

**UPDATED OUTLINE 5-YEAR FORECAST AND SAVINGS PROPOSALS
REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES**

1.0 SUMMARY

- 1.1 The purpose of this report is to update Members on the latest financial forecast for 2017/18 to 2021/22 and to propose options for meeting the projected budget shortfall in 2017/18.
- 1.2 Members are asked to consider the potential efficiency and other savings that have been identified and confirm those savings proposals that should be pursued.

2.0 BACKGROUND

- 2.1 The Joint Strategic Committee considered the outline 5-year forecast for 2017/18 to 2021/22 and the Budget Strategy on 13th September 2016, which was subsequently adopted by full Council on 24th October 2016 (Adur District Council) and 25th October 2016 (Worthing Borough Council). The report identified the following cumulative shortfalls in funding for the respective General Funds:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Adur	1,156	2,260	2,747	3,148	3,395
Worthing	1,410	2,511	3,617	4,415	5,056

- 2.2 The report built on the strategy first proposed last year whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.
- 2.3 With this strategy in mind, the Councils have set-up several strategic boards who are responsible for taking forward key initiatives aimed at delivering savings for the future:
1. The Major Projects Board will lead on delivering projects to increase employment space and additional housing;

2.0 BACKGROUND

2. 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;
3. The Strategic Asset Management Board will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments; and
4. The Customer and Commercial Board will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

2.4 For 2017/18 the Digital Programme Board, the Customer and Commercial Board and the Strategic Asset Management Board were set explicit targets as part of the budget strategy.

a. Digital Programme Board (DPB)

In 2016/17 the Digital Programme Board delivered the first tranche of £198k savings as part of a three year programme which sought to deliver savings of £200k per year following the significant investment in the Council's digital strategy. The DPB were set the following target for 2017/18 and beyond:

	2017/18	2018/19	2019/20 and beyond
	£'000	£'000	£'000
Annual Savings	200	200	-
Cumulative impact	200	400	400

b. Customer and Commercial Board (CCB):

There are three elements to this area of work:

- Existing fee earning services will be reviewed:
 - Services which either have fees set by central government or can only breakeven by statute will be reviewed to ensure that income is sufficient to cover costs. This includes Land Charges, Building Control and Development Management.
 - Services which have an agreed public subsidy (e.g. theatres) will be reviewed to ensure that the net cost of the service can be contained within the agreed subsidy and that the subsidy is reduced over time.

2.0 BACKGROUND

b. Customer and Commercial Board (CCB):

- Services which operate on a commercial basis will be encouraged to maximise profit margins where possible.
- The Councils will look for new income generating opportunities. Examples of potential projects include the new Wedding service recently agreed by the Joint Strategic Committee.
- Consider best how to commission services. The future delivery of the revenues and benefits service is currently the subject of a review.

The target increase in income from commercial activities was agreed at least an additional £600k per annum. This reflected the successful delivery of £798k delivery of savings in the first year of the new strategy.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Annual Savings	600	600	600	600	600
Cumulative impact	600	1,200	1,800	2,400	3,000

c. Strategic Asset Management Board (SAMB):

Both Councils have committed to significant investment in Commercial property over the next five years with the aim of increasing income from the Councils' property portfolio.

This investment is estimated to produce additional income as follows for the two Councils:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Adur District Council:					
Annual Savings	200	200	200	200	200
Cumulative impact	200	400	600	800	1,000
Worthing Borough Council:					
Annual Savings	100	200	200	200	200
Cumulative impact	100	300	500	700	900

2.0 BACKGROUND

c. Strategic Asset Management Board (SAMB):

To date two properties for Worthing Borough Council have been purchased which will deliver additional income of £148k per year.

Appropriate properties are now being sought for Adur District Council.

The overall success in delivering the savings targets are detailed at appendix 4 (DPB) and 5 (CCB)

- 2.5 The forecast has also been updated by information captured on “Service Plans” that have been introduced to forge a link between service planning and financial planning. The guidance was circulated to, and completed by, the Service Managers during the summer, and have been used to identify potential savings and committed growth items.
- 2.6 There has been no detailed budget consultation exercise this year as the overall budget strategy was subject to a detailed consultation in 2016/17 and no substantive changes were planned in the current year.
- 2.7 This report represents the stage of the budgetary forecasting process whereby the Joint Overview and Scrutiny Committee are asked to consider and comment upon the progress in balancing the budget before the Joint Strategic Committee consider and agree proposals for savings identified to date. Members of the Committee should be aware that at the time of writing some of the savings were still being verified and so the saving for each Council as a result of the options presented may change marginally.
- 2.8 There will be a further report after Christmas which will detail the final proposed budgets for the year, any further savings identified, and requests for investment into services and the amount to be drawn from reserves, if any. The proposed Council Tax increase for 2017/18 is scheduled to be considered by the respective Cabinets on 7th February 2017 (Adur District Council) and 6th February 2017 (Worthing Borough Council).

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

- 3.1 The updated forecast for the General Fund for both Councils is attached at Appendix 1. This has been revised in the light of latest information from Government, inflationary pressures, interest rates, and unavoidable service growth, offset by compensatory savings. This overall forecast will continue to change in the coming months as the detailed work on the budget progresses and once the details of the settlement to Local Government is known. As a result, the overall position will inevitably change over the next two months.
- 3.2 The likely shortfall in resources necessary to balance the budget over the five years, before consideration of any savings or growth proposals is now in the region of:

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Adur					
September Forecast	1,156	2,260	2,747	3,148	3,395
November Forecast	1,137	2,273	2,760	3,160	3,406
Reduction (-) / increase (+) in shortfall	-19	13	13	12	11

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Worthing					
September Forecast	1,410	2,511	3,617	4,415	5,056
November Forecast	1,663	2,771	3,875	4,672	5,311
Reduction (-) / increase (+) in shortfall	253	260	258	257	255

The main changes to the forecast for 2017/18 are summarised in the table below, which shows the changes since the last forecast.

