



ADUR & WORTHING COUNCILS

18 July 2018

Joint Overview and Scrutiny Committee

Date:	26 July 2018
Time:	6:30pm
Venue:	QEI Room, Shoreham Centre

Committee Membership:

Adur District Council: Councillors; Stephen Chipp (Chairman), Andy McGregor (Vice Chairman), Carol Albury, Catherine Arnold, Kevin Boram, Paul Mansfield, Lavinia O'Connor

Worthing Borough Council: Councillors; Roy Barraclough (Chairman), Keith Bickers (Vice Chairman), Rebecca Cooper, Karen Harman, Charles James, Sean McDonald, Bob Smytherman, Steve Waight

Agenda

Part A

1. Declarations of Interest / Substitute Members

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

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

2. Confirmation of Minutes

To approve the minutes of the Joint Overview and Scrutiny Committee meeting of held on 21 June 2018 , copies of which have been previously circulated.

3. Public Question Time

So as to provide the best opportunity for the Committee to provide the public with the fullest answer, questions from the public should be submitted by 6.30pm Tuesday 24 July 2018.

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 Democratic Services,
democratic.services@adur-worthing.gov.uk 01903 221364

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

4. Items Raised Under Urgency Provisions

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

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

6. Presentation by Southern Water on sewage spill incident in July 2017 and matters relating to bathing water quality

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

Representatives from Southern Water and the Adur and Worthing Executive Members for Environment, Regeneration (Worthing) and Health & Wellbeing have been invited to attend. Members are asked to send questions in advance by Monday 23 July 2018.

7. Briefing on Parking Enforcement in Adur & Worthing

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

This is an Officer report from the Director for Digital & Resources but an Officer from West Sussex County Council will also be attending. Executive Members for Environment (Adur) and Regeneration (Worthing) will also be attending as it is an issue within their Portfolios. Members are asked to send questions in advance by Monday 23 July 2018.

8. Review of Public Space Protection Orders - Bi-annual update

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

The Executive Members for Environment and Health & Wellbeing have been invited to attend and a representative from the Worthing Churches Homeless Project has also been invited to attend at the request of JOSE. Members are asked to send questions in advance by Monday 23 July 2018.

9. What is the Future for Littering and Dog Fouling Control?

To consider a report from the Director for Communities, copy attached as item 9

The Executive Members for Environment and Health and Wellbeing have been invited to attend. Members are asked to send questions in advance by Monday 23 July 2018.

10. Scrutiny review of Consultations

To consider a report by the Consultations Review Working Group, copy attached as item 10

11. Financial Performance 2017/18 - Revenue Outturn

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

The Worthing Leader will be attending for these items in place of the Worthing Executive Member for Resources who is unable to attend. Members are asked to send questions in advance by Monday 23 July 2018.

12. Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond

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

The Worthing Leader will be attending for these items in place of the Worthing Executive Member for Resources who is unable to attend. Members are asked to send questions in advance by Monday 23 July 2018.

13. Work Programme update

To consider a report by the Director for Digital and Resources, copy attached as item 13

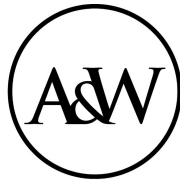
Part B - Not for publication - Exempt Information Reports

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

Joint Overview and Scrutiny Committee
26 July 2018
Agenda Item 6

Key Decision [No]

Ward(s) Affected:N/A

Presentation by Southern Water on sewage spill incident in July 2017 and matters relating to bathing water quality

Report by the Director for Digital and Resources

Executive Summary

1. Purpose

1.1 This report provides the Committee with some background information to assist it in reviewing the sewage spill incident from July 2017 and also further information on works to improve bathing water quality and improvement works to the East Worthing Treatment Works being undertaken by Southern Water.

2.Recommendations

2.1 That the Committee reviews a presentation from Southern Water and questions them on works to improve bathing water quality, improvements to the East Worthing Treatment works and also the sewage spill incident from July 2017.

3. Context

- 3.1 As part of its Work Programme, the Joint Overview and Scrutiny Committee (JOSC) requested that representatives from Southern Water attend a meeting of the Committee to discuss issues relating to the sewage spill incident which occurred in July 2017.

4. Issues for consideration

- 4.1 Representatives from Southern Water will be attending this meeting to address the Committee on issues relating to the sewage spill incident which occurred in July 2017. This sewage spill stemmed from a total loss of power related to the failure of equipment at East Worthing Wastewater treatment works. Southern Water will also address the Committee on improvements which they are making to help improve bathing water quality and improvements now being made to the East Worthing Wastewater Treatment works.
- 4.2 JOSC is requested to review the presentation from Southern Water and question them on the action taken to mitigate further sewage spills and also to review the ongoing works to improve bathing water quality. JOSC is also requested to consider if any further information is required on this matter.

5. How the Councils are working with Southern Water to improve Bathing Water quality

- 5.1 The Environment Agency take seawater samples to assess bathing water quality at designated bathing locations around the UK coastline. Under the 2017 bathing water ratings, which are the latest available, Worthing bathing water is classified as 'Sufficient' i.e it meets the requirements of the European Bathing Water Directive.
- 5.2 Southern Water has identified Worthing bathing water as one of the seven Locations in its region to be allocated a share of £30 million investment as part of its Bathing Water Enhancement Programme (BWEP). The aim is to enhance Worthing's current bathing water classification of 'Sufficient' to 'Excellent' by the end of 2019 ready for the commencement of the following bathing season that commences in May 2020.
- 5.3 This will be achieved in partnership with Adur & Worthing Councils by encouraging property owners to fix any misconnected sewage pipes. These

misconnections incorrectly plumb into surface water drains, allowing foul wastewater to reach the sea without any treatment via surface water outfalls.

- 5.4 There is a Worthing Bathing Water Steering Group that meets every 3 months to ensure the programme is kept on track and this is a project within Platforms for our Places. The Group comprises representatives from Environmental Health, Foreshore, the Environment Agency, Southern Water, both Southern Water and Council Communications Teams and is chaired by the Councils' Public Health & Regulation Manager.
- 5.5 In addition to the misconnection work, there is a current grant bid for further funding from Southern Water for extra dog control signage (to make people aware of dog controls on the beach), extra summer patrols by the Councils' dog wardens on the beach front and extra bird proof bins are also being provided. .

6. Engagement and Communication

- 6.1 Southern Water, the Director for Communities and the JOSOC Chairmen and Vice-Chairmen have been consulted on this report.

7. Financial Implications

- 7.1 There are no financial implications relating to this report.

8. Legal Implications

- 8.1 Under Section 111 of the Local Government Act 1972, the Councils have the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.
- 8.2 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).
- 8.3 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

N/A.

Officer Contact Details:-

Mark Lowe

Scrutiny and Risk Officer

Town Hall,

Chapel Road,

Worthing,

West Sussex,

BN11 1HA

Tel 01903 221009

mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Issues relating to bathing water quality and the closure of beaches can impact on economic development long term.

2. Social

2.1 Social Value

The closure of the beaches in 2017 and the potential impact on bathing water quality can impact on 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

The protection of beaches is important for the protection of the environment.

4. Governance

Matter considered and no issues identified. .



ADUR & WORTHING COUNCILS

Joint Overview & Scrutiny Committee
26 July 2018
Agenda Item 7

Key Decision [No]

Ward(s) Affected:

Briefing on Parking Enforcement in Adur & Worthing

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1 In the setting of the programme for JOSC for the current year a briefing was requested on the effectiveness of parking and road traffic enforcement policy in Adur and Worthing. The request makes reference to a number of complaints regarding the effectiveness of enforcement. It is understood the complaints referred to relate mainly to pavement parking and parking in areas without control measures currently in place.
- 1.2 The desired outcome of the scrutiny request is more effective enforcement and a better understanding of the policy issues.
- 1.3 The request for the item to be added to the agenda was proposed by Councillor Boram.

2. Recommendations

- 2.1 This report is for information. Committee is asked to note its content.

3.0 Roles & Responsibilities - On Street and Off Street Parking

- 3.1 Responsibility for car parking policy and enforcement is dependent on whether it is on street or off street.
- 3.2 On-street parking is the responsibility of West Sussex County Council as the Highways Authority. This includes responsibility for:
- The setting of parking tariffs
 - The establishment and management of Controlled Parking Zones (CPZs) and policies around the management of resident and other permits. Worthing has CPZs in operation, currently there are no CPZs in Adur and there are no on street parking charges in Adur.
 - Managing parking restrictions eg single and double yellow lines
 - Establishing the on street parking enforcement policy
- 3.3 On street parking enforcement is managed by means of Civil Parking Enforcement under the Traffic Management Act 2004 (Part 6). The service is run on behalf of West Sussex County Council through an Agency Agreement with Adur District Council and Worthing Borough Council. This includes the car parks known as Albion Street Lorry Park and Marlborough Road.
- 3.4 The Agency Agreement signed between Worthing Borough & Adur District has an option to extend for an additional 5 years beyond 2020.
- 3.5 Adur District and Worthing Borough Councils have no direct powers over on street parking enforcement and any concerns or recommendations coming from the Committee should be directed to the County Council.
- 3.6 Off street parking (in council owned surface and multi storey car parks) is the responsibility of Adur District and Worthing Borough Council. The responsibilities for off street parking include:
- Setting parking tariffs
 - Parking enforcement
 - Management of the physical infrastructure

4.0 Objectives of Parking Enforcement

- 4.1 Worthing Borough Council joined CPE (Civil Parking Enforcement) on 10th September 2007, followed by Adur District Council on 5th March 2009. This has allowed the councils to take over the role of on-street parking enforcement from Sussex Police, on behalf of West Sussex County Council, and it has contracted the service to NSL Services Group to manage on a day-to-day basis. The scheme is managed by way of the Traffic Management Act 2004.

- 4.2 Previously, the Government received the majority of money generated through parking fines issued by the police. Under CPE, West Sussex County Council, in partnership with the councils, collects the penalties and uses them to pay for the costs of enforcement - using any surplus money to the benefit of transport, parking and other environmental improvements in the borough and district.

4.3 The Objectives of CPE

4.4 General Aims

- To provide a single integrated parking service, combining on-street and off-street management and enforcement that will be accessible, at a local level within the Districts and Boroughs.
- To provide the effective enforcement of parking controls.
- The primary aim of enforcement is to achieve the following policy objectives
- To encourage a high level of compliance by motorists with the parking controls and waiting and loading restrictions.
- To integrate traffic management policies with effective on-street enforcement.
- To ensure the equitable distribution and management of the availability of parking space.
- Be responsive to changing priorities, local factors and demand.
- Provide parking permits and dispensations for residents and businesses, the disabled, and others as appropriate.

- 4.5 Parking enforcement will be 'fair but firm' and community support for or acceptance of parking controls is conditional upon achieving this balance in the enforcement operation. The guidance set out in this document has been designed to assist in this objective and establishes the "ethos" of the scheme; whilst individual areas will minimise the potential for misunderstanding and dispute over specific parking issues. In general, enforcement activity will comply with the following principles

-
- Fairness in applying the legislation and securing compliance.
- Focusing enforcement action where necessary.
- Consistency of approach.
- Transparency about what enforcement action is taken and why.
- Recognition that an effective relationship between all areas of the enforcement operation is needed.

4.6 Advantages of Civil Parking Enforcement (CPE)

CPE provides a greater focus on enforcement than the police were able to provide. This means clearer, safer roads and pavements.

- 4.7 The new arrangements deliver improvements for congestion, road safety, the economy and the environment. Vehicles parking on yellow lines is reduced. All road users benefit:

- Pedestrians
- Cyclists
- Buses and bus passengers
- Freight vehicles
- Emergency services
- Motorists

Town centre on-street parking for short term use is made more available through higher turnover.

- 4.8 An increased uniformed presence contributes towards community safety and helps to reduce other vehicle crime, e.g. car tax evasion and unregistered vehicles. Abuse of disabled bays and free limited waiting bays is reduced.

- 4.9 Car parking issues are more easily linked to council transportation policies, enabling both the District and County Councils to respond to changes in local parking requirements. It provides integrated on-street and off-street parking management at local level.

4.10 Controlled Parking Zone (RPS's)

There are Seven Residents' Parking Schemes (RPSs), alternatively known as Controlled Parking Zones (CPZs), which have been introduced across West Sussex to date. These are designed to:

- manage on-street parking
- improve safety and access
- raise the commercial viability of town and city centres
- protect the amenities of residents in the adjacent areas
- encourage motorists to review their journeys and consider alternative modes of travel, such as public transport, cycling, walking and car sharing.

- 4.11 The RPSs form an important part of an Integrated Parking Strategy. In this Strategy, the County Council has sought to establish a mechanism for ensuring that the supply, regulation, enforcement and cost of all types of parking is managed and controlled in ways which are consistent with its other transport policies.

- 4.12 Policies to manage the overall demand for car use through the control of on-street parking have been integrated with and are supportive of measures to:

- tackle congestion

- reduce pollution
- promote alternative modes of transport, particularly public transport
- improve road safety and residential amenity.

4.13 CPZ Plan of Worthing

The link below shows the existing Controlled Parking Zones in Worthing.

<https://www.adur-worthing.gov.uk/media/media,103767,en.pdf>

5.0 Enforcement Contract (NSL)

5.1 NSL Services (NSL) have been contracted to fulfill a range of functions:

- On-street enforcement
- Pay and display machines maintenance
- Pay and display cash collection
- On-street permit management (including suspensions and dispensations)
- IT system supply and management

5.2 NSL's on-street performance is managed through the use of Key Performance Indicators which are linked to Performance Related Payments. The contract expires in 2020, with the option of a two year extension. NSL run a parking shop which is situated at 52 Chapel Road, Worthing.

5.3 For off street car parks NSL carry out the following activities on behalf of Adur and Worthing:

- Pay and display cash collection
- Pay and display machine maintenance
- Car park enforcement
- Season ticket processing

5.4 There are a total of 26 Civil Enforcement Officers including Senior Civil Enforcement Officers employed per month. Out of that 18 are deployed across the two contracts (14 for Worthing & 4 for Adur). The 18 are carrying out enforcement whilst the other 8 Officers cover holiday, rest days and sickness contingency.

5.5 During April to September up to 4 Civil Enforcement Officers work on the Adur Contract. However during October to March only 3 Civil Enforcement Officers are deployed, only 1 will be enforcing in the car parks at any one time.

- 5.6 For Worthing all On-Street costs are covered by West Sussex County Council, whereas West Sussex County Council pay up to a maximum of £50k for enforcement in Adur, any costs incurred over this is borne by the District Council.

6.0 Enforcement Activity

- 6.1 Civil Enforcement Officers can only issue Penalty Charge Notices in Adur & Worthing On-Street for restrictions which have a Traffic Regulation Order (TRO) in place. The restrictions in place in Adur and Worthing are summarised in the table below.

Restriction	Adur	Worthing
Limited Waiting bays	Yes	Yes
Taxi bays	Yes	Yes
Disabled bays	Yes	Yes
Bus stops	Yes	Yes
Yellow lines	Yes	Yes
Loading bans	Yes	Yes
School Keep Clears	Yes	Yes
White Zig Zag Markings	Yes	Yes
Permit holder bays	No	Yes
Pay and display bays	No	Yes
Shared use bays	No	Yes
Loading bays	No	Yes
Police bays	No	Yes
Doctor's bays	No	Yes

7.0 Pavement & Verge Parking

- 7.1 Pavement and verge parking and obstruction remain the responsibility of Sussex Police. West Sussex County Council have no powers to address pavement and verge powers in areas where there are no restrictions in place. Sussex Police will consider each case individually depending on the circumstances and priorities.

