
| <b>London Area</b>            | 4,996.89                               | 4,555.10                      | -8.84%                       |
| <b>Metropolitan Areas</b>     | 5,597.71                               | 4,999.32                      | -10.69%                      |
| <b>Shire Areas</b>            | 10,652.06                              | 9,043.75                      | -15.10%                      |
| <b>London Area</b>            |  |                               |                              |
| London Boroughs               | 3,833.40                               | 3,398.55                      | -11.34%                      |
| GLA                           | 1,163.49                               | 1,156.56                      | -0.60%                       |
| <b>Metropolitan Areas</b>     |  |                               |                              |
| Metropolitan Districts        | 5,335.24                               | 4,751.58                      | -10.94%                      |
| Metropolitan Fire Authorities | 262.46                                 | 247.75                        | -5.61%                       |
| <b>Shire Areas</b>            |  |                               |                              |
| Shire unitaries with fire     | 372.76                                 | 321.61                        | -13.72%                      |
| Shire unitaries without fire  | 3,993.16                               | 3,459.31                      | -13.37%                      |
| Shire counties with fire      | 2,009.19                               | 1,677.09                      | -16.53%                      |
| Shire counties without fire   | 2,905.97                               | 2,408.24                      | -17.13%                      |
| <b>Shire districts</b>        | 951.09                                 | 789.80                        | -16.96%                      |
| Combined fire authorities     | 419.88                                 | 387.71                        | -7.66%                       |

3.8.3 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on Friday 15<sup>th</sup> January 2016 with final settlement expected by the 11<sup>th</sup> February 2016.

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

3.8.4 In previous years, there were few significant change at this late stage. However the late and unexpected amendments to the settlement methodology increase the likelihood of changes. If there are any significant changes arising from the final information members will be briefed before Council.

3.8.5 In addition to the local government finance settlement which is discussed fully above, the final matter than needs to be explored is the full forecast for Business Rates for the next five years.

#### 3.9 Business Rate Retention Scheme

3.9.1 The business rate retention scheme has now been in place for two years. There are two key features which members are reminded of

- There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum below baseline funding of £184,810.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over it's share of the business rate target.

For each additional £100,000 raised the Council will keep the following amounts:

|                 | Share of additional income | Additional Levy paid to Treasury | Kept locally |
|-----------------|----------------------------|----------------------------------|--------------|
|                 | £'000                      | £'000                            | £'000        |
| HM Treasury     | 50                         |                                  |              |
| County Council  | 10                         | 5                                | 5            |
| Borough Council | 40                         | 20                               | 20           |
|                 | <b>100</b>                 | <b>25</b>                        | <b>25</b>    |

3.9.2 The forecast for business rates has now been revised for the latest information on appeals, reliefs and changes to rateable values. Overall there has been an increase in the level of expected income due to new hereditaments and increasing rateable values:

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.9 Business Rate Retention Scheme –

| Worthing Borough Council  | 2016/17      | 2017/18      | 2018/19      | 2019/20      | 2020/21      |
|---|--------------|--------------|--------------|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| Total business rate income  | 37,913       | 39,163       | 40,428       | 41,788       | 43,164       |
| <b>Less:</b> Business rate reliefs awarded                            | -4,600       | -4,692       | -4,786       | -4,882       | -4,979       |
| Net business rate income  | 33,313       | 34,471       | 35,642       | 36,906       | 38,185       |
| <b>Less:</b>  |              |              |              |              |              |
| Write offs  | -54          | -56          | -58          | -60          | -62          |
| Appeals   | -580         | -592         | -603         | -616         | -628         |
| Net income  | 32,679       | 33,823       | 34,981       | 36,230       | 37,495       |
| <b>Less:</b> Share of income paid to Council for administration costs | -131         | -134         | -136         | -139         | -142         |
| Net income for purpose of income share calculation                    | 32,548       | 33,689       | 34,845       | 36,091       | 37,353       |
| Council share of income (40%)   | 13,019       | 13,476       | 13,938       | 14,436       | 14,941       |
| <b>Less:</b> Tariff   | -10,079      | -10,278      | -10,581      | -11,409      | -11,637      |
| Retained business rates   | 2,940        | 3,198        | 3,357        | 3,027        | 3,304        |
| <b>Add :</b> S151 grants paid directly to the General Fund            | 565          | 578          | 592          | 606          | 620          |
| Total income eligible for levy / safety net calculation               | 3,505        | 3,776        | 3,949        | 3,633        | 3,924        |
| Baseline funding  | -2,464       | -2,513       | -2,563       | -2,615       | -2,667       |
| Surplus / (deficit) business rates                                    | 1,041        | 1,263        | 1,386        | 1,018        | 1,257        |
| <b>Less:</b> Levy @ 50%*  | -521         | -631         | -694         | -508         | -628         |
| Additional retained business rates                                    | 520          | 632          | 692          | 510          | 629          |
| Share of estimated 2015/16 surplus                                    | -175         | 0            | 0            | 0            | 0            |
| Estimated surplus / deficit (-)                                       | 345          | 632          | 692          | 510          | 629          |
| Previous forecast   | 343          | 346          | 359          | 368          | 373          |
| Improvement / deterioration (-)                                       | 2            | 286          | 333          | 142          | 256          |

\*The levy is now retained by the business rate pool rather than paid over to the County Council.

3.9.3 The Council will fully provide for any known backdated business rates appeals at the 2015/16 year end. From 1<sup>st</sup> April 2015 appeals against rating assessments could no longer be backdated. As a result, the Council saw a considerable increase in appeals towards the end of 2014/15 as local business sought to submit appeals before the right to have claims backdated was removed. This has resulted in a deficit expected for 2015/16 which will be recovered in 2016/17.

### **3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT**

#### **3.9 Business Rate Retention Scheme**

3.9.4 Looking ahead, there have been several developments which have influence upon the rating income. Firstly, the new Premier Inn has opened with a valuation of £175,000 and by 2017/18 we expect both the new innovation centre and the extension to GlaxoSmithKline's building to be completed. These changes have resulted in additional income in the future years.

3.9.5 The forecast for 2016/17 is currently being finalised. The 2016/17 NNDR return which underpins this forecast is due to be submitted by the 31<sup>st</sup> January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.9.6 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures especially in light of the Government's commitment to return all of business rates to Local Government. Members will be aware that there are several schemes progressing within the Council which will create employment space. Examples include: Union Place and Teville Gate.

3.9.7 The Council is now participating in a County based business rates pool. The business rates pool has been approved by DCLG. Participating in the pool will enable the participating Councils to retain any 'levy' paid which will be set aside to fund economic regeneration initiatives within the County area. The equates to an estimated additional business rate income of £1.2m retained locally to benefit the residents of West Sussex.

3.9.8 Finally, it should be appreciated that there are a number of risks associated with the business rate forecast:

- It is difficult to establish the number of appeals which are likely to come forward in any given year. There is no time limit on when an appeal might be lodged.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible for mandatory rate relief which will reduce the Council's business rate income.
- The Councils have recently received mandatory rate relief claims from the local NHS trusts. Whilst the Council believes the trusts are not eligible for such financial support, until the legal position is clarified, there is a risk that the Council could lose 80% of its income from the NHS Trust sites.

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.9 Business Rate Retention Scheme

- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

3.9.9 Consequently there could be significant swings in the amount of business rate income in any one year. However, any shortfall in income will be recovered in the following financial year.

#### 3.10 Long term implications of current government policy

3.10.1 The financing of local government has fundamentally changed. We are moving from a grant based on need (Revenue Support Grant) to funding based on performance in the delivery of homes (New Homes Bonus) and the creation of employment space (Business Rate Retention Scheme). Consequently, the income from Council Tax forms a more significant proportion of the Council's overall income and so the decision regarding the annual increase has a greater strategic importance.

##### Breakdown of general income to the Council:

|                          | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--------------------------|---------|---------|---------|---------|---------|---------|
|                          | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Council Tax *            | 7,895   | 8,279   | 8,429   | 8,632   | 8,831   | 9,044   |
| Business Rates *         | 2,764   | 2,809   | 3,144   | 3,279   | 3,178   | 3,350   |
| Revenue Support Grant ** | 2,043   | 1,193   | 453     | 8       | 0       | 0       |
| New Homes Bonus          | 1,081   | 1,599   | 1,514   | 1,484   | 1,488   | 1,220   |
|                          | 13,917  | 13,764  | 13,772  | 13,559  | 13,493  | 13,424  |

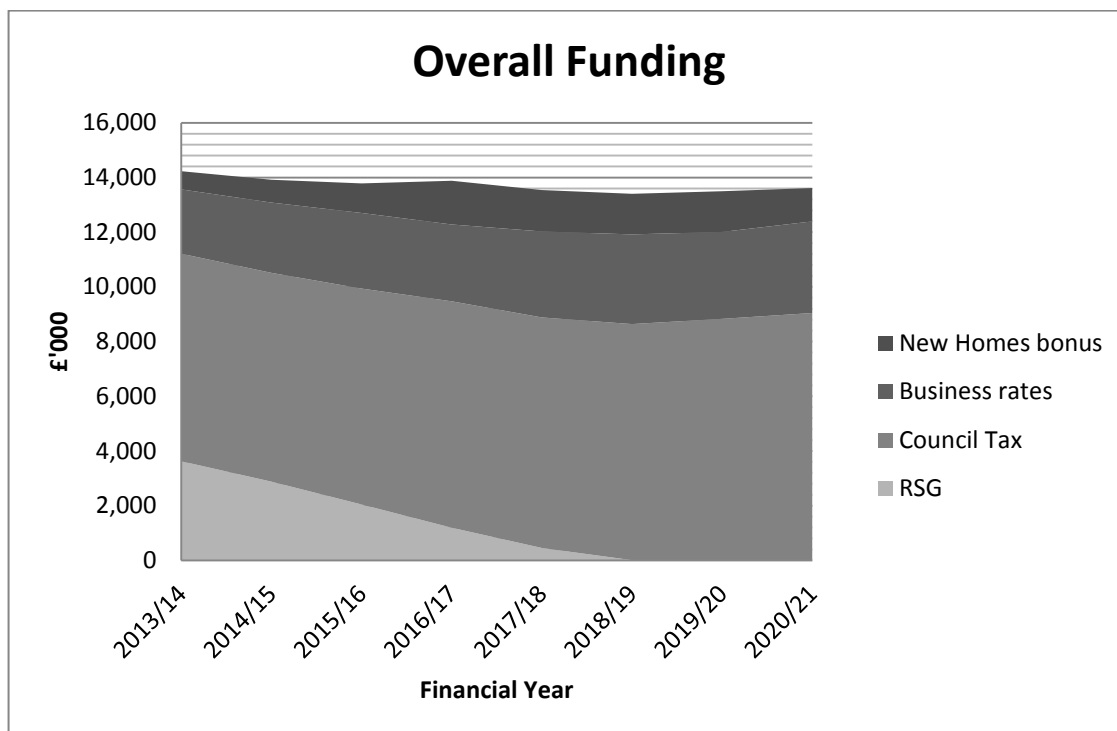
\* Includes any surplus or deficit on the collection fund

\*\* Includes the Council Tax Freeze Grant

|                          | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--------------------------|---------|---------|---------|---------|---------|---------|
| Council Tax *            | 53.34%  | 54.85%  | 57.29%  | 59.64%  | 62.25%  | 64.41%  |
| Business Rates *         | 16.53%  | 18.47%  | 20.05%  | 20.24%  | 23.22%  | 24.46%  |
| Revenue Support Grant ** | 25.46%  | 20.68%  | 14.82%  | 8.60%   | 3.35%   | 0.06%   |
| New Homes Bonus          | 4.67%   | 6.00%   | 7.84%   | 11.52%  | 11.18%  | 11.07%  |
| Total                    | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

### 3.0 COMBINED SPENDING REVIEW & AUTUMN STATEMENT 2015 AND 2016/17 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.10.3 Breakdown of general income to the Council:



### 4.0 2015/16 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to the Joint Strategic Committee on 3<sup>rd</sup> December 2015 projected an overspend for the year of £26,000

|  | Forecast Over/(Under) spend |
|--|-----------------------------|
|  | £'000                       |
| <b>Theatres</b><br>Additional staff recruited to generate income plus shortfall in catering operation.   | 132                         |
| <b>Development management</b><br>Underachievement of predicted income.   | 65                          |
| <b>Recycling</b><br>Increase in garden bin & green sack take up.   | (66)                        |
| <b>South Downs Leisure</b><br>Underachievement of savings due to Trust late start date & pension costs arising from actuarial valuation              | 236                         |
| <b>Financial Services</b><br>Savings from Treasury Management strategy, reduced borrowing arising from capital programme slippage, audit fee savings | (277)                       |
| <b>Balance Carried Forward</b>   | 90                          |

#### 4.0 2015/16 BUDGET – CURRENT POSITION

|  | Forecast<br>Over/(Under)<br>spend |
|--|-----------------------------------|
|  | £'000                             |
| <b>Balance bought forward</b>  | 90                                |
| <b>Public Conveniences</b><br>Public conveniences underspend.  | (65)                              |
| <b>Building Maintenance</b><br>Increased council properties maintenance costs – car parks emergency concrete works, Theatres fire risk assessments, Splashpoint vandalism corrective works | 100                               |
| <b>Pension</b><br>Underbilling by WSCC re Added Years costs dating back to 2008  | 127                               |
| <b>Vacancies</b><br>Staff vacancies throughout council being held for future restructures  | (224)                             |
| Net other variations   | (2)                               |
| <b>Forecast Overspend as at 3<sup>rd</sup> December 2015</b>   | <b>26</b>                         |

- 4.2 As at the end of the 2<sup>nd</sup> quarter, whilst there are some areas of concern within the Worthing Borough Council budget, these are mostly offset by Treasury Management gains. During 2015/16 more rigorous budget monitoring, involving the respective Executive Members of Resources, has taken place for Theatres and Parking. The trends identified as part of the monitoring during 2015/16 have been incorporated into the 2016/17 budgets.
- 4.3 On past evidence, spending patterns between the 2<sup>nd</sup> quarter budget monitoring and the end of the financial year have shown that it is likely that the position may improve as the year progresses. The final outturn for 2015/16 will be reported when the outturn report comes before the Joint Strategic Committee in July 2016. Any overspends will have to be funded from the Council's reserves. Any final recommendations must be deferred until the outturn results are known.

