



ADUR & WORTHING COUNCILS

21 November 2017

Joint Overview and Scrutiny Committee

Date:	30 November 2017
Time:	6:30pm
Venue:	Gordon Room, Worthing Town Hall

Committee Membership:

Adur District Council: Stephen Chipp (Chairman) Joss Loader, (Vice Chairman), Carol Albury, Les Alden, George Barton, Kevin Boram, Ann Bridges, Robin Monk

Worthing Borough Council: Roy Barraclough (Chairman), Keith Bickers (Vice Chairman), Sean McDonald, Nigel Morgan, Louise Murphy, Luke Proudfoot, Bob Smytherman, Steven Waight

Agenda

Part A

1. Declarations of Interest

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. Substitute Members

3. Confirmation of Minutes

To approve the minutes of the Joint Overview and Scrutiny Committee meeting of held on 21 September 2017, copies of which have been previously circulated.

4. 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 28 November 2017

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 , 01903 221364

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

5. Items Raised Under Urgency Provisions

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

6. Consideration of any matter referred to the Committee in relation to a call-in of a decision

7. Report of the Protection of Public Buildings Working Group

To consider a report by the Director for Digital and Resources, copy attached as item 7

8. Responses of the Executive to reports of the Joint Overview and Scrutiny Committee

Minute extract from the meeting of the Joint Strategic Committee of the 10 October attached as item 8

9. Report of the Theatres Budgets Review Working Group

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

10. Outline 5 year forecast and savings proposals

To consider a report by the Director for Digital and Resources, copy attached as item 10

11. JOSC Work Programme 2017/18

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

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 Democratic Services Officer 01903 221364 chris.cadman-dando@adur-worthing.gov.uk	Joanne Lee Solicitor 01903 221134 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.



ADUR & WORTHING
COUNCILS

Ward(s) Affected: N/A

Protection of Public Buildings - Report from Scrutiny Working Group

Report by the Director for Digital and Resources

Executive Summary

1. Purpose

- 1.1 This report sets out the findings and recommendations from the Working Group set up to investigate the Councils role/responsibilities in the protection of Council owned public Listed Buildings with particular regard to incidents involving some unauthorised advertising on the Worthing Museum and Worthing Theatres Buildings which occurred earlier in 2017.
- 1.2 The Committee will need to consider if any recommendations for change in the processes need to be submitted to the Council Executives/Executive Members as a result of the findings from the Working Group.

2. Recommendations

- 2.1 That the Committee consider and approve the findings/recommendations from the JOSC Working Group;

2.2 That the Committee consider if any recommendations for change in the processes need to be submitted to the Joint Strategic Committee /Executives/Executive Members.

3. Context

- 3.1 As part of its Work Programme for 2017/18, JOSc agreed to set up a Working Group to investigate the Councils role/responsibilities in the protection of Council owned public Listed Buildings with particular regard to incidents earlier in 2017 involving some unauthorised advertising on the Worthing Museum and Worthing Theatres Buildings. The Working Group also assessed if any further action is required to help the understanding of the Planning regulations amongst staff and to consider if any further action needs to be taken to improve the service and to seek reassurance that processes are now in place to avoid repetition or similar issues occurring again in the future.
- 3.2 Councillors Carol Albury, Robin Monk (Adur District Council), Louise Murphy and Bob Smytherman (Worthing Borough Council) were appointed to the Working Group which met on 27 September to discuss the issues. Councillor Murphy was appointed as Chairman of the Working Group.
- 3.3 The issue was raised for further scrutiny following a request from Councillor Kevin Jenkins in his former capacity as Chairman of the Worthing Planning Committee. Councillor Jenkins had raised the matter for further scrutiny because he was concerned that the refusal of a recent Planning application for alterations to a Public Listed Building owned by the Councils had highlighted that there was possibly insufficient knowledge, expertise or realisation amongst staff and Heads of Service what their legal obligations were in respect of protecting those public buildings for which the Councils were responsible for. He considered that the Councils, as landlords, should retain a responsibility for how the Council buildings were developed or altered. There was also a need to ensure that staff were skilled and knowledgeable enough to be able to manage the buildings.

4. Issues for consideration

- 4.1 In accordance with the remit, the Working Group discussed the issues, reviewing the internal management of the public buildings, the internal process for ensuring that managers are aware of the legislation that they need to

comply with before embarking on development and what checks and measures were put in place by the Directors and Heads of Service to ensure compliance that would ensure the credibility of the Councils was not brought into disrepute. Councillor Jenkins attended the meeting of the Working Group and provided evidence in support of his request for further scrutiny of the issues. A copy of the notes, findings and recommendations from the Working Group is attached as the Appendix to this report.

4.2 As part of its investigations into the issues, the Working Group has received evidence from Steve Spinner, Head of Technical Services and James Appleton, Head of Planning & Development on the work which their services are undertaking to ensure that works to Council public buildings are provided in accordance with relevant planning regulations.

4.3 Having received the evidence the Working Group has considered that there were were failings in the way officers handled the issues relating to the unauthorised works, however, it is considered that they were isolated incidents. The Working Group considers that it is important, therefore, that all staff with responsibility for managing the buildings are made more aware of the Planning Regulations and controls on works to Listed Buildings and what works could and could not be done to the buildings. This could be done via staff induction type sessions. The Councils have also recently begun work to review all Council assets. An Asset Management Group has been set up to help take forward and co-ordinate the significant work requirement around asset management. Reporting to the Strategic Asset Board, the Group would be driving the development of strategic asset management programmes across the priority Portfolios on the capital programme which covers Council dwellings, operational buildings, commercial property and car parks. Identifying all assets will enable the Councils to ensure that there is a strategic focus on the management of all assets and that the Councils are aware of what their assets are.

5. Engagement and Communication

5.1 The Working Group has consulted with the Director for Economy, Head of Planning and Development and Head of Business and Technical Services as part of its investigation and scrutiny of these issues. Councillor Kevin Jenkins, Worthing Executive Member for Regeneration and former Chairman of the Worthing Planning Committee has also been consulted by the Working Group.

6. Financial Implications

6.1 There are no direct financial implications resulting from this report.

7. Legal Implications

7.1 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.

7.2 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).

7.3 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.

Background Papers

None

Officer Contact Details:-

Mark Lowe

Policy Officer,

Town Hall,

Worthing,

BN11 1HA

Tel: 01903 221009

mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered. Implementation of the proposals suggested in the report will help in the Protection of Public Listed Buildings for the benefit of the Communities.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered. The issues considered as part of the review could impact on the reputation of the Councils if they occur again or if no action is taken to improve processes.

**Joint Overview and Scrutiny Working Group
on Protection of Public Buildings**

Wednesday 27 September 2017
6.00pm at Worthing Town Hall

Present:

Councillor Carol Albury - Adur District Council
Councillor Robin Monk - Adur District Council
Councillor Louise Murphy - Worthing Borough Council
Councillor Bob Smytherman - Worthing Borough Council

Also Present:-

Councillor Kevin Jenkins - Executive Member for Regeneration (Worthing Borough Council)
James Appleton - Head of Planning & Development (Adur & Worthing Councils)
Steve Spinner - Head of Business & Technical Services (Adur & Worthing Councils)
Mark Lowe - Policy Officer (Adur & Worthing Councils)

1. Appointment of Chairman for the Working Group

RESOLVED: - That Councillor Louise Murphy be appointed as Chairman of the Working Group.

2. Terms of Reference for the Working Group

RESOLVED:- That the following terms of reference be agreed for the Working Group:-

(a) To investigate the Councils role/responsibilities in the protection of Council owned public Listed Buildings with particular regard to the recent incidents involving some unauthorised advertising on the Worthing Museum and Worthing Theatres buildings;

(b) To assess if any further action is required to help the understanding of the Planning regulations amongst staff and to consider if any further action needs to be taken to improve the service and to seek reassurance that processes are now in place to avoid repetition or similar issues occurring again in the future.

(c) To consider if any recommendations for change in the processes need to be submitted to JOSC/Executives/Executive Members.

3. Protection of Public Buildings - Background to the Scrutiny review

The Working Group received a report which set out the background to the review.

At its meeting on 29 June 2017, the Joint Overview and Scrutiny Committee had agreed to set up the Working Group to review the role of the Councils in the protection of Council owned public Listed Buildings and this followed on from a request from Councillor Kevin Jenkins for the review to be undertaken.

In his original request, Councillor Jenkins in his former capacity as Chairman of the Planning Committee, had advised his concerns that the refusal of a recent Planning application for alterations to a Public Listed Building had highlighted that there was possibly insufficient knowledge, expertise or realisation amongst staff and Heads of Service what their legal obligations were in respect of protecting those public buildings for which the Councils were responsible for. He considered that the Councils, as landlords, should retain a responsibility for how the Council buildings were developed or altered. There was also a need to ensure that staff were skilled and knowledgeable enough to be able to manage the buildings.

In accordance with the remit, the Working Group discussed the issues, reviewing the internal management of the public buildings, the internal process for ensuring that managers are aware of the legislation that they need to comply with before embarking on development and what checks and measures were put in place by the Directors and Heads of Service to ensure compliance that would ensure the credibility of the Councils was not brought into disrepute. The review was undertaken because the works to the Council owned public buildings had attracted public concern direct and in the local media and suggested that there was a need to investigate whether or not the Councils were fulfilling their public duty correctly.

Councillor Jenkins also attended the Working Group to provide further evidence in support of his request for the scrutiny review.

The Working Group also received an evidence report on the background and the comments from the Economy Directorate and Head of Culture referring to the action taken within the Culture Department in relation to the works/alterations to the Worthing Museum, Connaught Theatre and the Pavilion Theatre. The Working Group was advised of the lessons learned and was made aware that the Culture Service now had active discussions with Planning Officers in the Planning & Development service on any projects to check whether any planning applications were required. The Head of Culture Service indicated that her service area had previously been overly enthusiastic in its approach but lessons had been learned and that there was now a good understanding of the processes and an excellent relationship with the Planning service.

As part of its evidence finding work, the Working Group received evidence from Steve Spinner, Head of Technical Services and James Appleton, Head of Planning & Development on the work which their services were undertaking to ensure that works to Council public buildings were provided in accordance with relevant planning regulations.

The Technical Services Surveyors Team had a good working relationship with Officers in the Planning Services Team and if work was required to be undertaken to Council buildings, then they would ask if any permissions were required. The Surveyors Team also worked with the Theatres, South Downs Leisure Trust and Shoreham Centre staff to assess if works were required to their buildings. It was considered that the incidents relating to the Theatres and Museum where works had been undertaken without permission, were isolated incidents and, therefore, it was important that all staff with responsibility for managing the buildings were made more aware of the Planning Regulations and controls on works to Listed Buildings and what works could and could not be done to the buildings. This could be provided via staff induction type sessions.