Enforcement around Schools

- 7.2 Currently the vast majority of School Keep Clear markings in Adur are not enforceable due to no Traffic Regulation Order being in place.
- 7.3 **All Adur School Keep Clears (SKC) are currently being designed by West Sussex County Council's consultants WSP and are planned for implementation in 2019/2020. The Traffic Regulation Order (TRO) adverts are due to go out in Autumn 2018. Once implemented this will mean that Civil Enforcement Officers will be able to issue Penalty Charge Notices to vehicles parking in contravention.**
- 7.4 **In Worthing the school keep clears are already covered by a Traffic Regulation Order and are enforced on a rota system basis so that all schools are visited.**

8.0 Debt Recovery Contracts

- 8.1 Debt recovery for both off and on street car parks is managed through two enforcement agency providers as follows:
- Task Enforcement Limited (Part of Marstons Holdings)
 - Whyte & Co
- 8.2 The enforcement agent service does not carry a cost to the Council. The statutory fees which are applied during the recovery process are applied to the debtor. The providers are bound by a Service Level Agreement with the Council and the Council manages their performance through a split of warrants between them.
- 8.3 The enforcement agents work to the Ministry of Justice Taking Control of Goods National Standards 2014, Tribunals & Courts Enforcement Act and National legislation.
- 8.4 They also abide by the Code of Practice as issued by the Association of Civil Enforcement Agencies (ACEA) As well as the Council's code of conduct specified in the Service Level Agreement.
- 8.5 Whyte & Co have become the first enforcement agency in the UK to be accredited with BS 18477: Identifying and responding to consumer vulnerability. Whyte & Co and Task Enforcement Ltd (part of Marstons holdings) both have a small dedicated team to assess particular cases

which may fall under the vulnerability category and works closely with a variety of external agencies and the debtor.

- 8.6 In relation to dealing with cases of vulnerability, our enforcement agents work closely with Step change & Citizens Advice, also they signpost customers to AdviceUK, National Debt Line, Money Advice Service, Gov.Uk.
- 8.7 Our enforcement agencies are formally accredited (to full UKAS standard) to BS 18477 Inclusive Service Provision – Identifying and Responding to Customer Vulnerability and one of our agencies Vulnerability Team was highly commended in the BPA (British Parking Association) Exception Customer Service Award 2015

9.0 Adur & Worthing Councils Parking Services Team

- 9.1 The Council has a small team which manage the three stage appeals process and manage the PCN (Penalty Charge Notice) process from the issue stage up to and including formal debt recovery.
- 9.2 The team also monitor NSL Services performance through the use of Key performance Indicators (KPI's) and through audits ensuring compliance with the County's Agency Agreement.
- 9.3 The staff at the Council manage and monitor the service provided by NSL. They are responsible for PCN cases from the point of the Penalty Charge Notice being issued and manage debt recovery through contracted certificated enforcement agents (bailiffs).

10.0 Effectiveness of Parking Enforcement Policy

The Policy Framework Objectives

- 10.1 One of the objectives of WSCC's Parking Policy Review is to update and consolidate the existing policy and guidance documents for Residents' Parking Schemes (RPS) and parking enforcement within the county of West Sussex. This involves improving and harmonising existing parking policies and guidance so that they reflect national legislation and guidance while recognising local needs and conditions across the county.
- 10.2 However, the overarching aim is to put into effect the objectives of the County Council's Integrated Parking Strategy (IPS) and the wider policy background.

The Integrated Parking Strategy 2014-2019

- 10.3 As the Highway Authority for West Sussex, WSCC has an IPS that sets out its approach to managing parking.
- 10.4 The IPS brings together a number of different policy drivers to commission a joined-up parking service that reflects the objectives of Government, WSCC and stakeholders and to meet the needs of the community.
- 10.5 'Integration' refers to the coming together of various parking functions that are the separate responsibility of WSCC and the District and Borough Councils, and the close liaison between those authorities to provide a coordinated and joined-up parking service.
- 10.6 By definition, the objectives of the strategy are broad, encompassing a range of policy influences which have been grouped as follows:

10.7 Traffic Management Objectives

- To manage the free flow of all traffic on the highway and to maintain road safety for all road users.
- To share out limited kerb space amongst competing user groups, fairly and transparently.
- To maintain town centre parking charges and controls that provide effective demand management to:
 - protect the needs of residents and their visitors;
 - encourage the turnover of on-street parking of short duration;
 - support local businesses
 - encourage long-stay parking to take place in off-street car parks and/or designated on-street locations; and
 - minimise the effect of circulating traffic 'searching' for spaces.

10.8 Community Objectives

- To prioritise parking in residential areas for use by residents and their visitors.
- To ensure that the parking and transport needs generated by new development are adequately provided for by the development and do not have adverse impacts upon local communities.

10.9 Economic Objectives

- To provide sufficient on-street car parking in town and village centres to maintain economic vitality and viability without encouraging unnecessary or excessive car use.
- Health and Wellbeing Objectives
- To reduce levels of car ownership and reliance on the private car as the principle mode of choice through the promotion and support

of alternatives, including car clubs, car sharing, non-car modes and active travel.

- To facilitate the adoption of less polluting technology, such as electric vehicles, through the development of appropriate support infrastructure.

10.10 Locational Objectives

- To encourage the location of activities in well-served and accessible areas.
- To locate long-stay parking spaces in off-street car parks or less central on-street areas, subject to the safeguarding of residents' parking needs.
- To support the provision of out-of-town Park and Ride schemes that reduce long-stay town centre parking.
- Enforcement Objectives
- These are may be summarised as follows:-
- To provide a single integrated parking service, combining on-street and off-street management and enforcement that will be accessible, at a local level within the Districts and Boroughs.
- To provide the effective enforcement of parking controls.

10.11 Financial Objectives

- For parking schemes to be self-financing. Individual schemes should, preferably, recover their set-up costs over a period of time and return a surplus to the On-Street Parking Account to provide for on-going maintenance, monitoring, enforcement, review and extension, where necessary. In the case of new development, these costs should be borne by the developer.
- To review parking charges regularly and to set those charges at levels that cover operating costs and influence short and long stay parking demands, consistent with traffic management and demand management objectives
- WSCC's On-Street Parking Account, to which all expenditure and income is assigned, to operate in surplus, as required under Section 55 of the Road Traffic Regulation Act 1984. Any surplus, should be used, in the first instance, to implement or support parking schemes and subsequently to improve parking facilities and approved transport and environmental improvement schemes, strategically across the County irrespective of where they originated.

10.12 Residents' Parking Schemes

Residents, visitors, shoppers, people who work/study in an area and rail commuters compete for the limited on-street parking space and in some roads this can cause severe parking problems. A Residents' Parking

Scheme (RPS) is a method of controlling/managing on-street parking, and is introduced primarily to assist people living in areas where they experience difficulty in parking close to their homes, for example, as a result of existing waiting restrictions or non-residents who park for long periods in nearby roads. A RPS is designed to:

- Prevent or manage all day on-street parking by non-residents,
- Make it easier for residents, shoppers and visitors to park,
- Enhance road safety, and
- Remove obstructions to private accesses by eliminating indiscriminate parking.

10.13 There are currently seven RPS in West Sussex, in Billingshurst, Bognor Regis, Chichester, Crawley, East Grinstead, Horsham and Worthing.

10.14 Within a RPS, large signs are located at all zone entry points. These inform motorists of the days/hours during which parking is controlled within the area they are entering. During the hours of control, parking is permitted only in designated parking bays (marked with white lines). Signs are positioned adjacent to all parking bays showing the hours of parking control and the type of parking permitted, e.g. Resident Permit Holders only.

10.15 Residents holding a permit can park a vehicle in any parking bay where permit parking is allowed, within the zone that is specified on the permit. Normally this would be within their own street or close to their home. Wherever possible parking bays are located outside or near residential properties in order to try to ensure that residents can park close to their own property, although parking in a particular space cannot be guaranteed.

10.16 Within a RPS there may also be Limited Waiting and/or Pay & Display parking bays which are clearly indicated by road signs. These may be used without the need for a permit and are designed to allow more people to use local shops and facilities. Some of these bays may also be used by permit holders for unlimited stays i.e. Shared Use bays, where signs permit shared use. Double and single yellow lines may also prohibit parking on junctions and along certain lengths of road at certain (or all) times.

10.17 Road Space Audits

In many parts of West Sussex, the introduction of waiting restrictions including RPS, has facilitated some degree of traffic management but invariably, parking problems have merely moved into adjacent unrestricted areas, either because these offer free long term parking or because there are fewer off-street car parks available to use. Some of

these areas may have rarely experienced parking congestion before but others may already be congested and the increase in vehicles parking intensifies the problems.

- 10.18 Beyond this, new housing allocations and re development, business and retail expansion, the growth in the visitor economy and the associated growth in car use in West Sussex is likely to exacerbate parking problems in many of its towns and villages.
- 10.19 In response to this, a more progressive approach towards parking management, known as a Road Space Audit (RSA) has been piloted in Chichester to determine if there are other ways to consider existing and future parking demands.
- 10.20 It has subsequently determined that RSAs be made available as an approach to parking management across West Sussex and that WSCC adopts a priority programme for funding and resource allocation according to its Economic Growth Strategy.
- 10.21 In order to ensure that local parking policies (on and off-street) take into account the whole place both now and in the future, a RSA considers wider place/locality based planning. The outcome of a RSA is to inform the production of a strategic blueprint for a particular place that defines how parking, various alternative travel solutions (bus, rail, cycling, walking etc), infrastructure improvements, safety considerations and future development (e.g. housing) can be integrated so that the road network is used and managed in the most efficient way possible.
- 10.22 RSAs seek to provide essential technical data that identifies and assesses the current demands upon the road network and parking stock (i.e. how it is currently being used), whether these demands are actually being met as well as residents and users views.
- 10.23 RSAs identify potential future demands/pressures and may make recommendations for improvement. RSAs may also assess what measures and resources might be required in order to meet these challenges, adjust supply and ultimately optimise the efficiency of the road network and parking stock.

10.24 Priority Growth Areas

A three tier programme of RSAs has been put forward for West Sussex. Crawley, Burgess Hill, Worthing – significant growth programmes for these areas have now been prioritised for further capital investment and form a key part of the County Council's forward economic vision. RSAs

are seen as integral to the development of each growth programme beginning in the financial year 2017/18.

10.25 Pipeline Areas

Bognor Regis, Horsham, Haywards Heath and Shoreham – growth plans for potential investment and the progression of strategic development locations will continue for these areas and in due course, a prioritised programme will emerge. RSAs would be appropriate as required to feed into this overall programme. In addition and depending on local development requirements RSAs may be considered for those towns where there is a train station and attempts to address parking issues at one station, may have knock-on effects at nearby stations.

10.26 Locally Identified Areas

Ad hoc RSAs or Parking Management Plans* to be undertaken by District/Borough/Parish Councils.

*Smaller towns or villages present a different set of issues and could be better suited to a light touch version of RSA process, which could incorporate the core components but the level of detail for the data collected, range of solutions available and scale of consultations would need to be commensurate to the study area. In this respect population, local employment, attractors, place function, extent of parking stress and transport issues would be important criteria for scoping the study. It may be that in some cases more localised issues can be resolved through a single scheme (e.g. a parking management plan) without requiring a more comprehensive strategy

10.27 Comparable Data

The table below shows comparable data between some Boroughs and Districts across the County in relation to the number of Penalty Charge Notices issued and collection rates from enforcement agencies (bailiffs).

Comparable Data 2017/2018	MSDC	Arun	Crawley	Adur & Worthing
No of PCNs issued (On & Off-St)	15,259	15,584	11,937	25,173 (5,210 Adur & 19,963 Worthing)
No of cases sent to the Tribunal	30 (0.19%)	8 (0.05%)	19 (0.16%)	73 (0.29%)
Euro Parking Collection rate	7/125	Not used	Not used	2/85 cases

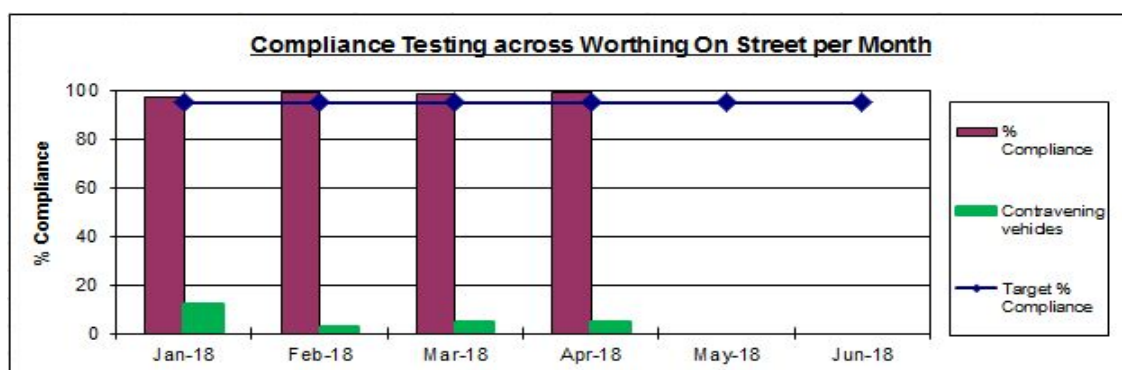
Enforcement Agency Recovery	36%	32%	n/a	35 % (Worthing) 46% (Adur)

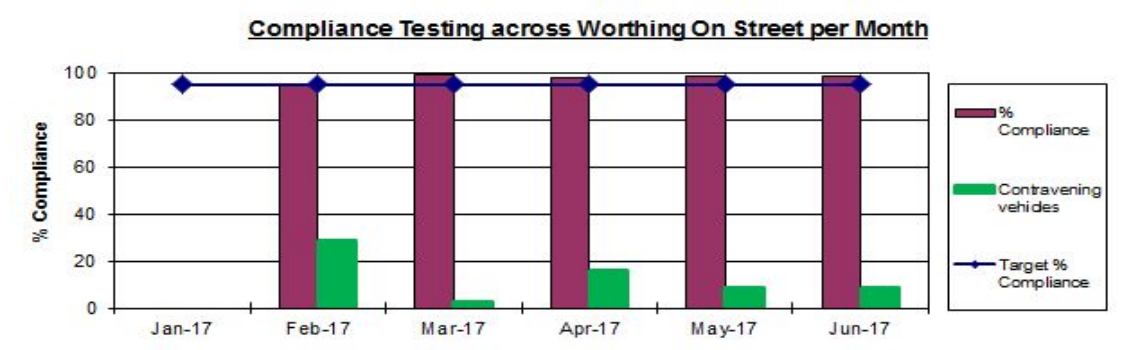
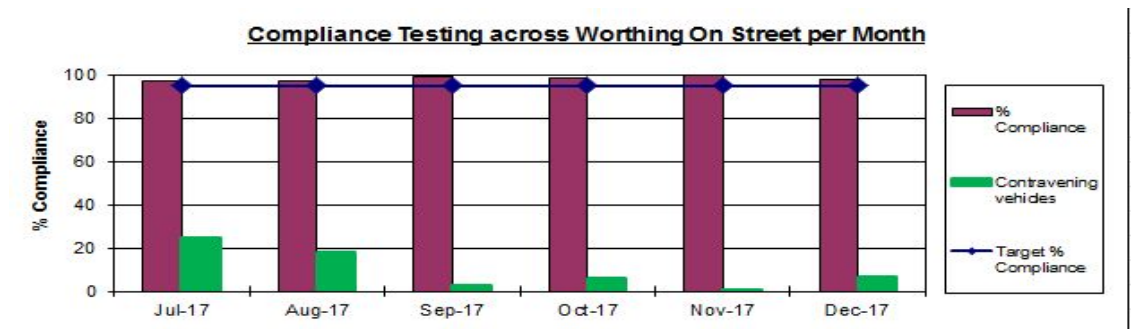
Audits/Compliance

- 10.28 The parking services team carry out audits every month across Worthing and Adur checking on compliance with the parking restrictions for both On and Off-street. The audit gives a snapshot of the number of vehicles parking, the type of permits displayed, number of vehicles parked in contravention. In addition every 6 months a full compliance for the inner and outer zones (Worthing) is carried out.