#### 5.0 DRAFT REVENUE ESTIMATES 2016/17

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,940,320. This includes the savings agreed at Joint Strategic Committee in December.
- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.



## 5.0 DRAFT REVENUE ESTIMATES 2016/17

- 5.3 The key question of how the net budget requirement of £13.94m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.4 Details of all of the main changes in the base budget from 2015/16 to 2016/17 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

|   | £'000  | £'000         |
|---|--------|---------------|
| <b>2015/16 Original Estimate</b>  |        | 13,704        |
| <b>Add: General Pay and Price Increases</b>   |        | 437           |
| <b>Add: Committed and Unavoidable Growth:</b>   |        |               |
| Increased Expenditure as per 3 year forecast<br>(net of any proposed use of reserves)   | 1,134  |               |
| Reduced Income as per 3 year forecast   | 63     |               |
| Impact of Capital Investment Programme  | 160    | 1,357         |
| <b>Less: Compensatory savings/Additional Income:</b>  |        |               |
| Additional income   |        | -6            |
| 2015/16 budget prior to agreed savings  |        | 15,492        |
| <b>Less: Savings agreed by members</b>  |        |               |
| Approved in December  | -1,667 |               |
| Final adjustment to saving arising from the<br>Housing restructure  | 10     |               |
| Final adjustment to the allocation of costs<br>between the Councils   | 45     |               |
|   |        | -1,612        |
| Executive Member requirements   |        | 13,880        |
| Potential contribution to reserves*   |        | -             |
| Potential budget requirement before external support  |        | 13,880        |
| Collection fund surplus   |        | -48           |
| <b>2016/17 BUDGET REQUIREMENT</b>   |        | <b>13,832</b> |
| *The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase. |        |               |

- 5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year.

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

5.6 As part of the review of the allocation of support services there have been some changes for individual services which are reflected in the detailed budgets. It is important to note that this does not change the overall cost of the support services to each Council, but that it does influence the size of the share that each service takes, the proportion allocated to the HRA, and the proportion borne by the General Fund and the Capital Investment Programme.

Further details can be provided by request from Jo-Anne Chang-Rogers (Finance Manager) or Sarah Gobey (Chief Financial Officer).

5.7 The current net estimated 2016/17 spend is more than previously predicted and is mainly due to the following factors:

|   | £'000 |
|---|-------|
| Reduction in Housing Benefit Administration Grant                                 | 40    |
| Introduction of the 0.5% apprenticeship levy                                      | 31    |
| Net Increase in insurance costs arising from 3% increase in Insurance Premium Tax | 11    |
| Temporary closure of Brooklands Golf Course                                       | 63    |

5.8 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £341,520, of which £48,460 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £56.4m, and is due to an improved level of income to the collection fund and a reduction in the cost of the Council Tax support scheme.

5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Which of the growth items in Appendix 3 to accept?

The decisions made today will be reflected in the budget papers presented to Council.

### 5.10 The Council Tax increase:

5.10.1 The budget forecast currently assumes that Council Tax will increase by just under 2.0% in 2016/17.

5.10.2 In the recent consultation the responses to increasing Council Tax were as follows.

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

### 5.10 The Council Tax increase:

| <b>Responses to 2016/17 potential Council Tax increase</b>                 | <b>%</b> |
|--|----------|
| A small increase which will help the Councils to protect priority services | 63.2     |
| To continue to freeze Council Tax and potentially reduce services          | 36.3     |
| Not answered   | 0.5      |
|  | 100.0    |

The consultation responses are similar to previous years which also indicated public support for a small increase.

5.10.3 A 1.96% uplift would be a modest increase in the District council share of the bill for 2015/16 as follows:

| <b>Worthing Borough Council</b>       | <b>£</b> |
|---------------------------------------|----------|
| Average Band D Council Tax in 2015/16 | 216.00   |
| Annual impact of 1.96% increase       | 4.23     |
| Amount per week                       | 0.08     |

5.10.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.44% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 3.95% increase, just under their permitted 4%. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just under 4%:

|                                      | <b>2015/16</b> | <b>2016/17<br/>(Indicative)</b> | <b>%</b> |
|--------------------------------------|----------------|---------------------------------|----------|
|                                      | <b>£</b>       | <b>£</b>                        |          |
| Worthing Borough Council             | 216.00         | 220.23                          | 1.96%    |
| West Sussex District Council         | 1,161.99       | 1,207.89                        | 3.95%    |
| Sussex Police and Crime Commissioner | 143.91         | 148.86                          | 3.44%    |
|                                      | 1,521.90       | 1,576.98                        | 3.62%    |

5.10.5 There are long term consequences to continuing to setting a Council Tax increase much lower than the maximum permitted 2%. This is particularly significant at the moment, given the scale of the reduction in Government funding that the Council will experience over the next 3 years.

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

### 5.10 The Council Tax increase:

| Worthing Borough Council   | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--|---------|---------|---------|---------|---------|
|  | £'000   | £'000   | £'000   | £'000   | £'000   |
| Council Tax income if Council Tax is increased by just under 2.0% every year | 8,231   | 8,429   | 8,632   | 8,831   | 9,044   |
| Council Tax income if Council Tax is frozen every year                       | 8,070   | 8,102   | 8,134   | 8,159   | 8,192   |
| Fall in income per annum if Council Tax is frozen                            | 161     | 327     | 498     | 672     | 852     |

5.10.6 Members are asked to consider which level of Council Tax increase that they support. Each 1% increase in Council Tax is worth £80,000 and increasing Council Tax by 1.96% will protect the longer term financial interests of the Council.

### 5.11 Uncommitted Growth Items:

5.11.1 Attached in Appendix 2 is a listing of the new uncommitted growth items which total £162,000. The current draft budget already includes an allowance of £90,000 for such items and so the net cost will be £72,000. Members are asked to consider which of the items should be included within the revenue estimates for 2016/17.

5.12 Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be:

|   |       |         |
|---|-------|---------|
| Net budget requirement                              | £'000 | £'000   |
|   |       | 13,940  |
| <b>Less:</b> Government grant                       | 1,193 |         |
| Baseline Funding                                    | 2,464 |         |
| Share of additional Business Rate income            | 346   |         |
| Council Tax (1.96% increase)                        | 8,229 |         |
| New Homes Bonus                                     | 1,599 |         |
| Council Tax Support Scheme                          | 60    |         |
| Administration Grant                                |       |         |
| Collection Fund surplus                             | 49    | -13,940 |
| Balanced budget based on 1.96% Council Tax increase |       | -       |
| Maximum impact of accepting the growth items        |       | 72      |
|   |       | 72      |
| <b>Maximum contribution from reserves</b>           |       | -72     |
|   |       | -       |

## 6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 1.96% tax increase for 2016/17 which is to be considered as part of this report). The difficult settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

|  | Expected shortfall (Cumulative) |         |         |         |         |
|--|---------------------------------|---------|---------|---------|---------|
|  | 2016/17                         | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|  | £'000                           | £'000   | £'000   | £'000   | £'000   |
| Cumulative budget shortfall                            | 1,612                           | 2,380   | 3,250   | 3,795   | 4,399   |
| <b>Less:</b>   |                                 |         |         |         |         |
| Net savings agreed in December and January             | -1,612                          | -1,612  | -1,612  | -1,612  | -1,612  |
| Impact of accepting all the growth items at appendix 2 | 72                              | 84      | -       | -       | -       |
| Potential contribution to reserves to be agreed        | -72                             | -       | -       | -       | -       |
| Adjusted cumulative budget shortfall                   | -                               | 852     | 1,638   | 2,183   | 2,787   |
| Savings required each year                             | -                               | 852     | 786     | 545     | 604     |

6.2 The continuation of the 'austerity measures' has had significant consequences for the Council. Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Council's services. There are potentially three benefits which flow from an improving economy and which will directly improve the council's financial position:

- Increased income from business rates which is discussed fully in section 3 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

The creation of a new major projects team last year is part of the strategy to further stimulate the local economy.

6.3 However, these measures are unlikely to be enough. The Council will also need to seek out new income generation opportunities and there will inevitably need to be a continuing emphasis on efficiency and value for money in the annual savings exercise. In addition, the Council will need to focus its scarce resources on key priorities.

## 7.0 RESERVES

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 77 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a (6%) contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31<sup>st</sup> March 2015 was £844,000 which was 6.1% of net revenue expenditure – just within the range of 6%-10% set by the Council.

The year-end level on the General Fund Working Balance for the foreseeable future, therefore, is estimated as follows:

|            |  | £'000 | %   |
|------------|--|-------|-----|
| 31.03.2016 | Balance carried forward – per Final Accounts | 844   | 6.1 |
| 31.03.2017 | No planned drawdown or contribution expected | 844   | 6.2 |
| 31.03.2018 | No planned drawdown or contribution expected | 844   | 6.3 |
| 31.03.2019 | No planned drawdown or contribution expected | 844   | 6.3 |

The reduction in revenue support grant and the resultant decrease in the Council's net spend means that the same level of working balance equates to a higher percentage of net revenue expenditure.

- 7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:

1. A further fall in interest rates of 0.5% would cost the Council in a region of £55,000 in 2016/17.

## 7.0 RESERVES

2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £132,000.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2016/17 of £832,800 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £1,388,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

- 7.5 The estimated balance of general fund earmarked reserves as at 31<sup>st</sup> March, 2016 is £2,073,000, although this reduces to £1,455,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 3. The significant risks to the overall budget and the Council's reserves are detailed below.
- 7.6 With a lower level of reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level has recovered to some extent.
- 7.7 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly. However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:
  - supporting one-off rather than recurring revenue expenditure;
  - dealing with short-term pressures in the revenue budget; and
  - managing risk to the Council's budget.

## 8.0 SIGNIFICANT RISKS

8.1 Members will be aware that there are several risks to the Council's overall budget. These can be summarised as follows:-

- (i) **Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2016/17, income may fall further than expected.
- (ii) **Withdrawal of funding by partners** - All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.
- (iii) **Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2016/17, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

|         | 1% increase |
|---------|-------------|
|         | £'000       |
| Pay     | 132         |
| Non-pay | 185         |

8.2 To help manage these risks, the council has a working balance of £844,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

## 9.0 CONSULTATION

9.1 The Council has undertaken a light touch consultation exercise this year. The consultation has taken the form of an on-line survey and leaflets placed in the main buildings.

9.2 The focus of this year's consultation was around the potential changes to Council Tax Reduction Scheme, and the level of Council Tax increase that the public would support. The results regarding the Council Tax increase are detailed in section 5.10 of the report.



## **10.0 UPDATE TO PRUDENTIAL INDICATORS**

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2016/17. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2016/17 and future years.
- 10.3 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These will be considered in detail in the report entitled 'Joint Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 to 2018/19 for Adur District Council and Worthing Borough Council', which is to be discussed at the Joint Strategic Committee on the 2<sup>nd</sup> February 2016.

## **11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER**

- 11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.
- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
- making prudent allowance in the estimates for each of the services, and in addition;
  - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

## 11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

### 11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
  - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
  - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
  - Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a diligent budget monitoring regime during 2015/16.

- 11.4 The Chief Financial Officer's overall view of the robustness of the estimates is, therefore, as follows:

*The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.*

## 12.0 COUNCIL TAX SETTING

- 12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Worthing Borough Council Tax will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Adur District.
- 12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2016/17 Budget, the resulting Council Tax for the Borough can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

## 12.0 COUNCIL TAX SETTING

### 12.3 Worthing Borough Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2016/17 prior to the consideration of the budget proposals. This is based on 1.96% Council Tax increase:

|  | £          | £                |
|--|------------|------------------|
| Net 2016/17 Budget *   |            | 13,940,320       |
| <b>Less:</b>   |            |                  |
| Aggregate External Finance:  |            |                  |
| Revenue Support Grant  | -1,193,380 |                  |
| Baseline Funding   | -2,464,180 |                  |
| Additional Retained Business Rate income                             | -345,440   |                  |
| New Homes Bonus  | -1,599,440 |                  |
| Council Tax Reduction Scheme   | -60,000    |                  |
| Administration Grant   |            |                  |
| Contribution from the Collection Fund surplus (as per paragraph 5.8) | -48,460    |                  |
|  |            | -5,710,900       |
| <b>Balance to be raised from Council Tax</b>                         |            | <b>8,229,420</b> |

\* 2016/17 budget requirement after any contribution to or from reserves required to balance the budget.

Within section 5 of the report, members are given the options for the Council Tax and approving the non-committed growth items. Any reduction in income resulting from a lower Council Tax increase would be funded from the reserves.

(b) **Council Tax Base**

The Council's Tax base for 2016/17 is 37,360.30 Band D equivalent properties. There is an increase to the current year base of 36,564.40 which is due to an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 6.

(d) **Worthing Borough Council Band D Council Tax**

Members are now asked to consider which level of Council Tax to set for 2016/17. A Council Tax increase of 1.96% will ensure that the Council has a balanced budget.

## 12.0 COUNCIL TAX SETTING

|                                 | 2015/16       | 2016/17<br>(1% increase) | 2016/17<br>(1.96% increase) |
|---------------------------------|---------------|--------------------------|-----------------------------|
|                                 | £             | £                        | £                           |
| <b>Worthing Borough Council</b> | <b>216.00</b> | <b>218.16</b>            | <b>220.23</b>               |
| Annual increase                 |               | 2.16                     | 4.23                        |
| Weekly increase                 |               | 0.04                     | 0.08                        |

### 12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 19<sup>th</sup> February, 2016. The Police and Crime Commissioner's proposed increase of around 3.44% is due to be considered by the Police and Crime Panel on 22<sup>nd</sup> January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 18<sup>th</sup> February 2016.

|                            | 2015/16<br>£    | 2016/17<br>£  |
|----------------------------|-----------------|---------------|
| West Sussex County Council | 1,161.99        | t.b.a.        |
| Sussex Police Authority    | 143.91          | t.b.a.        |
| <b>TOTAL</b>               | <b>1,305.90</b> | <b>t.b.a.</b> |

### 12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Borough Council at its meeting on 23<sup>rd</sup> February 2016.