Mr Spinner advised that it was important to have a balanced approach and that some works did not require approval but it was particularly important to be careful with works involving the movement of asbestos related material. The Working Group was advised that work was underway to review the Councils' asbestos management policy and there would be training provided for staff on asbestos management. This would ensure that staff were fully briefed on asbestos works and the impact on Council buildings.

Mr Appleton advised the Working Group that Officers from the Planning Service worked well with other Departments and had now developed a closer working relationship with Theatres staff where works were planned to those buildings. In particular, the Planning Service would work with other Service areas on small scale issues where staff were not aware of the procedures but he also considered that it was important that the processes and regulations which needed to be followed were all cascaded down to staff because failure to understand and subsequent works without permission were a serious reputational issue for the Councils. The Planning Regulations were complicated and required a great deal of knowledge to understand.

Mr Appleton also advised the Working Group that the Councils had recently begun work to review all Council assets. An Asset Management Group had been set up to help take forward and co-ordinate the significant work requirement around asset management. Reporting to the Strategic Asset Board, the Group would be driving the development of strategic asset management programmes across the priority portfolios identified at the recent Peer Review on the capital programme. This covered Council dwellings, operational buildings, commercial property and car parks.

Work to date had identified a number of key work streams and the Asset Management Group would help track and drive condition survey & programme development for Adur Homes, condition survey & programme development for operational buildings, programme development for car parks, programme development for other asset categories, development of strategic procurement opportunities and development of supporting digital systems. Identifying all assets would enable the Councils to ensure that there was a strategic focus on the management of all assets and that the Councils were aware of what their assets were.

Mr Appleton suggested that there did need to be some more awareness training amongst staff on the Planning Regulations and who to contact in the Planning Service if they were planning on undertaking some works to Council buildings. It was important for the Councils to know its Listed Buildings and the relevant Building Managers.

Having reviewed the evidence and considered the circumstances regarding the breach of Planning Regulations, the Working Group acknowledged that there were failings in the way Officers handled these issues but was pleased with controls now put in place and that the Culture Service now had active discussions with Planning Officers on any projects to check whether or not a planning application would be required. The Working Group also welcomed the ongoing work to manage all assets in a better way which would help long term in the protection of public buildings and also work ongoing to update asbestos management policies which would also help in the long term management of Council buildings.

The Working Group made a number of conclusions/findings which would be presented to the Joint Overview and Scrutiny Committee as follows:-

RESOLVED, 1. Having investigated the Councils role/responsibilities in the protection of public Listed Buildings and the unauthorised advertising on the Museum and theatres, the Working Group acknowledges that there were failings in the way that the advertising/displays were erected without any prior consent or discussions taking place but, having received evidence that appropriate procedures are now in place to ensure that situations like this do not occur again, the Working Group is satisfied that no further action be taken but;

2. The Working Group considers that some training/awareness sessions should be provided amongst Council staff involved in the protection of public buildings and buildings managers to explain how the Planning Regulations apply to the protection of public buildings and to make them aware of their responsibilities;

3. That the relevant Executive Members be encouraged to support the work already being undertaken on the review of Council assets, building compliance issues and plans to review the asbestos management policy. This work will provide more detailed background information to assist officers in the management of public buildings.

Minute Extract of the meeting of the Joint Strategic Committee that took place on the 10 October 2017

JSC/047/17-18 Joint Overview & Scrutiny Committee - Youth Engagement Review

Before the Committee was a report by the Director for Digital & Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these Minutes as Item 10.

Councillor Stephen Chipp, Chairman of the Joint Overview & Scrutiny Committee, presented a report which requested the Joint Strategic Committee receive and note the findings and recommendations of the Youth Engagement Working Group set up by the Joint Overview and Scrutiny Committee. The Working Group had recently concluded its work and a copy of their report was attached as an appendix.

It was proposed that a further follow up report would be presented to the Committee in January 2018 from the Director for Communities on the issues / recommendations and any financial / legal considerations for each recommendation. This would then enable the Committee to provide a formal response from the Executives to the Scrutiny proposals.

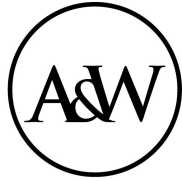
Members welcomed the report whilst acknowledging the importance of listening to young people and their involvement in the future planning of Adur and Worthing.

The Committee thanked members of the Youth Council for their contribution to this work.

Decision,

That the Joint Strategic Committee:-

- noted the report, findings and recommendations from the Joint Overview and Scrutiny Committee and Scrutiny Youth Engagement Working Group;
- agreed to receive a further follow up report in January 2018, from the Director for Communities, on the issues / recommendations and any financial / legal considerations for each recommendation contained in the Scrutiny report to assist the Executive in providing a formal response to the Joint Overview and Scrutiny Committee.



ADUR & WORTHING
COUNCILS

Ward(s) N/A

Outcomes from the Worthing Theatres Budget Working Group

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 This report sets out the findings and recommendations from the Theatres Budget Working Group set up by the Committee as part of its 2017/18 Work Programme.
- 1.2 The findings and recommendations from the Working Group should form the basis of areas for questioning of the Worthing Executive Member for Customer Services who has been invited to attend this meeting of the Committee to answer questions and address the issues raised by the Working Group.

2. Recommendations

- 2.1 That the Committee consider the outcomes and recommendations from the Theatres Budget Working Group and question the Worthing Executive Member for Customer Services on these issues;

2.2 That the Committee consider if it would like to make any further recommendations or observations to the Worthing Executive Member for Customer Services or Worthing Executive on the issues raised as part of the review.

3. Context

- 3.1 As part of its Work Programme for 2017/18, the Joint Overview and Scrutiny Committee (JOSC) agreed to set up a Working Group to review Worthing Theatres Budgets and the progression of previous recommendations from the Scrutiny review of Theatres in 2015 in preparation to present the findings to the Worthing Executive Member for Customer Services in November 2017.
- 3.2 Councillors Keith Bickers, Luke Proudfoot and Bob Smytherman (Worthing) and Joss Loader (Adur), were appointed to the Working Group and the Working Group met on 14 September 2017 to discuss the issues. Councillor Keith Bickers was appointed as Chairman of the Working Group.
- 3.3 A summary of the findings from the Working Group/report from the Chairman of the Working Group and the previous Scrutiny findings from 2015 are attached as appendix 1 to this report.

4. Issues for consideration

- 4.1 JOSC is requested to consider the findings from the Theatres Working Group and question the Worthing Executive Member for Customer Services as appropriate.

5. Engagement and Communication

- 5.1 As part of its investigations, the Working Group has interviewed the Director for Economy and Head of Culture on the current Worthing Theatres Budget situation and reviewed the progress on the outcomes from the previous scrutiny review held in 2015.

6. Financial Implications

- 6.1 The review relates to the Theatres Budgets and all financial implications are contained in the Theatres Budgets.

7. Legal Implications

- 7.1 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.
- 7.2 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).
- 7.3 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.

Background Papers

JOSC Scrutiny review report on Worthing Theatres - March 2015

Officer Contact Details:-

Mark Lowe

Policy Officer

01903 221009

mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

- 1.1** The outcomes from this review will help to develop the Worthing cultural offer and help achieve the financial break even position for Worthing Theatres which is a commitment in the Financial Economies Platform of Platforms for our Places strategic vision.

2. Social

2.1 Social Value

If the Worthing Theatres achieve a financial break even situation then they will be able to continue to develop the level of Worthing cultural offer for the benefit of the Adur and Worthing communities.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered. Outcomes from the JOSOC review might impact on the ability of the Councils to develop the Worthing cultural offer if changes are recommended.



**ADUR & WORTHING
COUNCILS**

Overview of Theatres Budget Scrutiny - final report

Report by Keith Bickers, Chairman of Scrutiny Working Group

1.0 Scope of Theatres Scrutiny

As part of its Work Programme for 2015/16 the Joint Overview and Scrutiny Committee (JOSC) set up a Working Group to review the operations and management of Worthing Theatres following concerns that the Theatres budget had incurred serious overspends of £484,000 in 2013/14. Particular areas of interest were Financial Management, Catering and Marketing.

2.0 Summary

In 2015 the Scrutiny Working Group was set up to consider methods to improve the results of Theatres. This was an extremely useful exercise and supported the strong improvement of the department over the last two years. The detail in this report has been reviewed and assessed by the latest Scrutiny Working Group set up to review the Worthing Theatres Budgets as follows:-

Theatres have now merged with museums to form the Culture department which developed the culture offer, increasing the economic impact on local business and crucially ended 2016/17 under budget by £3,500.

The theatres managed budget had an overspend of £25,000 in 2016/17, a dramatic improvement on £120,000 the previous year. This also included a savings target of £100,000 which underlines the success and real turn around of the department.

Six months into 2017/18 theatres are on budget and expect to end the year achieving the allocated budget including the £40,000 savings target.

3.0 Key areas of consideration for the Working Group

As part of its consideration, the Working Group concentrated on a number of key issues for Worthing Theatres and information was provided to support the progress being made to try and achieve financial break even for the Theatres.

3.1 Finance

The Working Group was advised that the Theatres have dramatically improved the financial position achieving the £217,000 savings target over the last four years. As recommended Worthing Theatres now has clear and detailed financial reporting and presented figures at monthly hotspot meetings. Now the theatres are on budget these hotspot meetings are quarterly.

This financial turnaround was achieved by: increased ticket sales, increased profitability of events programme, increased venue hires, increased secondary spend, improved budget control, staff structure and merging of the theatres and museum, increase in volunteers and the application of cultural exemption in December 2016.

The concern over Worthing Symphony Orchestra costs has been resolved with a five year contract that keeps the annual allocation to the agreed £20,000

3.2 Customer Experience

Theatres now have an excellent and experienced customer facing team who are making dramatic improvements to the service. 40% of customers are now returning four or more times a year, well above the national average of 24%. It should be noted that toilets are still an issue. The Studio Theatre toilets have now been refurbished and the Pavilion toilets are due for refurbishment in January 2018.

3.3 Staff Structure

Theatres fulfilled all recommendations of the original Scrutiny Working Group, completing pay and grading and a full restructure. In addition theatres and museum staff merged creating further savings.

3.4 Marketing

The Marketing Team has had an experience manager in post for over two years which has resulted in increased ticket sales, a dramatic growth in social media and tightly managed budgets. All the recommendations have been completed.

3.5. External Funding

Theatres now have an External Funding Manager with an excellent track record (including Head of Fundraising for Comic Relief) who is working on several bids including a bid for £1.2 million to HLF to redevelop the museum.

3.6 Technical Services

Theatres now have monthly meetings with Technical Services and communications have improved.