The Parking Services Team have a member of NSL staff with them where there is a parking contravention the CEO would issue a Penalty Charge Notice.

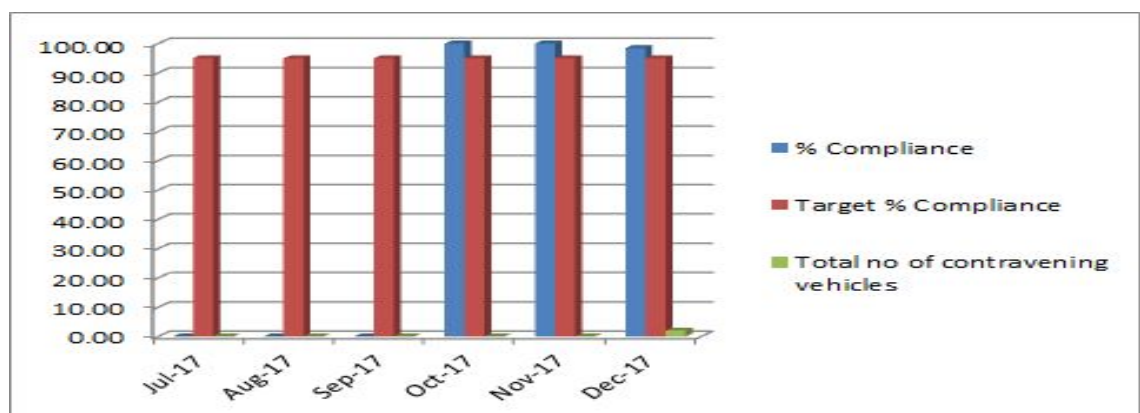
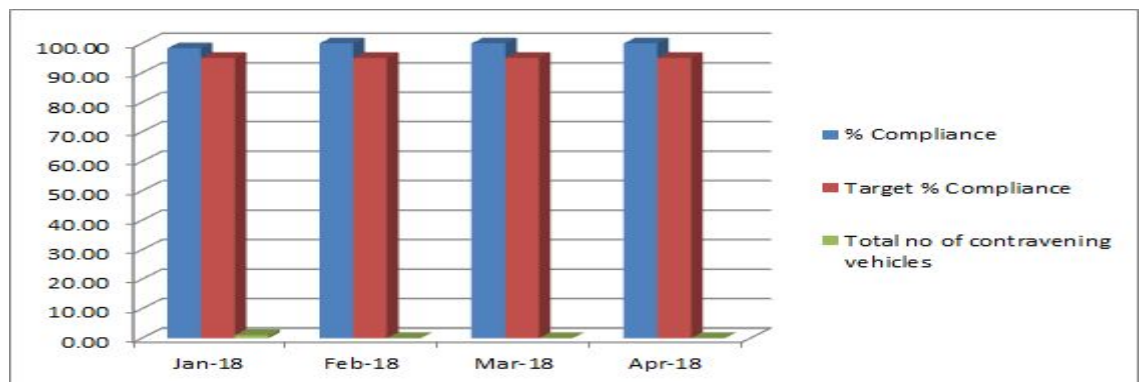
- 10.29 The results from the audits are monitored and if an audit showed a particular road had a large number of contraventions, this road would be revisited the following month to see whether compliance has improved.
- 10.30 The target for compliance has been set at 95% of vehicles to comply with the parking restrictions
- 10.31 The tables below show the compliance levels on audits for Worthing On-Street over the last 12 months. The tables show a very high compliance:

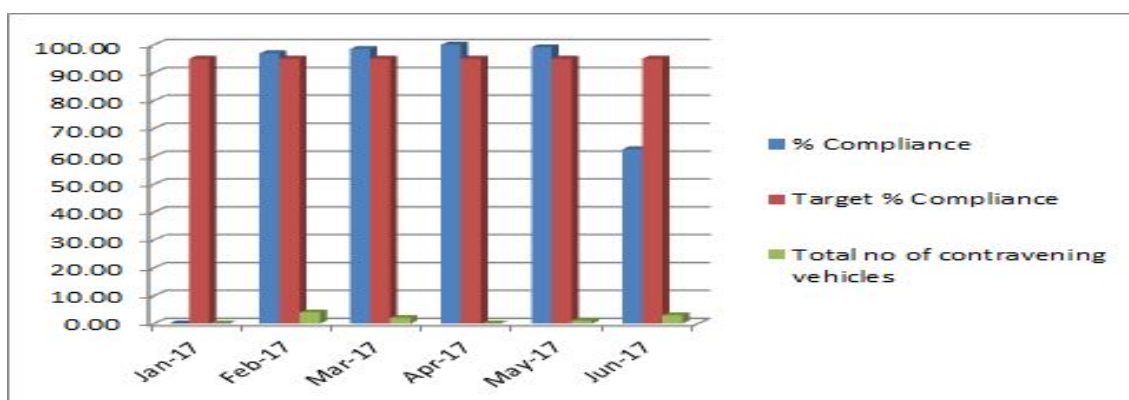




10.32 The target for compliance has been set at 95% of vehicles to comply with the parking restrictions

10.33 The tables below show the compliance levels on audits for Adur On-Street over the last 12 months. The table shows a very high compliance.





The levels of compliance would indicate that motorists are generally complying with the parking restrictions and the level of enforcement remains at the right level.

Appeals

10.34 There are three appeals stages the motorist has against a Penalty Charge Notice. The first stage or informal appeal stage, the second stage or formal appeal stage and the third appeal stage is to the independent Tribunal known as The Traffic Penalty Tribunal Service.

10.35 The Parking Services Team has a target to respond to all appeals within 10 working days, this is constantly met.

10.36 The below table shows the number of informal and formal appeals dealt with each month by Parking Services for Worthing On-Street:

PCN'S BY REPRESENTATION					
	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Informal appeals received	256	223	212	284	288
Informal appeals accepted	72	54	49	101	82
Informal appeals rejected	184	169	163	183	206
Formal appeals received	93	69	95	63	54
Formal appeals accepted	51	39	56	35	29
Formal appeals rejected	42	30	39	28	25
	Jan-18	Feb-18	Mar-18	Apr-18	May-18
% of informal PCN appeals accepted	28%	24%	23%	36%	28%
% of informal PCN appeals rejected	72%	76%	77%	64%	72%
% of formal PCN appeals accepted	55%	57%	59%	56%	54%
% of formal PCN appeals rejected	45%	43%	41%	44%	46%

PCN'S BY REPRESENTATION						
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Informal appeals received	145	156	204	213	213	215
Informal appeals accepted	35	42	49	80	55	60
Informal appeals rejected	110	114	155	133	158	155
Formal appeals received	30	49	59	74	58	60
Formal appeals accepted	12	24	34	50	32	24
Formal appeals rejected	18	25	25	24	26	36
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
% of informal PCN appeals accepted	24%	27%	24%	38%	26%	28%
% of informal PCN appeals rejected	76%	73%	76%	62%	74%	72%
% of formal PCN appeals accepted	40%	49%	58%	68%	55%	40%
% of formal PCN appeals rejected	60%	51%	42%	32%	45%	60%

PCN'S BY REPRESENTATION						
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Informal appeals received	256	194	250	208	211	194
Informal appeals accepted	104	72	85	73	59	55
Informal appeals rejected	152	122	165	135	152	139
Formal appeals received	93	74	38	63	61	77
Formal appeals accepted	53	41	19	35	36	40
Formal appeals rejected	40	33	19	28	25	37
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
% of informal PCN appeals accepted	41%	37%	34%	35%	28%	28%
% of informal PCN appeals rejected	59%	63%	66%	65%	72%	72%
% of formal PCN appeals accepted	57%	55%	50%	56%	59%	52%
% of formal PCN appeals rejected	43%	45%	50%	44%	41%	48%

10.37 The below table shows the number of informal and formal appeals dealt with each month by Parking Services for Adur On-Street:

PCN APPEAL STATISTICS					
	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Informal appeals received	27	30	19	31	34
Informal appeals accepted	2	4	3	5	4
Informal appeals rejected	25	26	16	26	30
Formal appeals received	8	2	2	0	22
Formal appeals accepted	5	0	0	0	12
Formal appeals rejected	3	2	2	0	10
	Jan-18	Feb-18	Mar-18	Apr-18	May-18
% of informal accepted	7%	13%	16%	16%	12%
% of informal rejected	93%	87%	84%	84%	88%
% of formal accepted	63%	0%	0%	#DIV/0!	55%
% of formal rejected	38%	100%	100%	#DIV/0!	45%

PCN APPEAL STATISTICS						
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Informal appeals received	15	10	23	19	29	24
Informal appeals accepted	3	2	4	8	4	5
Informal appeals rejected	12	8	19	11	25	19
Formal appeals received	10	11	7	7	12	7
Formal appeals accepted	3	4	1	3	4	3
Formal appeals rejected	7	7	6	4	8	4
	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
% of informal accepted	20%	20%	17%	42%	14%	21%
% of informal rejected	80%	80%	83%	58%	86%	79%
% of formal accepted	30%	36%	14%	43%	33%	43%
% of formal rejected	70%	64%	86%	57%	67%	57%

PCN APPEAL STATISTICS						
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Informal appeals received	32	21	20	18	39	21
Informal appeals accepted	8	6	9	4	10	3
Informal appeals rejected	26	15	11	14	29	18
Formal appeals received	15	13	10	5	9	8
Formal appeals accepted	4	4	3	3	5	4
Formal appeals rejected	11	9	7	2	4	4
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
% of informal accepted	25%	29%	45%	22%	26%	14%
% of informal rejected	81%	71%	55%	78%	74%	86%
% of formal accepted	27%	31%	30%	60%	56%	50%
% of formal rejected	73%	69%	70%	40%	44%	50%

10.38 Over 80% of appeals against Penalty Charge Notices are made via the online portal via the Council's website.

10.39 The Parking Services Team work with businesses to encourage long term parking and have streamlined the process for workers in the BN11 Postcode area to apply for a Town Centre Workers Concession. This concession entitles the customer to discounted parking in the Multi-Storey Car Parks (£5 for the day at High St or Grafton MSCP and £4 at Buckingham MSCP).

10.40 There will be a 100% online solution where customers will be able to purchase season tickets online. Customers will also be able to have the option for autobilling when parking in the Multi-Storey Car Parks. This feature will enable customers to have vehicles registered to an account and their debit/credit card is billed 3 times per month for the parking sessions.

10.41 To assist with economic development and the local businesses, parking services offers discounted season tickets for businesses who purchase 5 or more yearly season tickets, the higher the number of season tickets purchased the more discount they are given.

11.0 Consultation & Engagement

This report has been co-written with consultation with Miles Davy Lead Professional, Parking Strategy Team West Sussex County Council

12.0 Financial Implications

This is a briefing note for information and review. There are no financial implications

13.0 Legal Implications

- 13.1** Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 13.2 s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation
- 13.3 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.
- 13.4 Section 1 of The Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers the powers on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both (whether or not together with goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 13.5 In making arrangements for off-street parking and enforcement the Councils are to comply with The Road Traffic Regulation Act 1984; The Traffic Management Act 2004; The Borough Council of Worthing (Off Street Parking Places) (Consolidation Order) 2007 (as amended) and the The Adur District Council (Off Street Parking Places) (Consolidation Order) 2011 (as amended).
- 13.6 In making arrangements for on-street parking and enforcement, the Councils are to comply with The Road Traffic Regulation Act 1984; The Traffic Management Act 2004; the West Sussex County Council (Worthing Parking Places & Traffic Regulation) Consolidation Order 2007 and the West Sussex County Council (Adur Parking Places & Traffic Regulation Consolidation Order 2009.

Officer Contact Details:-

Name	Jason Passfield	Jan Jonker
Role	Parking Services Manager	Head of Customer & Digital Services
Telephone	01903 221 466	07881255291
Email	jason.passfield@adur-worthing.gov.uk	jan.jonker@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

2. Social

2.1 Social Value



2.2 Equality Issues



2.3 Community Safety Issues (Section 17)

2.4 Human Rights Issues

3. Environmental



4. Governance





ADUR & WORTHING
COUNCILS

Joint Overview and Scrutiny Committee
26 July 2018
Agenda Item 8

Key Decision [~~Yes~~/No]

Ward(s) Affected: N/A

Review of Public Space Protection Orders

Report by the Director for Communities

Executive Summary

1. Purpose

- The purpose of this report is to provide a review of the use and enforcement of the current Public Space Protection Orders

2. Recommendations

2.1 Recommendation One

- The committee is asked to note the contents of the report, in particular the requirement to begin the consultation process for continuation of the orders beyond August 2019

3. Context

- There are currently five public space protection orders in place; four in Worthing and one in Adur. Public Space Protection Orders allow for the restriction and/or prohibition of certain activities in specified locations. Breach of the conditions set out in an order can lead to a fixed penalty notice. This report provides a review of the use of the orders to the Joint Overview and Scrutiny Committee as agreed when implemented.
- At the Joint Overview and Scrutiny Committee in February 2018, it was agreed that the use of the PSPOs would move to six monthly monitoring therefore this report will cover the use of the PSPOs from January 1st 2018 to July 1st 2018.

4. Issues for consideration

4.1 Enforcement of Public Space Protection Order 1: Public Place Drinking

Sussex Police continue to use the powers to ask people to desist from drinking in a public place where the officer believes it could lead to anti-social behaviour.

Historically, as part of “Operation Reform”, Sussex Police contributed dedicated officers to enforce the power to remove alcohol. Due to the policing model that prioritises risk, harm and threat, police resources are directed at high risk crimes and incidents. Therefore, whilst this power is not being used on a daily basis, it remains an important tool to prevent alcohol related anti social behaviour in public places.

Sussex Police do not collate figures for the use of this power only the number of Fixed Penalty Notices where a person has refused to comply with the request. There have been 0 FPNs issued in this reporting period.