## 13.0 CONCLUSION

- 13.1 This has been a very difficult settlement. The Council has seen the withdrawal of a significant amount of Revenue Support Grant. However, to meet this challenge the Council has identified over £1m of savings and is now in the position to set a balanced budget.
- 13.2 Looking further ahead, 2017-18 will be even more difficult as the Council expects another significant reduction in grant and has only limited opportunities to lever in New Homes Bonus. Consequently, the strategy of delivering income growth and efficiencies through the digital agenda assume a greater importance.
- 13.3 However, provided we meet this challenge, the Council will become increasingly financially resilient over the next 5 years as Revenue Support Grant disappears and we become largely funded by our community through Council Tax and Business Rates.

## **13.0 CONCLUSION**

- 13.4 The aims of Surf's Up are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 13.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 13.6 Finally, in preparing the strategy and forecast for 2016/17 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

## **14.0 RECOMMENDATIONS**

### **14.1 The Executive is recommended to:**

- (a) Approve the growth items detailed at appendix 2;**
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,940,320 , subject to any amendments above; and**
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2016/17 as set out in paragraph 12.3.**

## **Local Government Act 1972**

### **Background Papers :**

Report to the Joint Strategic Committee 7<sup>th</sup> July 2015 Outline forecast 2016/17 to 2020/21 and Budget Strategy

Report to the Joint Strategic Committee 3<sup>rd</sup> December 2015 Outline 5 year forecast and savings proposals.

## **Background Papers :**

Local Authority Finance (England) Settlement Revenue Support Grant for 2016/17 and Related Matters: DCLG Letters and associated papers of 17<sup>th</sup> December 2015.

Spending Review and Autumn Statement 2015. HM Treasury

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/479749/52229\\_Blue\\_Book\\_PU1865\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf)

Local Government Act 2003 and Explanatory Note

“Guidance Note on Local Authority Reserves and Balances” – LAAP Bulletin No. 77 - CIPFA -published in November 2008

Statement of Accounts 2014/15

Report to Joint Strategic Committee 3<sup>rd</sup> December 2015 – “2<sup>nd</sup> Revenue Budget Monitoring 2015/16

## **Contact Officer:**

Sarah Gobey,  
Chief Financial Officer  
Town Hall, Worthing  
Telephone No: (01903) 221221  
Email: [sarah.gobey@adur-worthing.gov.uk](mailto:sarah.gobey@adur-worthing.gov.uk).

**WORTHING BOROUGH COUNCIL - APPENDIX 1**  
**Revenue Budget Summary Statement 2015/16 - 2020/21**

|   | 2015/16<br>Base | 2016/17       | 2017/18       | 2018/19       | 2019/20       | 2020/21       |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | £'000           | £'000         | £'000         | £'000         | £'000         | £'000         |
| <b>Net Spending to be Financed from Taxation</b>                              |                 |               |               |               |               |               |
| <b>Base budget</b>  | <b>13,704</b>   | 13,704        | 13,704        | 13,704        | 13,704        | 13,704        |
| (a) <b>Annual Inflation</b>   |                 |               |               |               |               |               |
| Estimated inflation   |                 | 437           | 1,013         | 1,608         | 2,213         | 2,847         |
| (b) <b>One -off / non-recurring items</b>                                     |                 |               |               |               |               |               |
| Local Elections (not held once every four years)                              |                 | -             | (76)          | -             | -             | -             |
| (c) <b>Committed Growth</b>   |                 |               |               |               |               |               |
| Changes to National Insurance Contributions                                   |                 | 405           | 413           | 421           | 429           | 438           |
| Impact of Pension contribution increase                                       |                 | 97            | 99            | 101           | 103           | 105           |
| Housing condition survey - carried out once every 3 years                     |                 | -             | 9             | -             | -             | 9             |
| Additional maintenance costs associated with Splashpoint swimming pool        |                 | 60            | 60            | 60            | 60            | 60            |
| Impact of pension valuation for SDLT  |                 | 175           | 149           | 123           | 96            | 70            |
| Growth items identified by Heads of Service                                   |                 | 175           | 175           | 175           | 175           | 175           |
| Impact of employment levy   |                 | 41            | 41            | 41            | 41            | 41            |
| Loss of Housing Benefit Administration Grant                                  |                 | 42            | 42            | 42            | 42            | 42            |
| Closure of Brooklands Golf Course (reopens 2017/18)                           |                 | 63            | (35)          | (35)          | (35)          | (35)          |
| Increase in insurance costs arising from 3% increase in Insurance Premium Tax |                 | 11            | 11            | 11            | 11            | 11            |
| (e) <b>Impact of capital programme</b>  |                 |               |               |               |               |               |
| Financing costs - General Programme   |                 | 130           | 263           | 408           | 526           | 648           |
| Financing costs - Refuse and Recycling vehicles                               |                 | 29            | 125           | 125           | 125           | 125           |
| Financing costs - Addition to the capital programme                           |                 | 1             | 4             | 4             | 4             | 4             |
| (f) <b>Additional income</b>  |                 |               |               |               |               |               |
| Investment income   |                 | (6)           | (55)          | (113)         | (180)         | (209)         |
| (g) <b>Agreed Savings</b>   |                 |               |               |               |               |               |
| Splashpoint - Impact of sale of Aquarena site                                 |                 | -             | (150)         | (150)         | (150)         | (150)         |
| (h) <b>Approved Growth items</b>  |                 |               |               |               |               |               |
| Major Projects Team   |                 | 38            | 38            | 38            | 38            | 38            |
| Provision for new growth items  |                 | 90            | 90            | 90            | 90            | 90            |
| <b>Total Cabinet Member Requirements</b>                                      | <b>13,704</b>   | <b>15,492</b> | <b>15,920</b> | <b>16,653</b> | <b>17,292</b> | <b>18,013</b> |
| <b>Total Cabinet Member Requirements b/fwd</b>                                | <b>13,704</b>   | <b>15,492</b> | <b>15,920</b> | <b>16,653</b> | <b>17,292</b> | <b>18,013</b> |
| <b>Baseline funding</b>   | 2,444           | 2,464         | 2,513         | 2,587         | 2,669         | 2,722         |
| <b>Add: Net retained additional business rates</b>                            | 234             | 520           | 631           | 692           | 509           | 629           |
| <b>Add: Share of 2014/15 surplus /deficit (-)</b>                             | -               | (175)         | -             | -             | -             | -             |
| <b>Adjusted Baseline funding</b>  | <b>2,678</b>    | <b>2,809</b>  | <b>3,144</b>  | <b>3,279</b>  | <b>3,178</b>  | <b>3,351</b>  |

**WORTHING BOROUGH COUNCIL - APPENDIX 1**  
**Revenue Budget Summary Statement 2015/16 - 2020/21**

|   | 2015/16<br>Base | 2016/17       | 2017/18       | 2018/19       | 2019/20       | 2020/21       |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | £'000           | £'000         | £'000         | £'000         | £'000         | £'000         |
| <b>Revenue Support Grant</b>  | 2,043           | 1,193         | 453           | 8             | -             | -             |
| <b>Council Tax income</b>   |                 |               |               |               |               |               |
| Adjusted Council Tax income   | 7,898           | 8,231         | 8,429         | 8,632         | 8,831         | 9,044         |
| Council Tax Freeze grant 2015/16  | 86              | -             | -             | -             | -             | -             |
| New homes bonus (2011/12 - 2016/17)   | 273             | 273           | -             | -             | -             | -             |
| New homes bonus (2012/13 - 2017/18)   | 172             | 172           | -             | -             | -             | -             |
| New homes bonus (2013/14 - 2018/19)   | 220             | 220           | 220           | -             | -             | -             |
| New homes bonus (2014/15 - 2019/20)   | 170             | 170           | 170           | -             | -             | -             |
| New homes bonus (2015/16 - 2020/21)   | 246             | 246           | 246           | 246           | -             | -             |
| New homes bonus (2016/17 -2019/20)  | -               | 518           | 518           | 518           | 518           | -             |
| New homes bonus (2017/18 - 2020/21)   | -               | -             | 360           | 360           | 360           | 360           |
| New homes bonus (2018/19- 2021/22)  | -               | -             | -             | 360           | 360           | 360           |
| New homes bonus (2019/20 - 2022/23)   | -               | -             | -             | -             | 250           | 250           |
| New homes bonus (2020/21 - 2023/24)   | -               | -             | -             | -             | -             | 250           |
| Total NHB   | 1,081           | 1,599         | 1,514         | 1,484         | 1,488         | 1,220         |
| Collection fund surplus/deficit (-)   | (3)             | 48            | -             | -             | -             | -             |
| Total other grants and contributions  | 1,164           | 1,647         | 1,514         | 1,484         | 1,488         | 1,220         |
| <b>Total Income from Taxation</b>   | <b>13,783</b>   | <b>13,880</b> | <b>13,540</b> | <b>13,403</b> | <b>13,497</b> | <b>13,615</b> |
| <b>(Surplus) / Shortfall in Resources</b>   | <b>(79)</b>     | <b>1,612</b>  | <b>2,380</b>  | <b>3,250</b>  | <b>3,795</b>  | <b>4,398</b>  |
| <b>Use of / (contribution to) Res'ves to Balance Budget</b>                       |                 |               |               |               |               |               |
| Capacity issues reserve   | (79)            | -             | -             | -             | -             | -             |
| <b>Total Income from Reserves</b>   | <b>(79)</b>     | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>AMOUNT REQUIRED TO BALANCE BUDGET</b>  | <b>-</b>        | <b>1,612</b>  | <b>2,380</b>  | <b>3,250</b>  | <b>3,795</b>  | <b>4,398</b>  |
| <b>CLT - Strategic Initiatives to balance the budget</b>                          |                 |               |               |               |               |               |
| <b>Commercial activities and commissioning</b>                                    |                 |               |               |               |               |               |
| Commercial and Customer Board   |                 | 508           | 508           | 508           | 508           | 508           |
| <b>Efficiency Measures</b>  |                 |               |               |               |               |               |
| Digital Strategy Board  |                 | 118           | 118           | 118           | 118           | 118           |
| <b>Restructures and service plan savings not included above</b>                   |                 |               |               |               |               |               |
| Identified in December  |                 | 1,041         | 1,041         | 1,041         | 1,041         | 1,041         |
| Final adjustment to saving arising from the restructure of the Housing Department |                 | (10)          | (10)          | (10)          | (10)          | (10)          |
| <b>Final adjustment to allocations between the two Councils</b>                   |                 | (45)          | (45)          | (45)          | (45)          | (45)          |
|   |                 | <b>1,612</b>  | <b>1,612</b>  | <b>1,612</b>  | <b>1,612</b>  | <b>1,612</b>  |
| <b>Savings still to be found/ (surplus)</b>                                       |                 | <b>-</b>      | <b>768</b>    | <b>1,638</b>  | <b>2,183</b>  | <b>2,786</b>  |
| Council Tax increase  |                 | 2.00%         | 2.00%         | 2.00%         | 2.00%         | 2.00%         |
| Average annual increase (Band D property)   |                 | £4.23         | £4.31         | £4.40         | £4.49         | £4.58         |
| Average weekly increase (Band D property)   |                 | £0.08         | £0.08         | £0.08         | £0.09         | £0.09         |



| Non-Committed growth   | When / Value? |         |        | 2016/17   |            |          |       |
|--|---------------|---------|--------|-----------|------------|----------|-------|
|  | 2016/17       | 2017/18 | Beyond | Adur - GF | Adur - HRA | Worthing | Total |
|  | £'000         | £'000   | £'000  | £'000     | £'000      | £'000    | £'000 |
| <b>DIGITAL AND RESOURCES DIRECTORATE</b>   |               |         |        |           |            |          |       |
| <b><u>Digital &amp; Design:</u></b>  |               |         |        |           |            |          |       |
| Provision for new digital strategy to move systems to the cloud  | 100.0         | 100.0   | 0.0    | 36.0      | 10.0       | 54.0     | 100.0 |
| <b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>  |               |         |        |           |            |          |       |
| i) Take advantage of economies of scale from Cloud providers.<br>Improved business continuity and system accessibility for users                                     |               |         |        |           |            |          |       |
| <b><i>Implication of unsuccessful bid</i></b>  |               |         |        |           |            |          |       |
| Continue to be reliant on own servers, continue with existing business continuity issues. Unable to lever in the potential financial benefits arising from the move. |               |         |        |           |            |          |       |
| <b><u>Finance</u></b>  |               |         |        |           |            |          |       |
| Business Development Fund  | 75.0          | 75.0    | 75.0   | 30.0      |            | 45.0     | 75.0  |
| <b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>  |               |         |        |           |            |          |       |
| i) Resources to provide capacity for funding business case for potential income generating or cost savings schemes   |               |         |        |           |            |          |       |
| <b><i>Implication of unsuccessful bid</i></b>  |               |         |        |           |            |          |       |
| As reserves become more depleted it is becoming more difficult to fund new initiatives. Potential income generating schemes will not be initiated or developed.      |               |         |        |           |            |          |       |