3.7 Catering

Catering has now stabilised and made a profit of £125,000 in 2016/17 which is the highest surplus in the last ten years. In 2017/18 the budget is set with a profit of £194,000 which is a challenging growth but six months into the year the Service is very close to the target and hope to achieve the year end figure. The previous issues have been resolved by simplifying the offer, reducing the staffing, maximising the pre show / interval sales and seasonally reducing the opening hours.

Worthing Theatres benchmarked the catering provision against Chichester Festival Theatre and the Brighton Dome and is making a higher surplus, performing well in comparison.

3.8 Economic Impact

An external study was completed in 2014 and is currently being updated.

The total direct impact on the economy is estimated to be £5.2m per annum, based on additional spend of theatre-goers, local purchasing and local spending of Theatre staff. This could be as high as £8.3m once a local multiplier (1.6) is applied.

The economic impact provides a return on the Council's investment in 2013/14 of almost 7:1. Worthing Theatres are a clear catalyst to additional spending in other parts of the economy. Around £1.5m is spent in restaurants, shops and the hospitality sector by theatre-goers who visit Worthing from outside the Borough.

Worthing Theatres share of core market expenditure has risen from 37% to 67%

4.0 Future of Culture

The Leader has formed a Working Group to consider the options for the future of the Culture department and this work is ongoing including an interrogation of the budget.

5.0 Conclusion

Culture achieved the bottom line budget in 2016/17 with an underspend of £3,500. It is anticipated that in 2017/18 not only will the Culture department as a whole achieve the budget but the Theatres Managed budget will also be achieved. It is then expected that savings of up to 5% year on year for the next five years will be achieved.

Review of actions from 2015 Scrutiny Report

The scrutiny investigation in Theatres was a very useful exercise. Theatres have actioned all recommendations within the report. The key areas were:

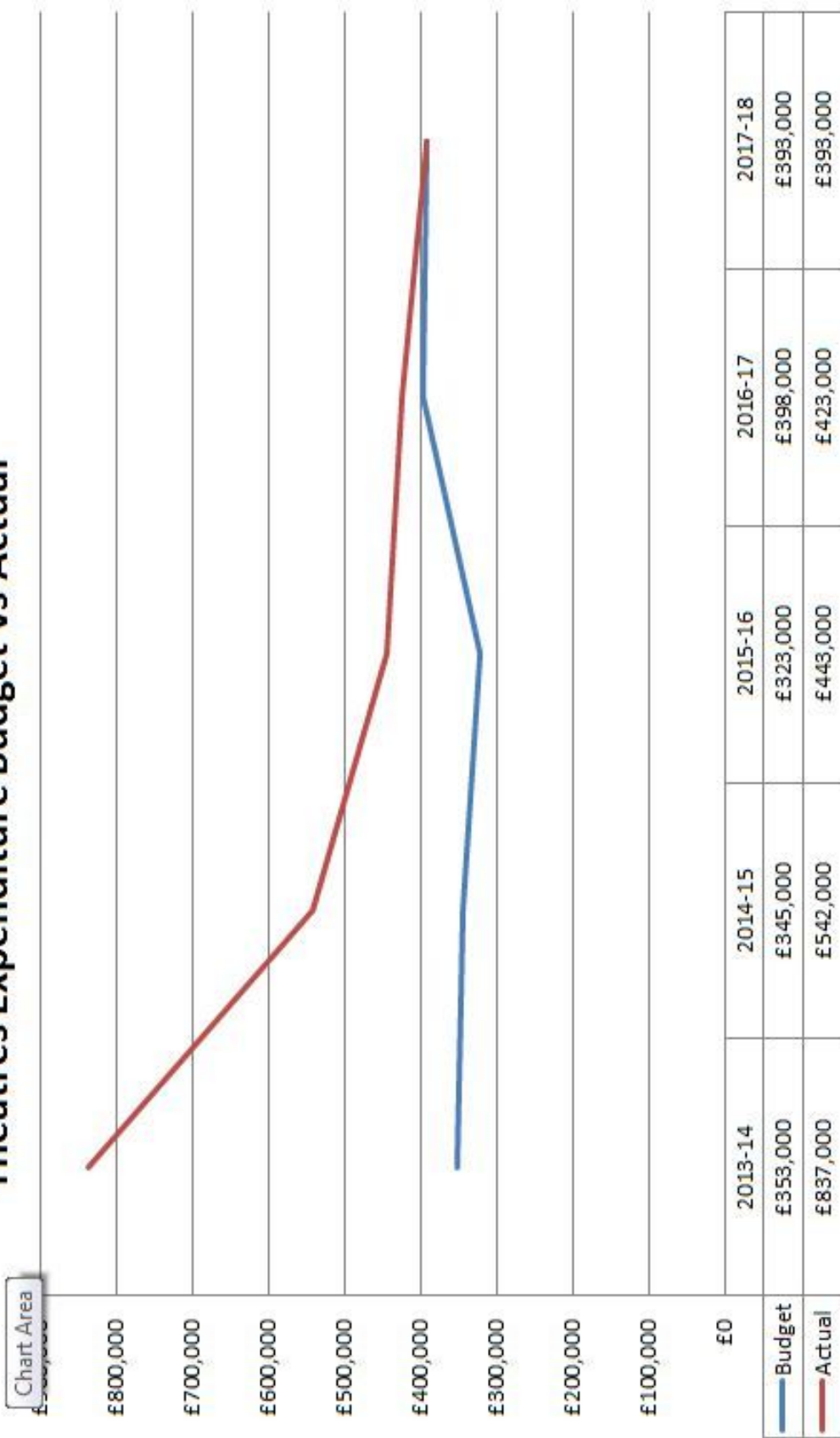
Financial Management	<p>As recommended WT now has clear and detailed financial reporting with the Business Development Manager working closely with the accountant. This has enabled WT to make substantial improvements to the financial position.</p> <p>The reports have been presented to Hotspot Meeting every month to monitor the continual improvements. The overspend has reduced over the last four years from 484k to 25k with savings targets of 244k added to the budget over the period of the 5 year Business Plan.</p> <p>Several key elements have supported the improvements in the financial position:</p> <ul style="list-style-type: none">• Increase venue hires: contemporary music, family parties, community performances etc.• Moving the entrance and box office at the Pavilion so customers entry through the cafe bar.• Detailed review of each expenditure lines to make further reductions and full ownership of the budgets by the department managers.• Budgetary control training has been provided for theatres staff, covering cost centre management, budgeting, forecasting, budget management and understanding financial management information.• Cultural exemption was applied in December 2016 and has supported the financial turnaround• Cross department working to maximise efficiency and reduce the salary bill.• Increase of volunteers and an excellent volunteer support programme. <p>Shows and events were highlighted as a risk because of their dependence on ticket sales and possibility of cancellation.</p>
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	<p>WT rarely cancel shows and only when the company has an issue with illness. We have a procedure in place to minimise the affect of customers. We now profile the potential surplus on each and every show and due to the team's experience we find the projections are in line with the actual income. 6.13</p> <p>Worthing Symphony Orchestra cost the theatres more than the allocated 20k prior to 2014 but there is now a formal contract in place and the subsidy cannot be exceeded. This is a five year agreement that is likely to be reduced when up for renewal.</p> <p>as highlighted do use the</p> <p>Investigations showed that the Council has regularly provided support of £36,000</p>
Customer Experience	<p>Theatres now have an experienced customer experience manager who is making dramatic improvements to the service. 40% of customers are now returning four or more times a year, well above the national average of 24%</p> <p>It should be noted that toilets are still an issue. We are refurbishing the Studio Theatre toilets in September 2017 and hope to finalise the funding to refurbish the Pavilion toilets in January 2018.</p> <p>WT now send out email questionnaires to a percentage of the audience for every event and the feedback is monitored and considered by the senior managers.</p>
Staff Structure	<p>WT has restructured the full staff team creating savings which means the salary budget is now on target. The new structure is not only more cost effective but is also proving to be a much stronger business model.</p> <p>Additionally, it was important to note that the theatre's staff had completed the corporate Job Evaluation programme in January 2013 which had dramatically increased the salary bill which had previously not been accounted for within the current Business Plan.</p> <p>The Working Group has noted that some of the staff salaries have been higher than the industry norm, this has been addressed by further Pay and Grading reviews. However the Council's Pay and Grading system is not designed for a commercial business and it has been challenging to get agreement for industry standard salaries. As part of the long term staffing budgets strategy, the Working Group also considered zero hours contracts for staff which might help reduce costs. This has not been necessary and we continue to work with a mix of contracted and casual team members.</p> <p>The Working Group suggested:</p>

	<p>General Manager post to focus on all the operations. Business Manager post which to run the Theatres as a commercial business. External Funding Officer to increase income. All posts have been in place since May 2015.</p>
Technical Services	<p>Worthing Theatres now have regular client meetings with technical services which has improved the situation but still hope for a closer working relationship and an improvement in the maintenance timescales.</p>
Marketing	<p>The marketing department is now lead by an excellent manager who is experienced in managing budgets. We have developed social media marketing but also found ways to keep in communication with our less computer savvy audience members. The rebrand is a huge success and ticket sales continue to increase for all genres. We have developed new audiences for improved programming, particularly contemporary dance and contemporary circus audiences. Profitability of films has increased dramatically with an excellent of film officer and the ongoing support of Picturehouse. WT works closely with Northbrook College and is developing a creative partnership for the pantomime, giving the student real world experience.</p>
External funding	<p>The external funding officer is currently working on several large scale bids including an HLF bid to redevelop the Museum</p>
Catering	<p>This has been the most challenging area of the business with unrealistic targets set in the five year Business Plan. The profit for 2016/17 was 126k which is the highest profit ever achieved. This section has now stabilised. Additional income has come from the kiosk that theatres took over in 2016.</p>
Benchmarking	<p>WT benchmarked the catering provision against Chichester Festival Theatre and the Brighton Dome and is making a higher surplus, performing well in comparison.</p>
Economic Impact	<p>An external study was completed in 2014 which stated</p>

	<p>Worthing Theatres has around 128 FTE jobs, including touring actors and crew, but could support around 182 local jobs once indirect effects are included.</p> <p>Their total direct impact on the economy is estimated to be £5.2m per annum, based on additional spend of theatre-goers, local purchasing and local spending of Theatre staff. This could be as high as £8.3m once a local multiplier (1.6) is applied.</p> <p>The economic impact provides a return on the Council's investment in 2013/14 of almost 7:1.</p> <p>Worthing Theatres are a clear catalyst to additional spending in other parts of the economy. Around £1.5m is spent in restaurants, shops and the hospitality sector by theatre-goers who visit Worthing from outside the Borough.</p> <p>Worthing Theatres share of core market expenditure has risen from 37% to 67% in the last year</p> <p>Around half of the visitors to Worthing Theatres live within the Borough, Not only do theatres provide an important social and community function, their existence means that cultural spending is retained within the Borough instead of being lost to neighbouring areas.</p>
Future of Culture	A Working Group has been established by the Leader and is considering the best long term position for Culture.