There continues to be a street community presence in the seafront shelters. Where there has been nuisance and disorder, partners are using a variety of tools and powers to tackle alcohol related disorder. This includes targeted action against prolific individuals and increased police presence.

Following several reports of groups involved in alcohol related anti social behaviour, Sussex police implemented a Section 35 Dispersal Order on June 22nd-24th in Worthing town centre and on the sea-front. Such orders provide police with the power to ask people to leave

the area if they are causing or are believed to be causing anti social behaviour and is used when there are a high number of reports, following a serious incident, or if it is believed that there could be serious disorder. No arrests were made under the order.

4.2 Enforcement of Public Space Protection Order 2: Begging in Worthing Town Centre

Adur and Worthing Councils prioritise support for individuals who are homeless and or facing financial hardship. A key part of the outreach provided by Adur and Worthing Councils, focuses on engaging with those who are begging.

Across the Councils we are leading on ensuring that we respond proactively to the needs of vulnerable individuals who may be experiencing financial hardship and maybe finding it difficult to access benefits and resources as changes are implemented by the Department for Work and Pensions (DWP). Also, council officers continue to form positive relationships and develop referral routes with partners such as DWP, Citizens Advice, WCHP and others, who can assist. Consequently outreach efforts now include signposting to the appropriate support to open bank accounts and access digital systems through the Councils' IT Junctions in order to support residents to access the new benefits system and reduce their reliance on begging.

None the less, the number of individuals begging remains consistent, at approximately 3-5 in Worthing Town Centre town centre. All have been offered support and are either engaged with services or have been made aware of services but chosen to not to engage at this time.

The Ministry for Housing, Communities and Local Government (MHCLG) recently awarded Worthing Council approximately £276,000 to tackle rough sleeping, with an understanding that this would also extend to those rough sleeping in Adur. A multi agency plan has been developed that will allow us to significantly increase the support and options available to rough sleepers, including increasing the councils' outreach from 1 to 3 full time (or equivalent) members of staff. This will enable more intensive work with this group and a more flexible pathway into an increased range of accommodation.

PSPO 2 was introduced to tackle aggressive begging in Worthing town centre. This was introduced due to a large number of complaints from the community and the local businesses, including begging around cash points and obstructing access to shops and businesses. It was not designed for and has never been used to target the homeless community.

There is no evidence that there is aggressive begging taking place and therefore the priority remains to provide support. No warnings or FPNs have been issued for aggressive begging in this reporting period.

4.4 Enforcement of Public Space Protection Order 3: Unauthorised Camping

The purpose of PSPO 3 was to enable the removal of temporary structures and associated paraphernalia from eight specified green spaces in Worthing and was implemented following reports of visitors to Worthing using these spaces as opposed to designated campsites.

As with PSPO 2, this was not designed to target homeless individuals but those using public sites, instead of designated campsites. A breach of this order occurs if someone does not comply with a request to remove the structure.

Since January 1st 2018, Parks and Foreshore officers have responded to 5 reports of unauthorised camping. All reports have been passed to the Street Outreach Team to visit and establish whether any vulnerabilities exist and to offer support to individuals, some of which is described above.

Where Parks and Foreshore officers come across an unoccupied tent , they will leave a notice on that tent that it will be removed if it is found unoccupied again after 24 hours. We have recently agreed with Worthing Churches Homeless Projects, that the councils' will notify them when this notice is issued so that they can try to identify whose property it is.

There have been no Fixed Penalty Notices served for breach of PSPO 3 in this reporting period as individuals have either complied with a verbal request to move or have been supported by our outreach workers to access available services.

Where there is an unauthorised encampment on council land and supportive interventions have not been successful, Adur and Worthing Councils have pursued eviction through court proceedings. In the reporting period, this approach has been used once in Worthing. During this period, the outreach team were visiting the encampment regularly to sign post and offer support to individuals.

4.5 Enforcement of Public Space Protection Orders for Dog Control Worthing

There has been no FPNs issued in Worthing in relation to dog control. However it should be noted that enforcement is only part of the regulatory continuum; dog wardens carry out education and give advice to dog owners as well as enforcing observed infringements.

4.6 Enforcement of Public Space Protection order for Dog Control - Adur

There has been one FPN issued for dog fouling and one FPN issued for a dog being in an excluded area in this reporting period.

- 4.7** Members are asked to note that the PSPOs for Public Drinking, Unauthorised Camping and Begging are valid until August 22nd 2019. Consultation and decision making timeframes will mean that members will need to be consulted in early 2019, regarding the continuation of the orders.

5. Engagement and Communication

- Sussex Police Prevention Team and Worthing Churches Homeless Project have been consulted in relation to this report.

6. Financial Implications

- 6.1** There are no unbudgeted financial implications arising from this report.

7. Legal Implications

7.1 Public Space protection orders (PSPO) were introduced by Section 59 of the Anti-Social behaviour crime and Policing Act 2014. PSPO's require or prohibit certain activities from taking place in certain places (restricted areas) in order to prevent or reduce any detrimental effect caused by those activities to local people. PSPOs are intended to:

- (a) Tackle a wide range of behaviour similar to the "good rule and government" byelaws under the Local Government Act 1972 but with the option of a fixed penalty notice on breach and more flexibility.
- (b) Reduce bureaucracy by no longer requiring local authorities to produce information for reports for central government.
- (c) Cut down on existing consultation requirements by only requiring local authorities to comply with "light-touch" consultation requirements in order to save costs.
- (d) Allow local authorities to deal with both existing and future problems by using a single order to combat a variety of different issues.
- (e) Replace designated public place orders, gating orders and dog control orders.

7.2 Local authorities that can make PSPOs include, a district council, a county council for an area for which there is no district council, a London borough council, the Common Council of the City of London (in its capacity as a local authority) or the Council of the Isles of Scilly.

7.3 Section 1 of the Localism Act 2011 grants Local Authorities the general power of competence, which in simple terms means that Local Authorities now have the power to do anything that an individual may do. This could include instructing external bodies to undertake legal duties on their behalf or in a different parlance; "outsourcing". Section 135 of the Local Government Act 1972 also empowers local authorities to outsource provision of services to third sector or private organisations.

7.4 Before the Council can outsource this function, procurement rules must be complied with. Local Government Act 1998 requires competitive tendering and Local Government Act 1999 requires that any provider chosen must provide best value. A local consultation may be required before the contract is entered into. However, if the external body only exists to provide services to the local authority (ies) that control it, it will be exempt from a competitive tendering process.

7.5 Once the above rules are complied with, the Council may engage a private enforcement company to enforce the provision of the PSPO for dog

control, litter and fly posting and the issuing of FPN's. However, in accordance with law, all payments received for the FPN's must be made directly to the Council. The law also specified that monies collected from FPN's for dog fouling can only be used for specific functions which are dog fouling, littering and fly-posting.

7.6 There are some legal implications that may arise from entering into contract with a third party. As the external body will be performing duties on our behalf (as our agents), we could potentially be brought into any claim issued against them. If the claim is won by the other side, the Councils would potentially be liable for costs and suffer reputational damage. However, this can be prevented with a watertight contract that requires that the third party company meet certain/specified/ codes of conduct in addition to indemnifying the Councils for any losses that occur as a result of their conduct.

7.7 FPN's are issued to the offender to discharge any liability to prosecution, i.e, as an alternative to prosecution. When an FPN is issued, the Council should only prosecute if the offender refuses to pay. In limited/exceptional circumstances , the Council may bring prosecution without offering an FPN, when dealing with a repeat offender.

7.8 In order to reduce costs, the Single Justice Procedure (SJP) should be considered for instituting prosecution. The SJP does not require physical attendance at court unless the Defendant request for it e.g, by pleading not guilty. Usually, the matter is dealt with administratively, thereby saving costs for the Council. However, there will be associated costs, which would include costs of preparing the relevant legal documents for issuing at court.

7.9 If the Council wishes to deal with littering under PSPO's as opposed to S 87 of the EPA 1990, it must be aware that the fine level that can be imposed by the magistrate's court will be reduced. S 87 fines can go up to level 4, while PSPO's can only go up to level 3

Background Papers

- Anti Social Behaviour, Crime and Policing Act Statutory Guidance
<https://www.gov.uk/government/publications/anti-social-behaviour-crime-and-policing-bill-anti-social-behaviour>

Officer Contact Details:-

Sophie Whitehouse

Interim Communities and Wellbeing Manager

Email sophie.whitehouse@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Ensuring that the appropriate tools and powers are used to keep communities safe, contributes to thriving towns that are attractive to businesses and Individuals.

2. Social

2.1 Social Value

Monitoring the use of PSPOs ensures that Adur and Worthing Councils are using all available resources to increase safety for all members of the Community and ensure that those who are more vulnerable are identified and supported to access help.

2.2 Equality Issues

An equalities impact assessment was conducted during the consultation for the orders. Consultation with partners

2.3 Community Safety Issues (Section 17)

- Use of Public Space Protection Orders contribute to the reduction of crime and disorder in Adur and Worthing.

2.4 Human Rights Issues

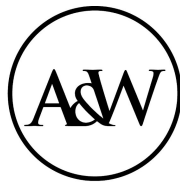
- Continued scrutiny of the use of Public Space Protection Orders will ensure adherence to the Human Rights Act

3. Environmental

None identified

4. Governance

-



ADUR & WORTHING
COUNCILS

Committee JOSC Date
26 July 2018
Agenda Item 9

Key Decision N/A

Wards Affected: All

What is the Future for Littering and Dog Fouling Control?

Report by the Director for Communities

Executive Summary

Purpose

1.1 To provide detail to assist the committee in deciding whether to further explore the option of using a private/alternative enforcement agency to dispense fixed penalty notices for breaches under the Public Spaces Protection Order (PSPO) for Dog Control and for littering offences under the Clean Neighbourhood and Environment Act 2005.

Recommendations

2.1 Recommendation 1: Note the contents of this report and the current review that is underway

2.2 Recommendation 2: Determine what next steps the committee would like to take to further understand

- The level of fouling (and littering) within the PSPOs areas across Adur & Worthing

- The costs and benefits of employing a private/alternate enforcement company against the targeted use of in house resources

Context

- 3.1 The in-house Dog Warden Service was transferred to the Public Health & Regulation Service on 1 May 2018. Previously it had been managed by the Parks Section of the Environment Dept.
- 3.2 Two full time Dog Wardens are employed in the dog warden service which covers Adur & Worthing Council areas. Duties include:
- dealing with stray dogs,
 - noise complaints relating to barking dogs,
 - dog attacks on other dogs and livestock,
 - animal welfare complaints and
 - enforcing the Public Spaces Protection Orders in relation to Dog Control.
- 3.3 Enforcement of the PSPOs includes the issuing of fixed penalty notices (FPNs) where offences are observed. Such notices currently incur a fine of £50. Offences are:
- failing to remove dog faeces from land,
 - failure to put a dog on a lead when directed by an authorised officer,
 - failure to have a dog on a lead in a 'dogs on leads' location,
 - failure to keep a dog out of a dog exclusion zone, and
 - a person having more than 6 dogs under their control on specified land.
- 3.4 Adur & Worthing Councils' employees who are currently authorised to issue FPNs total eight individuals and work as dog wardens, community park rangers, environment maintenance officers and foreshore inspectors. This provides significant potential coverage across the councils to observe and issue fines as appropriate, although it is recognised that these powers can only be exercised if an offence is observed, which is the main reason for non issue of FPNs.
- 3.5 The extent and severity of dog fouling throughout the Council areas is not fully understood and it is suggested that this requires further investigation to better understand and evidence.
- 3.6 Additionally, the new operational line manager responsible for the dog warden

service is currently reviewing the service which will include how patrols are carried out. Consideration may be given to improving how focused patrols of 'hot spot' areas, where dog fouling levels are found to be problematic, are carried out.

- 3.7 The Council legal department have confirmed that Parish Councils do not have the power to issue fixed penalty notices, however this could be overcome if the principal authority, Adur & Worthing Councils delegated this to a Parish Council. If this were to occur, any fines derived from fixed penalty notices would be payable to the principal authority, who would also be required to undertake follow up court action for non-payment of fines.
- 3.8 An assessment of Adur & Worthing Councils' decision making process with regard to proceeding to prosecution on non payment of a fine following the issue of a fixed penalty notice has also been initiated. This entails considering a graduated enforcement model which is in line with the Public Health & Regulation Service enforcement policy, and perhaps issuing a fixed penalty notice on repeat offenders who may have previously received a warning in relation to the same breach. This should have the same effect on addressing breaches of the Public Space Protection Order, but saving time and resource on prosecuting only habitual offenders.
- 3.9 There is currently no PSPO in either Adur or Worthing covering the activity of Littering. Instead littering is covered by powers contained in section 87 of the Environmental Protection Act 1990 and the Clean Neighbourhoods and Environment Act 2005.
- 3.10 Adur District Council are able to issue fixed penalty notices for £75 under CNEA powers, but the offence itself is committed under s87 powers. If the FPN is not paid, the Council has the power to prosecute for the original offence. If the prosecution is successful in a magistrates court the maximum penalty is a fine of £2500.
- 3.11 In order to have a successful case, littering complaints need to be accompanied by an eyewitness account. Circumstantial evidence such as finding an address in a bag is not sufficient on its own to mount a successful prosecution.
- 3.12 In the last 12 months 3 FPNs issued for littering in Lancing. All 3 were successfully paid and no court action was necessary.

Issues for consideration

- 4.1 The committee has asked for basic information in order to assess whether further exploration of the suggestion to employ a private/alternate enforcement agency is warranted. Given the timescales around the preparation of this report, the information provided is at a high level. In order to make better informed recommendations the committee will need to explore all options, as well as undertake a full assessment of the costs of procurement, costs of legal enforcement of non payment of fines against the potential benefits to the Councils.
- 4.2 Officers are aware that other Councils in Sussex use a variety of different methods, from in house delivery, to fully contracted out services, to working with other local authorities to discharge these duties. Attached as Appendix 1 is a brief round up of what is happening in other East & West Sussex Authorities currently. Further time would be needed to review the options in more detail.
- 4.3 The committee may therefore wish to consider convening a small working group or request a more detailed report highlighting these costs and benefits which reviews and explores the options used by other authorities, and crucially fully understands the potential costs and benefits to the councils of using a private company or partnering with other authorities. The internal review of the current service offer will continue in any event.

Potential Options to be considered

- Option 1: The current method of service delivery which provides reasonable coverage as there are a number of front line staff across the Councils able to issue FPNs as described above. However there is a need to better understand and target the use of these resources which are the subjects of the current review and refresh by the team.
- Option 2: Further detailed work to be undertaken to review the possibility of employing a private/alternate enforcement company to be employed by the principal authority to enforce the provisions of the Public Space Protection Order for Dog Control and litter enforcement.
- Option 3: Further detailed work be undertaken to review the possibility of employing a private/alternate enforcement company to be employed by the principal authority to provide the full suite of dog control functions and littering functions.

Engagement and Communication

- 5.1 These PSPOs last for 3 years, prior to implementing a full process of public consultation was completed
- 5.2 In 2016/17 49 Fixed Penalty Notices (FPN's) were issued in relation to dog control, 2017/18 16 FPN's were issued and to date in financial year 2018/19, 2 FPN's have been issued.
- 5.3 Currently following the redesign of the Environmental Services section and the move of Dog Wardens to the Public Health and Regulation Team a review is underway involving all relevant staff to understand need, resourcing and targeting in order to ensure that we use our people as effectively as possible.
- 5.4 Any future change in how the service is delivered, i.e the use of a private contractor would require detailed engagement with internal teams such as procurement, finance and legal to understand the costs and benefits to the Councils as well as executive, ward members and the public to agree and communicate this change.