| Non-Committed growth  | When / Value? |         |        | 2016/17   |            |          |       |
|---|---------------|---------|--------|-----------|------------|----------|-------|
|   | 2016/17       | 2017/18 | Beyond | Adur - GF | Adur - HRA | Worthing | Total |
|   | £'000         | £'000   | £'000  | £'000     | £'000      | £'000    | £'000 |
| <b><u>ECONOMY DIRECTORATE</u></b>   |               |         |        |           |            |          |       |
| <b><u>Place &amp; Investment:</u></b>   |               |         |        |           |            |          |       |
| Funding for condition surveys on proposed investments acquired by the Strategic Property Investment Fund  | 25.0          | 25.0    | 25.0   | 10.0      |            | 15.0     | 25.0  |
| <b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>   |               |         |        |           |            |          |       |
| i) Ensure that investment in property & potential for income generation is sound  |               |         |        |           |            |          |       |
| <b><i>Implication of unsuccessful bid</i></b>   |               |         |        |           |            |          |       |
| Unable to purchase property to deliver income streams or at miscalculate income potential due to less thorough survey   |               |         |        |           |            |          |       |
| <b><u>CUSTOMER SERVICES</u></b>   |               |         |        |           |            |          |       |
| <b><u>Creation of additional posts within Customer Services</u></b>   | 54.0          | 65.0    | 0.0    | 19.4      | 5.0        | 29.6     | 54.0  |
| The Customer Contact team is currently over-stretched. Benchmarking has been undertaken which reveals that the team is not sufficiently resourced to meet the demands currently placed upon it. It is proposed to build capacity in the team for the next 2 years whilst the team stabilised and undergoes transformational activity. |               |         |        |           |            |          |       |
| <b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>   |               |         |        |           |            |          |       |
| Improved capacity within the Customer Service Directorate teams   |               |         |        |           |            |          |       |
| <b><i>Implication of unsuccessful bid</i></b>   |               |         |        |           |            |          |       |
| Insufficient staff to deal with customer demand   |               |         |        |           |            |          |       |

| Non-Committed growth  | When / Value? |         |        | 2016/17   |            |          |       |
|---|---------------|---------|--------|-----------|------------|----------|-------|
|   | 2016/17       | 2017/18 | Beyond | Adur - GF | Adur - HRA | Worthing | Total |
|   | £'000         | £'000   | £'000  | £'000     | £'000      | £'000    | £'000 |
| <b>CHIEF EXECUTIVE</b>  |               |         |        |           |            |          |       |
| <b>Policy Officer</b><br>Support to the Chief Executive to respond to new Government initiatives. For example, the new Devolution Deals<br><br><b>Benefit/deliverables (outputs, impact on financial savings)</b><br>The Council will be better placed to respond to new Government Policy initiatives and will be able to lobby more effectively.<br><br><b>Implication of unsuccessful bid</b><br>Council misses opportunities presented by new Government initiatives. | 34.1          | 45.5    | 45.5   | 12.3      | 3.4        | 18.4     | 34.1  |
|   | 288.1         | 310.5   | 145.5  | 107.7     | 18.4       | 162.0    | 288.1 |
| <b>less - Current allowance for committed growth Items</b>  | 150.0         | 150.0   | 150.0  | 60.0      |            | 90.0     | 150.0 |
| <b>Additional resources required over that already allowed for within the budgets</b>   | 138.1         | 160.5   | -4.5   | 47.7      | 18.4       | 72.0     | 138.1 |

**SCHEDULE OF EARMARKED RESERVES**

| Reserve |  | Balance as at 01.04.15 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.17 |
|---------|--|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
|         |  | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 1.      | <b>CAPACITY ISSUES RESERVE</b>   | 890                    | 79                    | (744)               | 225                             |                       | -                   | 225                             |
|         | <b>Purpose:</b>  |                        |                       |                     |                                 |                       |                     |                                 |
|         | The Capacity Issues Reserve was set up in 2005/06 to give the Council scope to deal with a range of cost pressures expected to arise from 2006/07 onwards. |                        |                       |                     |                                 |                       |                     |                                 |
| 3.      | <b>INSURANCE RESERVE</b>   | 461                    | 26                    | (80)                | 407                             | 26                    | -                   | 433                             |
|         | <b>Purpose:</b>  |                        |                       |                     |                                 |                       |                     |                                 |
|         | The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.               |                        |                       |                     |                                 |                       |                     |                                 |

**C = Capital Contribution**

| SCHEDULE OF EARMARKED RESERVES   |                        |                       |                     |                                 |                       |                     |                                 |
|--|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
| Reserve  | Balance as at 01.04.15 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.17 |
|  | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 4. <b>JOINT HEALTH PROMOTION</b>   | 22                     | -                     | (12)                | 10                              | -                     | -                   | 10                              |
| <b>Purpose:</b>  |                        |                       |                     |                                 |                       |                     |                                 |
| The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.  |                        |                       |                     |                                 |                       |                     |                                 |
| 5. <b>LEISURE LOTTERY AND OTHER PARTNERSHIP</b>  | 78                     | -                     | -                   | 78                              | -                     | -                   | 78                              |
| <b>Purpose:</b>  | <b>C</b>               |                       |                     |                                 |                       |                     |                                 |
| The Leisure, Lottery and Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies and other funding agencies and organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid and the Football Foundation bid. |                        |                       |                     |                                 |                       |                     |                                 |
| <b>C = Capital Contribution</b>  |                        |                       |                     |                                 |                       |                     |                                 |

## SCHEDULE OF EARMARKED RESERVES

| Reserve   | Balance as at 01.04.15 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.17 |
|---|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
|   | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 6. <b>MUSEUM RESERVE</b><br><b>Purpose:</b><br>The Museum Reserve was established in 1993/94 to support the overall service aims of the Museum and Art Gallery on occasions where annual budgets do not allow the work of the Museum and Art Gallery to progress in a manner which will contribute to achieving these aims. | 107                    | -                     | -                   | 107                             | -                     | -                   | 107                             |
| 7. <b>THEATRE TICKET LEVY</b><br><b>Purpose:</b><br>Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.   | 35                     | 60                    | (23)                | 72                              | 80                    | (143)               | 9                               |
| 8. <b>PLANNING DELIVERY GRANT RESERVE</b><br><b>Purpose:</b><br>The Planning Delivery Grant was set up in 2006/07 to carry forward grant received in previous years, which has been approved by Cabinet to be spent on specific planning initiatives.   | 98                     | -                     | (69)                | 29                              | -                     | -                   | 29                              |
| <b>C = Capital Contribution</b>   |                        |                       |                     |                                 |                       |                     |                                 |

| SCHEDULE OF EARMARKED RESERVES  |  |                        |                       |                     |                                 |                       |                     |                                 |
|---------------------------------|--|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
| Reserve                         |  | Balance as at 01.04.15 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.17 |
|                                 |  | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 9.                              | <b>SPECIAL AND OTHER EMERGENCY EXPENDITURE</b>   | 42                     | -                     | -                   | 42                              | -                     | -                   | 42                              |
|                                 | <b>Purpose:</b>  |                        |                       |                     |                                 |                       |                     |                                 |
|                                 | The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise. |                        |                       |                     |                                 |                       |                     |                                 |
| 12.                             | <b>CAPITAL EXPENDITURE RESERVE</b>   | 73                     | -                     | -                   | 73                              | -                     | -                   | 73                              |
| <b>C = Capital Contribution</b> |  |                        |                       |                     |                                 |                       |                     |                                 |

|                                       |
|---------------------------------------|
| <b>SCHEDULE OF EARMARKED RESERVES</b> |
|---------------------------------------|

| Reserve                                 | Balance as<br>at 01.04.15 | Planned<br>Contributions | Planned<br>Withdrawals | Forecast<br>Balance as<br>at 01.04.16 | Planned<br>Contributions | Planned<br>Withdrawals | Forecast<br>Balance as<br>at 31.03.17 |
|---|---------------------------|--------------------------|------------------------|---------------------------------------|--------------------------|------------------------|---------------------------------------|
|   | £'000                     | £'000                    | £'000                  | £'000                                 | £'000                    | £'000                  | £'000                                 |
| 13. <b>GRANTS &amp; CONTRIBUTIONS</b>   | 477                       | -                        | -                      | 477                                   | -                        | -                      | 477                                   |
| Held in reserves*                       |                           |                          |                        |                                       |                          |                        |                                       |
| 14. <b>PROJECTED UNDERSPEND</b>         | -                         | -                        | -                      | -                                     | -                        | -                      | -                                     |
| Reserves to be identified at outturn.   |                           | *see below               |                        |                                       |                          |                        |                                       |
| 15. <b>GENERAL FUND WORKING BALANCE</b> | 844                       | -                        | -                      | 844                                   | -                        | -                      | 844                                   |
| <b>TOTAL</b>                            | <b>3,127</b>              | <b>165</b>               | <b>(928)</b>           | <b>2,364</b>                          | <b>106</b>               | <b>(143)</b>           | <b>2,327</b>                          |

**C = Capital Contribution - \* Contribution to be confirmed at the year-end**



| PROPERTY ANALYSIS AND CALCULATION OF TAX BASE                   |             |                 |                  |                  |                 |                 |                 |                 |              |                  |
|---|-------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|--------------|------------------|
| Properties  | Band A -    | Band A          | Band B           | Band C           | Band D          | Band E          | Band F          | Band G          | Band H       | Total            |
| Ratio to Band D   | 5/9         | 6/9             | 7/9              | 8/9              | 9/9             | 11/9            | 13/9            | 15/9            | 18/9         |                  |
| Number of Dwellings   | 0.00        | 7,593.00        | 11,020.00        | 12,773.00        | 9,114.00        | 5,325.00        | 2,318.00        | 888.00          | 25.00        | 49,056.00        |
| Less: Exemptions  | 0.00        | -144.00         | -140.00          | -113.00          | -98.00          | -66.00          | -12.00          | -6.00           | 0.00         | -579.00          |
|   | 0.00        | 7,449.00        | 10,880.00        | 12,660.00        | 9,016.00        | 5,259.00        | 2,306.00        | 882.00          | 25.00        | 48,477.00        |
| Disabled Relief Adjustment (net)                                | 6.00        | 34.00           | 17.00            | -10.00           | 7.00            | -28.00          | 9.00            | -17.00          | -18.00       | 0.00             |
| <b>Chargeable Dwellings</b>                                     | <b>6.00</b> | <b>7,483.00</b> | <b>10,897.00</b> | <b>12,650.00</b> | <b>9,023.00</b> | <b>5,231.00</b> | <b>2,315.00</b> | <b>865.00</b>   | <b>7.00</b>  | <b>48,477.00</b> |
| <b>Broken down as follows:</b>                                  |             |                 |                  |                  |                 |                 |                 |                 |              |                  |
| Full Charge   | 2.00        | 2,480.00        | 5,919.00         | 8,592.00         | 6,516.00        | 4,060.00        | 1,890.00        | 706.00          | 4.00         | 30,169.00        |
| 25% Discount (Including Adj for SP dis)                         | 4.00        | 4,940.00        | 4,928.00         | 4,035.00         | 2,474.00        | 1,153.00        | 382.00          | 128.00          | 0.00         | 18,044.00        |
| 50% Discount  | 0.00        | 79.00           | 119.00           | 139.00           | 113.00          | 68.00           | 58.00           | 44.00           | 3.00         | 623.00           |
| 0% Discount (Long Term Empty Homes)                             | 0.00        | 279.00          | 229.00           | 129.00           | 75.00           | 62.00           | 24.00           | 11.00           | 0.00         | 809.00           |
| <b>Total Equivalent Number of Dwellings</b>                     | <b>5.00</b> | <b>6,227.50</b> | <b>9,652.50</b>  | <b>11,628.75</b> | <b>8,388.00</b> | <b>4,933.75</b> | <b>2,198.00</b> | <b>817.50</b>   | <b>5.50</b>  | <b>43,856.50</b> |
| Reduction in tax base due to Council Tax Support                | 2.20        | 1,459.90        | 1,501.80         | 1,065.50         | 391.30          | 117.60          | 22.60           | 5.20            | 0.00         | 4,566.10         |
| <b>Adjusted equivalent total dwellings</b>                      | <b>2.80</b> | <b>4,767.60</b> | <b>8,150.70</b>  | <b>10,563.25</b> | <b>7,996.70</b> | <b>4,816.15</b> | <b>2,175.40</b> | <b>812.30</b>   | <b>5.50</b>  | <b>39,290.40</b> |
| <b>Band D Equivalents</b>                                       |             |                 |                  |                  |                 |                 |                 |                 |              |                  |
| Revenue Support Settlement                                      | 1.60        | 3,178.40        | 6,339.50         | 9,389.60         | 7,996.70        | 5,886.40        | 3,142.20        | 1,353.80        | 11.00        | 37,299.20        |
| Add: Forecast new homes   | 0.00        | 13.30           | 40.10            | 184.40           | 59.50           | 2.40            | 0.70            | 0.70            | 0.00         | 301.10           |
| Add: Second Homes   | 0.00        | 0.00            | 0.00             | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00         | 0.00             |
| Less: Adjustments for Losses on Collection, and Void Properties | 0.00        | 0.00            | 0.00             | 0.00             | 240.00          | 0.00            | 0.00            | 0.00            | 0.00         | 240.00           |
| <b>COUNCIL TAX BASE</b>   | <b>1.60</b> | <b>3,191.70</b> | <b>6,379.60</b>  | <b>9,574.00</b>  | <b>7,816.20</b> | <b>5,888.80</b> | <b>3,142.90</b> | <b>1,354.50</b> | <b>11.00</b> | <b>37,360.30</b> |
| <b>ADJUSTED COUNCIL TAX BASE</b>                                |             |                 |                  |                  |                 |                 |                 |                 |              | <b>37,360.30</b> |

## **DECISION**

The following appendices have been updated to reflect the recommendations from Executive as laid out in the Record of Decisions.

### **DECISION THE EXECUTIVE**

- (a) Approve the growth items detailed at appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2016/17 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,940,320, subject to any amendments above; and
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2016/17 as set out in paragraph 12.3.

### **The Chief Financial Officer reported verbally at the Executive meeting that:**

Final settlement has been received. The Council will receive a transition Grant of £99,860, which will remove the need to fund an element of the growth items from reserves (£72,000). The residual amount of £27,860 will be placed in the Business Development Fund to resource one-off projects during 2016/17.