Theatres Expenditure Budget vs Actual





ADUR & WORTHING
COUNCILS

Joint Overview & Scrutiny Committee
Date: 30th November, 2017
Agenda Item 10

Joint Strategic Committee
Date: 5th December, 2017
Agenda Item xx
Key Decision : No
Ward(s) Affected:

SUSTAINABLE COUNCILS: 5 YEAR FORECAST 2018/19 – 2022/23 AND SAVINGS PROPOSALS

REPORT BY THE DIRECTOR FOR DIGITAL AND RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report provides an overview of the continuing success of our sustainable councils financial strategy, along with detail of proposals for 2018/19 that will deliver a balanced budget.
- 1.2 The report outlines the medium term financial challenge through to 2022/23, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment.
- 1.3 Significant transformations are being undertaken at our councils, and not all of these deliver direct savings. They may be designed to help meet rising demand by improving productivity, such as in housing, or improve the customer experience, as achieved with digital waste management. An overview of the whole strategic programme will be provided in the Platforms for Our Places update in January 2018. In this report, specific proposals are made to deliver efficiency and other savings for 2018/19 and members are asked to support these.
- 1.4 The following appendices have been attached to this report:
 - (i) **Appendix 1** (a) 5 year forecast for Adur District Council
(b) 5 year forecast for Worthing Borough Council
 - (ii) **Appendix 2** Committed growth items
 - (iii) **Appendix 3** Summary of savings proposals

EXECUTIVE SUMMARY

1. PURPOSE

- (iv) **Appendix 4** Summary of savings delivered via the digital programme.
- (v) **Appendix 5** Summary of savings delivered via the commercial programme.

2. RECOMMENDATIONS

- 2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make comment on the savings proposals for Worthing Borough Council to the Joint Strategic Committee.
- 2.2 The Joint Strategic Committee is recommended to:
 - (i) Note the current 5 year forecast;
 - (ii) Note the committed growth items as set out in appendix 2;
 - (iii) Approve the proposed savings as set out in appendix 3;
- 2.3 The Joint Strategic Committee is asked to recommend to Council to use the following capital receipts to fund redundancy costs associated with the savings proposals outlined in appendix 3:

Adur: £14,000

Worthing: £300,000
- 2.4 The Joint Strategic Committee is asked to delegate to the Executive Member for Resources to release the funding when any redundancy proposals which generate savings to the revenue budget are approved.

2.0 CONTEXT

- 2.1 The Joint Strategic Committee considered the outline 5-year forecast for 2018/19 to 2022/23 and the Budget Strategy on 11th July 2017, which was subsequently adopted by full Council on 20th July 2017 (Adur District Council) and 18th July 2017 (Worthing Borough Council). The report identified the following cumulative shortfalls in funding for the respective General Funds:

2.0 CONTEXT

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Adur	1,486	1,848	3,120	3,357	3,824
Worthing	1,485	2,301	3,957	4,463	5,303

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 programmes which are responsible for taking forward key initiatives aimed at delivering savings for the future:

1. The Major Projects Board will lead on delivering regeneration projects to increase employment space and additional housing;
2. The Digital Programme 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 Programme will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments; and
4. The Commercial Programme will lead on the delivery of the income growth from commercial services and seek to improve the customer experience.

2.4 For 2018/19 the Digital Programme, the Commercial Programme and the Strategic Asset Management Programmes were again set explicit targets as part of the budget strategy.

a. Digital Programme (DP)

The Digital Programme successfully delivered £379k annual savings the first two years saving targets (£198k in 2016/17 and in £181k in 2017/18) 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. To achieve savings so quickly is a significant achievement, and it is believed that the programme will continue to deliver savings over the medium term. It has now been set the following target for 2018/19 and beyond:

	2018/19	2019/20	2020/21	2021/22 and beyond
	£'000	£'000	£'000	£'000
Annual Savings	200	200	200	-
Cumulative impact	200	400	600	600

2.0 CONTEXT

a. Digital Programme (DP)

The digital programme is now being re-scoped into a service design programme, in recognition of the maturing approach at Adur & Worthing. This is successfully helping service areas undertake more fundamental customer-centred change, such as in the current preventing homelessness project. With digital capabilities now established (the ability to design and build our own digital products) our projects are becoming about deeper, customer-centred service change, which almost always require significant digital transformations.

b. Commercial Programme (CP)

The commercial programme involves close monitoring of key existing income streams, and progress against the annual growth target of £600k per annum.

Over the past two years income has grown by £1,484k (£798k in 2016/17 and £686k in 2017/18), well exceeding target.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Annual Savings	600	600	600	600	600
Cumulative impact	600	1,200	1,800	2,400	3,000

The commercial programme has recently begun three initiatives to help drive further success, including the development of new business opportunities. In October 2017, our commercial managers received input and training from the specialist advisor who supported Aylesbury Vale DC with its commercial strategy, and this group of managers are now developing the ideas that emerged further.

The Director for Digital & Resources has also commissioned a 'health check' analysis of our existing income streams to test against market conditions, establish a more accurate medium term forecast and risk analysis, and identify any opportunities to drive growth further.

A third initiative will develop a stronger, and earlier-in-the-cycle business planning approach, and this will be commenced early in the new year, building on our existing Service Planning approach. This initiative aims to support our managers to focus more on driving up income, and managing down direct costs, as with any business. But our approach will also embed the importance of driving social and environmental outcomes, to ensure we fulfill our longer term ambitions for our places.

2.0 CONTEXT

c. Strategic Asset Management Programme (SAMP)

Both Councils have committed to significant investment in Commercial property either through direct purchase or by development over the next five years with the aim of increasing income from the Councils' property portfolio.

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

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Adur District Council:					
Annual Savings	493	200	305	200	150
Cumulative impact	493	693	998	1,198	1,348
Worthing Borough Council:					
Annual Savings	470	210	210	160	160
Cumulative impact	470	680	890	1,050	1,210

To date this year two properties for Worthing Borough Council have been purchased which will deliver net additional income of £176k per year.

One property has been purchased for Adur District Council which will deliver net additional income of £236k per year.

Members should be aware that the success in delivering the savings identified for 2018/19 are dependent on two factors:

- (i) Identifying suitable properties to purchase
- (ii) The current legislative framework remaining unchanged. The Treasury may prohibit borrowing for out of area acquisitions solely for investment purposes. We are still awaiting firm information on the new proposals. However, many of our purchases meet a dual purpose of both supporting economic regeneration projects and generating income.

The budget for 2018/19 assumes that only half of the funds released each year will be spent in year. This will be closely monitored and if the target is at risk then the Council will need to take corrective action to lever in the savings identified.

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

2.0 CONTEXT

- 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 current budget strategy was subject to a detailed consultation in 2016/17 and no substantive changes to this strategy are planned at this time.
- 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 Worthing Borough Council 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. The minutes of the Joint Overview and Scrutiny Committee will be available for members of the JSC at the meeting.
- 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 2018/19 is scheduled to be considered by the respective Cabinets on 6th February 2018 (Adur District Council) and 5th February 2018 (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:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Adur					
July Forecast	1,486	1,848	3,120	3,357	3,824
November Forecast	1,402	1,807	3,107	3,319	3,736
Reduction (-) / increase (+) in shortfall forecast	-84	-41	-13	-38	-88

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Worthing					
July Forecast	1,485	2,301	3,957	4,463	5,303
November Forecast	1,944	3,029	4,882	5,586	6,379
Reduction (-) / increase (+) in shortfall forecast	459	728	925	1,123	1,076

The main changes to the forecast for 2018/19 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 11th July 2017		
	Adur	Worthing
	£'000	£'000
Original 2018/19 budget shortfall	1,486	1,485
(a) Improvements to the income from Council Tax	-51	-144
(b) Further increase in the cost of the homelessness accommodation and support	7	122
(c) Reduction in expected level of New Homes Bonus	26	44
(d) Reduction in capital programme financing costs reflecting latest monitoring information.	-7	-15
(e) Reduction in Government Grant for Housing Benefit Administration and Council Tax Support Scheme	-	73
(f) Impact of major developments in Worthing Town Centre	-	247
(g) Net committed growth items identified by Service Heads (See Appendix 2)	62	289
(h) Removal of contingency budgets	-130	-170
Revised Budget Shortfall	1,393	1,931
(i) Potential savings identified to date (see Appendix 3)	-873	-1,552
(j) Expected income from Strategic Property Investment Fund	-493	-470
Resources in hand (-) / current shortfall	27	-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 2018/19:

Following the completion of the Council Tax Base return (CTB1) 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 three factors:

- i) Falling cost of Council Tax Support.
- ii) Greater than expected number of new dwellings completed particularly in the Worthing area (60 additional units in Adur and 21 additional units in Worthing)
- iii) Significant reduction in the number of Single Person Discounts awarded by Worthing Borough following a comprehensive review of all customers who were claiming the discount.

The Councils' Collection Funds are also expected to be in surplus at the year-end due to the level of property growth and the impact of falling discounts.

	Adur	Worthing
	£'000	£'000
Surplus expected by 31 st March 2018	25	393
Council share of surplus	4	54

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

There are two factors which are influencing the cost to the Councils.

- i) 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. This is a particular problem within the Worthing area.
- ii) The impact of the new Homelessness Reduction Act 2017 which places significantly more duties on the council in terms of assessment and accommodation. Whilst the Council has received some grant funding towards the impact of the new responsibilities. The funding released is unlikely to be sufficient to deal with cost pressures emerging as a result of the new responsibilities.

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

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

	Adur	Worthing
	£'000	£'000
Expected additional cost	34	91
Less: Grant awarded	-27	-44
Net cost	7	47

- (c) Reduction in New Homes Bonus:

Following the completion of the Council Tax return, it is now possible to predict the amount of New Homes Bonus that the Councils are likely to receive. This is lower than expected and is due to a lower number of units being delivered by the end of September than expected coupled with an increase in the number of long-term empty properties.

Members are reminded that New Homes Bonus is now only awarded for properties built over a threshold which equals 0.4% of total Band D equivalent properties.

	Adur	Worthing
Number of new dwellings	110	374
Less: Increase in long-term empty properties	-37	-12
Net dwellings	73	362
Threshold below which New Homes Bonus is not paid	102	182
	£'000	£'000
New Homes Bonus:		
Updated forecast of New Homes Bonus	0	186
Original forecast	26	230
Reduction in grant	26	44

- (d) Capital Financing Costs

The cost of financing the capital programme has been recently reassessed following the most recent monitoring report. Re-profiling of some schemes into 2018/19 will reduce the expected cost of financing. The cost of financing the capital programme will be reassessed again in December.