Changes in Budgetary Shortfall/Savings since report to Joint Strategic Committee on 13th September 2016		
	Adur	Worthing
	£'000	£'000
Original 2017/18 budget shortfall	1,156	1,410
(a) Improvements to the income from Council Tax	-72	-81
(b) Further increase in homeless caseload	-	170
(c) Reduction in Government Grant for the Council Tax Support Scheme (New Burdens Funding)	40	60
Revised Budget Shortfall	1,107	1,559
(d) Net committed growth items identified by Service Heads (See Appendix 2)	123	184
(e) Removal of contingency budget	-70	-80
Revised Budget Shortfall	1,177	1,663
(f) Potential savings identified to date (see App. 3)	-999	-1,554
(g) Expected income from Strategic Property Investment Fund	-100	-200
Resources in hand (-) / current shortfall	78	-91

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

3.3 Explanations of the movements shown in the table above are as follows:

(a) Council Tax base for 2017/18:

Following the completion of the Council Tax Base return for each Council, the Council Tax Base calculation has now been revisited. Both Council Tax bases are showing a higher level of growth than originally expected. This is largely due to two factors:

- i) Reducing number of Council Tax Support Claimants
- ii) Greater than expected number of new dwellings being completed particularly in the Worthing area.

(b) Increase in the costs associated with temporary and emergency accommodation:

There has recently been a further increase in the caseload associated with homelessness. This trend is being experienced throughout the region and has led to an increase in competition for affordable housing solutions.

(c) Reduction in government grant:

New burdens funding for the Council Tax Support Scheme has been reduced.

(d) Net Committed Growth Items Identified by Service Heads:

This is the sum total of financial effects identified via the Service Proformas. A full breakdown of the items identified is included within Appendix 2.

(e) Removal of contingency budget.

4.0 FUTURE STRANDS OF WORK

4.1 There are a number of strands of financial work still to be completed which will influence the final 2017/18 budget as follows:

(a) Settlement - Revenue support grant and New Homes Bonus:

The Local Government Finance Settlement is unlikely to be announced until late December. Consequently, the Council will not have final confirmation of the amount of grant that it will receive until late December or early January. However, the Council has submitted a four year efficiency plan to DCLG to secure certainty over government funding levels for the next three years.

The Government is yet to release the outcome of the consultation on the New Homes Bonus Scheme. This too is expected before the end of the year.

4.0 FUTURE STRANDS OF WORK

(b) Business Rate Retention Scheme:

There has been a revaluation of the business rates base in 2016/17. Both Councils have seen a modest overall increase:

	RATEABLE VALUES			
	2010 Valuation	2017 Valuation	Increase	Increase %
Adur	46,073,000	46,833,000	760,000	1.65%
Worthing	78,711,000	82,585,000	3,874,000	4.92%

However, due to the complexity of the business rate system with a new multiplier, transitional relief, and various other reliefs, the full financial impact of the changed business rate base is yet to be assessed. This is further complicated by the Government's commitment to neutralising any impact which will mean that the amount of business rates paid to the Government via the tariff mechanism will also be revised. The final tariff payments will not be known until mid-December when they will be announced as part of settlement.

As usual, much depends on business rates appeals which are notoriously difficult to predict. However, it is fairly certain that there will be a substantial increase in the volume of appeals related to the new financial year as there is every time revaluation occurs. There are still a large number of outstanding appeals from the last valuation to be determined by the Valuation Office, however historically only a small proportion are successful.

(c) Council Tax income:

There has been a preliminary reassessment of the Council Tax base which shows that both Councils tax base has increased more than expected. Work is currently being undertaken to establish whether there will be any further growth resulting from new properties being built.

In addition, the Councils will need to consider what level increase is to be made to Council Tax. The current forecast assumes a 2.0% increase for 2017/18. This is equivalent to an average (Band C) annual increase in the Councils' part of the Council Tax bill of £4.83 for a property in Adur District Council and £3.84 for a property in Worthing Borough Council

4.2 A full update on these issues will be included in the January report.

5.0 CONSULTATION

5.1 The Council undertook a full consultation exercise last year to establish public support for the new budget strategy. In the light of this, no consultation exercise has been carried out this year.