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**APPENDIX 5**  
**CIVIC BUDGET TABLE 2016/17**  
**Summary of Executive Member Requirements**

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**INDIVIDUAL MEMBER PORTFOLIOS**  
**Summary and Variance Pages**

**WORTHING BUDGET 2016/2017**  
**Summary of Executive Member Portfolios**



**APPENDIX 5**

| <b>EXECUTIVE PORTFOLIO</b>  | <b>ESTIMATE<br/>2015/2016</b> | <b>ESTIMATE<br/>2016/2017</b> |
|---|-------------------------------|-------------------------------|
|   | <b>£</b>                      | <b>£</b>                      |
| Environment   | 3,265,280                     | 3,201,790                     |
| Health and Wellbeing  | 1,225,000                     | 1,225,150                     |
| Customer Services   | 3,981,290                     | 4,625,800                     |
| Leader  | 883,980                       | 996,520                       |
| Regeneration  | 2,296,610                     | 2,605,470                     |
| Resources   | 2,782,420                     | 3,014,020                     |
| Support Services Depreciation Not Charged To Services                   | 864,510                       | 248,130                       |
| <b>NET SERVICE EXPENDITURE</b>  | <b>15,299,090</b>             | <b>15,916,880</b>             |
| Credit Back Depreciation / Impairments                                  | (2,738,770)                   | (3,272,280)                   |
| Minimum Revenue Provision   | 1,221,070                     | 1,307,770                     |
|   | <b>13,781,390</b>             | <b>13,952,370</b>             |
| Transfer to / from Reserves   | (17,190)                      | 86,250                        |
| Balance Available to Transfer To / (From) Reserves                      | 79,280                        | -                             |
| <b>Total budget requirement before external support from government</b> | <b>13,843,480</b>             | <b>14,038,620</b>             |
| Baseline Funding  | (2,443,810)                   | (2,464,180)                   |
| Additional business rate income   | (234,000)                     | (345,440)                     |
| Revenue Support Grant   | (2,043,070)                   | (1,193,380)                   |
| Transition Grant  | -                             | (99,860)                      |
| Council Tax Reduction Scheme Grant                                      | (60,000)                      | (60,000)                      |
| Council Tax Freeze Grant  | (85,710)                      | -                             |
| Other unfenced grants (New homes bonus & Ctax Transition)               | (1,080,890)                   | (1,599,440)                   |
| Contribution to/ (from) Collection Fund                                 | 1,910                         | (48,460)                      |
| <b>Amount required from Council Tax</b>                                 | <b>7,897,910</b>              | <b>8,227,860</b>              |
| Council Tax Base  | <b>36,564.4</b>               | <b>37,360.3</b>               |
| <b>Average Band D Council Tax - Worthing Borough</b>                    | <b>216.00</b>                 | <b>220.23</b>                 |
| % increase  | -                             | 1.96%                         |

| SERVICE                                  | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b> |                       |                       |
| <b>Business and Technical Services</b>   |                       |                       |
| Engineering                              | 57,370                | 55,520                |
| Surveying & Design                       | 428,130               | 351,800               |
|  | <b>485,500</b>        | <b>407,320</b>        |
| <b>DIRECTOR OF COMMUNITIES</b>           |                       |                       |
| <b>Environment</b>                       |                       |                       |
| Allotments                               | 59,200                | 61,940                |
| Cemeteries                               | 98,780                | 103,460               |
| Crematorium                              | (1,228,840)           | (1,449,360)           |
| Environmental Health - Domestic          | 89,020                | 86,370                |
| Pest Control                             | 67,770                | 26,790                |
| Parks                                    | 1,690,760             | 1,649,170             |
|  | <b>776,690</b>        | <b>478,370</b>        |
| <b>Leisure</b>                           |                       |                       |
| South Downs Leisure                      | 674,730               | 1,317,120             |
|  | <b>674,730</b>        | <b>1,317,120</b>      |
| <b>Wellbeing</b>                         |                       |                       |
| Community Wellbeing                      | 143,990               | 131,290               |
| Environmental Health - Domestic          | 147,770               | 161,810               |
|  | <b>291,760</b>        | <b>293,100</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>     |                       |                       |
| <b>Waste and Cleansing</b>               |                       |                       |
| Abandoned Vehicles                       | 34,040                | 31,220                |
| Clinical Waste                           | 38,090                | 28,880                |
| Compliance                               | (1,700)               | (1,730)               |
| Graffiti                                 | 19,750                | 4,610                 |
| Parking                                  | (812,070)             | (858,520)             |
| Recycling                                | (158,710)             | (327,390)             |
| Refuse                                   | 1,421,990             | 1,382,200             |
| Street Cleansing                         | 758,710               | 764,270               |
| Trade Refuse                             | (266,090)             | (318,290)             |
| Vehicle Workshop                         | 2,590                 | 630                   |
|  | <b>1,036,600</b>      | <b>705,880</b>        |
|  |                       |                       |
| <b>TOTAL ENVIRONMENT PORTFOLIO</b>       | <b>3,265,280</b>      | <b>3,201,790</b>      |

**WORTHING - ENVIRONMENT PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS**



| SERVICE / ACTIVITY                        | Employees          | Direct Recharges | Premises         | Transport       | Supplies & Services | Third Party      | Income             | Service Controlled Budget | Support          | Capital Charges  | TOTAL BUDGET     |
|---|--------------------|------------------|------------------|-----------------|---------------------|------------------|--------------------|---------------------------|------------------|------------------|------------------|
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> | £                  |                  | £                | £               | £                   | £                | £                  | £                         | £                | £                | £                |
| <b>Business and Technical Services</b>    |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Engineering                               | -                  | 28,210           | 22,840           | -               | -                   | -                | -                  | 51,050                    | 4,470            | -                | 55,520           |
| Surveying & Design                        | -                  | 46,550           | 247,830          | -               | -                   | -                | (570)              | 293,810                   | 7,240            | 50,750           | 351,800          |
| <b>DIRECTOR OF COMMUNITIES</b>            |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| <b>Environment</b>                        |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Allotments                                | -                  | 16,360           | 9,200            | -               | -                   | -                | (400)              | 25,160                    | 34,140           | 2,640            | 61,940           |
| Cemeteries                                | -                  | 110,820          | 175,330          | -               | 15,850              | -                | (251,680)          | 50,320                    | 44,750           | 8,390            | 103,460          |
| Crematorium                               | 230,520            | 155,670          | 442,170          | 4,490           | 146,240             | -                | (2,567,260)        | (1,588,170)               | 59,430           | 79,380           | (1,449,360)      |
| Environmental Health - Domestic           | -                  | 59,160           | -                | -               | -                   | -                | -                  | 59,160                    | 24,250           | 2,960            | 86,370           |
| Pest Control                              | -                  | 20,770           | -                | -               | -                   | -                | -                  | 20,770                    | 4,950            | 1,070            | 26,790           |
| Parks                                     | -                  | 555,920          | 633,100          | -               | 143,960             | -                | (191,900)          | 1,141,080                 | 276,880          | 231,210          | 1,649,170        |
| <b>Leisure</b>                            |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| South Downs Leisure                       | (2,838,430)        | 55,890           | (397,590)        | (29,870)        | (755,450)           | (652,080)        | 4,888,640          | 271,110                   | 378,880          | 667,130          | 1,317,120        |
| <b>Wellbeing</b>                          |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Community Wellbeing                       | -                  | 120,730          | -                | -               | -                   | -                | -                  | 120,730                   | 10,560           | -                | 131,290          |
| Environmental Health - Domestic           | -                  | 870              | -                | -               | -                   | -                | (3,240)            | (2,370)                   | 164,180          | -                | 161,810          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| <b>Waste and Cleansing</b>                |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Abandoned Vehicles                        | -                  | -                | -                | -               | 2,200               | -                | (450)              | 1,750                     | 29,470           | -                | 31,220           |
| Clinical Waste                            | -                  | (3,740)          | -                | -               | -                   | -                | -                  | (3,740)                   | 30,790           | 1,830            | 28,880           |
| Compliance                                | -                  | -                | -                | -               | -                   | -                | (1,730)            | (1,730)                   | -                | -                | (1,730)          |
| Graffiti                                  | -                  | (3,440)          | -                | -               | -                   | -                | -                  | (3,440)                   | 5,450            | 2,600            | 4,610            |
| Parking                                   | -                  | 551,670          | 656,510          | 3,200           | 146,520             | -                | (2,387,460)        | (1,029,560)               | 26,810           | 144,230          | (858,520)        |
| Recycling                                 | -                  | (642,380)        | -                | -               | -                   | 1,400            | -                  | (640,980)                 | 175,420          | 138,170          | (327,390)        |
| Refuse                                    | -                  | 1,042,240        | -                | -               | -                   | -                | -                  | 1,042,240                 | 139,020          | 200,940          | 1,382,200        |
| Street Cleansing                          | -                  | 911,990          | -                | -               | -                   | -                | (316,990)          | 595,000                   | 91,260           | 78,010           | 764,270          |
| Trade Refuse                              | -                  | 312,400          | -                | -               | 406,640             | -                | (1,113,940)        | (394,900)                 | 43,290           | 33,320           | (318,290)        |
| Vehicle Workshop                          | -                  | -                | -                | -               | -                   | -                | -                  | 0                         | -                | 630              | 630              |
|   | <b>(2,607,910)</b> | <b>3,339,690</b> | <b>1,789,390</b> | <b>(22,180)</b> | <b>105,960</b>      | <b>(650,680)</b> | <b>(1,946,980)</b> | <b>7,290</b>              | <b>1,551,240</b> | <b>1,643,260</b> | <b>3,201,790</b> |
| <b>Percentage Direct Cost</b>             | -133%              | 171%             | 92%              | -1%             | 5%                  | -33%             |                    |                           |                  |                  |                  |

**WORTHING - ENVIRONMENT PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2015/2016 | Inflation       | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings          | Non-MTFP Other Changes | TOTAL BUDGET     |
|---|-----------------------------|-----------------|-----------------|------------------|-----------------------------|-------------------|------------------|------------------------|------------------|
|   | £                           |                 | £               | £                |                             |                   |                  | £                      | £                |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Business and Technical Services</b>    |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Engineering                               | 57,370                      | 440             | -               | -                | -                           | -                 | -                | (2,290)                | 55,520           |
| Surveying & Design                        | 428,130                     | 4,090           | -               | -                | -                           | -                 | (62,060)         | (18,360)               | 351,800          |
| <b>DIRECTOR OF COMMUNITIES</b>            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Environment</b>                        |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Allotments                                | 59,200                      | 180             | -               | -                | -                           | -                 | -                | 2,560                  | 61,940           |
| Cemeteries                                | 98,780                      | (2,070)         | -               | -                | -                           | -                 | (12,750)         | 19,500                 | 103,460          |
| Crematorium                               | (1,228,840)                 | (36,840)        | -               | -                | -                           | -                 | (193,050)        | 9,370                  | (1,449,360)      |
| Environmental Health - Domestic           | 89,020                      | -               | -               | -                | -                           | -                 | -                | (2,650)                | 86,370           |
| Pest Control                              | 67,770                      | -               | -               | -                | -                           | -                 | -                | (40,980)               | 26,790           |
| Parks                                     | 1,690,760                   | 6,240           | -               | 68,120           | -                           | -                 | (1,440)          | (114,510)              | 1,649,170        |
| <b>Leisure</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| South Downs Leisure                       | 674,730                     | 2,010           | -               | 235,000          | -                           | -                 | -                | 405,380                | 1,317,120        |
| <b>Wellbeing</b>                          |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Community Wellbeing                       | 143,990                     | -               | -               | -                | -                           | -                 | -                | (12,700)               | 131,290          |
| Environmental Health - Domestic           | 147,770                     | (60)            | -               | -                | -                           | -                 | -                | 14,100                 | 161,810          |
| <b>DIRECTOR OF ECONOMY</b>                |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Waste and Cleansing</b>                |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Abandoned Vehicles                        | 34,040                      | 30              | -               | -                | -                           | -                 | -                | (2,850)                | 31,220           |
| Clinical Waste                            | 38,090                      | -               | -               | -                | -                           | -                 | -                | (9,210)                | 28,880           |
| Compliance                                | (1,700)                     | (30)            | -               | -                | -                           | -                 | -                | -                      | (1,730)          |
| Graffiti                                  | 19,750                      | -               | -               | -                | -                           | -                 | -                | (15,140)               | 4,610            |
| Parking                                   | (812,070)                   | (33,710)        | -               | -                | -                           | -                 | -                | (12,740)               | (858,520)        |
| Recycling                                 | (158,710)                   | -               | -               | -                | -                           | -                 | -                | (168,680)              | (327,390)        |
| Refuse                                    | 1,421,990                   | -               | -               | -                | -                           | -                 | -                | (39,790)               | 1,382,200        |
| Street Cleansing                          | 758,710                     | (6,210)         | -               | -                | -                           | -                 | -                | 11,770                 | 764,270          |
| Trade Refuse                              | (266,090)                   | (16,750)        | -               | -                | -                           | -                 | (36,120)         | 670                    | (318,290)        |
| Vehicle Workshop                          | 2,590                       | -               | -               | -                | -                           | -                 | -                | (1,960)                | 630              |
|   | <b>3,265,280</b>            | <b>(82,680)</b> | <b>0</b>        | <b>303,120</b>   | <b>0</b>                    | <b>0</b>          | <b>(305,420)</b> | <b>21,490</b>          | <b>3,201,790</b> |

| SERVICE                                     | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|---|-----------------------|-----------------------|
|   | £                     | £                     |
| <b>DIRECTOR OF COMMUNITIES</b>              |                       |                       |
| Worthing Festival                           | 3,300                 | 3,370                 |
|   | <b>3,300</b>          | <b>3,370</b>          |
| <b>Grants</b>                               |                       |                       |
| Grants                                      | 9,170                 | 10,860                |
|   | <b>9,170</b>          | <b>10,860</b>         |
| <b>Housing</b>                              |                       |                       |
| Housing                                     | 85,430                | 1,520                 |
|   | <b>85,430</b>         | <b>1,520</b>          |
| <b>Wellbeing</b>                            |                       |                       |
| Community Wellbeing                         | 402,760               | 415,070               |
| Community Safety                            | 182,760               | 192,870               |
| Environment Health - Commercial             | 320,610               | 304,490               |
| Environment Health - Licensing              | 21,680                | 59,980                |
| Environment Health - Domestic               | 118,820               | 157,610               |
|   | <b>1,046,630</b>      | <b>1,130,020</b>      |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>    |                       |                       |
| <b>Business and Technical Services</b>      |                       |                       |
| Engineering                                 | 50,730                | 60,300                |
|   | <b>50,730</b>         | <b>60,300</b>         |
| <b>DIRECTOR OF ECONOMY</b>                  |                       |                       |
| <b>Culture</b>                              |                       |                       |
| Theatres                                    | 29,720                | 19,060                |
|   | <b>29,720</b>         | <b>19,060</b>         |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>        |                       |                       |
| <b>Revenues and Benefits</b>                |                       |                       |
| Revenues                                    | 20                    | 20                    |
|   | <b>20</b>             | <b>20</b>             |
|   |                       |                       |
| <b>TOTAL HEALTH AND WELLBEING PORTFOLIO</b> | <b>1,225,000</b>      | <b>1,225,150</b>      |



WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS



| SERVICE / ACTIVITY                        | Employees | Direct Recharges | Premises      | Transport | Supplies & Services | Third Party | Income           | Service Controlled Budget | Support        | Capital Charges | TOTAL BUDGET     |
|---|-----------|------------------|---------------|-----------|---------------------|-------------|------------------|---------------------------|----------------|-----------------|------------------|
|   | £         | £                | £             | £         | £                   | £           | £                | £                         | £              | £               | £                |
| <b>DIRECTOR OF COMMUNITIES</b>            |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Worthing Festival                         | -         | -                | 2,920         | -         | 450                 | -           | -                | 3,370                     | -              | -               | 3,370            |
| <b>Grants</b>                             |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Grants                                    | -         | 10,860           | -             | -         | -                   | -           | -                | 10,860                    | -              | -               | 10,860           |
| <b>Housing</b>                            |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Housing                                   | -         | -                | -             | -         | 1,620               | -           | (100)            | 1,520                     | -              | -               | 1,520            |
| <b>Wellbeing</b>                          |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Community Wellbeing                       | -         | 172,490          | -             | -         | 213,020             | -           | -                | 385,510                   | 29,560         | -               | 415,070          |
| Community Safety                          | -         | 128,650          | 3,610         | -         | 32,450              | -           | -                | 164,710                   | 26,820         | 1,340           | 192,870          |
| Environment Health - Commercial           | -         | 268,750          | -             | -         | 15,210              | -           | (3,440)          | 280,520                   | 23,970         | -               | 304,490          |
| Environment Health - Licensing            | -         | 217,010          | -             | -         | 3,790               | -           | (213,050)        | 7,750                     | 52,230         | -               | 59,980           |
| Environment Health - Domestic             | -         | 740              | -             | -         | 38,710              | -           | (200)            | 39,250                    | 114,340        | 4,020           | 157,610          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Business and Technical Services</b>    |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Engineering                               | -         | 13,220           | 47,080        | -         | -                   | -           | -                | 60,300                    | -              | -               | 60,300           |
| <b>DIRECTOR OF ECONOMY</b>                |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Culture</b>                            |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Theatres                                  | -         | -                | 5,470         | -         | 13,590              | -           | -                | 19,060                    | -              | -               | 19,060           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Revenues and Benefits</b>              |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Revenues                                  | -         | -                | -             | -         | 20                  | -           | -                | 20                        | -              | -               | 20               |
|   | <b>0</b>  | <b>811,720</b>   | <b>59,080</b> | <b>0</b>  | <b>318,860</b>      | <b>0</b>    | <b>(216,790)</b> | <b>972,870</b>            | <b>246,920</b> | <b>5,360</b>    | <b>1,225,150</b> |
| <b>Percentage Direct Cost</b>             | 0%        | 68%              | 5%            | 0%        | 27%                 | 0%          |                  |                           |                |                 |                  |

**WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2015/2016 | Inflation    | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings        | Non-MTFP Other Changes | TOTAL BUDGET     |
|---|-----------------------------|--------------|-----------------|------------------|-----------------------------|-------------------|----------------|------------------------|------------------|
|   | £                           | £            | £               | £                |                             |                   | £              | £                      | £                |
| <b>DIRECTOR OF COMMUNITIES</b>            |                             |              |                 |                  |                             |                   |                |                        |                  |
| Worthing Festival                         | 3,300                       | 70           | -               | -                | -                           | -                 | -              | -                      | 3,370            |
| <b>Grants</b>                             |                             |              |                 |                  |                             |                   |                |                        |                  |
| Grants                                    | 9,170                       | -            | -               | -                | -                           | -                 | -              | 1,690                  | 10,860           |
| <b>Housing</b>                            |                             |              |                 |                  |                             |                   |                |                        |                  |
| Housing                                   | 85,430                      | 30           | -               | -                | -                           | -                 | -              | (83,940)               | 1,520            |
| <b>Wellbeing</b>                          |                             |              |                 |                  |                             |                   |                |                        |                  |
| Community Wellbeing                       | 402,760                     | 3,550        | -               | -                | -                           | -                 | (8,570)        | 17,330                 | 415,070          |
| Community Safety                          | 182,760                     | 700          | -               | -                | -                           | -                 | -              | 9,410                  | 192,870          |
| Environment Health - Commercial           | 320,610                     | 240          | -               | -                | -                           | -                 | -              | (16,360)               | 304,490          |
| Environment Health - Licensing            | 21,680                      | (2,490)      | -               | -                | -                           | -                 | -              | 40,790                 | 59,980           |
| Environment Health - Domestic             | 118,820                     | 750          | -               | -                | -                           | -                 | -              | 38,040                 | 157,610          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                             |              |                 |                  |                             |                   |                |                        |                  |
| <b>Business and Technical Services</b>    |                             |              |                 |                  |                             |                   |                |                        |                  |
| Engineering                               | 50,730                      | 930          | -               | -                | -                           | -                 | -              | 8,640                  | 60,300           |
| <b>DIRECTOR OF ECONOMY</b>                |                             |              |                 |                  |                             |                   |                |                        |                  |
| <b>Culture</b>                            |                             |              |                 |                  |                             |                   |                |                        |                  |
| Theatres                                  | 29,720                      | 380          | -               | -                | -                           | -                 | -              | (11,040)               | 19,060           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |              |                 |                  |                             |                   |                |                        |                  |
| <b>Revenues and Benefits</b>              |                             |              |                 |                  |                             |                   |                |                        |                  |
| Revenues                                  | 20                          | -            | -               | -                | -                           | -                 | -              | -                      | 20               |
|   | <b>1,225,000</b>            | <b>4,160</b> | <b>0</b>        | <b>0</b>         |                             |                   | <b>(8,570)</b> | <b>4,560</b>           | <b>1,225,150</b> |

# CUSTOMER SERVICES PORTFOLIO

| SERVICE                                    | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF COMMUNITIES</b>             |                       |                       |
| <b>Environment</b>                         |                       |                       |
| Lido/Pier/Pavilion                         | 190,720               | 180,500               |
| Community Parks & Open Spaces - Brooklands | (5,200)               | -                     |
|  | <b>185,520</b>        | <b>180,500</b>        |
| <b>Housing</b>                             |                       |                       |
| Housing                                    | 869,970               | 927,170               |
| Housing Improvement Assistance             | 119,820               | 95,190                |
| Housing Strategy                           | 30,890                | 60,160                |
|  | <b>1,020,680</b>      | <b>1,082,520</b>      |
| <b>Wellbeing</b>                           |                       |                       |
| Community Wellbeing                        | 193,870               | 183,030               |
|  | <b>193,870</b>        | <b>183,030</b>        |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Culture</b>                             |                       |                       |
| Theatres                                   | 1,288,270             | 1,423,430             |
| Museums                                    | 543,180               | 536,600               |
|  | <b>1,831,450</b>      | <b>1,960,030</b>      |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Finance</b>                             |                       |                       |
| Fraud, Verification & Adjudication         | 20,000                | 20,800                |
|  | <b>20,000</b>         | <b>20,800</b>         |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Revenues and Benefits</b>               |                       |                       |
| Revenues                                   | 257,560               | 392,740               |
| Benefits                                   | 472,210               | 806,180               |
|  | <b>729,770</b>        | <b>1,198,920</b>      |
|  |                       |                       |
| <b>TOTAL CUSTOMER SERVICES PORTFOLIO</b>   | <b>3,981,290</b>      | <b>4,625,800</b>      |

**WORTHING - CUSTOMER SERVICES PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS**



| SERVICE / ACTIVITY                        | Employees        | Direct Recharges | Premises       | Transport     | Supplies & Services | Third Party       | Income              | Service Controlled Budget | Support          | Capital Charges | TOTAL BUDGET     |
|---|------------------|------------------|----------------|---------------|---------------------|-------------------|---------------------|---------------------------|------------------|-----------------|------------------|
|   | £                |                  | £              | £             | £                   | £                 | £                   | £                         | £                | £               | £                |
| <b>DIRECTOR OF COMMUNITIES</b>            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Lido/Pier/Pavilion                        | -                | 46,660           | 234,640        | -             | 8,870               | -                 | (118,570)           | 171,600                   | 8,900            | -               | 180,500          |
| Brooklands                                | -                | -                | -              | -             | -                   | -                 | -                   | 0                         | -                | -               | 0                |
| <b>Culture</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Theatres                                  | 1,480,220        | 128,630          | 434,040        | 7,490         | 1,911,420           | -                 | (3,235,930)         | 725,870                   | 332,010          | 365,550         | 1,423,430        |
| Museums                                   | 253,130          | 41,220           | 95,300         | 1,040         | 42,600              | -                 | (57,720)            | 375,570                   | 81,610           | 79,420          | 536,600          |
| <b>Housing</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Housing                                   | -                | 547,660          | -              | -             | 417,010             | 151,980           | (275,340)           | 841,310                   | 82,620           | 3,240           | 927,170          |
| Housing Improvement Assistance            | -                | 131,140          | -              | -             | -                   | -                 | (40,350)            | 90,790                    | 4,400            | -               | 95,190           |
| Housing Strategy                          | -                | 30,520           | -              | -             | -                   | -                 | -                   | 30,520                    | 29,640           | -               | 60,160           |
| <b>Wellbeing</b>                          |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Community Wellbeing                       | -                | 22,280           | 19,720         | -             | 620                 | -                 | -                   | 42,620                    | -                | 140,410         | 183,030          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| <b>Finance</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Fraud, Verification & Adjudication        | -                | -                | -              | -             | 80,800              | -                 | (60,000)            | 20,800                    | -                | -               | 20,800           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| <b>Revenues and Benefits</b>              |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Revenues                                  | 355,970          | 40,160           | -              | 3,250         | 86,630              | -                 | (532,080)           | (46,070)                  | 438,810          | -               | 392,740          |
| Benefits                                  | 409,890          | 416,420          | -              | 310           | 83,180              | 35,886,240        | (36,591,440)        | 204,600                   | 601,580          | -               | 806,180          |
|   | <b>2,499,210</b> | <b>1,404,690</b> | <b>783,700</b> | <b>12,090</b> | <b>2,631,130</b>    | <b>36,038,220</b> | <b>(40,911,430)</b> | <b>2,457,610</b>          | <b>1,579,570</b> | <b>588,620</b>  | <b>4,625,800</b> |
| <b>Percentage Direct Cost</b>             | 6%               | 3%               | 2%             | 0%            | 6%                  | 83%               |                     |                           |                  |                 |                  |

**WORTHING - CUSTOMER SERVICES PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2015/2016 | Inflation       | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings          | Non-MTFP Other Changes | TOTAL BUDGET     |
|---|-----------------------------|-----------------|-----------------|------------------|-----------------------------|-------------------|------------------|------------------------|------------------|
|   | £                           |                 | £               | £                |                             | £                 | £                | £                      | £                |
| <b>DIRECTOR OF COMMUNITIES</b>            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Lido/Pier/Pavilion                        | 190,720                     | 880             | -               | -                | -                           | -                 | -                | (11,100)               | 180,500          |
| Brooklands                                | (5,200)                     | -               | -               | -                | -                           | -                 | -                | 5,200                  | 0                |
| <b>Culture</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Theatres                                  | 1,288,270                   | (31,330)        | -               | -                | -                           | -                 | (113,500)        | 279,990                | 1,423,430        |
| Museums                                   | 543,180                     | 1,820           | -               | -                | -                           | -                 | (10,000)         | 1,600                  | 536,600          |
| <b>Housing</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Housing                                   | 869,970                     | 2,330           | -               | -                | -                           | -                 | -                | 54,870                 | 927,170          |
| Housing Improvement Assistance            | 119,820                     | (790)           | -               | -                | -                           | -                 | -                | (23,840)               | 95,190           |
| Housing Strategy                          | 30,890                      | -               | -               | -                | -                           | -                 | -                | 29,270                 | 60,160           |
| <b>Wellbeing</b>                          |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Community Wellbeing                       | 193,870                     | 300             | -               | -                | -                           | -                 | -                | (11,140)               | 183,030          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Finance</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Fraud, Verification & Adjudication        | 20,000                      | 800             | -               | -                | -                           | -                 | -                | -                      | 20,800           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Revenues and Benefits</b>              |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Revenues                                  | 257,560                     | (5,970)         | -               | -                | -                           | -                 | -                | 141,150                | 392,740          |
| Benefits                                  | 472,210                     | 1,640           | -               | 42,000           | -                           | -                 | -                | 290,330                | 806,180          |
|   | <b>3,981,290</b>            | <b>(30,320)</b> | <b>0</b>        | <b>42,000</b>    | <b>0</b>                    | <b>0</b>          | <b>(123,500)</b> | <b>756,330</b>         | <b>4,625,800</b> |

| SERVICE                              | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|--------------------------------------|-----------------------|-----------------------|
|                                      | £                     | £                     |
| <b>CHIEF EXECUTIVE OFFICE</b>        |                       |                       |
| <b>Communications</b>                |                       |                       |
| Communications                       | 16,290                | 10,680                |
| Performance and Scrutiny             | 200                   | 200                   |
|                                      | <b>16,490</b>         | <b>10,880</b>         |
| <b>DIRECTOR OF COMMUNITIES</b>       |                       |                       |
| <b>Wellbeing</b>                     |                       |                       |
| Democratic Services                  | 586,580               | 692,090               |
|                                      | <b>586,580</b>        | <b>692,090</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                       |                       |
| <b>Elections</b>                     |                       |                       |
| Elections                            | 280,910               | 293,550               |
|                                      | <b>280,910</b>        | <b>293,550</b>        |
|                                      |                       |                       |
| <b>TOTAL LEADER PORTFOLIO</b>        | <b>883,980</b>        | <b>996,520</b>        |