Financial Implications

- Consult with Finance as early as possible on any proposed changes to the service provision in order to identify any financial or procurement implications.

Finance Officer: Donna Lock

Date:13/07/18

Legal Implications

- 6.1 Public Space protection orders (PSPO) were introduced by Section 59 of the Anti-Social behaviour crime and Policing Act 2014. PSPO's require or prohibit certain activities from taking place in certain places (restricted areas) in order to prevent or reduce any detrimental effect caused by those activities to local people. PSPOs are intended to:
 - (a) Tackle a wide range of behaviour similar to the "good rule and government" byelaws under the Local Government Act 1972 but with the option of a fixed penalty notice on breach and more flexibility.
 - (b) Reduce bureaucracy by no longer requiring local authorities to produce

- information for reports for central government.
- (c) Cut down on existing consultation requirements by only requiring local authorities to comply with "light-touch" consultation requirements in order to save costs.
 - (d) Allow local authorities to deal with both existing and future problems by using a single order to combat a variety of different issues.
 - (e) Replace designated public place orders, gating orders and dog control orders.
- 6.2 Local authorities that can make PSPO's include, a district council, a county council for an area for which there is no district council, a London borough council, the Common Council of the City of London (in its capacity as a local authority) or the Council of the Isles of Scilly.
- 6.3 Section 1 of the Localism Act 2011 grants Local Authorities the general power of competence, which in simple terms means that Local Authorities now have the power to do anything that an individual may do. This could include instructing external bodies to undertake legal duties on their behalf or in a different parlance; "outsourcing". Section 135 of the Local Government Act 1972 also empowers local authorities to outsource provision of services to third sector or private organisations.
- 6.4 Before the Council can outsource this function, procurement rules must be complied with. Local Government Act 1998 requires competitive tendering and Local Government Act 1999 requires that any provider chosen must provide best value. A local consultation may be required before the contract is entered into. However, if the external body only exists to provide services to the local authority (ies) that control it, it will be exempt from a competitive tendering process.
- 6.5 Once the above rules are complied with, the Council may engage a private enforcement company to enforce the provision of the PSPO for dog control, litter and fly posting and the issuing of FPN's. However, in accordance with law, all payments received for the FPN's must be made directly to the Council. The law also specified that monies collected from FPN's for dog fouling can only be used for specific functions which are dog fouling, littering and fly-posting.
- 6.6 There are some legal implications that may arise from entering into contract with a third party. As the external body will be performing duties on our behalf (as our agents), we could potentially be brought into any claim issued against them. If the claim is won by the other side, the Councils would potentially be liable for costs and suffer reputational damage. However, this can be

prevented with a watertight contract that requires that the third party company meet certain/specified/ codes of conduct in addition to indemnifying the Councils for any losses that occur as a result of their conduct.

- 6.7 FPN's are issued to the offender to discharge any liability to prosecution, i.e, as an alternative to prosecution. When an FPN is issued, the Council should only prosecute if the offender refuses to pay. In limited/exceptional circumstances , the Council may bring prosecution without offering an PFN, when dealing with a repeat offender.
- 6.8 In order to reduce costs, the Single Justice Procedure (SJP) should be considered for instituting prosecution. The SJP does not require physical attendance at court unless the Defendant request for it e.g, by pleading not guilty. Usually, the matter is dealt with administratively, thereby saving costs for the Council. However, there will be associated costs, which would include costs of preparing the relevant legal documents for issuing at court.
- 6.9 If the Council wishes to deal with littering under PSPO's as opposed to S 87 of the EPA 1990, it must be aware that the fine level that can be imposed by the magistrate's court will be reduced. S 87 fines can go up to level 4, while PSPO's can only go up to level 3.

Legal Officer:Edwina Adefehinti

Date: 12.7.18

Background Papers

None

Officer Contact Details:-

David Currie

Team Leader PH&R (Dog Wardens)

david.currie@adur-worthing.gov.uk

Sustainability & Risk Assessment

The current PSPO duration is until December 2019 and the Council can extend the PSPO at any point before expiry if it considers it necessary to prevent the original behaviour from occurring or recurring. It is the intention of this Council to do so.

1. Economic

The use of a private enforcement agency to dispense fixed penalty notices for breaches under the Public Spaces Protection Order for Dog Control and for littering offences under the Clean Neighbourhood and Environment Act 2005 is unlikely to generate sufficient income to attain cost recovery and would not be self-financing.

2. Social

2.1 Social Value

The current dog control service covers every aspect of dog control and provides a familiar and balanced service to our communities and also links up with other departments within the Council such as Environmental Health and Adur Homes in dealing with noise nuisance and problem dog owners.

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

A key part of the dog control service in protecting public health in publicly accessed open spaces by tackling issues of dog fouling through education and enforcement.

4. Governance

Consideration for the Council's reputation in the provision of an effective dog control service and continued adequate staff resource.

Appendix 1 JOSC 26/07/18	
Authority	Method of Delivery
	In house - admin only
Horsham	Stray Dogs - Contracted to Hammerpond Kennels
	No Education, dog fouling considered as waste/littering
	In-house
Crawley	6 Community Wardens serving FPN's for litter and dogs
	Use kennels in Dorking
	In-house
	2 x wardens:
Brighton & Hove	Strays/ Licensing/ Dog Attack
	Voluntary Walking Scheme
	Out of hours "C4C" littering
	Use Alpha Guard Canine in Pevensey as Kennels
	Education campaigns eg eyes, paint round faeces..
Eastbourne & Lewes	Paws on Watch' in Community
	Alpha Guard' for Strays
	Neighbourhood First' Fouling (Animal Welfare - RSPCA)
	E. Hants D.C - FPN's Litter & Fouling
Chichester	Contracted kennels £2K a month for strays
	In-house 2 x Dog Wardens - fouling and education
Arun	E. Hants contract as Chichester + In-house 1 dog warden
	Contracted out to 'Animals Warden Ltd'
	as Rother & Wealden (£36K + £40K) 24/7 service
Hastings	Fouling/ Street Scene
	EH provide signage only
	Kingdom' contract previously used for fouling & littering
	Same as Horsham, in house - admin only
Mid-Sussex	Stray Dogs - Contracted Hammerpond Kennels
	No Education, community wardens - deal as littering.
Rother & Wealden	As Hastings - Contracted out to 'Animals Warden Ltd'
	In house 2 x Dog Wardens - education/advice
Adur & Worthing	serve FPN's & use Private Kennels for strays
	Parks staff and beach office can serve FPNs



ADUR & WORTHING
COUNCILS

Joint Overview and Scrutiny Committee
26 July 2018
Agenda Item 10

Key Decision [No]

Ward(s): N/A

Scrutiny review of Consultations

Report by the Director for Digital and Resources

Executive Summary

1. Purpose

- 1.1 This report sets out the findings from the Joint Overview and Scrutiny Committee (JOSC) Working Group which was created as part of the JOSC Work Programme to review the effectiveness of the Councils' consultations.

2. Recommendations

- 2.1 That JOSC consider the report and recommendations from the Consultations Working Group and refer the recommendations to the Adur and Worthing Joint Strategic Committee for consideration in due course.

3. Context

- 3.1 Following a request from the Joint Strategic Committee, the Joint Overview and Scrutiny Committee agreed to establish a Working Group to review the effectiveness of Council consultations and to look at ways to maximise the number of responses to future consultations.
- 3.2 The Working Group held a number of meetings between March and May 2018 to gather information and evidence and has identified a number of conclusions and recommendations which will help the Councils improve the way they undertake consultations.

4.0 Issues for consideration

- 4.1 JOSOC is asked to consider the report and recommendations from the Consultations Working Group, set out as the appendix to this report and refer those recommendations to the Joint Strategic Committee for consideration in due course.

5.0 Engagement and Communication

- 5.1 The JOSOC Chairmen and Vice-Chairmen have been consulted on this report. The Councils Leadership Team have also been consulted.

6.0 Financial Implications

- 6.1 There are no direct financial implications relating to this report.

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.

Background Papers:

None

Officer Contact Details:-

Mark Lowe

Scrutiny and Risk Officer

Town Hall,

Worthing

BN11 1HA

mark.lowe@adur-worthing.gov.uk

4 July 2018

Sustainability & Risk Assessment

1. Economic

1.1 Matter considered and no direct issues identified.

2. Social

2.1 Social Value

Matter considered. Effective consultations can help to improve social value in the communities depending on the outcomes from the consultations.

2.2 Equality Issues

Effective consultations can engage more people in the public participation process.

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

Effective consultations can help improve the Councils reputation.



ADUR & WORTHING COUNCILS

APPENDIX

Scrutiny review of Consultations

Report by the Consultations Working Group

1.0 Summary

- 1.1 This report sets out the findings and recommendations from the Consultations Working Group which was established as part of the Joint Overview and Scrutiny Committee (JOSC) Work Programme and at the request of the Joint Strategic Committee, to review the effectiveness of Council consultations and to look at ways to maximise responses to consultations undertaken by the Councils.
- 1.2 This Working Group wants to ensure that Adur and Worthing Councils have adequate consultation procedures in place to ensure that local people are engaged in the planning and delivery of local services. By having effective consultation procedures, the Councils will ensure that customers and local communities can be involved in helping the Councils develop and design policy and service delivery and help the Councils deliver on the commitments in the strategic vision - 'Platforms for our Places.'
- 1.3 The Working Group has undertaken this scrutiny review and formulated conclusions within a short three month timeframe. It has concentrated on the Councils' existing procedures in place for the communities who receive information on the consultations and respond. It has also reviewed the procedures in place for Council Officers who design consultations and engage with residents. The review's objective has been to act as a 'critical friend' to assess if the procedures are effective and review why some recent consultations have received low response levels. This timeframe has given the Working Group the opportunity to:
 - Speak with Council Officers on the current approach to undertaking consultations;
 - Consult with local residents and community groups to find out their views on the current approach via a survey;
 - Engage with a consultation professional on how consultation and other forms of engagement should be undertaken and the legal principles which should underpin all consultations. Research has also been undertaken to review Consultation practice elsewhere in West Sussex.

- 1.4 Overall, the Working Group is generally pleased with the way that the Councils undertake consultations and that some Service areas use innovative techniques and provide above average levels of consultation which in turn generate good response rates. However, the Working Group believes that improvements should be made to the Councils' consultation processes to ensure a consistent approach across all Service areas to consultation delivery. If these improvements are implemented, the Working Group believes that the Council consultations will be more effective and could lead to improved engagement and higher response rates.

2.0 Background

- 2.1 Consultations are one of a number of ways in which the Councils interact with residents, service users and other interested parties to understand their needs and aspirations for services. The Councils will consider whether to undertake a consultation if an activity will impact on members of the public or stakeholders. Consultations should only happen when there is a real scope for change and decisions have not already been made. The Councils consult for a number of reasons, including to:-

- Help improve take up of services;
- Provide policies and services which better reflect people's needs;
- Improve quality of services;
- Help alert the Councils to problems quickly;
- Position customers and communities at the heart of decision making; and
- Provide participation opportunities for all sections of the community, particularly people and groups that are often missed out of consultation and engagement activities (so-called hard to reach groups)

- 2.2 There are a number of different approaches to consultations applied by the Councils and the methods that are used will depend on many factors such as the scope of the project, with whom the Councils are consulting and the time and budget available. Methods to use include:-

- Public meetings
- Surveys (online, paper, face to face, telephone)
- Documentary (Document put to the public for comment)
- Focus Groups
- Exhibitions
- Stakeholder meetings
- Social media (Twitter/Facebook)

- 2.3 At its meeting on 25 January 2018, the JOSC received a request from the Joint Strategic Committee (JSC) for the Committee to undertake a review of Council consultations as part of its Work Programme. Councillors Keith Bickers, Stephen Chipp, Joss Loader and Bob Smytherman were appointed to the Working Group. The Working Group met on 14 March, 4 April, 30 April and 22 May 2018 as part of

its evidence gathering and Councillor Joss Loader was appointed as Chairman of the Working Group.

- 2.4 The Working Group discussed and agreed the following Terms of Reference and project objectives for the review:-

(a) To review the effectiveness of Consultations conducted by the Councils;
(b) To assess how to maximise the responses to Council consultations; and
(c) To consider if any changes are required to the way consultations are undertaken and to recommend any areas for change which are considered appropriate to the Joint Strategic Committee/relevant Executive Members and the Councils.

- 2.5 This report provides the detail of the discussions and findings from the Working Group and some recommendations which the Working Group considers will help improve the effectiveness of Council Consultation methods. The Working Group considers that these can be delivered as part of an overarching Consultation and engagement strategy. The report and findings have not just concentrated on a 'shopping list' of 'wants' but have tried to investigate under the surface of the existing consultation processes and the offer provided and propose subsequent recommendations which can have the biggest impact on improving the standard of consultations and engagement which the Councils undertake.

3.0 Information Gathering

- 3.1 The Working Group met on 4 April 2018 and heard evidence from the following witnesses:-

- Mike Gilson, Head of Communications
- Paul Tonking, Head of Revenues & Benefits
- Andy Edwards, Head of Environmental Services

These witnesses provided information on how their Services undertake consultations or provide support for consultations, budgets which their Services have available to undertake consultations, how effective they consider consultations to be and suggestions on how consultations could be improved.

- 3.2 The Working Group also met on 30 April 2018 and received evidence from David Evans, Director, The Campaign Company, an industry leading research, communication, behaviour change and community consultation company, who had worked with the Local Government Association in producing its 'New Conversations' Guide which was a guide for Local Authorities working to build a stronger dialogue between Councils and their communities. The Guide includes a Section on effective consultations.

<https://www.local.gov.uk/sites/default/files/documents/New%20Conversations%20Guide%2012.pdf>

The Working Group was advised on the principles for engaging and consulting, the laws relating to consultations and received some examples of good practice relating to engagement and consultation practice.

- 3.3 The Working Group also met on 22 May 2018 and received evidence from James Appleton, Head of Planning and Development, on how the Planning and Development Teams get involved in consultations and he also provided information on the statutory requirements relating to planning consultations and the Local Plans. The Working Group was advised that the Councils' Planning and Development Teams consult on some planning applications and also the draft Local Plans. The Councils exceed the statutory minimum requirements for undertaking Planning application consultations and the Service have found that the most effective form of consultation on planning applications is a direct letter to a neighbouring property. The Council's Statement of Community Involvement which covers the Council's agreed policy on publicising Planning applications is due to be revised. There is the potential to improve the way that social media could be used for the consultation on Planning applications and the Head of Planning and Development advised that he would be looking to address those issues.
- 3.4 The Working Group has also undertaken its own survey of local people which asked for responses to a series of questions on consultations. The aim of the survey was to help the Working Group canvas general views from local residents to help it better understand why local residents did and did not respond to consultations and to find out their views on the overall consultation process. The survey was made available by on line form on the Council website, at local Council offices and via local residents and community associations. 204 responses were received and an analysis of the results is attached as Appendix A to this report. The Working Group considers that these responses have provided the Group with a good cross section of views to help it assess the current view of consultations across Adur and Worthing.
- 3.5 The Working Group also received written evidence from Jacqui Cooke, Head of Wellbeing at the Councils on the Wellbeing Service approach to consultations and which also included information on work which she was undertaking with the Chief Executive's Policy Officer to develop a consistent approach to engagement across the Councils. The aim of this work is to develop core principles of engagement and participation which could be adopted and utilised for the range of engagement activities undertaken by the Councils and this is an activity linked to the delivery of the commitments contained in the strategic vision - 'Platforms for our Places'.
- 3.6 Evidence was also received from a member of the public which highlighted the latest Government consultation principles which should be used when designing consultations and another member of the public submitted comments which related to the need for the Councils to ensure that they adhered to the 'Gunning Principles' which governed the law relating to consultations and this reminded the Councils that there was a need to ensure that consultations are risk assured.