6.0 SAVING PROPOSALS

6.1 The proposed savings are attached at Appendix 3 for consideration. The total savings identified to date are:

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Adur					
Budget shortfall (as per appendix 1)	1,177	2,313	2,800	3,200	3,446
Savings identified to date	-1,099	-1,299	-1,499	-1,699	-1,899
Revised budget shortfall / Surplus (-)	78	1,014	1,301	1,501	1,547

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Worthing					
Budget shortfall (as per appendix 1)	1,663	2,771	3,875	4,672	5,311
Savings identified to date	-1,754	-1,399	-1,599	-1,799	-1,999
Revised budget shortfall / Surplus (-)	-91	1,372	2,276	2,873	3,312

6.2 This has been a successful savings exercise to date and the Councils are well positioned to set balanced budgets. The Councils have identified a significant amount of savings to meet the initial target; however Members should be aware that there is still some work to be completed which may impact on the final position and, of course, we still wait for the outcome of the Business Rate revaluation and how this will impact upon the Councils financial future

6.3 The Councils have continued with the strategy comprising of three specific strands:

1. Investing in property;
2. Commercialisation of services; and
3. Digitisation of services.

6.0 SAVING PROPOSALS

Both the Customer and Commercial Board and the Digital Programme Board have delivered the savings expected for 2017/18:

	Target	Actual	Under (-) / Over target
	£'000	£'000	£'000
Digital Programme Board	200	181	-19
Customer & Commercial Board	600	706	106
TOTAL	800	996	87

6.4 Looking ahead to 2018/19 and beyond, the continuing difficulties within the national budget means that financial pressure is not likely to ease, however the proposed strategy will contribute significantly to meeting this challenge easing the burden on individual services as follows:

	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Cumulative Budget shortfall (Appendix 1)				
Adur	2,313	2,800	3,200	3,446
Worthing	2,771	3,875	4,672	5,311
Total savings to be identified	5,084	6,675	7,872	8,757
Less: Savings identified for 2017/18	-2,853	-2,853	-2,853	-2,853
Savings yet to be identified	2,231	3,822	5,019	5,904
Future savings targets:				
Strategic Asset Management Board	-400	-800	-1,200	-1,600
Customer & Commercial Board	-600	-1,200	-1,800	-2,400
Digital Programme Board	-200	-200	-200	-200
Savings to be identified by Heads of Services	1,031	1,622	1,819	1,704
Annual savings to be identified	1,031	591	197	-115

7.0 OTHER BUDGET ISSUES

7.1 Housing Revenue Account

A full report on the Housing Revenue Account and the recommended rent levels will be considered by the Adur Cabinet February 2017. It is intended that any savings identified by the Service Heads outlined within this report and identified by the Head for Housing will be the subject of consultation with the Executive Member for Customer Services, the Housing Management Board and the Adur Consultative Forum in the coming months.

8.0 LEGAL IMPLICATIONS

8.1 The Council is required to set a balanced and robust budget under the Local Government Act 2003. This report updates members on progress in achieving this aim for the 2017/18 budget.

9.0 CONCLUSION

9.1 The Councils continue to deal with the withdrawal of Government funding as part of the austerity measures with no prospect of any easing of the financial pressure for the next 2 - 3 years. We await the Autumn Statement and the local Government Settlement in late November and early December which will give the Councils a strong indication of the direction of travel for the next few years.

9.2 The Councils are in a fairly strong position to set a balanced budget with minimal use of reserves for 2017/18 depending on the outcome of the settlement. The report to be presented to members after Christmas will bring together any last changes to the revenue budget, the impact of Comprehensive Spending Review, the final implications of settlement and the business rate retention scheme.

10.0 RECOMMENDATIONS

10.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make comment on the proposals for Worthing Borough Council to the Joint Strategic Committee,

10.2 The Joint Strategic Committee is recommended to:

- (i) Note the current 5 year forecast;**
- (ii) Approve the proposed savings as set out in appendix 3;**

Local Government Act 1972

Background Papers: Outline 5-year forecast for 2017/18 and the Budget Strategy report to the Joint Strategic Committee on 13th September, 2016.

Contact Officer:

Sarah Gobey
Chief Financial Officer
(01903) 221221
sarah.gobey@adur-worthing.gov.uk.

SCHEDULE OF OTHER MATTERS

1.0 COUNCIL PRIORITY

1.1 The budget supports the Council's achievement of all its priorities.

2.0 SPECIFIC ACTION PLANS

2.1 Matters 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 The report considers the impact that partnership working has on the overall budget.

ADUR DISTRICT COUNCIL Revenue Budget Summary Statement 2016/17 - 2021/22						
	2016/17 Base	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	9,780	9,780	9,780	9,780	9,780	9,780
Annual Inflation						
Estimated inflation		195	522	858	1,198	1,555
Less : Over provision for pay award in previous year		(78)	(78)	(78)	(78)	(78)
One -off / non-recurring items						
Local Elections (held every other year)		(42)	-	(44)	-	(46)
Committed Growth						
Impact of Pension contribution increase		62	126	195	199	203
Loss of Housing Benefit Administration Grant		40	80	120	160	200
Increasing demand for emergency accomodation		100	100	100	100	100
Impact of reprocurement of building maintenance contracts for corporate buildings		4	4	4	4	4
Reprocurement of IT systems		16	16	16	16	16
Temporary closure of Riverside Car Park		20	20	-	-	-
New 2020 recycling targets		-	-	200	400	400
Removal of new burdens funding for Council Tax support		40	40	40	40	40
Growth items identified by Heads of Service (See appendix 2)		123	123	123	123	123
Impact of capital programme						
Financing costs		81	14	3	95	150
Additional income						
Investment income		76	76	77	16	(45)
Approved Savings						
Approved Growth items						
Provision for new growth items		60	60	60	60	60
Total Cabinet Member Requirements	9,780	10,477	10,883	11,454	12,113	12,462
Total Cabinet Member Requirements B/fwd	9,780	10,477	10,883	11,454	12,113	12,462
Baseline funding	1,617	1,649	1,698	1,752	1,787	1,823
Less: Safety net pay't / business rate shortfall		-	-	-	-	-
Add: Retained additional business rates	438	405	408	243	298	327
Add: Share of previous year's surplus	381	331				
Adusted Baseline funding	2,436	2,385	2,106	1,995	2,085	2,150
Revenue Support Grant	774	271	-	-	-	-
Council Tax						
Adjusted Council Tax income	5,683	5,849	5,981	6,115	6,252	6,393