- (e) Housing Benefit Grant – Worthing Borough Council

Housing Benefit and Council Tax Support Administration Grant continues to be reduced.

3.0 UPDATE OF OUTLINE 5-YEAR FORECAST

(f) Impact of major developments within Worthing town centre

Platforms for our Places outlines some key commitments with respect to major sites throughout Adur and Worthing, The Councils are committed to 'Investment in and delivery of Major Projects and key infrastructure'.

As part of this commitment, Worthing Borough Council has recently considered three potential projects:

- i) Actions required to facilitate the development of the Union Place site.
- ii) The development of a new health and wellbeing centre based on the car park at Worthing Town Hall.
- iii) The potential redevelopment of the Grafton site including the multi-story car park

Each of the projects will require funding in the short to medium term. The Grafton site, in particular, is the location of a number of council-owned income generating assets. The annual income from assets in the vicinity of Grafton car park is in excess of £750,000 per year, the car park alone generates over £425,000 per year

To ensure that the Council is well positioned to resource these projects and absorb the loss of any income as assets are temporarily closed or disposed of, the following amounts have been built into the Worthing budget:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Worthing	247	447	647	847	847

Any resources that are not utilised in year will be used to fund the capital programme, reducing down the Council's requirement to borrow and thereby lowering the cost of financing the capital programme.

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

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

(h) Removal of contingency budget.

(i) Savings Identified by Service Heads:

This is the sum total of the savings proposals identified via the Service pro-formas. A full breakdown of the items identified is included within Appendix 3.

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 2018/19 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 two years.

Any New Homes Bonus will be confirmed as part of settlement.

(b) Business Rate Retention Scheme:

There was a revaluation of the business rates base in 2016/17. The Councils were expecting to see a high level of appeals in 2017/18, however to date few appeals are being made under the 'Check, Challenge, Appeal' process. As usual, much depends on the level of business rates appeals which remain difficult to predict.

A full reassessment of the business rate income will be made later in the year when a better estimate of the impact of the appeals can be made.

(c) Council Tax income:

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 2018/19. This is equivalent to an average (Band C) annual increase in the Councils' part of the Council Tax bill of £5.02 for a property in Adur District Council and £3.99 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 previously undertook a full consultation exercise to establish public support for the current budget strategy. In the light of this, no consultation exercise has been carried out this year.

5.2 Officers and members have been consulted on the development of the savings proposals contained within the report.

6.0 SAVING PROPOSALS

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

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Adur					
Budget shortfall (as per appendix 1)	1,392	1,797	3,097	3,309	3,726
Savings identified to date	-1,366	-1,527	-1,832	-2,032	-2,182
Revised budget shortfall / Surplus (-)	26	270	1,265	1,277	1,544

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Worthing					
Budget shortfall (as per appendix 1)	1,931	3,016	4,869	5,573	6,366
Savings identified to date	-2,022	-2,264	-2,533	-2,752	-2,912
Revised budget shortfall / Surplus (-)	-91	752	2,336	2,821	3,454

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.

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 Commercial and Digital Programmes have delivered the savings expected for 2018/19:

	Target	Actual	Under (-) / Over target
	£'000	£'000	£'000
Digital Programme	200	181	-19
Commercial Programme	600	707	107
TOTAL	800	888	88

6.4 Looking ahead to 2019/20 and beyond, the continuing 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:

	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Cumulative Budget shortfall (Appendix 1)				
Adur	1,392	1,797	3,097	3,309
Worthing	1,931	3,016	4,869	5,573
Total savings to be identified	3,323	4,813	7,966	8,882
Less: Savings identified for 2018/19	-3,388	-3,388	-3,388	-3,388
Savings yet to be identified	1,425	4,578	5,494	6,704
Future savings targets:				
Strategic Asset Management Programme	-401	-852	-1,203	-1,503
Commercial Programme	-600	-1,200	-1,800	-2,400
Digital Programme	-200	-400	-400	-400
Savings to be identified by Heads of Service	224	2,126	2,091	2,401
Annual savings to be identified by Heads of Service	224	1,902*	-36	310

* The financial pressure in 2020/21 reflects the identified need to invest in meeting the 2020 recycling targets, the expected withdrawal of funding for homelessness and the impact of the reduction in New Homes Bonus.

6.5 Funding the delivery of the savings proposals:

6.5.1 In the Autumn Statement 2015, the Chancellor announced that Councils would have the ability to fund initiatives designed to generate ongoing revenue savings in the delivery of public services from capital receipts (excluding Right to Buy receipts). The receipts had to be generated in the period 2016/17 to 2018/19. Full Council is required to approve the use of receipts for such a purpose.

6.0 SAVING PROPOSALS

6.5 Funding the delivery of the savings proposals:

6.5.2 A number of the proposals outlined in Appendix 3 will result in redundancy costs. In the past, the Council has funded these costs via the reserves. However, the reserves are more restricted now, and so it is proposed to fund some of these costs through the use of capital receipts.

6.5.3 Adur District Council has £14,000 capital receipts and Worthing Borough Council have £507,700 that could be used for this purpose and it is proposed that the following amounts are recommended to Council to be released to deliver the savings outlined in Appendix 3 of this report:

Adur District Council £14,000

Worthing Borough Council £300,000

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 Executive in February 2018. 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 CONCLUSION

8.1 The Councils continue to deal with the withdrawal of Government funding with no prospect of any easing of the financial pressure for the next few years. We await the Autumn Budget 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.

8.2 The Councils are in a fairly strong position to set a balanced budget with minimal use of reserves for 2018/19 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 final forecast of business rate income.

9.0 FINANCIAL IMPLICATIONS

9.1 The financial implications associated with the development of the budgets are detailed throughout the report.

Finance Officer: Sarah Gobey

Date: 15th November 2017

10.0 LEGAL IMPLICATIONS

10.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Councils intend to meet that requirement for 2018/19

10.2 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows Councils to use any capital receipts generated in 2016/17 – 2018/19 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 17th December 2015.

Legal Officer: Richard Burraston

Date: 21st November 2017

Local Government Act 1972

Background Papers: 'Towards a Sustainable Future - Budget Strategy for the 2018/19 Budget' report to the Joint Strategic Committee on 13th July, 2017.

'Grafton Multi-Storey Car Park Redevelopment' report to the Joint Strategic Committee on 7th November, 2017.

'Health Related Development on Worthing Town Hall Car Park' report to the Joint Strategic Committee on 10th October, 2017.

Final Guidance of the Flexible Use of Capital Receipts – Department of Communities and Local Government

Contact Officer:

Sarah Gobey

Chief Financial Officer

(01903) 221221

sarah.gobey@adur-worthing.gov.uk

SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

ADUR DISTRICT COUNCIL - APPENDIX 2
Revenue Budget Summary Statement 2017/18 - 2022/23

	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	9,166	9,166	9,166	9,166	9,166	9,166
Annual Inflation						
Estimated inflation		324	644	961	1,265	1,572
One -off / non-recurring items						
Local Elections (held every other year)		43	(25)	45	(26)	47
Committed Growth						
Impact of Pension contribution changes		(33)	(30)	(31)	(32)	(33)
Loss of Housing Benefit Administration Grant		53	-	-	-	-
Impact of new arrangements for funding homelessness		-	-	184	184	184
Reduction in PCN income		65	65	65	65	65
New 2020 recycling targets		-	200	400	400	400
Additional waste and recycling round		91	91	91	91	91
Impact of Homelessness Reduction Act		7	7	7	7	7
Committed growth items identified by Heads of Service (see appendix 2)		61	61	61	61	61
Contingency		-	70	140	210	280
Impact of capital programme						
Financing costs		201	225	389	466	605
Additional income						
Investment income		(35)	(35)	(53)	(97)	(141)
Reopening of Riverside Car Park		-	(20)	(20)	(20)	(20)
Approved Growth items						
Provision for new growth items		-	60	120	180	240
Total Cabinet Member Requirements	9,166	9,943	10,479	11,525	11,920	12,524
Total Cabinet Member Requirements B/fwd	9,166	9,943	10,479	11,525	11,920	12,524
Baseline funding	1,650	1,703	1,764	1,799	1,835	1,872
Add: Retained additional business rates	405	615	639	327	334	340
Add: Share of previous year's surplus / (deficit)	331					
Adjusted Baseline funding	2,386	2,318	2,403	2,126	2,169	2,211
Revenue Support Grant	271	-	-	-	-	-
Council Tax						
Adjusted Council Tax income	5,849	6,027	6,163	6,301	6,442	6,587
Other grants						
Transitional Grant	73	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	244	-	-	-	-	-
New homes bonus (2014/15 - 2019/20)	107	-	-	-	-	-
New homes bonus (2015/16 - 2020/21)	86	86	-	-	-	-
New homes bonus (2016/17 -2019/20)	115	115	115	-	-	-
New homes bonus (2017/18 - 2020/21)	1	1	1	1	-	-
New homes bonus (2018/19- 2021/22)	-	-	-	-	-	-
Total NHB	553	202	116	1	-	-
Collection fund surplus/deficit (-)	34	4	-	-	-	-
Total other grants and contributions	660	206	116	1	-	-
Total Income from Grants and Taxation	9,166	8,551	8,682	8,428	8,611	8,798

ADUR DISTRICT COUNCIL - APPENDIX 2
Revenue Budget Summary Statement 2017/18 - 2022/23

(Surplus) / Shortfall in Resources	-	1,392	1,797	3,097	3,309	3,726
Contribution to (-) / Use of Reserves to Balance						
Capacity issues reserve	-	-	-	-	-	-
Total Income from Reserves	-	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,392	1,797	3,097	3,309	3,726
Savings identified to date:						
Strategic Property Investment Fund						
Recent Acquisitions		77	77	77	77	77
Future property purchases		216	516	816	1,066	1,266
Proposed increase to 2017/18 programme		200	200	200	200	200
New office block		-	-	55	55	55
Provision for future voids			(100)	(150)	(200)	(250)
Commercial activities and commissioning						
Commercial and Property Board		236	236	236	236	236
Efficiency Measures						
Digital strategy		72	72	72	72	72
Restructures and service plan savings not included above		565	526	526	526	526
Total future initiatives identified		1,366	1,527	1,832	2,032	2,182
Cumulative savings still to be found/ (surplus)		26	270	1,265	1,277	1,544
Annual savings still to be found		26	244	995	12	267
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band D property)		£5.65	£5.76	£5.88	£5.99	£6.11
Average weekly increase (Band D property)		£0.11	£0.11	£0.11	£0.12	£0.12
Savings required in each year		1,392	405	1,300	211	418