- 3.7 Research was undertaken by the Working Group into how the other West Sussex Authorities approached consultations. Arun (Under review), Crawley, Chichester and West Sussex County Councils employ Officers who advise and provide support on consultations which help provide a consistent corporate approach. Horsham and Mid Sussex have dedicated Service Teams that provide assistance on consultations. The Working Group was also advised on the number of responses received by the other West Sussex authorities in relation to the most recent Council Tax support scheme consultations (The original request by the Joint Strategic Committee to JOSC had highlighted concern at the low level of responses received by the Adur and Worthing consultations). In fact, compared with Arun (74 responses), Chichester (71 responses), Crawley (22 responses), the Worthing response of 91 compared well but with only 17 responses Adur was the lowest recorded. Mid Sussex and Horsham did not undertake the consultation because the Councils had not changed the scheme since 2013.
- 3.8 The Working Group have also reviewed recent consultations that have been undertaken by the Revenues & Benefits, Environmental and Parking Services Teams since 2016. These related to the Council Tax Support schemes for Adur and Worthing (The Working Group has reviewed the analysis of responses received for these consultations as well as the questions asked), a local discretionary Business rates relief scheme, parking review tariff increases and various consultations undertaken by the Environmental Service covering play equipment changes and the public consultations relating to Brooklands Park in Worthing which had been very successful with over 800 responses being received. The Working Group was particularly impressed with the effectiveness of those consultations undertaken by the Environmental Service, particularly the one relating to the future of the Brooklands Park which received over 800 responses. The Working Group also welcomed those techniques used by the Service in undertaking consultations relating to play areas equipment (a recent consultation on play equipment changes at West Park playground had achieved 492 responses). The Service does not have a dedicated consultation budget, but employs a local community art company to assist in the play areas consultation and that involves visiting local schools and consulting with parents only. They charge between £500-£1,000 per scheme, the fee changes based on the number of local school visits required. The Working Group also discovered that there was no dedicated budget available for consultation work and each service area made its own budget arrangements.

4.0 Findings and Proposals

4.1 The effectiveness of consultations undertaken by the Councils

For the purposes of this review the Working Group has agreed the following definition of 'consultation' - *'Consultation is the dynamic process of dialogue between individuals or groups based upon a genuine exchange of views with the objective of influencing decisions or programmes of action'* - The Consultation Institute.

- 4.2 The Working Group has reviewed the effectiveness of the consultations undertaken by the Councils and in doing so has concentrated closely on the publicity, communication and other processes of the consultations which it sees as key elements to achieving effective consultations if done well. The results from a public survey undertaken by the Working Group show clearly that a number of those who responded consider that the Councils are not communicating effectively on consultations which is preventing people from responding, thus reducing the effectiveness - A number of respondents have told the Working Group that they were not aware of consultations and that they would have responded if they had known about them.
- 4.3 The Working Group has been advised that the Councils are committed to consulting with and engaging local people in the planning and delivery of services and the Councils have a Consultation Policy statement <https://www.adur-worthing.gov.uk/media/media.124557.en.pdf> which sets out the minimum standards which the Councils will follow when developing a consultation and engagement exercise. The Working Group has noted that this Policy Statement has not been updated recently and is showing out of date information. The Working Group have also noted that there is no formal consultation strategy for the Councils and no formal up to date Consultation guidance/toolkit that is in use and available for use by Council Officers undertaking consultations. There is a Consultation and engagement policy which provides some guidance for officers which is available on the Intranet. Unfortunately, the Policy is now out of date and should be revised and updated to reflect current practices - The Working Group is concerned that it is not current (The Consultation Officer left the Council's employment in 2015). The Working Group has also been informed that the Councils are currently working on developing a set of core principles of engagement and community involvement which will include consultations. The Working Group believes that this will help with the overall delivery of consultations.
- 4.4 The Working Group has also noted the updated Government consultation principles which have recently been revised for 2018. Copy attached as Appendix B. These principles cover the following issues and state that consultations should:
- Be clear and concise
 - Have a clearly stated purpose
 - Be informative and written in plain English
 - Be part of a process of engagement
 - Last for a proportionate and clearly stated amount of time
 - Be targeted and take account of the groups being consulted
 - Have a clear format that is agreed before publication
 - Facilitate scrutiny
 - Produce responses that should be published in a timely fashion
 - Not generally be launched during local or national election periods. August and the Christmas period should also be avoided where possible.

- 4.5 The Working Group considers that these principles should be followed when the Councils undertake consultations.
- 4.6 As referred to in Paragraph 4.3 above, the Working Group has also discovered that there is no longer a Consultation Officer employed by the Councils to oversee each consultation process - This post was deleted as part of a service redesign in 2015 and was not replaced. Responsibility for undertaking and arranging each consultation now sits with the relevant Head of Service and his/her Service Teams with relevant advice being provided by the Head of Communications and his team, if required, in relation to the questions being asked and providing guidance on the most appropriate method to undertake the Consultation. Appropriate Legal advice is also provided to the Head of Service by the Head of Legal Services and her team if instructed but that is not provided as standard. The Working Group is concerned by the reduction in support for the consultations process but acknowledges that the Councils have needed to rationalise budgets and reduce the way that certain discretionary services are delivered. However, the Working Group considers that more effective use of existing Officer resources to provide additional support/guidance should be made by the setting up of a designated named service area to provide more proactive support to all Services and Officers when they undertake consultations. (This should be provided within existing resources and not involve any additional costs). This would provide a 'go to' Team who could provide some guidance if necessary - The Working Group is not currently convinced that there is an adequate check in place to prevent things going wrong and guidance is required.
- 4.7 The Corporate approach to consultations - What can be improved?**
- 4.8 The Working Group has reviewed how consultations are publicised. This includes looking at what publicity is provided for consultations on the front page of the Councils' website and in the separate consultation section of the website. It appears that the practice is that larger 'higher profile' consultations are always made available on the front page of the website with links to the consultation and how to respond. There is also a separate section of the website which should provide the communities with accurate information on forthcoming consultations and links to previous consultations in a central place. This does not appear to have been updated since 2015. The Working Group considers that publicity for consultations should be improved, including how the information is presented on the Council's website and relevant signposting.
- 4.9 The Working Group considers that the website information should be updated regularly in order to provide the communities with up to date information on consultations and this should include, where proportionate, information on planned, current and completed consultations on a single web page. For each consultation there should be a link to the individual responses for each consultation or a Statement relating to each consultation, a summary of responses and in due course, the outcomes of the consultation. The Working Group believes that transparency is vital in the consultation process and that respondents to

consultations need to be able to see that their comments have been read, considered and formed part of the analysis. A number of responses received to the Working Group's survey echo this point. The Working Group considers that after consultations have ended, particularly those which are large scale and high interest, a statement of consultation and a summary of responses should be produced detailing what responses were received, the final decision taken and any changes which are made as a result of the consultation.

- 4.10 The results from the residents' survey undertaken by the Working Group back these points up with some of those who responded considering that there should be better communication of consultations and their outcomes. A number of residents also indicated that they were unaware of a number of important consultations undertaken by the Councils. The Working Group believes that the information on the website is currently out of date which might be due to there being no real corporate ownership within the Councils to ensure that it is updated. Services undertake their consultations in silo unless they are considered to be 'high profile' or corporate enough to warrant press coverage. The Working Group believes that there is no consistent approach applied to Consultations which should be addressed. The Working Group believes that the designated named service area referred to earlier should be allocated to take responsibility for ensuring that information on consultations is collated and made available through appropriate media channels and that the website pages are updated. Access to all consultations should be made available on the front page of the Councils' website.
- 4.11 The Working Group also believes that an updated Consultation Strategy and toolkit/guide to the Consultation process should be developed for use by Officers when undertaking consultations to ensure a consistent approach and this will also help new officers to the process. The Working Group considers that a toolkit would provide Officers with advice and information on designing a consultation and help them consider the most appropriate consultation method, who to target the consultation at and how, running the consultation, collation and analysis of the results and feeding back to decision makers and respondents. It is also considered that Officers planning on running large scale consultations, and those affecting a large number of people or where there are large budget implications, should ensure that they receive appropriate advice on good practice from the designated named service area and/or the Legal Team. This is important to ensure that the correct communication channels are being used and that there is certainty on the legality of the consultation processes being used. Mandatory training on consultation procedures should also be provided to those officers who undertake consultations to help them develop the appropriate skills.
- 4.12 The Working Group has also noted that the Councils no longer use Resident Panels (Adur Viewpoint and Worthing Talkback) to gain opinions on issues. This form of consultation has just 'disappeared' from use and Council Leaders have no knowledge why. Links to these Residents' Panels, however, still remain on the Councils' website which adds to the confusion for residents and others trying to establish how the process works. The Working Group does not, however, see a

need to reconstitute the Panels because they become out of date quickly but would like the website links to be removed as part of the overall update of the consultation website pages that is proposed.

- 4.13 The Working Group, however, does consider that an updated list of local residents associations and community groups should be created (subject to compliance with the General Data Protection Regulations - GDPR) which could then be used as a consultee list for services when they undertake consultations. The Working Group believes that the Councils could do more to connect with the local Residents' Associations and other community groups and encourage them to act as conduits of communication to provide the Councils with a better sense of consultee network and help overall engagement with the community. Many residents' associations are very active in spreading messages and the Working Group was, in fact, able to utilise the support of the residents' associations to gather in extra responses to its survey and feels that their help could be used by Officers for consultations in the future. A list of these Associations and Groups will need to be updated regularly and the responsibility for this should also sit with the designated named Service area mentioned previously.
- 4.14 It is also considered important that all local Councillors (not just Executive Members) are kept informed of relevant consultations, particularly those in their Wards, in order for them to be able to alert and communicate effectively with local residents to encourage them to respond to Consultations. As part of the wider engagement with local Councillors, the Working Group also suggests that the Councils should consider reconstituting the Community Engagement Task Group to ensure that local Councillors are kept up to date with consultation matters.
- 4.15 The Working Group also considers that the Councils should ensure that all consultation methods are considered and used as appropriate when undertaking consultations. Officers should not just use digital techniques because some residents have indicated that they prefer to receive door to door communication. Email communication was also considered a useful communication means with nearly 50% of the survey respondents indicating that they preferred email communication. With that in mind (subject to appropriate compliance with the GDPR), it is suggested that an email database is created of those residents wishing to receive emails so that this can also be used for future consultations. The named Service area mentioned previously should undertake this work as well.
- 4.16 Throughout its information gathering sessions, the Working Group has identified that the design of consultations and questions is very important in ensuring that responses are maximised. Local residents have stressed the importance of this to ensure that the consultations comply with the Government consultation principles and the 'Gunning Principles', the legal principles relating to consultation practice. The principles are set out in Appendix B to this report. With this in mind the Working Group considers that the Councils should review all future consultations measured against these principles.

5.0 Conclusions

5.1 The Working Group would like to thank all those involved in this review and the local

communities for their collective knowledge, and insight that has enabled the Working Group to draw together its findings and develop its recommendations.

5.2 In making its findings, the Working Group acknowledges that there are a number of statutory and local requirements that the Councils are subject to in the case of some consultations. The Working Group recognises that there are some good examples of consultations undertaken as set out in the report and is pleased with the work of Service areas in undertaking these consultations, however, in order to improve the effectiveness of consultations there are some areas where improvements should be made in consultation practice to make the consultations more successful. The recommendations and findings in this report are, therefore, intended to help the Councils ensure that its consultations processes are successful. Recommendations are based on the findings from the review and best practice.

6.0 Recommendations

In the light of the information supplied to the Working Group and the discussions held, the Working Group has identified some issues that it would like to submit to the Joint Strategic Committee for consideration which are referred to earlier and as part of these, the Working Group proposes the following:-

(1) That the Joint Strategic Committee agrees to support the creation of a dedicated Consultation Strategy/toolkit which sets out the overarching approach which should be applied by Officers to Consultations undertaken by the Councils. This Strategy should include the following issues, the rationale for which is explained earlier as part of this report and the new Strategy should be made available to the local communities and Officers:-

- **An updated Consultation Policy Statement to be provided for the website**
- **Improved techniques for publicising consultations and updated consultation pages to be included on the website.**
- **An updated contact list of local residents' associations and community groups to be created and used as a list of consultees for relevant consultations. This list should also include contact details of individual local residents who want to engage and be consulted regularly on consultations (subject to appropriate compliance with the GDPR).**

- Advice on all methods of consultation techniques that can be used.
- Advice on the 'Gunning Principles' and the law relating to consultation practice.
- Advice on designing consultations in accordance with the Government Consultation principles.

(2) That a designated named Service area (to be provided at no extra cost to the Councils and within existing resources), be allocated to provide advice to Services and the communities on the Consultation and Engagement Strategy and to provide some light touch overall guidance on consultations;

(3) That mandatory Corporate consultation training be provided to all Officers who undertake consultations, to help provide them with the necessary knowledge and skills required to deliver effective consultations;

(4) That the Councils consider reconstituting the Member/Officer Community Engagement Task Force to help monitor consultation and engagement activity.

(5) That the Councils ensure that all local Councillors, as both representatives of local residents and the Councils, be made aware of all consultations and the consultation responses which affect their wards and the areas as a whole at an early stage to ensure that they are informed and to enable them to be able to alert and communicate effectively with local residents to encourage them to respond to consultations.