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2016/17 - 2021/22						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Other grants						
Transitional Grant	73	73	-	-	-	-
Council Tax Reduction Scheme Grant	40	36	32	29	26	24
New homes bonus (2011/12 - 2016/17)	62	-	-	-	-	-
New homes bonus (2012/13 - 2017/18)	153	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	244	244	-	-	-	-
New homes bonus (2014/15 - 2019/20)	107	107	-	-	-	-
New homes bonus (2015/16 - 2020/21)	86	86	86	-	-	-
New homes bonus (2016/17 -2019/20)	115	115	115	115	-	-
New homes bonus (2017/18 - 2020/21)	-	100	100	100	100	-
New homes bonus (2018/19- 2021/22)	-	-	150	150	150	150
New homes bonus (2019/20 - 2022/23)	-	-	-	150	150	150
New homes bonus (2020/21 - 2023/24)	-	-	-	-	150	150
Total NHB	767	652	451	515	550	450
Collection fund surplus/deficit (-)	7	34	-	-	-	-
Total other grants and contributions	887	795	483	544	576	474
Total Income from Grants and Taxation	9,780	9,300	8,570	8,654	8,913	9,016
(Surplus) / Shortfall in Resources	-	1,177	2,313	2,800	3,200	3,446
Contribution to (-) / Use of Reserves to Balance Budget						
Capacity issues reserve	-	-	-	-	-	-
Total Income from Reserves	-	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,177	2,313	2,800	3,200	3,446
Savings identified to date:						
Strategic Property Investment Fund						
Future property purchases		100	300	500	700	900
Commercial activities and commissioning						
Commercial and Property Board		229	229	229	229	229
Efficiency Measures						
Digital strategy		73	89	89	89	89
Restructures and service plan savings not included above (see appendix 3)						
		697	681	681	681	681
Total future initiatives identified		1,099	1,299	1,499	1,699	1,899
Cumulative savings still to be found/ (surplus)		78	1,014	1,301	1,501	1,547
Annual savings still to be found		78	936	287	200	46
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band C property)		£4.83	£4.93	£5.03	£5.13	£5.23
Average weekly increase (Band C property)		£0.09	£0.09	£0.10	£0.10	£0.10
Savings required in each year		1,177	1,136	487	400	246

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2016/17 - 2021/22

	2016/17 Base	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	14,039	14,039	14,039	14,039	14,039	14,039
Annual Inflation						
Estimated inflation		304	882	1,480	2,087	2,723
- Overprovision for pay award in 2016/17 budget		(121)	(121)	(121)	(121)	(121)
One -off / non-recurring items						
Local Elections (not held once every four years)		(76)	-	-	-	(76)
Committed Growth / Cost reductions						
Impact of Pension Fund Triennial valuation		100	204	315	321	327
Housing condition survey - carried out once every 3 years		9	-	-	9	-
Impact of pension valuation for SDLT - Fall out of pension costs.		(26)	(52)	(78)	(104)	(130)
Loss of Housing Benefit Administration Grant		45	90	135	180	225
Reopening of Brooklands Golf Course (reopens 2017/18)		(98)	(98)	(98)	(98)	(98)
Net impact of SDLT commissioning support services from external providers		187	187	187	187	187
Increasing demand for emergency accommodation		520	520	520	520	520
Impact of reprocurement of building maintenance contracts for corporate buildings		14	14	14	14	14
Reprocurement of IT systems		25	25	25	25	25
New 2020 recycling targets		-	-	300	600	600
Removal of new burdens funding for Council Tax support		60	60	60	60	60
Growth items identified by Heads of Service (See appendix 2)		184	184	184	184	184
Impact of capital programme						
Financing costs - General Programme		148	181	297	239	317
Additional income						
Investment income		56	48	40	(12)	(72)
Agreed Savings						
Splashpoint - Impact of sale of Aquarena site		(150)	(150)	(150)	(150)	(150)
Approved Growth items						
Provision for new growth items		90	90	90	90	90
Total Cabinet Member Requirements	14,039	15,310	16,103	17,239	18,070	18,664
Total Cabinet Member Requirements b/fwd	14,039	15,310	16,103	17,239	18,070	18,664
Baseline funding	2,464	2,513	2,587	2,669	2,722	2,776
Add: Net retained additional business rates	520	506	502	251	300	345
Add: Share of 2015/16 surplus /deficit (-)	(175)					
Adusted Baseline funding	2,809	3,019	3,089	2,920	3,022	3,121