WORTHING - THE LEADER PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS

| SERVICE / ACTIVITY                   | Employees      | Direct Recharges | Premises | Transport    | Supplies & Services | Third Party | Income         | Service Controlled Budget | Support        | Capital Charges | TOTAL BUDGET   |
|--------------------------------------|----------------|------------------|----------|--------------|---------------------|-------------|----------------|---------------------------|----------------|-----------------|----------------|
|                                      | £              |                  | £        | £            | £                   | £           | £              | £                         | £              | £               | £              |
| <b>CHIEF EXECUTIVE</b>               |                |                  |          |              |                     |             |                |                           |                |                 |                |
| <b>Communications</b>                |                |                  |          |              |                     |             |                |                           |                |                 |                |
| Communications                       | -              | 3,980            | -        | -            | -                   | -           | -              | 3,980                     | 6,700          | -               | 10,680         |
| Performance and Scrutiny             | -              | -                | -        | -            | 200                 | -           | -              | 200                       | -              | -               | 200            |
| <b>DIRECTOR OF COMMUNITIES</b>       |                |                  |          |              |                     |             |                |                           |                |                 |                |
| <b>Wellbeing</b>                     |                |                  |          |              |                     |             |                |                           |                |                 |                |
| Democratic Services                  | 288,630        | 261,100          | -        | 4,440        | 28,790              | -           | -              | 582,960                   | 109,130        | -               | 692,090        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                |                  |          |              |                     |             |                |                           |                |                 |                |
| <b>Elections</b>                     |                |                  |          |              |                     |             |                |                           |                |                 |                |
| Elections                            | -              | 137,610          | -        | -            | 140,500             | -           | (5,330)        | 272,780                   | 16,810         | 3,960           | 293,550        |
|                                      | <b>288,630</b> | <b>402,690</b>   | <b>0</b> | <b>4,440</b> | <b>169,490</b>      | <b>0</b>    | <b>(5,330)</b> | <b>859,920</b>            | <b>132,640</b> | <b>3,960</b>    | <b>996,520</b> |
| <b>Percentage Direct Cost</b>        | 33%            | 47%              | 0%       | 1%           | 20%                 | 0%          |                |                           |                |                 |                |

**WORTHING - THE LEADER PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                   | Original Estimate 2015/2016 | Inflation    | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings        | Non-MTFP Other Changes | TOTAL BUDGET   |
|--------------------------------------|-----------------------------|--------------|-----------------|------------------|-----------------------------|-------------------|----------------|------------------------|----------------|
|                                      | £                           |              | £               | £                |                             |                   | £              | £                      | £              |
| <b>CHIEF EXECUTIVE</b>               |                             |              |                 |                  |                             |                   |                |                        |                |
| <b>Communications</b>                |                             |              |                 |                  |                             |                   |                |                        |                |
| Communications                       | 16,290                      | -            | -               | -                | -                           | -                 | -              | (5,610)                | 10,680         |
| Performance and Scrutiny             | 200                         | -            | -               | -                | -                           | -                 | -              | -                      | 200            |
| <b>DIRECTOR OF COMMUNITIES</b>       |                             |              |                 |                  |                             |                   |                |                        |                |
| <b>Wellbeing</b>                     |                             |              |                 |                  |                             |                   |                |                        |                |
| Democratic Services                  | 586,580                     | 5,820        | -               | 7,000            | -                           | -                 | (4,200)        | 96,890                 | 692,090        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                             |              |                 |                  |                             |                   |                |                        |                |
| <b>Elections</b>                     |                             |              |                 |                  |                             |                   |                |                        |                |
| Elections                            | 280,910                     | 1,960        | -               | -                | -                           | -                 | -              | 10,680                 | 293,550        |
|                                      | <b>883,980</b>              | <b>7,780</b> | <b>0</b>        | <b>7,000</b>     | <b>0</b>                    | <b>0</b>          | <b>(4,200)</b> | <b>101,960</b>         | <b>996,520</b> |



| SERVICE                                    | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Business and Technical Services</b>     |                       |                       |
| Business Services                          | 62,460                | 51,780                |
| Engineering                                | 172,890               | 190,720               |
| Energy and Sustainability                  | 45,520                | 56,680                |
|  | <b>280,870</b>        | <b>299,180</b>        |
| <b>DIRECTOR OF COMMUNITIES</b>             |                       |                       |
| <b>Environment</b>                         |                       |                       |
| Foreshores                                 | 496,280               | 738,430               |
|  | <b>496,280</b>        | <b>738,430</b>        |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Growth</b>                              |                       |                       |
| Planning Policy                            | 296,610               | 338,990               |
| Major Projects                             | 27,500                | 76,410                |
| Development Control                        | 542,490               | 523,860               |
|  | <b>866,600</b>        | <b>939,260</b>        |
| <b>Place &amp; Investment</b>              |                       |                       |
| Economic Development                       | 343,190               | 339,770               |
|  | <b>343,190</b>        | <b>339,770</b>        |
| <b>Regeneration</b>                        |                       |                       |
| Tourism                                    | 179,740               | 170,890               |
|  | <b>179,740</b>        | <b>170,890</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Building Control &amp; Land Charges</b> |                       |                       |
| Building Control                           | 129,930               | 117,940               |
|  | <b>129,930</b>        | <b>117,940</b>        |
|  |                       |                       |
| <b>TOTAL REGENERATION PORTFOLIO</b>        | <b>2,296,610</b>      | <b>2,605,470</b>      |

**WORTHING - REGENERATION PORTFOLIO - 2016/2017 - SUBJECTIVE ANALYSIS**



| SERVICE / ACTIVITY                          | Employees | Direct Recharges | Premises       | Transport    | Supplies & Services | Third Party  | Income             | Service Controlled Budget | Support        | Capital Charges | TOTAL BUDGET     |
|---|-----------|------------------|----------------|--------------|---------------------|--------------|--------------------|---------------------------|----------------|-----------------|------------------|
| <b>DIRECTOR FOR DIGITAL &amp; RESOURCES</b> | £         |                  | £              | £            | £                   | £            | £                  | £                         | £              | £               | £                |
| <b>Business and Technical Services</b>      |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| Business Services                           | -         | 51,780           | -              | -            | -                   | -            | -                  | 51,780                    | -              | -               | 51,780           |
| Engineering                                 | -         | 80,860           | 99,900         | -            | 4,730               | -            | (22,720)           | 162,770                   | 9,320          | 18,630          | 190,720          |
| Energy and Sustainability                   | -         | 46,380           | -              | -            | -                   | -            | -                  | 46,380                    | 10,300         | -               | 56,680           |
| <b>DIRECTOR OF COMMUNITIES</b>              |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| <b>Environment</b>                          | -         | -                | -              | -            | -                   | -            | -                  | 0                         | -              | -               | 0                |
| Foreshores                                  | -         | 230,090          | 404,400        | 6,710        | 30,620              | -            | (371,810)          | 300,010                   | 90,770         | 347,650         | 738,430          |
| <b>DIRECTOR OF ECONOMY</b>                  |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| <b>Growth</b>                               |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| Planning Policy                             | -         | 21,890           | -              | -            | 67,220              | -            | -                  | 89,110                    | 249,880        | -               | 338,990          |
| Major Projects                              | -         | 21,180           | -              | -            | -                   | -            | -                  | 21,180                    | 55,230         | -               | 76,410           |
| Development Control                         | -         | 799,420          | -              | -            | 69,890              | 5,200        | (470,640)          | 403,870                   | 119,530        | 460             | 523,860          |
| <b>Place &amp; Investment</b>               |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| Economic Development                        | -         | 181,640          | 1,450          | -            | 55,910              | -            | -                  | 239,000                   | 83,530         | 17,240          | 339,770          |
| <b>Regeneration</b>                         |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| Tourism                                     | -         | 90,800           | 9,870          | -            | 65,930              | -            | -                  | 166,600                   | 3,280          | 1,010           | 170,890          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>        |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| <b>Building Control &amp; Land Charges</b>  |           |                  |                |              |                     |              |                    |                           |                |                 |                  |
| Building Control                            | -         | 387,920          | -              | -            | 3,880               | -            | (326,000)          | 65,800                    | 52,140         | -               | 117,940          |
|   | <b>0</b>  | <b>1,911,960</b> | <b>515,620</b> | <b>6,710</b> | <b>298,180</b>      | <b>5,200</b> | <b>(1,191,170)</b> | <b>1,546,500</b>          | <b>673,980</b> | <b>384,990</b>  | <b>2,605,470</b> |
| <b>Percentage Direct Cost</b>               | 0%        | 70%              | 19%            | 0%           | 11%                 | 0%           |                    |                           |                |                 |                  |

**WORTHING - REGENERATION PORTFOLIO - 2016/2017 - VARIANCE ANALYSIS**

| SERVICE / ACTIVITY                          | Original Estimate 2015/2016 | Inflation      | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings  | Non-MTFP Other Changes | TOTAL BUDGET     |
|---|-----------------------------|----------------|-----------------|------------------|-----------------------------|-------------------|----------|------------------------|------------------|
| <b>DIRECTOR FOR DIGITAL &amp; RESOURCES</b> | £                           |                | £               | £                | £                           | £                 |          |                        | £                |
| <b>Business and Technical Services</b>      |                             |                |                 |                  |                             |                   |          |                        |                  |
| Business Services                           | 62,460                      | -              | -               | -                | -                           | -                 | -        | (10,680)               | 51,780           |
| Engineering                                 | 172,890                     | 810            | -               | -                | -                           | -                 | (1,780)  | 18,800                 | 190,720          |
| Energy and Sustainability                   | 45,520                      | -              | -               | -                | -                           | -                 | -        | 11,160                 | 56,680           |
| <b>DIRECTOR OF COMMUNITIES</b>              |                             |                |                 |                  |                             |                   |          |                        |                  |
| <b>Environment</b>                          | -                           | -              | -               | -                | -                           | -                 | -        | -                      | 0                |
| Foreshores                                  | 496,280                     | 330            | -               | -                | -                           | -                 | (20,110) | 261,930                | 738,430          |
| <b>DIRECTOR OF ECONOMY</b>                  |                             |                |                 |                  |                             |                   |          |                        |                  |
| <b>Growth</b>                               |                             |                |                 |                  |                             |                   |          |                        |                  |
| Planning Policy                             | 296,610                     | 870            | -               | -                | -                           | -                 | (5,000)  | 46,510                 | 338,990          |
| Major Projects                              | 27,500                      | -              | -               | -                | -                           | -                 | -        | 48,910                 | 76,410           |
| Development Control                         | 542,490                     | (7,560)        | -               | -                | -                           | -                 | (10,000) | (1,070)                | 523,860          |
| <b>Place &amp; Investment</b>               |                             |                |                 |                  |                             |                   |          |                        |                  |
| Economic Development                        | 343,190                     | 950            | -               | 9,500            | -                           | -                 | -        | (13,870)               | 339,770          |
| <b>Regeneration</b>                         |                             |                |                 |                  |                             |                   |          |                        |                  |
| Tourism                                     | 179,740                     | 1,370          | -               | -                | -                           | -                 | (27,470) | 17,250                 | 170,890          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>        |                             |                |                 |                  |                             |                   |          |                        |                  |
| <b>Building Control &amp; Land Charges</b>  |                             |                |                 |                  |                             |                   |          |                        |                  |
| Building Control                            | 129,930                     | (5,900)        | -               | -                | -                           | -                 | (21,000) | 14,910                 | 117,940          |
|   | <b>2,296,610</b>            | <b>(9,130)</b> | <b>0</b>        | <b>9,500</b>     | <b>0</b>                    | <b>0</b>          |          |                        | <b>2,605,470</b> |

# RESOURCES PORTFOLIO

| SERVICE                                    | ESTIMATE<br>2015/2016 | ESTIMATE<br>2016/2017 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Business and Technical Services</b>     |                       |                       |
| Administrative Buildings                   | (710)                 | (730)                 |
| Surveying & Design                         | (52,550)              | (21,920)              |
|  | <b>(53,260)</b>       | <b>(22,650)</b>       |
| <b>Finance</b>                             |                       |                       |
| Corporate Management                       | 2,686,540             | 2,650,400             |
| Treasury Management                        | 314,620               | 269,990               |
|  | <b>3,001,160</b>      | <b>2,920,390</b>      |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Estates</b>                             |                       |                       |
| Estates                                    | (165,480)             | 105,610               |
|  | <b>(165,480)</b>      | <b>105,610</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Building Control &amp; Land Charges</b> |                       |                       |
| Land Charges                               | -                     | 10,670                |
|  | -                     | <b>10,670</b>         |
|  |                       |                       |
| <b>TOTAL RESOURCES PORTFOLIO</b>           | <b>2,782,420</b>      | <b>3,014,020</b>      |