WORTHING BOROUGH COUNCIL - APPENDIX 2
Revenue Budget Summary Statement 2017/18 - 2022/23

	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	13,468	13,468	13,468	13,468	13,468	13,468
(a) Annual Inflation						
Estimated inflation		533	1,064	1,592	2,099	2,607
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		76	78	80	(50)	83
(c) Committed Growth / Cost reductions						
Impact of Pension Fund Triennial valuation		(212)	(272)	(275)	(281)	(287)
Impact of pension valuation for SDLT - Fall out of pension costs.		(18)	(36)	(54)	(72)	(72)
Additional waste and recycling round		164	164	164	164	164
Impact of increasing costs of homelessness		175	175	295	295	295
Impact of Homelessness Reduction Act		47	47	47	47	47
Planning income shortfall		50	50	50	50	50
New 2020 recycling targets		-	300	600	600	600
Loss of Housing Benefit Administration Grant		73	73	73	73	73
Committed growth items identified by Heads of Service		289	289	289	289	289
Contingency		-	80	160	240	320
(d) Impact of capital programme						
Financing costs - General Programme		386	397	433	512	660
Impact of land acquisitions and new developments at Union Place, Grafton, and town hall car park		247	447	647	847	847
(e) Additional income						
Investment income		(32)	(44)	(68)	(116)	(173)
(f) Approved Growth items						
Provision for new growth items		-	90	180	270	360
Total Cabinet Member Requirements	13,468	15,246	16,370	17,681	18,435	19,331
Baseline funding	2,514	2,595	2,687	2,741	2,796	2,852
Add: Net retained additional business rates	506	682	607	312	319	325
Add: Share of surplus /deficit (-)	-					
Adjusted Baseline funding	3,020	3,277	3,294	3,053	3,115	3,177
Revenue Support Grant	453	8	-	-	-	-
Council Tax income						
Adjusted Council Tax income	8,498	8,791	9,002	9,219	9,441	9,669
Transitional Grant	100	-	-	-	-	-
New homes bonus (2013/14 - 2018/19)	220	-	-	-	-	-
New homes bonus (2014/15 - 2019/20)	170	-	-	-	-	-
New homes bonus (2015/16 - 2020/21)	246	246	-	-	-	-
New homes bonus (2016/17 -2019/20)	518	518	518	-	-	-
New homes bonus (2017/18 - 2020/21)	234	234	234	234	-	-
New homes bonus (2018/19- 2021/22)	-	186	186	186	186	-
New homes bonus (2019/20 - 2022/23)	-	-	120	120	120	120
Total New Homes Bonus	1,388	1,184	1,058	540	306	120

WORTHING BOROUGH COUNCIL - APPENDIX 2
Revenue Budget Summary Statement 2017/18 - 2022/23

	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Total other grants and contributions	1,497	1,239	1,058	540	306	120
Total Income from Taxation	13,468	13,315	13,354	12,812	12,862	12,966
(Surplus) / Shortfall in Resources	-	1,931	3,016	4,869	5,573	6,366
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,931	3,016	4,869	5,573	6,366
Savings identified to date:						
Strategic Property Investment Fund						
Recent Acquisitions		54	63	72	81	91
Future property purchases		216	517	768	969	1,169
Proposed increase to 2017/18 programme		200	200	200	200	200
Provision for future voids		-	(100)	(150)	(200)	(250)
Commercial activities and commissioning						
Commercial and Customer Board		592	592	592	592	592
Efficiency Measures						
Digital Strategy Board		108	108	108	108	108
Restructures and service plan savings not included above		852	809	809	809	809
Development of temporary accommodation supply (15 units of 1/2 bed)		-	-	59	118	118
Potential annual reduction in SDLT fees		-	75	75	75	75
		2,022	2,264	2,533	2,752	2,912
Cumulative savings still to be found		(91)	752	2,336	2,821	3,454
Annual savings still to be found		(91)	843	1,584	485	633
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Average annual increase (Band D property)		£4.49	£4.58	£4.67	£4.77	£4.86
Average weekly increase (Band D property)		£0.09	£0.09	£0.09	£0.09	£0.09
Savings required in each year		1,931	1,085	1,853	704	793

Committed growth items	2018/19					2019/20	2020/21	APPENDIX 2 Notes:	
	Joint	Adur		Worthing	Grand Total				
	(Memo)	General fund	HRA	Total					
£	£	£	£	£	£	£	£		
COMMUNITIES									
Environment / Waste and Cleansing									
Increased disposal costs associated with trade waste		36,000		36,000	84,000	120,000	120,000	120,000	Above inflation increase in tipping charges together with an increase in increasing tonnage associated with additional business.
Income loss due to changes to franchise / concession					20,000	20,000	20,000	20,000	The loss of income in Parks is for Church House Grounds Tennis, Beach house Park and Marine Gardens Putting.
Loss of income to the Crematorium					120,000	120,000	120,000	120,000	Competition from funeral directors for Chapel services leading to a reduction in full service fees and an increase in cremation only fees
Wellbeing									
Delay in delivery of saving on the licencing service	25,000	10,000		10,000	15,000	25,000	0	0	Delay to delivery of new digital licencing service
Total for Communities Directorate	25,000	46,000	0	46,000	239,000	285,000	260,000	260,000	

<u>Committed growth items</u>	2018/19					2019/20	2020/21	APPENDIX 2 Notes:	
	Joint	Adur			Worthing				Grand Total
	(Memo)	General fund	HRA	Total					
	£	£	£	£	£				£
DIGITAL & RESOURCES									
Finance									
Annual contribution to WSCC refugee co-ordinator post		10,000		10,000	10,000	20,000	20,000	20,000	
Contribution to Safeguarding Boards	4,000	2,000		2,000	2,000	4,000	4,000	4,000	
Net increase in pension strain costs		0		0	5,290	5,290	5,290	5,290	
Net impact of the fall out of the loan arrangement fee net of the full year impact of interest income.		0		0	27,000	27,000	27,000	27,000	
Legal									
Increase costs arising from the reprocurment of IKEN	9,000	3,600		3,600	5,400	9,000	9,000	9,000	
Total for Digital and Resources Directorate	13,000	15,600	0	15,600	49,690	65,290	65,290	65,290	
Total Committed Growth identified	38,000	61,600	0	61,600	288,690	350,290	325,290	325,290	
Allowance in budget	-50,000	-70,000		-70,000	-80,000	-150,000	-150,000	-150,000	
Over (-) / under provision	-12,000	-8,400	0	-8,400	208,690	200,290	175,290	175,290	

A one-off arrangement fee was charged in 2017/18 as part loan arrangement with Worthing Homes

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA	Total					
£	£	£	£	£	£	£	£		
CHIEF EXECUTIVE									
Fee income	12,000	4,800		4,800	7,200	12,000	12,000	12,000	
	12,000	4,800	0	4,800	7,200	12,000	12,000	12,000	
COMMUNITIES									
Director - Leisure support									
Net annual reduction in ACL expenditure		10,000		10,000		10,000	20,000	30,000	Recent renegotiations has confirmed that an annual reduction of £10k will continue to be delivered. £15k in 2018/19 but offset by potential additional maintenance costs of £5k.
	0	10,000	0	10,000	0	10,000	20,000	30,000	
Head of Environment / Head of Waste and Cleansing									
Floral display budget adjustment		2,500	0	2,500	7,500	10,000	10,000	10,000	New contract being let with reduced bedding in outlying areas which are being replaced with wildflower meadows. Town centre displays will remain unchanged.
Merger of the Environment and Waste Management teams	288,930	115,570		115,570	173,360	288,930	288,930	288,930	
Joint vehicle savings due to restructure	25,000	10,000		10,000	15,000	25,000	25,000	25,000	
Joint agency staff savings due to restructure	50,000	20,000		20,000	30,000	50,000	50,000	50,000	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA	Total					
£	£	£	£	£	£	£	£		
Joint supplies & services savings	80,000	32,000		32,000	48,000	80,000	80,000	80,000	
Charge for delivery of bins for domestic refuse est 100x£10	1,000	360		360	640	1,000	1,000	1,000	
Charge for delivery of bins for recycling est 300 x £10.00	3,000	1,090		1,090	1,910	3,000	3,000	3,000	
Increase in net income from trade waste		31,650		31,650	73,850	105,500	105,500	105,500	
Incr'se in parks & rec. grounds fees & charges income		10,100		10,100	12,000	22,100	22,100	22,100	
Increase in beach hut rental income		8,000		8,000	0	8,000	8,000	8,000	
New rental income for recreation grounds		20,000		20,000	5,500	25,500	25,500	25,500	Adur Outdoor Activity Centre
Allotment rental income		0		0	4,600	4,600	4,600	4,600	
Increase in compound and land rentals		0		0	10,000	10,000	10,000	10,000	
Increase in price of Garden Waste Bins from £70 - £75	115,500	42,040		42,040	73,460	115,500	115,500	115,500	
Increase take up of new bins - 1000 extra bins	80,000	29,120		29,120	50,880	80,000			
Increase Garden sack from £1.00p to £1.20p	28,900	10,520		10,520	18,380	28,900	28,900	28,900	
Bulky waste price increase above 2.5% inflationary allowance	1,440	520		520	920	1,440	1,440	1,440	
Increase in coast protection fees	10,000	4,000		4,000	6,000	10,000	10,000	10,000	
Reduced grounds maintenance costs		20,000		20,000		20,000	20,000	20,000	
Proposed increase in cremation fees					120,000	120,000	120,000	120,000	
	683,770	357,470	0	357,470	652,000	1,009,470	929,470	929,470	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Head of Wellbeing Out-of- hours service		2,480		2,480	14,020	16,500	16,500	16,500	This contract was retendered and as a result savings on the value of this service were achieved for 17/18 and 18/19 and have been identified as savings for 18/19. The current budget for this service is £65,070 (Worthing £40,830, Adur £24,240) and is under review. It has been identified that this service is not meeting the requirements of all our communities and will be one of the projects that is developed as part of the co-design programme. The current grant budget for Adur Grants is £77,390 and is granted to voluntary organisations who meet/ address the outcomes identified in Councils priorities. The identified saving would reduce this fund by £50,000, which would still allow a programme of grants, just at a reduced scale in line with current demand for this type of funding. Consideration would also need to be given to the £10K currently top sliced to Guild Care as this would reduce the available grant funds to £17,390 that organisations could apply for. Therefore £50K is offered as savings.
Dial-a-ride		4,240		4,240	10,830	15,070	15,070	15,070	
Adur Grants		50,000		50,000	0	50,000	50,000	50,000	

Summary of savings received to date:

Savings	2018/19				Worthing	Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Total					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Guild Care				0	8,990	8,990	8,990	8,990	<p>The current budget for this grant is £24k (Worthing), (£10k Adur), together with £73K from the Wellbeing Hubs and is under contract until March 18 (£107K in Total). The fund provides for service provision around isolation and ill health of those aged over 65 years (Incl. slips, trips and falls).</p> <p>In the Communities & Wellbeing intelligence & evidence framework we identified that isolation should be considered for all ages and therefore there is a need to review the beneficiaries of this service.</p> <p>It should be noted that approx. £73K in addition to the Worthing grant is given to this service from the Wellbeing Hubs, which will see a reduction in their grant in 18/19 to fund this service. Please also see note above under Adur Grants re: additional £10K that is awarded for this service</p> <p>Therefore the service provision is being reviewed to incorporate all age isolation/ loneliness and that from Worthing a saving of £8,990 is offered.</p>

Summary of savings received to date:

Savings	2018/19				Worthing	Grand Total	2019/20	2020/21	Notes:
	Joint (Memo)	Adur		Total					
	£	£	£	£	£	£	£	£	
Council Rooms				0	2,790	2,790	2,790	2,790	The hiring of rooms by voluntary/charity organisations and the rates charged for this has been reviewed with a Council policy for Worthing being put in place. Therefore here is no longer a need to provide funding to subsidise this activity and is offered as savings.
Potential restructuring savings	66,330	26,530		26,530	39,800	66,330	66,330	66,330	A salary saving of £15,842 has already been identified already due to an Environmental Health Technician reducing from full-time hours to part-time. The remainder of this salary saving will be found from a review of the staffing costs across the teams.
	66,330	83,250	0	83,250	76,430	159,680	159,680	159,680	
Total for Communities Directorate	750,100	450,720	0	450,720	728,430	1,179,150	1,109,150	1,119,150	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
DIGITAL & RESOURCES									
Head of Finance									
Reduction in pension payments		19,550		19,550		19,550	19,550	19,550	Fall out of pension costs
Review of corporate budgets		21,040	6,640	27,680	21,700	49,380	49,380	49,380	Deletion of unused budgets
Deletion of subscription to SE employers		3,190	1,010	4,200	5,030	9,230	9,230	9,230	
Deletion of Splashpoint maintenance budget				0	10,500	10,500	10,500	10,500	Site now sold
Increase in Worthing HB overpayment income				0	80,000	80,000	80,000	80,000	New integrated approach to debt recovery proposed - transfer of legal staff to facilitate improved working. Based on current improved performance
Exchequer - Review of structure	27,740	11,100		11,100	16,640	27,740	27,740	27,740	The implementation of the new FMS system should transform how the service is delivered
Creation of apprentice post in accountancy	1,290	520		520	770	1,290	1,290	1,290	Reconfiguration of vacant post
Extension of SDLT payroll services contract for 6 - 9 months	20,270	8,110		8,110	12,160	20,270	0	0	Extended to December 2018
Deletion of unused internal audit budgets	490	200		200	290	490	490	490	
Treasury management - Joint service with another Council	15,000	6,000		6,000	9,000	15,000	15,000	15,000	
	64,790	69,710	7,650	77,360	156,090	233,450	213,180	213,180	

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Head of Legal									
Increased income from legal work undertaken for other external bodies including Crawley Borough Council, Arun District Council and Mid Sussex District Council	8,000	3,200		3,200	4,800	8,000	8,000	8,000	
Increased income from legal work undertaken for Housing and funded by the Housing Revenue Account.	15,000	6,000		6,000	9,000	15,000	15,000	15,000	
	23,000	9,200	0	9,200	13,800	23,000	23,000	23,000	
Head of Digital and Design									
Changes to maintenance budgets following the dissolution of CenSus and the move to the Cloud	153,000	61,200		61,200	91,800	153,000	153,000	153,000	
	153,000	61,200	0	61,200	91,800	153,000	153,000	153,000	
Head of People									
Deletion of Business Support Officer	11,580	4,630		4,630	6,950	11,580	11,580	11,580	
	11,580	4,630	0	4,630	6,950	11,580	11,580	11,580	

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Head of Business and Technical Services									
Bus shelter cleaning		2,000		2,000	0	2,000	2,000	2,000	
Restructure of engineering and surveying services combined with a review of amount charged to capital programme	94,780	37,910		37,910	56,870	94,780	94,780	94,780	
Review of budgets	10,130	4,050		4,050	6,080	10,130	10,130	10,130	
	104,910	43,960	0	43,960	62,950	106,910	106,910	106,910	
Head of Customer Engagement									
Review of validation deal in MSCP car parks increasing all day parking from £4 to £5 for people working in the BN11 area		0		0	47,000	47,000	47,000	47,000	
Interim Tariff review MSCPs to fund a programme of improvement works.		0		0	102,000	102,000	102,000	102,000	The Council is undertaking a programme of improvement works to the car parks over the next three years.
Review of surface car park tariff (town centre/ long stay sites)		0		0	22,650	22,650	22,650	22,650	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Head of Customer Engagement									
Customer Service Reorganisation (completed)	22,000	8,800		8,800	13,200	22,000	22,000	22,000	
Parking Service Reorganisation	16,000	6,400		6,400	9,600	16,000	16,000	16,000	
Deletion of Commercial Manager Post (Vacant).	40,000	16,000		16,000	24,000	40,000	40,000	40,000	
	78,000	31,200	0	31,200	218,450	249,650	249,650	249,650	
Head of Revenues and									
Creation of a joint Adur-Worthing Revenues & Benefits Service		37,000		37,000		37,000	37,000	37,000	
Additional income from Adur HB overpayments		11,000		11,000		11,000	11,000	11,000	New integrated approach to debt recovery proposed, combined with sharing of good practice from Worthing BC
	0	48,000	0	48,000	0	48,000	48,000	48,000	
Total for Digital and Resources Directorate	412,280	258,700	7,650	266,350	536,240	802,590	782,320	782,320	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
ECONOMY									
Head of Growth									
Further saving from digitisation of service	10,000	4,000		4,000	6,000	10,000	10,000	10,000	
Increase in pre-application fees	20,000	8,000		8,000	12,000	20,000	20,000	20,000	
Reduction in operational costs to offset shortfall in resources in Worthing				0	50,000	50,000	50,000	50,000	
	30,000	12,000	0	12,000	68,000	80,000	80,000	80,000	
Head of Place & Investment									
Additional salary savings from restructure - now completed	18,460	7,380		7,380	11,080	18,460	18,460	18,460	
Additional rental income from commercial property portfolios		5,000		5,000	6,000	11,000	11,000	11,000	
	18,460	12,380	0	12,380	17,080	29,460	29,460	29,460	

Summary of savings received to date:

Savings	2018/19					Grand Total	2019/20	2020/21	Notes:
	Joint	Adur		Worthing					
	(Memo)	General fund	HRA						
£	£	£	£	£	£	£	£		
Head of Culture									
Additional income				0	8,000	8,000	8,000	8,000	
	0	0	0	0	8,000	8,000	8,000	8,000	
Head of Building Control and Land Charges									
Re-structure of building control to address savings and offset under recovery of fee's (salary savings and continuation of underspend)	86,000	34,400		34,400	51,600	86,000	86,000	86,000	
Deletion of BC Support post	14,000	5,600		5,600	8,400	14,000	14,000	14,000	
Removal of unused overtime budget	5,000	2,000		2,000	3,000	5,000	5,000	5,000	
	105,000	42,000	0	42,000	63,000	105,000	105,000	105,000	
Total for Economy Directorate	153,460	66,380	0	66,380	156,080	222,460	222,460	222,460	

Summary of savings received to date:

Savings	2018/19				Worthing	Grand Total	2019/20	2020/21	Notes:
	Joint (Memo)	Adur		Total					
	£	£	£	£	£	£	£	£	
Corporate savings									
Chief Executive secondment	61,000	30,500		30,500	30,500	61,000	0	0	Secondment for 2 days a week
Rationalisation of senior management team	155,360	62,140		62,140	93,220	155,360	155,360	155,360	Vacant director and PA posts. Some resources held back for re-evaluation of existing posts.
Total Corporate initiatives	216,360	92,640	0	92,640	123,720	216,360	155,360	155,360	
OVERALL TOTAL	1,544,200	873,240	7,650	880,890	1,551,670	2,432,560	2,281,290	2,291,290	

Savings identified by the Digital Programme

	2018/19						2019/20	2020/21
	Joint	Adur			Worthing	Grand Total		
	(Memo)	General fund	HRA	Total				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Exchequer - Review of structure	27,740	11,100	0	11,100	16,640	27,740	27,740	27,740
Changes to maintenance budgets following the dissolution of CenSus and the move to the Cloud	153,000	61,200	0	61,200	91,800	153,000	153,000	153,000
	180,740	72,300	0	72,300	108,440	180,740	180,740	180,740
Target						200,000	400,000	600,000
Over / Under (-) target						-19,260	-219,260	-419,260

Savings identified by the Commercial Programme

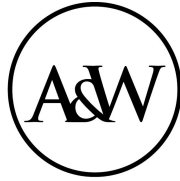
APPENDIX 5

	2018/19						2019/20	2020/21
	Joint	Adur			Worthing	Grand Total		
	(Memo)	General fund	HRA	Total				
	£'000	£'000	£'000	£'000	£'000	£'000		
Development of existing businesses								
Fee income for communications	12,000	4,800	0	4,800	7,200	12,000	12,000	12,000
Charge for delivery of bins for domestic refuse est 100x£10	1,000	360	0	360	640	1,000	1,000	1,000
Charge for delivery of bins for recycling est 300 x £10.00	3,000	1,090	0	1,090	1,910	3,000	3,000	3,000
Increase in net income from trade waste	0	31,650	0	31,650	73,850	105,500	105,500	105,500
Incr'se in parks & rec. grounds fees & charges income	0	10,100	0	10,100	12,000	22,100	22,100	22,100
Increase in beach hut rental income	0	8,000	0	8,000	0	8,000	8,000	8,000
New rental income for recreation grounds	0	20,000	0	20,000	5,500	25,500	25,500	25,500
Allotment rental income	0	0	0	0	4,600	4,600	4,600	4,600
Increase in compound and land rentals	0	0	0	0	10,000	10,000	10,000	10,000
Increase in price of Garden Waste Bins from £70 - £75	115,500	42,040	0	42,040	73,460	115,500	115,500	115,500
Increase take up of new bins - 1000 extra bins	80,000	29,120	0	29,120	50,880	80,000	0	0
Increase Garden sack from £1.00p to £1.20p	28,900	10,520	0	10,520	18,380	28,900	28,900	28,900
Bulky waste price increase above 2.5% inflationary allowance	1,440	520	0	520	920	1,440	1,440	1,440
Increase in coast protection fees	10,000	4,000	0	4,000	6,000	10,000	10,000	10,000
Proposed increase in cremation fees	0	0	0	0	120,000	120,000	120,000	120,000
Less: Expected income loss due to competition from funeral directors					-120,000	-120,000	-120,000	-120,000
Review of validation deal in MSCP car parks increasing all day parking from £4 to £5 for people working in the BN11 area	0	0	0	0	47,000	47,000	47,000	47,000
Interim Tariff review MSCPs to fund a programme of improvement works.	0	0	0	0	102,000	102,000	102,000	102,000
Review of surface car park tariff (town centre/ long stay sites)	0	0	0	0	22,650	22,650	22,650	22,650
Extension of SDLT payroll services contract for 6 - 9 months	20,270	8,110	0	8,110	12,160	20,270	0	0
Increased income from legal work undertaken for other external bodies including Crawley Borough Council, Arun District Council and Mid Sussex District Council	8,000	3,200	0	3,200	4,800	8,000	8,000	8,000
Increase in pre-application fees	20,000	8,000	0	8,000	12,000	20,000	20,000	20,000
Theatres additional income	0	0	0	0	8,000	8,000	8,000	8,000