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2016/17 - 2021/22

	2016/17 Base	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	1,194	453	8	-	-	-
Council Tax income						
Adjusted Council Tax income	8,228	8,498	8,702	8,912	9,117	9,337
Transitional Grant	100	100	-	-	-	-
Council Tax Reduction Scheme Grant	60	54	49	44	39	35
Total New Homes Bonus	1,599	1,514	1,484	1,488	1,220	860
Collection fund surplus/deficit (-)	49	9	-	-	-	-
Total other grants and contributions	1,808	1,677	1,533	1,532	1,259	895
Total Income from Taxation	14,039	13,647	13,332	13,364	13,398	13,353
(Surplus) / Shortfall in Resources	-	1,663	2,771	3,875	4,672	5,311
Use of / (contribution to) Res'ves to Balance						
Capacity issues reserve	-	-	-	-	-	-
Total Income from Reserves	-	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,663	2,771	3,875	4,672	5,311
Strategic Initiatives to balance the budget						
Strategic Property Investment Fund						
Properties purchased to date		148	148	148	148	148
Future property purchases		52	252	452	652	852
Commercial activities and commissioning						
Commercial and Customer Board		478	478	478	478	478
Efficiency Measures						
Digital Strategy Board		108	132	132	132	132
Restructures and service plan savings not included above (see appendix 3)						
		968	389	389	389	389
		1,754	1,399	1,599	1,799	1,999
Cumulative savings still to be found		(91)	1,372	2,276	2,873	3,312
Annual savings still to be found		(91)	1,463	813	2,060	1,252
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band C property)		£3.84	£3.92	£4.00	£4.08	£4.16
Average weekly increase (Band C property)		£0.07	£0.08	£0.08	£0.08	£0.08
Savings required in each year		1,663	1,108	1,104	796	639

<u>Committed growth items</u>	2017/18						2018/19	2019/20	APPENDIX 2
	JOINT	ADUR			WORTHING	Grand Total			Notes:
	(Memo)	General fund	HRA	Total					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITIES									
Environment									
Tree Surgery - to carry out essential maintenance works following tree survey	15,270	10,000		10,000	15,000	25,000	25,000	25,000	
Cameo Scheme				0	20,000	20,000	20,000	20,000	Reduction in the income from the CAMEO scheme
Wellbeing									
Member Allowances		8,600		8,600		8,600	17,200	25,800	Increase as approved at Council recommended by the Independent Remuneration Panel
Housing									
Impact of job evaluation and additional overtime to deal with increased homelessness caseloads	70,000	28,000		28,000	42,000	70,000	70,000	70,000	
Total for Communities Directorate	85,270	46,600	0	46,600	77,000	123,600	132,200	140,800	

<u>Committed growth items</u>	2017/18						2018/19	2019/20	APPENDIX 2
	JOINT	ADUR			WORTHING	Grand Total			Notes:
	(Memo)	General fund	HRA	Total					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
CUSTOMER SERVICES									
Revenues and Benefits									
Additional costs arising from recent Job Evaluation	14,000	0		0	14,000	14,000	14,000	14,000	
Waste Management									
Recycling payment from WSCC overstated	45,000	16,380		16,380	28,620	45,000	45,000	45,000	Final agreed figure for recycling was lower than budgeted for.
Total for Customer Services Directorate	59,000	16,380	0	16,380	42,620	59,000	59,000	59,000	
DIGITAL & RESOURCES									
Finance									
Reletting of insurance contract		15,630		15,630		15,630	15,630	15,630	Contract relet in June 2016
Reduced income on bank account		20,000		20,000		20,000	20,000	20,000	Impact of fall in interest rates
Brokers fees				0	15,000	15,000	15,000	15,000	
Treasury management fee budget	9,000	3,600		3,600	5,400	9,000	9,000	9,000	
Total for Digital and Resources Directorate	9,000	39,230	0	39,230	20,400	59,630	59,630	59,630	

Committed growth items	2017/18						2018/19	2019/20	APPENDIX 2
	JOINT	ADUR			WORTHING	Grand Total			Notes:
	(Memo)	General fund	HRA	Total					
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
ECONOMY									
Place and Investment									
Income targets for events not realistic; hence growth requested for £10k	10,000	2,500		2,500	7,500	10,000	10,000	10,000	
Council's additional contribution to Coastal West Sussex	0	10,000		10,000	10,000	20,000	20,000	20,000	
Growth									
Funding from WSCC for the Major Projects Officers ceases.	35,000	8,750		8,750	26,250	35,000	35,000	35,000	Awaiting confirmation whether WSCC will fund for 2017/18 - this may drop out
Total for Economy Directorate	45,000	21,250	0	21,250	43,750	65,000	65,000	65,000	
Total Committed Growth identified	198,270	123,460	0	123,460	183,770	307,230	315,830	324,430	
Allowance in budget	-50,000	-70,000		-70,000	-80,000	-150,000	-150,000	-150,000	
Over (-) / under provision	148,270	53,460	0	53,460	103,770	157,230	165,830	174,430	

Summary of savings received to date:										APPENDIX 3
Savings	2017/18						2018/19	2019/20	Notes:	
	Joint (Memo)	Adur			Worthing	Grand Total				
	£	General fund	HRA	Total	£	£	£	£		
Director - Leisure support										
Annual reduction in ACL expenditure		10,000		10,000		10,000	20,000	30,000	ADC grant to Impulse reduces by £10k p.a. until 17/18 when the grant is £160k. Negotiations will begin with Impulse as to grant funding from 18/19 onwards.	
Impact of Digital improvements	25,000	10,250		10,250	14,750	25,000	25,000	25,000	Licensing	
	25,000	20,250	0	20,250	14,750	35,000	45,000	55,000		
Head of Housing										
New Strategy for Emergency Accommodation (Housing)		67,500		67,500	157,500	225,000	225,000	225,000		
	0	67,500	0	67,500	157,500	225,000	225,000	225,000		

Summary of savings received to date:

APPENDIX 3

Savings	2017/18						2018/19	2019/20	Notes:
	Joint	Adur			Worthing	Grand Total			
	(Memo)	General fund	HRA	Total					
	£	£	£	£	£	£			
COMMUNITIES									
Head of Environment									
Crematorium - Fees & Charges increase net of medical referral fees	0	0	0	0	73,140	73,140	73,140	73,140	
Cemeteries - Fees & Charges increase	0	6,720		6,720	9,310	16,030	16,030	16,030	
Beach Huts - Fees & Charges increase	0	2,970		2,970	11,240	14,210	14,210	14,210	
Allotments - Fees & Charges increase	0	7,300		7,300	210	7,510	7,510	7,510	
Other Fees & Charges	40	410		410	1,330	1,740	1,740	1,740	
Beach House Park Pavilion Rental Income	0	0		0	20,000	20,000	20,000	20,000	
Construction of Additional Beach Huts	0	0		0	23,000	23,000	23,000	23,000	
Beach House Park - Car Park Income	0	0		0	25,000	25,000	25,000	25,000	Conversion of Tennis Courts to a car park
Environment Restructure	55,000	11,550		11,550	43,450	55,000	55,000	55,000	
Grounds Maintenance additional external income	15,000	5,210		5,210	9,800	15,010	15,010	15,010	Grounds Maintenance SLA/External Contracts - annual increase above inflation and additional work through variation orders
	70,040	34,160	0	34,160	216,480	250,640	250,640	250,640	

Summary of savings received to date:										APPENDIX 3
Savings		2017/18					Grand Total	2018/19	2019/20	Notes:
	Joint (Memo)	Adur			Worthing					
		General fund	HRA	Total						
	£	£	£	£	£	£	£	£		
COMMUNITIES										
Head of Wellbeing										
Democratic Services - Various base budget changes	2,000	6,940		6,940	7,230	14,170	14,170	14,170		
Fees & Charges for Public Health	0	920		920	2,080	3,000	3,000	3,000		
Community Wellbeing Restructure	45,690	21,020		21,020	24,670	45,690	45,690	45,690		
	47,690	28,880	0	28,880	33,980	62,860	62,860	62,860		
Total for Communities Directorate	142,730	150,790	0	150,790	422,710	573,500	583,500	593,500		

Summary of savings received to date:										APPENDIX 3
Savings	2017/18						2018/19	2019/20	Notes:	
	Joint (Memo)	Adur		Worthing	Grand Total					
	£	General fund	HRA	Total	£	£	£	£		
Head of Waste & Cleansing										
Review of vehicle workshop staffing	38,730	15,490		15,490	23,240	38,730	38,730	38,730	Potential redundancy costs	
Repairs on New Fleet	65,000	23,660		23,660	41,340	65,000	40,000	30,000		
No increase in base expenditure budget excluding Labour & Income	3,000	1,200		1,200	1,800	3,000	3,000	3,000		
Charge for delivery of bins est 100 x £10.00	4,000	1,460		1,460	2,540	4,000	4,000	4,000	£10.00 per delivery	
Review of waste management staffing requirements	29,000	10,560		10,560	18,440	29,000	29,000	29,000	Potential redundancy costs	
Review of Pest Control staffing	34,000	13,600		13,600	20,400	34,000	34,000	34,000	Potential redundancy costs	
Increased income from Trade and Commercial Waste	0	26,250		26,250	92,250	118,500	163,500	208,500		
Increase in price of Garden Waste Bins from £65 - £70	46,250	16,840		16,840	29,420	46,260	7,800	46,280		
Increase take up of new bins - 500 extra bins	70,000	25,480		25,480	44,520	70,000	72,000	75,000		
Increase Garden sack from £0.90p to £1.00p	13,530	4,920		4,920	8,610	13,530	13,530	13,530		
Bulky Waste increase in collection numbers	10,000	4,000		4,000	6,000	10,000	10,000	10,000		
Bulky Waste increase in fees above 2% income	1,640	660		660	980	1,640	1,640	1,640		
Increase External Income on Cleansing	1,000	390		390	610	1,000	1,000	3,000		
	316,150	144,510	0	144,510	290,150	434,660	418,200	496,680		

Summary of savings received to date:										APPENDIX 3
Savings		2017/18					Grand Total	2018/19	2019/20	Notes:
		Joint (Memo)	Adur		Worthing					
		£	General fund	HRA	Total	£	£	£	£	
		£	£	£	£	£	£	£	£	
CUSTOMER SERVICES										
	Projected increase in income as part of Adur Tariff review over and above 2016/17 target subject to Member agreement		10,000		10,000	0	10,000	10,000	10,000	
	Sale of Brooklands Season Tickets		0		0	3,000	3,000	3,000	3,000	
	Increase in sales of validation deals and season tickets		0		0	32,000	32,000	32,000	32,000	
	Sponsorship income		0		0	5,000	5,000	5,000	5,000	
	Bring Adur and Worthing On Street cash collection in house and Adur off street collection in house	9,000	1,800		1,800	7,200	9,000	9,000	9,000	
		9,000	11,800	0	11,800	47,200	59,000	59,000	59,000	

Summary of savings received to date:										APPENDIX 3
Savings		2017/18					2018/19	2019/20	Notes:	
	Joint (Memo)	Adur			Worthing	Grand Total				
	£	General fund	HRA	Total	£	£	£	£		
CUSTOMER SERVICES										
Increase in BC income based on increased market share from sales and marketing plus fee increase		24,800		24,800	37,200	62,000	65,000	65,000		
Rationalisation of SNN/LLPG resources	10,000	3,000		3,000	7,000	10,000	10,000	10,000		
3%increase in Land Charges Fees	15,000	4,650		4,650	10,350	15,000	15,000	15,000		
Fully realised potential of Added Value Services including Partnership Work, FRA's, working outside of boundaries.		20,000		20,000		20,000	20,000	20,000		
	25,000	52,450	0	52,450	54,550	107,000	110,000	110,000		