Local Government Act 1972

Background Papers:

None

Contact Officer:

Councillor Joss Loader
 Chairman of the Consultations Working Group
 Shoreham Centre,
 Shoreham-by-Sea
joss.loader@adur.gov.uk

APPENDIX A

Joint Overview and Scrutiny Committee **Consultations Working Group**

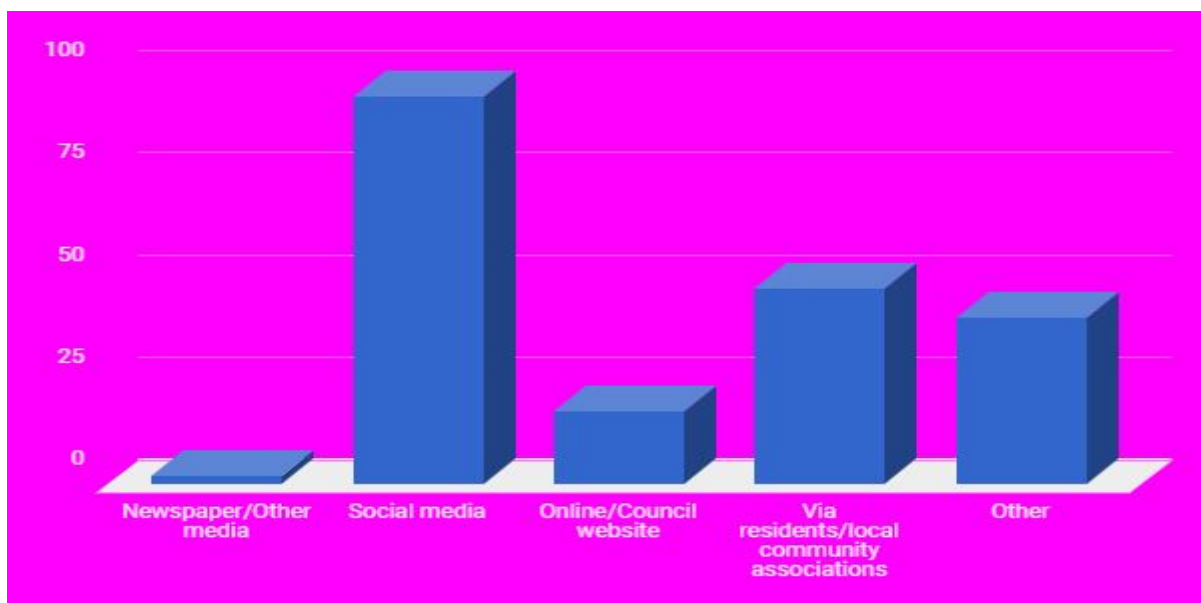
Results from the survey on the review of consultations

204 responses were received.

Section 1

Q1 How did you find out about this consultation?

- 2 (0.98%) Newspaper/other media
- **95 (46.57%) Social Media**
- 18 (8.82%) Online/Council website
- 48 (23.53%) Via Residents/local Community Associations
- 41 (20.10%) Other



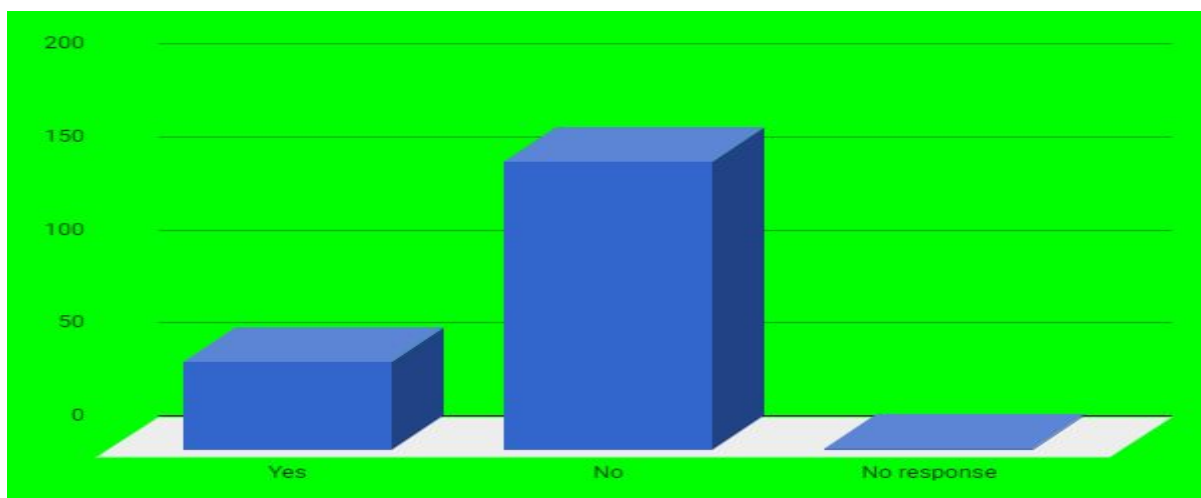
Section 2

Q1 Have you ever been consulted by Adur & Worthing Councils directly before?

Yes - 48 (23.53%)

No - 155 (75.98%)

No response - 1 (0.49%)



Section 3

Q1 If you answered 'Yes' to the previous question did you participate in the consultation and if so which ones?

Some people had participated in more than one form of consultation.

- Parking review tariff increases - 6
- Local Plan consultation - 22
- Worthing Council Tax support
- Scheme consultation - 6
- Adur Council Tax support
- Scheme consultation - 1
- Brooklands Park review - 2
- Other - 10

Section 4

Q1 If you have not responded to any consultations please explain why?

Responses -

- Not been asked, not seen any etc - 31
- Unaware - 32
- New to area - 5
- Because I was a Councillor.
- I always respond.
- Lack of publicity.
- Not relevant.
- Not been interested.
- Have not come across one which directly affects me.
- I may have, I cannot remember - Answered some questions on policing once.
- Not felt the need.
- News came too late.
- Lack of time and not seeing them on the website would probably influence whether I fill them in or not.
- Residents need a sign up email newsletter or portal.
- The deadline was so short it was too late
- Not easy enough to access
- Councillors lie, accept bribes, refuse to answer questions and go against public wishes.
- In some cases I feel I will not be much impacted by the decision. In others I feel not well qualified to influence a decision. Also I am dubious to the impact that my views will have.

Q2 - What would influence you to respond to consultations in the future?

- Time/Interest
- If I felt that there was any point. My perception is that consultations make no difference to the eventual outcomes which have been decided already.
- More awareness/notice and communication/publicity of them x 25
- Affect me directly.
- A belief that things would change in line with public opinion.
- Being listened to and receiving a response. X 2
- Reminder on Facebook
- Assurance that my opinion was being taken account of.
- Subject matters that concern me .
- Local issues 5
- Good information on the alternatives - A reasonable time to respond - Not last minute.
- Simple process. Ease of access/Easy to get involved. Being able to do them online just by clicking a link/using Facebook 8.
- Simply knowing that there is a chance to engage and provide comment.
- Getting visible results.
- If opinions of normal people counted.
- Email me for my opinions - WSCC does.
- Direct Contact/Invitation 23
- Sensible and not too long.
- Timely feedback
- Being taken seriously, not paid lip service to.
- Good feedback from this one.
- Local issues/Items of interest in the community 2
- I always try to give feedback, especially when it impacts on the environment around me.
- I'm very interested to help the future of Worthing regeneration so email me or i'd be happy to join a Board.
- Regular email updates on action following consultation.
- The level of impact the consultation would have.
- Explanation of relevance to the consultation to me and/or my family - What am I being consulted on and what will I gain?
- Living in the area.
- A better questionnaire than this one appears to be.
- Understanding what they are for and what change I can influence.
- If I thought it a worthwhile consultation and that my response would matter.
- A response to questions.
- The subject of the consultation and the impact on me 7.
- A clearer basic explanation on who and how it may affect those who live and work in the community.
- Some knowledge on the outcomes.
- When the opinion could make the difference.
- Make it more attractive, interesting, social, accessible/easy, timely/relevant
- Given good time to think about the issues.
- Email contact.
- More notice
- If I thought that what I had said would maybe be considered.

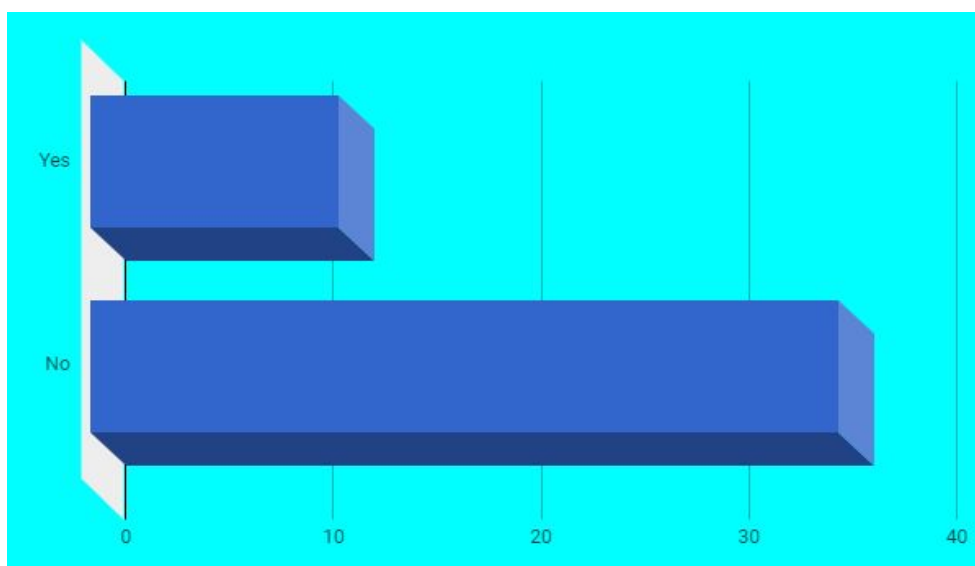
- If it affects me.
- Making it easy but contacting me at work because I am a staff employee.
- Being listened to
- Access to information
- Cuts to services.
- Building development
- To have an impact on decision making.
- Easy accessibility and clear communication about what the consultation is about.
- Housing
- Delivered to my door.
- Unbiased Council who listens to the public and deny stupid developments that will affect the local residents quality/rights of life.
- The thought that it might have some effect rather than it being ignored.
- I would respond if I thought that they were relevant, that I had something worthwhile to contribute and if I thought that they would be seriously considered. Most consultations that I have seen from such sources as developers were inept questionnaires that were geared to getting the answers that they wanted.
- If our opinions matter and if we're assured our responses would influence decision making.

Section 5

Q1 - If you responded to consultations did you consider that the views you provided made a difference to how the Council's operate and the eventual outcome?

Yes - 12 (25%)

No - 36 (75%)



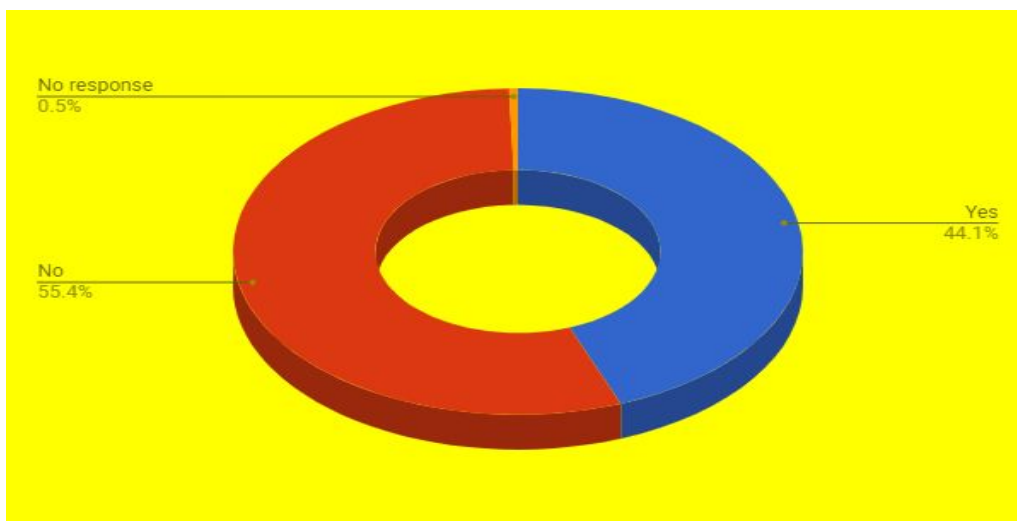
Section 6

Q1 - Do you consider that the Council's consultation processes give you a voice?

Yes - 90 (44.12%)

No - 113 (55.39%)

No response - 1 (0.49%)



Q2 - If you answered no please explain why?

- Decision has already been made and consultation is an afterthought 8.
- First I've heard of them.
- How can we know when this is the first response.
- Never enough advertisements of what is going on to have a voice normally.
- I have not answered a consultation before.
- It rather depends on whether a consultation is simply seen as a necessary evil or really a means to engage. I suspect the former in most cases.
- No evidence that anyone outside the Council is listened to. Plenty of examples where people are not listened to.
- The agenda is already set.
- Appear to give lip service to consultations.
- Too little time to speak at Planning meetings.
- It's just a process to tick a box. Opinion counts for nothing. The Councillors will do as their political party tells them. The exception is an Independent Councillor - They listen and they do the best for everyone, they do not have to tow the party line.
- Any replies to emails I receive are bland and uninformative. I do not think that Councillors, on the Planning Committee specifically, listen. They have their own imperatives.
- Need to introduce participation budgeting like other Councils.
- Don't know.
- Because I have never really felt that the Council really wants to hear what I have to say. I have always believed that decisions are made on our behalf but does not represent what I truly believe and want i.e anti social behaviour.
- Consultations do not take public opinion into account and vote by party.
- Councillors have own agenda often outdated and Un progressive
- One or a few voices is not a consultation process.
- They're not communicated to wide audiences.
- Council is a closed shop.
- My Councillor never asks for my opinions.
- Not aware of process. Never been consulted. 16.
- Because they will be ignored.
- The Council is too guarded on what is happening and only want to connect with residents when they need votes.
- Being taken seriously and not paid lip service to.
- Never been consulted in this way before.
- Obviously not as we have never been asked in this way before. Take the annihilation of the flower beds opposite Heene Terrace as an example. No one living on the Terrace wants a cycle rack in

the middle planting area, so why is the Council trying to install one. It really would be polite to involve residents, after all we are paying for it.

- Consultations not broadly made public.
- The only consultation I heard of was re the proposed McCarthy build in Heene Road, and the planning committee totally ignored everything the local residents said. They also did not inform of us of any amendments to the plans - which were considerable!
- It's not open/advertised enough to people who aren't already engaged, usually politically aligned, and therefore slants the voice received.
- I'm sure you don't care what my opinion is.
- Because my local councillor is too busy to come to ask me.
- Because you don't listen. Councillors just do as they always would regardless of people's views.
- But only if you know about them.
- I feel big business and views of Council upper management decide what is going on regardless of common sense and residents' views.
- Have my doubts about whether it would make a difference it did not with WSCC in respect of refuse now they have had to go back!!
- Hopefully it will.
- Because my perception is one that ultimately the decisions are made by 'the powers that be' and not the general public.
- Council drafted questions.
- Not really - I have visited many a planning application and the lobbies seem to be ignored unless the Council agrees with your view - at least that is how it appears - it may be different now that Adur is running the show.
- Not required getting planning permission.
- I don't feel resident's views matter if the economic argument in favour of something is strong enough.
- Consultation - as it stands today - allows a few 'hard liners' to be involved in discussions as representatives of the overall community. The word 'consultation' in itself is a barrier to true community involvement. I would be absolutely shocked if previous 'consultation' had involvement of any more than 0.5% of the people it affected.
- Not sure as I've never done it before. (this is a bad question with only a yes/no reply)
- Never hear from them. Buildings etc just go ahead whether or not residents want them.
- Results of recent consultations.
- National policies rather than what the local effect is seems more important.
- Sceptical - Consultations are a bit trendy at the moment.
- Some consultations are worthwhile and produce a valid range of views. Some questions, like this one, could offer a middle ground answer. I think that some consultation questionnaires are limiting in terms of possible responses and outcomes.
- I don't feel that most consultations are honest or allow enough time. This one is an example, Yes or No to each question? Yes it gives me a voice in the process. Do I feel that voice is listened to - often NO.
- Because I have never been asked my opinion so therefore my voice is unheard.
- Because my view is decisions have already been taken and my voice would be a waste of time.
- Not widely communicated.
- No feedback.
- It would seem that consultations are a sham as I believe that they are a smoke screen for decisions already made.
- It's not really a no, it's an I'm unsure if you would take any notice of me. The Council appears to do what it wants regardless of public opinion.