Savings identified by the Commercial Programme

APPENDIX 5

	2018/19					2019/20	2020/21	
	Joint	Adur			Worthing			Grand Total
	(Memo)	General fund	HRA	Total				
	£'000	£'000	£'000	£'000	£'000			£'000
Recommissioning of services								
Review of Revenues and Benefits Service	0	37,000	0	37,000	0	37,000	37,000	
New Business Opportunities								
Treasury management - Joint service with another Council	15,000	6,000	0	6,000	9,000	15,000	15,000	
	315,110	224,510	0	224,510	482,950	707,460	607,190	
Target						600,000	1,200,000	
Over / Under (-) target						107,460	-592,810	



ADUR & WORTHING
COUNCILS

Ward(s): N/A

Joint Overview & Scrutiny Committee Work Programme update - 2017/18

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

1.1 This report updates the Committee on the work contained in the 2017/18 Work Programme and recommends that the changes made to the Work Programme, since its approval in April, be reported to the next Council meetings in December 2017 for noting.

2. Recommendations

2.1 That the progress in implementing the Work Programme for 2017/18 be noted and the Committee consider any further areas of work which it would like to scrutinise; and

2.2 That the meetings of Adur District Council and Worthing Borough Council in December 2017 note the changes made to the Work Programme since it was agreed by both Councils in April 2017.

3. Context

3.1 The current Joint Overview and Scrutiny Committee (JOSC) Work Programme is reviewed by the Committee at each meeting.

3.2 The Work Programme for 2017/18 was confirmed by both Councils in April 2017 and was previously reviewed by the Committee at its meeting on 21 September 2017.

3.3 During the Municipal Year, items may be added to the JOSC Work Programme, where appropriate. Requests for additional matters to be included in the Work Programme can be submitted on line via the Scrutiny review request form on the Councils' website at <https://www.adur-worthing.gov.uk/about-the-councils/scrutiny/#are-you-concerned-about-local-issues>

These requests are then initially considered by the Joint Chairpersons in accordance with the following criteria set out in the Procedure Rules:-

- (a) The Councils' Strategic objectives;
- (b) The ability of the Committee to have influence and/or add value on the subject;
- (c) The PAPER criteria; Public Interest (P), Ability to Change (A), Performance (P), Extent (E) and Replication (R)

4.0 Issues for consideration

4.1 Detailed progress with the approved Work Programme can be accessed via the following link

<https://trello.com/b/7AXUSG58/josc-work-programme-for-2017-18> or viewed in the Appendix 1 attached to this report.

4.2 The Work Programme includes details of any changes to work and dates made since it was last reported to the Committee on 21 September 2017. The latest changes deal with the following issues:-

- a request was made for the Committee to scrutinise the potential loss of public car parking spaces in Worthing given the closure of Teville Gate and future development planned at Grafton Car Park. These issues will be considered by the Committee in due course during 2018.
- A meeting of the Committee has been arranged for 15 February 2018 to hear from the Sussex Police & Crime Commissioner and District Commander on local policing issues and the work of the Commissioner.
- A briefing paper on air quality management will be considered by the Committee on 15 February 2018.

4.3 It is also usual practice for JOSC to scrutinise the Worthing Borough Council

Budget Estimates 2017/18 and the Setting of the 2017/18 Council tax in accordance with its Budget scrutiny role. In agreement with the Joint Chairmen it is proposed that an additional meeting of the Committee should be held on 25 January 2018 to fulfil this and other items could be rearranged for this meeting.

- 4.4 JOSC is requested to consider the current Work Programme status and consider if it would like to consider other issues to be added to the Work Programme. In accordance with revised Joint Overview and Scrutiny Procedure rules, as adopted by the Councils in April, there is also a requirement for both Councils to review the changes to the Work Programme mid year so it is a requirement for the Work Programme as amended to be submitted to the next Council meetings.

5.0 Engagement and Communication

- 5.1 The JOSC Chairmen and Vice-Chairmen have reviewed the JOSC Work Programme and are broadly in agreement with the proposed timings and changes.

6.0 Financial Implications

- 6.1 There are no direct financial implications relating to this report, however, some of the items to be scrutinised may have financial implications.

7.0 Legal Implications

- 7.1 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.
- 7.2 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).
- 7.3 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.
- 7.4 Paragraph 9.2 of the Joint Overview and Scrutiny Procedure Rules, which form part of the Councils' Constitutions and are binding on all Members, states that the work programme will be approved by Councils. A report must be taken to full Council on an annual basis seeking Councils' approval of the Joint Overview and Scrutiny Committee's work programme for the forthcoming year

and any changes to the Work Programme should be reported to the Councils approximately mid municipal year for noting.

Background Papers:

None

Officer Contact Details:-

Mark Lowe

Policy Officer

Town Hall,

Worthing

BN11 1HA

mark.lowe@adur-worthing.gov.uk

20 November 2017

Sustainability & Risk Assessment

1. Economic

Matter considered. Some of the issues contained in the Work Programme could impact on the development of our places or the economic participation of our communities if implemented.

2. Social

2.1 Social Value

Some of the issues to be discussed in the Work programme will impact on the Communities.

2.2 Equality Issues

Matter considered and no direct issues identified.

2.3 Community Safety Issues (Section 17)

At the February 2018 meeting of the Committee, the Police and Crime Commissioner will address the Committee on issues within her areas of responsibility and these do relate directly to community safety issues.

2.4 Human Rights Issues

Matter considered and no issues identified

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

APPENDIX 1

Joint Overview and Scrutiny Committee Work Programme 2017/18

<u>Date of meeting</u>	<u>Items for discussion</u>	<u>Report Author</u>	<u>Executive Members invited</u>	<u>Change to original Work Programme?</u>
29 June 2017	Review of the Public Space Protection Orders (PSPO's) - Quarterly update	Director for Communities	Executive Members for Environment & Wellbeing	No
	Review of the provision of solar panels on Council buildings	Director for Digital & Resources	Executive Members for Environment	No
27 July 2017	Joint Revenue Outturn report 2016/17	Director for Digital & Resources/Chief Financial Officer	Executive Members for Resources	No
	Outline Budget forecast 2017/18 to 2021/22 and Budget Strategy	Director for Digital & Resources/Chief Financial Officer	II	No
	Adur & Worthing Play areas review	Director for Communities/Head of Environment	Executive Members for Environment	No
	Annual JOSC report for 2016/17	Joint Chairmen of JOSC	N/A	No
21 September 2017	Review of Public Space Protection Orders (PSPO's) - Quarterly updates	Director for Communities	Executive Members for Environment & Wellbeing	No
	Review of the Progress in delivering the activities in Platforms for our Places - Questioning Chief Executive	Chief Executive	Adur & Worthing Executive Members	No
	Annual interviews with Council Leaders	Director for Digital & Resources	Leaders	No
	Scrutiny Youth Engagement Working Group - Final report and recommendations	Chairman of the Working Group	Executive Members for Wellbeing	Yes - Item moved back from the 27 July to allow further consultation with Youth Council
30 November	Worthing Outline 5 year forecast and savings	Director for Digital &	Worthing Executive	No

2017	<p>proposals - Executive Member interviews</p> <p>Worthing Executive Member for Customer Services re Worthing Theatres budgets and outcomes of JOSC Working Group</p> <p>Protection of Public Buildings - Response from Working Group and recommendations</p>	<p>Resources/Chief Financial Officer</p> <p>Chairman of the JOSC Working Group</p> <p>Chairman of the Working Group</p>	<p>Worthing Executive Member for Customer Services</p> <p>Executive Members for Regeneration, Worthing Leader and Adur Executive Member for Resources</p>	<p>No</p> <p>Yes. Item added to the Work Programme following assessment of the request from Worthing Councillor Kevin Jenkins. Originally scheduled for October 2017.</p>
15 February 2018	<p>Interview with Sussex Police & Crime Commissioner and local District Commander</p> <p>Air Quality Management briefing report</p> <p>Review of Public Space Protection Orders (PSPO's) - Quarterly update</p>	<p>N/A</p> <p>Director for Communities</p> <p>Director for Communities</p>	<p>Executive Members for Wellbeing</p> <p>TBC</p> <p>Executive Members for Wellbeing and Environment</p>	<p>Yes. Item added at the request of the Committee following assessment.</p> <p>Yes. Item added to the Work Programme following assessment of public request</p> <p>Yes. Originally scheduled for January 2018.</p>
22 March 2018	<p>Review of the Progress in delivering the activities in Platforms for our Places - Questioning Chief Executive</p> <p>Leader interviews</p> <p>Annual Work Programme 2018/19</p>	<p>Chief Executive</p> <p>Director for Digital & Resources</p> <p>Director for Digital & Resources</p>	<p>Adur and Worthing Executives</p> <p>Leaders</p> <p>N/A</p>	<p>No</p> <p>No</p> <p>No</p>
Date to be confirmed	<p>Possible attendance by Southern Water and the Environment Agency re sewage spill incident - July 2017</p> <p>Major Projects being undertaken in partnership with West Sussex County Council - Update</p> <p>Review of the potential loss of public car parking spaces in Worthing given the closure of Teville Gate and future</p>	<p>N/A</p> <p>Director for the Economy</p> <p>Director for the Economy</p>	<p>Executive Members for Environment & Wellbeing</p> <p>Executive Members for Regeneration and relevant West Sussex County Council Cabinet Member</p> <p>Worthing Executive Members for Regeneration and Environment</p>	<p>Yes. Item added at the request of the Committee.</p> <p>Yes. Item added at the request of the Committee. Request to view the report on this issue which will be presented to JSC.</p> <p>Yes. Item added at the request of the Committee.</p>

	development planned at Grafton Car Park.			
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