Summary of savings received to date:										APPENDIX 3
Savings		2017/18					2018/19	2019/20	Notes:	
	Joint (Memo)	Adur			Worthing	Grand Total				
	£	General fund £	HRA £	Total £	£	£	£	£		
CUSTOMER SERVICES										
	Creation of a joint Adur- Worthing Revenues & Benefits Service		80,000		80,000	20,000	100,000	200,000	200,000	
		0	80,000	0	80,000	20,000	100,000	200,000	200,000	
	Total for Customer Services Directorate	350,150	288,760	0	288,760	411,900	700,660	787,200	865,680	

Summary of savings received to date:									APPENDIX 3
Savings	2017/18					Grand Total	2018/19	2019/20	Notes:
	Joint (Memo)	Adur		Worthing					
	£	General fund	HRA	Total	£	£	£	£	
Head of Finance									
Minimum Revenue Provision - change in policy		311,500		311,500	320,400	631,900	471,700	375,200	
Demolish the Civic Centre		41,850		41,850		41,850	41,850	41,850	
Fall out of pension costs		24,060		24,060	7,830	31,890	59,190	59,190	
Worthing Homes Loan					46,880	46,880	25,000	25,000	
Reletting of insurance contract					22,360	22,360	22,360	22,360	
Removal of EU car allowances for staff doing less than 1,000 miles per year	75,000	30,000		30,000	45,000	75,000	75,000	75,000	
Shared services with nearby Council						0	15,340	15,340	
	75,000	407,410	0	407,410	442,470	849,880	710,440	613,940	
Head of Digital and Design									
Move to laas						0	40,000	40,000	
	0	0	0	0	0	0	0	0	

Summary of savings received to date:									APPENDIX 3
Savings	2017/18					Grand Total	2018/19	2019/20	Notes:
	Joint (Memo)	Adur		Worthing					
	£	General fund	HRA	Total	£	£	£	£	
Head of Finance									
OD rationalisation	1,750	700		700	1,050	1,750	1,750	1,750	
	1,750	700	0	700	1,050	1,750	1,750	1,750	
Head of Business and Technical Services									
Courier post deletion	11,910	4,760		4,760	7,150	11,910	11,910	11,910	
	11,910	4,760	0	4,760	7,150	11,910	11,910	11,910	
Total for Digital and Resources Directorate	88,660	412,870	0	412,870	450,670	863,540	724,100	627,600	

Summary of savings received to date:									APPENDIX 3
Savings	2017/18					Grand Total	2018/19	2019/20	Notes:
	Joint (Memo)	Adur		Worthing					
	£	General fund	HRA	Total	£	£	£	£	
Head of Growth									
Scanning budget - efficiency savings				0	10,000	10,000	10,000	10,000	
Team secretary - Flexible retirement	6,000	2,400		2,400	3,600	6,000	6,000	6,000	
Print room budget	5,000	2,000		2,000	3,000	5,000	5,000	5,000	
6 to 8 Southwick square		10,000		10,000		10,000	10,000	10,000	
Rent increase HSBC site - Worthing				0	25,000	25,000	25,000	25,000	
Decoy farm - Former Civic Amenity site				0	30,000	30,000	30,000	30,000	Short term let from GSK
Investment proposal for 2017/18 onwards		60,000		60,000	60,000	120,000	150,000	150,000	
Planning applications - Pre-application fees				0		0	10,000	5,000	
Digital transformation of planning function	83,000	33,200		33,200	49,800	83,000	83,000	83,000	
TechForge Licence	11,000	4,400		4,400	6,600	11,000	11,000	11,000	New asset management tool is being developed on the MatSoft platform replacing existing software
	105,000	112,000	0	112,000	188,000	300,000	340,000	335,000	

Summary of savings received to date:									APPENDIX 3
Savings	2017/18					Grand Total	2018/19	2019/20	Notes:
	Joint (Memo)	Adur		Worthing					
	£	General fund	HRA	Total	£	£	£	£	
Head of Growth									
General grants budgets		5,000		5,000		5,000	5,000	5,000	
Town centre marketing strategy budget					5,000	5,000	5,000	5,000	
Computer costs - Tourist information centre budget					7,730	7,730	7,730	7,730	
Regeneration Travel costs	2,000	800		800	1,200	2,000	2,000	2,000	
Regeneration/Economic development/Streetscene Coordinator	45,000	18,000		18,000	27,000	45,000	45,000	45,000	
Tourism and Events - Filming proposed increase in income	1,000	500		500	500	1,000	1,000	1,000	
Adur Markets - Potential increase in income		10,000		10,000		10,000	10,000	10,000	
	48,000	34,300	0	34,300	41,430	75,730	75,730	75,730	
Head of Culture									
Levy - Additional charge for buildings improvement levy				0	40,000	40,000	40,000	40,000	
	0	0	0	0	40,000	40,000	40,000	40,000	
Total for Economy Directorate	153,000	146,300	0	146,300	269,430	415,730	455,730	450,730	
OVERALL TOTAL	734,540	998,720	0	998,720	1,554,710	2,553,430	2,550,530	2,537,510	

SUMMARY OF DIGITAL PROGRAMME BOARD SAVINGS (included in Appendix 3)