**WORTHING - RESOURCES PORTFOLIO -2015/2016 - SUBJECTIVE ANALYSIS**



| SERVICE / ACTIVITY                         | Employees        | Direct Recharges | Premises       | Supplies & Services | Third Party | Income             | Service Controlled Budget | Support        | Capital Charges | TOTAL BUDGET     |
|--|------------------|------------------|----------------|---------------------|-------------|--------------------|---------------------------|----------------|-----------------|------------------|
|  | £                |                  | £              | £                   | £           | £                  | £                         | £              | £               | £                |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b>  |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Business and Technical Services</b>     |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Administrative Buildings                   | -                | -                | -              | -                   | -           | (730)              | (730)                     | -              | -               | (730)            |
| Surveying & Design                         | -                | 15,520           | 51,700         | 3,270               | 80          | (100,510)          | (29,940)                  | 2,370          | 5,650           | (21,920)         |
| <b>Finance</b>                             |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Corporate Management                       | 2,268,230        | 310,670          | 18,570         | (257,710)           | -           | (186,760)          | 2,153,000                 | 493,820        | 3,580           | 2,650,400        |
| Treasury Management                        | -                | -                | -              | 30                  | -           | (169,120)          | (169,090)                 | 62,890         | 376,190         | 269,990          |
| <b>DIRECTOR OF ECONOMY</b>                 |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Estates</b>                             |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Estates                                    | -                | 167,790          | 367,880        | 14,570              | -           | (763,410)          | (213,170)                 | 227,900        | 90,880          | 105,610          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Building Control &amp; Land Charges</b> |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Land Charges                               | -                | 109,400          | -              | 45,120              | -           | (162,100)          | (7,580)                   | 18,250         | -               | 10,670           |
|  | <b>2,268,230</b> | <b>603,380</b>   | <b>438,150</b> | <b>(194,720)</b>    | <b>80</b>   | <b>(1,382,630)</b> | <b>1,732,490</b>          | <b>805,230</b> | <b>476,300</b>  | <b>3,014,020</b> |
| <b>Percentage Direct Cost</b>              | 73%              | 19%              | 14%            | -6%                 | 0%          |                    |                           |                |                 |                  |

**WORTHING - RESOURCES PORTFOLIO -2015/2016 - VARIANCE ANALYSIS**

| SERVICE / ACTIVITY                         | Original Estimate 2015/2016 | Inflation     | One off - items | Committed Growth | Impact of Capital programme | Additional Income | Savings         | Non Committed Growth | Non-MTFP Other Changes | TOTAL BUDGET     |
|--|-----------------------------|---------------|-----------------|------------------|-----------------------------|-------------------|-----------------|----------------------|------------------------|------------------|
|  | £                           |               | £               | £                | £                           | £                 | £               | £                    |                        | £                |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b>  |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| <b>Business and Technical Services</b>     |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| Administrative Buildings                   | (710)                       | (20)          | -               | -                | -                           | -                 | -               | -                    | -                      | (730)            |
| Surveying & Design                         | (52,550)                    | (1,870)       | -               | -                | -                           | -                 | -               | -                    | 32,500                 | (21,920)         |
| <b>Finance</b>                             |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| Corporate Management                       | 2,686,540                   | 51,850        | -               | 41,000           | -                           | -                 | 10,910          | 189,860              | (329,760)              | 2,650,400        |
| Treasury Management                        | 314,620                     | (350)         | -               | 7,500            | (9,800)                     | (6,000)           | (32,500)        | -                    | (3,480)                | 269,990          |
| <b>DIRECTOR OF ECONOMY</b>                 |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| <b>Estates</b>                             |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| Estates                                    | (165,480)                   | (9,930)       | -               | -                | -                           | -                 | (21,500)        | -                    | 302,520                | 105,610          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| <b>Building Control &amp; Land Charges</b> |                             |               |                 |                  |                             |                   |                 |                      |                        |                  |
| Land Charges                               | -                           | (2,300)       | -               | -                | -                           | -                 | -               | -                    | 12,970                 | 10,670           |
|  | <b>2,782,420</b>            | <b>37,380</b> | <b>0</b>        | <b>48,500</b>    | <b>(9,800)</b>              | <b>(6,000)</b>    | <b>(43,090)</b> | <b>189,860</b>       | <b>14,750</b>          | <b>3,014,020</b> |

## GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT

### ***Baseline funding level***

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

### ***Billing authorities***

A unitary council, or a lower tier council in a two-tier area, which collects the Council Tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect Council Tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

### ***Business Rates***

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

### ***Business rates baseline***

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

### ***Business Rates Retention Scheme***

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

### ***Control totals***

These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment.

### ***Council Tax***

A local tax on domestic property, set by councils – calculated by deducting any funding from reserves, income it expects to raise and general funding it will receive from the Government – in order to meet its planned spending. 31

### ***Council Tax Base***

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each Council Tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

## GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT

### ***Council Tax Bands***

There are eight Council Tax bands. How much Council Tax each household pays depends on the value of the homes. The bands are set out below.

| Value of home estimated at 1 April 1991 | Proportion of the tax due April 1991 for a band D property |
|---|--|
| <b>Band A</b> Under £40,000             | 66.7%  |
| <b>Band B</b> £40,001 - £52,000         | 77.8%  |
| <b>Band C</b> £52,001 - £68,000         | 88.9%  |
| <b>Band D</b> £68,001 - £88,000         | 100%   |
| <b>Band E</b> £88,001 - £120,000        | 122.2%   |
| <b>Band F</b> £120,001 - £160,000       | 144.4%   |
| <b>Band G</b> £160,001 - £320,000       | 166.7%   |
| <b>Band H</b> Over £320,001             | 200%   |

### ***Estimated Business Rates Aggregate***

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

### ***Floor damping***

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

### ***Levy***

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

### ***Local government finance settlement***

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament. 32

### ***Local government spending control total***

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

### ***Local share***

The percentage share of locally collected business rates that is retained by local government. This is set at 50%.



## GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT

### ***Lower tier councils***

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

### ***Multiplier***

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

### ***Precept***

This is the amount of Council Tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one Council Tax bill, which is administered by the billing authority.

### ***Precepting authority***

An authority or body that does not collect Council Tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

### ***Proportionate share***

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

### ***Receiving authorities***

These are the 421 authorities that are eligible to receive Revenue Support Grant (billing authorities plus county councils and fire and rescue authorities). 33

### ***Reserves***

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

### ***Revenue Support Grant***

A Government grant which can be used to finance revenue expenditure on any service.

### ***Ringfenced grant***

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

## GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT

### ***Safety net***

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

### ***Sets of services***

There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are:

- upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to ‘social care councils’
- police services
- fire and rescue services
- lower-tier services – those services supplied by district councils (‘non-social care councils’ in the consultation) in two-tier areas.

### ***Settlement core funding***

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- Council Tax income from 2015-16 (including any Council Tax Freeze Grant)
- the Settlement Funding Assessment, comprising:
  - estimated business rates income (baseline funding level under the rates retention scheme)
  - Revenue Support Grant.

### ***Settlement Funding Assessment***

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council’s Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided. 34

### ***Specific grants***

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.

**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL  
GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT**

***Specified body***

This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.

***Tariffs and top ups***

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.



## **Adur and Worthing Joint Overview and Scrutiny Committee Work Programme – 2015/16/17**

### **Report by the Director for Digital and Resources**

#### **1.0 Summary**

- 1.1 This report outlines progress on the work contained in the 2015/16 Work Programme.

#### **2.0 Background**

- 2.1 The current Joint Overview and Scrutiny Work Programme is a 'rolling' Programme which the Committee reviews at each meeting.
- 2.2 The Work Programme for 2015/16 was previously reviewed by the Committee at its meeting on 21 January 2016.

#### **3.0 Progress with the Work Programme for the Joint Overview and Scrutiny Committee for 2015/16**

- 3.1 Detailed progress with the Work Programme is now set out in a Trello Board to help in the monitoring of the work and this can be accessed via the following link <https://trello.com/b/g16nZ3mf/josc-work-programme-2015-16> The Trello Board will be displayed at the meeting.
- 3.2 The Work Programme includes details of any changes to work and dates made since it was last reported to the Committee. At its meeting on 21 January 2016 the Committee agreed to go ahead with new working arrangements which would be phased in with the aim of the new arrangements to be fully operational from the first meeting of the 2016/17 Municipal Year.
- 3.3 As part of these new working arrangements it was suggested at the Committee on 21 January 2016 that an issue based meeting could be held to consider issues connected with the flooding/sewage spill incidents which had affected the Adur and Worthing beaches in September 2012. The Committee has previously been restricted from discussing these issues because of legal issues which have now

been resolved. In accordance with the new ways of assessing Scrutiny requests, the Bid request for this item was considered by JOSC Chairmen at a meeting on 2 March which is set out on the Work Programme Trello Board. Having considered the Bid, the Chairmen are recommending that the item should be considered as an item on the JOSC Work Programme in 2016/17. A copy of the Bid proposal is also attached to this report.(Appendix 1).

- 3.4 The JOSC Chairmen have also considered a request for JOSC to review the proposals from Govia Thameslink Railway on their plans to close some ticket offices and amend opening hours of some of the ticket offices in the Adur and Worthing area. A copy of that Bid proposal is also attached to the Trello Board and attached to this report (Appendix 2). The Joint Chairmen are also recommending that that item be included as an item at a future JOSC meeting.
- 3.5 A Scrutiny request form has been developed for members of the public/Councillors to submit future scrutiny request bids. This form will be available on-line and paper copies will also be available at Council Offices. An example of this form will be displayed at the meeting.

#### **4.0 Proposals**

- 4.1 To note the progress in implementing the Work Programme for 2015/16 and, to consider the Bid proposals for reviews of the flooding/sewage spill in 2012 incident and proposed closures of rail ticket offices and to confirm if they should be added to the Work Programme.

#### **5.0 Legal**

- 5.1 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 5.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).
- 5.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 5.4 Section 1 Local Government (Contracts) Act 1997 empowers the Council to enter into a contract in relation to any of its functions.

#### **6.0 Financial Implications**

- 6.1 There are no known financial implications arising from this report but some of the recommendations arising from the issues being considered in the Work Programme may have financial implications.

## **7.0 Recommendations**

- 7.1 That the progress in implementing the Work Programme for 2015/16/17 be noted; and**
- 7.2 That the Committee considers any other issues/reviews which it would like to be included as part of the 2016/17 Work Programme including the Scrutiny Bid requests for reviews of the sewage and flooding incidents which occurred in September 2012 and proposed closures/amended opening hours of the rail ticket offices.**

### **Background Papers:**

None.

### **Contact Officer:**

Mark Lowe, Policy Officer – Tel 01903 221009  
7 March 2016

## **Schedule of other matters**

### **1.0 Council Priority**

1.1 Matter considered and issues related to Council Priorities identified.

### **2.0 Specific Action Plans**

2.1 Matter considered and no issues identified.

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified.

### **4.0 Equality Issues**

4.1 Matter considered. Some of the issues to be considered by the Committee may impact on equality issues.

### **5.0 Community Safety issues (Section 17)**

5.1 Matter considered. Issues relating to crime and disorder are contained in the Work Programme.

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified.

### **7.0 Reputation**

7.1 Matter considered and no issues identified. Outcomes from the discussion of the issues can help to improve the reputation of the Councils.

### **8.0 Consultations**

8.1 Matter considered. Some of the issues identified in the Work Programme may involve some form of consultation.

### **9.0 Risk assessment**

9.1 Matter considered and no issues identified.

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified.

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified.



## 12.0 **Partnership working**

- 12.1 Matter considered. Some of the issues identified do involve working together and also in partnership with other Councils.

## **APPENDIX 1**

## Scoping report for proposed review of Sewage spill and flooding incident in 2012

This review has been assessed against the 'PAPER' criteria which JOSC approved at its last meeting.

### **Request by Joint Overview and Scrutiny Committee**

**Proposed review** - Sewage Spill and Flooding incident 2012 - To hear more about what Southern Water and the Environment Agency are doing/have done to prevent a similar incident occurring.

**Public interest** - The Committee is keen to find out more about the sewage spill incident from 2012 as this adversely affected a number of residents and visitors and had an impact on the tourism economy at the time.

**Ability to change** -The Joint Overview and Scrutiny Committee will request Southern Water to speak about the incident and the Environment Agency to find out what has changed and how the Councils can work with these agencies to influence future improvements.

**Performance** - The review is about the performance of Southern Water in the interests of the wider community.

**Extent** - The suggested request relates to the 2012 sewage spill and related incidents affecting the Adur and Worthing beaches covering a large proportion of the Council areas and also affecting local residents. There are current flooding issues which the Committee want to discuss.

**Replication** - The matter has been considered by the Courts and Southern Water have been fined for their part in causing the sewage spill. The matter has also been reported in the local press. The incident occurred in 2012.

**Outcomes** - To discuss the matter in a public meeting with a view to understand what lessons have been learnt and to consider if anymore can could be done to stop the situation occurring again and to assess if there can be any further investment in infrastructure to prevent reoccurrence

## **APPENDIX 2**

## Scoping report for possible review of Southern Rail plans to close ticket offices

This review has been assessed against the 'PAPER' criteria which JOSC approved at its last meeting.

### **Request by Joint Overview and Scrutiny Committee**

**Proposed review** - Southern Rail Ticket office closure plans - To hear more from Govia Thameslink Railway on their plans to close some tickets offices in the Adur and Worthing area and change opening hours of other ticket offices.

**Public interest** - The Committee is keen to find out more about the proposals to close some ticket offices and alter opening hours as these proposals will adversely affect local residents and visitors to the area.

**Ability to change** -The Joint Overview and Scrutiny Committee can request representatives from Govia Thameslink Railway to speak about their proposals and seek to influence changes in those plans.

### **Performance -**

**Extent** - The suggested request relates to proposals to close some ticket offices and alter opening hours in the areas.

**Replication** - This issue has not been considered by JOSC.

**Outcomes** - To discuss the matter in a public meeting and ask Govia Thameslink Railway company about their proposals to close some ticket offices and amend opening hours and to consider if anything can be done to influence the outcomes.

# JOSC Work Programme 2015/16



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## JOSC 17/3



  
Interview with Executive Members for the Environment  


  
Review of the Grounds Maintenance budgets  


  
Review of the Performance of South Downs Leisure and Adur Community Leisure  


  
Digital Inclusion review outcomes  


  
Revenue Budget 16/17 (Worthing only)  


  
Overview of how the overall overheads recharge process works and the costs involved to ensure greater openness and transparency  


Add a card...


## Other JOSC issues (Dates TBC)

Joint West Sussex County review of flooding issues

Add a card...

## Work Programme Bids

  
September 2012 - Sewage spill and local flooding issues  


  
Southern Rail Ticket Office closures

Add a card...

## JOSC 16/6/16

Add a card...

## JOSC 14/7/16

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