APPENDIX 4

	2017/18					Grand Total	2018/19	2019/20
	Joint	Adur			Worthing			
	(Memo)	General fund	HRA	Total				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Digital transformation of planning function	83,000	33,200	0	33,200	49,800	83,000	83,000	83,000
Increase in BC income based on increased market share from sales and marketing plus fee increase	0	24,800	0	24,800	37,200	62,000	65,000	65,000
Impact of Digital improvements on licencing service	25,000	10,250	0	10,250	14,750	25,000	25,000	25,000
Move to laas	0	0	0	0	0	0	40,000	40,000
TechForge Licence	11,000	4,400	0	4,400	6,600	11,000	11,000	11,000
	119,000	72,650	0	72,650	108,350	181,000	224,000	224,000
Target						200,000	400,000	400,000
Over / Under (-) target						-19,000	-176,000	-176,000

SUMMARY OF CUSTOMER AND COMMERCIAL BOARD SAVINGS (included in Appendix 3)

APPENDIX 5

	2017/18						2018/19	2019/20
	Joint	Adur			Worthing	Grand Total		
	(Memo)	General fund	HRA	Total				
	£'000	£'000	£'000	£'000	£'000	£'000		
DEVELOPMENT OF EXISTING BUSINESSES								
Head of Environment								
Crematorium - Fees & Charges increase net of medical referral fees	0	0	0	0	73,140	73,140	73,140	73,140
Cemeteries - Fees & Charges increase	0	6,720	0	6,720	9,310	16,030	16,030	16,030
Beach Huts - Fees & Charges increase	0	2,970	0	2,970	11,240	14,210	14,210	14,210
Allotments - Fees & Charges increase	0	7,300	0	7,300	210	7,510	7,510	7,510
Other Fees & Charges	40	410	0	410	1,330	1,740	1,740	1,740
Beach House Park Pavilion Rental Income	0	0	0	0	20,000	20,000	20,000	20,000
Grounds Maintenance additional external income	15,000	5,210	0	5,210	9,800	15,010	15,010	15,010
Head of Wellbeing								
Fees & Charges for Public Health	0	920	0	920	2,080	3,000	3,000	3,000
Head of Waste & Cleansing								
Charge for delivery of bins est 100 x £10.00	4,000	1,460	0	1,460	2,540	4,000	4,000	4,000
Increased income from Trade and Commercial Waste	0	26,250	0	26,250	92,250	118,500	163,500	208,500
Increase in price of Garden Waste Bins from £65 - £70	46,250	16,840	0	16,840	29,420	46,260	7,800	46,280
Increase take up of new bins - 500 extra bins	70,000	25,480	0	25,480	44,520	70,000	72,000	75,000
Increase Garden sack from £0.90p to £1.00p	13,530	4,920	0	4,920	8,610	13,530	13,530	13,530
Bulky Waste increase in collection numbers	10,000	4,000	0	4,000	6,000	10,000	10,000	10,000
Bulky Waste increase in fees above 2% income	1,640	660	0	660	980	1,640	1,640	1,640
Increase External Income on Cleansing	1,000	390	0	390	610	1,000	1,000	3,000

SUMMARY OF CUSTOMER AND COMMERCIAL BOARD SAVINGS (included in Appendix 3)

APPENDIX 5

	2017/18						2018/19	2019/20
	Joint	Adur			Worthing	Grand Total		
	(Memo)	General fund	HRA	Total				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Head of Customer Engagement								
Projected increase in income as part of Adur Tariff review over and above 2016/17 target subject to Member agreement	0	10,000	0	10,000	0	10,000	10,000	10,000
Sale of Brooklands Season Tickets	0	0	0	0	3,000	3,000	3,000	3,000
Increase in sales of validation deals and season tickets	0	0	0	0	32,000	32,000	32,000	32,000
Sponsorship income	0	0	0	0	5,000	5,000	5,000	5,000
Head of Building Control and Land Charges								
3%increase in Land Charges Fees	15,000	4,650	0	4,650	10,350	15,000	15,000	15,000
Fully realised potential of Added Value Services including Partnership Work, FRA's, working outside of boundaries.	0	20,000	0	20,000	0	20,000	20,000	20,000
Head of Finance								
Worthing Homes Loan	0	0	0	0	46,880	46,880	25,000	25,000
Head of Place & Investment								
Tourism and Events - Filming proposed increase in income	1,000	500	0	500	500	1,000	1,000	1,000
Adur Markets - Potential increase in income	0	10,000	0	10,000	0	10,000	10,000	10,000

SUMMARY OF CUSTOMER AND COMMERCIAL BOARD SAVINGS (included in Appendix 3)

APPENDIX 5

	2017/18						2018/19	2019/20
	Joint	Adur			Worthing	Grand Total		
	(Memo)	General fund	HRA	Total				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
NEW INITIATIVES								
Head of Environment								
Construction of Additional Beach Huts	0	0	0	0	23,000	23,000	23,000	23,000
Beach House Park - Car Park Income	0	0	0	0	25,000	25,000	25,000	25,000
Head of Revenues and Benefits								
Creation of a joint Adur-Worthing Revenues & Benefits Service	0	80,000	0	80,000	20,000	100,000	200,000	200,000
Head of Finance								
Shared services with nearby Council	0	0	0	0	0	0	15,340	15,340
Total savings	177,460	228,680	0	228,680	477,770	706,450	808,450	896,930
Less: Target		180,000		180,000	420,000	600,000		
Over / Under (-) target		48,680	0	48,680	57,770	106,450		