- Not really - I think it is a gesture to try to make residents think that their views are taken account of.
- Decision making process is not always transparent. Communications as to what the vision and plan is for the Borough is not always clear. Do not make optimal use of all communications media.
- They aren't published very widely.
- Consultations appear to be affirmation of decisions already made.
- Public consultation is seen as a sham. As there appears to be little heed paid to the public opinion. Not one public consultation has come out on the side of the people.
- Questionnaire was short.
- But only if you know about it.
- Most likely council decision would remain the same despite consultation - as with the over development plans in Shoreham at the present time.
- I have not seen any evidence that public consultations are listened to - but I will be very happy to be proved wrong!
- I don't think the Councils listen to the voters, just each other.
- They are not interested in letting us know.
- Not sure that they will take on board what we the residents want.
- Time limit too short to research complicated questions-Adur website ridiculously complicated (only lawyers could find their way through the new development maze)
- This is the first I've heard about it - someone I know shared it on Facebook
- Councillors and the Council have never listened to the public - Never have and never will.
- Mainly NO confidence in council acting on what residents say
- Council do not care or listen to reason.
- You'll do what you want anyway.
- I feel planning regulations and government views are overriding local views
- You ask us for our views and then carry out what the Council want. You never listen to the Residents.
- Just happened to see this questionnaire on a page I happen to belong to.
- I don't believe the council truly cares about the opinions and voices of its residents
- All decisions are made behind closed doors by the members of the majority party on the councils who don't care about the views of the local population but only their personal gain.
- I only received this form today via the New Monks Farm website and it is due today. so here it is 10 o'clock at night. that is not time for a proper consultation when you receive it on the day it is due. When was it sent out originally? How do you decide who to send the consultation forms to? How are they normally sent out. Are they sent to groups or individuals? I have tried consulting via the JOSE and found it quite undemocratic. We submit 2 questions, were not allowed to give the background of the question, received a written reply and had no chance to rebut inaccuracies in the reply. When appearing at a planning meeting we were limited to 3 minutes, listened to a long reply which even the council admitted they did not understand. That is not consultation. it is not showing that residents views are valued. It certainly isn't a fair way to get people to feel involved.
- Cabinet rule!!!
- I have not been consulted on anything as a resident in 13 years of living in Adur or if I was asked I was not aware.
- Plenty of examples - take traffic for instance - there's lots of voices saying how bad congestion on A259 and A27 is - is there anything being done about it? Building more houses / homes / an IKEA etc will only make the situation worse - the general consensus is that we're not being listened to are we?
- It feels like local comments are ignored. Viz; the trees at the end of Warwick street coming down for an unneeded cafe

Section 7

Q1 - How do you prefer to receive consultation material?

Online - websites - 16 (7.84%)

Social media - 33 (16.18%)

Newspapers and other media - 2 (0.98%)

Leaflets, posters and flyers distributed via Council and community buildings - 10 (4.90%)

Door to door distribution - 34 (16.66%)

Email - 101 (49.50%)

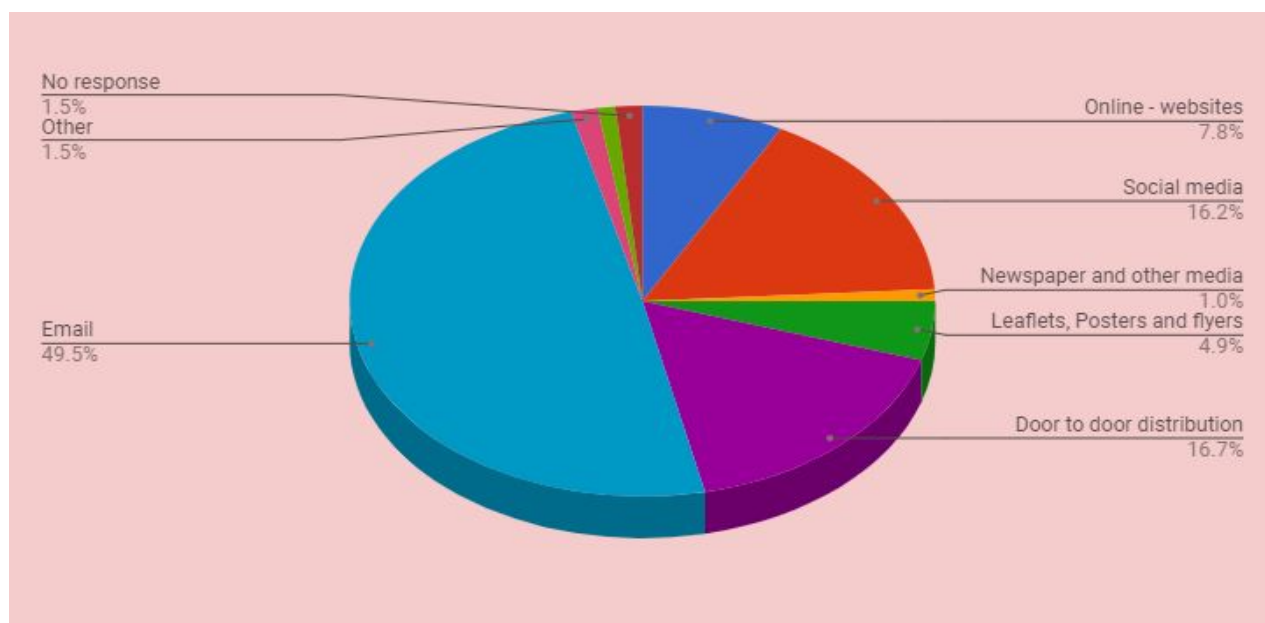
Other - 3 (1.48%)

All of the above - 2 (0.98%)

No response - 3 (1.48%)

Additional comments -

If you only distribute electronically you are alienating a proportion of the population of Adur who don't have computers.



Section 8

Q1 - Please provide any further suggestions to help us improve our Council consultation process.

- More open discussions with more information - listen to the public they can have some good ideas. Don't be afraid of challenge it can be healthy.³
- More/Better publicity and advertising of consultations and good search on website for consultations. Use social media more
- Keep the public informed and we should have a say in how OUR MONEY IS BEING SPENT!
- You haven't asked what we want to be consulted on. I thought that was the point of this consultation? If this is a representation of what future consultation are going to be like I won't be answering anymore. Completely useless.
- Reduce reliance on social media. The algorithms used mean that things can easily be missed.
- More time for consideration of information. Longer period at public meetings to explain objections. Better opportunities to ask questions and seek clarity
- Make them more wide spread so everyone knows about them. Then tell people what the consultation process said - and what the Council decided
- Evidence of listening.
- Residents Panel.
- I think the council should agree a consultation protocol with timeframes which all staff have to accept. Too often consultation is a last minute thought.
- Listen to Shoreham residents when they say proposed new building will cause chaos for roads, schools and doctors. one set of traffic lights caused traffic to back up and take 45 minutes to pass through Shoreham
- Launch coffee mornings at the weekend.
- Listen to the public.
- Online surveys are open to abuse. We have two mailers a year that should or could be used to consult. Council Tax and voter registration. Efforts should be taken to ensure surveys are representative and statistically significant. If not, should they form part of council papers?
- Referendums on major planning and strategic decisions.
- It should be decided beforehand the percentage of replies needed to regard the consultation process as being classed as valid.
- Methods must include everyone including those who don't have access to Internet/email.
- Needs to be a mix of online and paper material.

- Door knocking getting people's opinion directly will get a bigger response.
- Take notice and act on comments.
- Councillors that interact with their residents and not just at election times
- To act promptly and up to date.
- You already have names and addresses from council tax records and electoral lists so why not ask who wants to be kept informed and consulted via those papers and build up a data base. That way you will only be targeting residents who want to be involved.
- I think when there are major town developments the council should not be influenced by what money that will give back to them but also the consideration strongly of the impact on residents is a must to keep people from moving out of the town. Worthing seems more proactive to improve Worthing and encouraging small business set up. Lets ensure we avoid the big chains as they destroy sme and the future of any city /large town effectiveness is built on SME. We must also avoid too much commercial space to resi conversion if you want to keep jobs and business growth/spend in Worthing.
- Email residents
- Consult on more issues and not just the issues which the Council has an obligation to.
- I think using local groups as happened on this occasion.
- Opening an online forum so that the public can have their queries answered
- To listen and act on what local residents concerns.
- Actually ask people?
- Consult people who live in the area.
- Using things like social media as well as local newspapers so as you are reaching a broader group of people
- Take the A27 improvements, what have you done about those? ...I don't know!
- Web site I can go to which will update me without taking a lot of time.
- Worthing Herald.
- An email request for my view on a topic would suit me best
- Make it a real meaningful consultation. Not a tick box exercise.
- The Councillors should be more responsible for the decisions made and not put the onus of the results onto the consultants. Consultants should only be used when Councillors or officers are incapable of making a personal decision, otherwise they are NOT serving their residents.
- Convince us that you would take notice.
- Surveys and reports should be carried out when plans are being produced not several years prior and also by national surveyors not companies from abroad.
- Collect email address from either Council Tax or electoral roll.
- To be honest is any council consultation process going to make a difference? I have been to several public gatherings where there has been much opposition to what the council has proposed and my perception is that whoever has the big bucks will win (as in the case of the Aquarena and the miserable little thing that has replaced it together with huge blocks of flats)
- Demonstrate we are listened to and not being used as a cop out.
- Use existing databases, like Electoral Roll, Council Tax etc.
- The tone of voice perhaps needs to be adapted depending on who it is aimed at.
- Deliberative Democracy type process (sort it into randomly selected groups) of residents to discuss and deliver their opinions on matters of council policy and issues. The council

then can use the outcomes of these discussion to influence policy and support policy decisions.

- Allow for resident input to questions.
- Be specific not as vague as the above Q - for instance in the above you do not set out why the Consultation process is important to you!
- Be transparent.
- Too often it feels the decision has already been made. This should not be the case.
- More awareness , dont usually find out until things have been decided.
- Not sure what your consultation process is yet.
- Greater use could be made of local publications:Goring Guide, Worthing Journal, Worthing Herald, 'Whats On'.
- For planning changes, they need to start earlier. For ones affecting the whole area, send out reminders that national consultations are going on. Probably has to be by email unfortunately.
- Gather contact info (possibly via Council tax) and reach out to all offering option to participate
- Yes, take on board what the local residents views are.
- Clarity about how the public's views will shape eventual decisions and how those most affected will gain preference.
- Not sure I saw an actual result of survey in numbers
- A facebook page linked to the area facebook page would probably engage most people most easily.
- Earlier press releases or preferably direct email.
- More feedback.
- Use direct means, not social media, local papers etc.
- Ensure all consultations are sent to local residents' groups for distribution
- Social media is excellent for consultation and information
- If a consultation is held it would be useful for the results to be included in the relevant committee paper and if relevant, the reasons for a different decision being made than that shown by the consultation given.
- Council needs to get emails of as many residents as possible and keep them in touch with what is happening locally
- Actually, I did attend the consultation re Teville Gate which is of great importance to me.
- Could use West Sussex CC quarterly paper.
- Tell the truth and stop false consultations.
- For staff, contacting us via the Staff Newsletter is perfect. I don't think until recently the Councils had really considered how valuable speaking to their staff is as most of us are residents of either Adur or Worthing
- Target consultations to ensure that key demographics for the decision are aware that this is happening
- Make better use of social media
- More user friendly website - consider consultations section that is separate from other areas of the website where people are able to feedback 365 days of the year on decisions that are being made
- Try different methods of gauging public opinion alongside full engagement - opinion polls, surveys, live chat feedback with Councillors. Actively seek public opinion and then demonstrate that it has influenced decision making
- Never seen any consultation material, make it more visible.
- LISTEN!

- Just more visibility and awareness of them. Strongly suggest an e-newsletter like your 'buildings in Adur / development' one. Quarterly perhaps
- Start from the basis that the consultation is genuine. Consult at the beginning of the process.
- Fight austerity policies and for better education, social care, housing and other services
- Let's see what other people think, monitor responses online
- Dedicated group or website.
- Listen to the concerns of the residents and don't make decisions based just on party politics. ie NMFD
- Prove that you are listening to residents with action based on their views ,this does not happen, so consultation is deemed useless and residents don't bother to respond .Also simplify and hold Cllr surgery style so that residents can ask Cabinet Members for their responses personally far more interaction at community level .Work much more collaboratively with Parish Councils to get the message out there There is a definite reluctance to work in partnership with Parish ,they are the grass roots level and are the first point of call for community issue
- Why, you're going to go ahead no matter what residents say!
- Local councils should NOT be political and if they must be then they should ALL put personal preferences to one side and work together - at times it's like a playground.
- I would like to see all channels of communication used to alert community of consultations.
- Listen to what people are saying. The Adur Plan is not working for people. It's developer led policy for developers.
- To actually pay attention to residents concerns about building on floodplain and provide information on how risk of flooding will be mitigated for existing homes.
- Learn how to communicate with the public.
- Better communication and actually act on what residents say and want
- Make it so the people elect councils/civil servants, and if there is a public vote of no confidence, this should result in dismissal. Councils are rife with corruption!!! The public know it, yet nothing is done!!!
- More notice taken of local people views
- Listen to what the Residents have to say and act on it.
- We elect you. It is your duty to keep us informed.
- Residents should be contacted personally.....you work FOR us
- Listen
- Adur Residents Environmental Action had a public meeting on Monday 16 April. Over 200 residents attended and some opposition councillors. Not one Adur conservative Councillor attended. There were very deep concerns expressed about many aspects of life, travel, pollution and development in Adur. If the Council were serious about consulting the people they would have sent along at least one majority party councillor or official.
- The council has spent thousand of pounds employing outside consultancy firms like Parsons Brinckerhoff where groups ideas were put forward. But nothing has happened.
- Is there any point in the council consulting if they are not concerned enough about residents opinions to meet with them , listen and not use excuses as to why certain things can not be done. The general tone from residents at the public meeting and when talking with them in the market is that they are not listened to, that everything is a done deal and that their feelings about what is happening in their area do not matter. There is no point in consulting if you are not going to listen. Just as there was no point in giving feedback to the developers because they didn't listen.

- I would suggest that the council hold some public meetings where people get more than 3 minutes, where either councillors or officers are present to provide the answers there and then and the discussion is not limited to just a question and answer. The meeting could be themed so that the correct officer/ councillors could be present. There should be ample notification time of the meetings and themes. Minutes of the meetings and actions carried out as a result should be circulated. Perhaps there could be a website dedicated to these meetings so interested parties could read what had gone before. These should not be party political! There should be forthright discussion irrespective of party line. It is a shame local politics is so party oriented.
- Ensure all forms of communication are used and give plenty of notice it is coming out.
- You should hold public meetings. There is no democracy. When the cabinet make decisions how is this democratic. The turnout at local elections is poor because the community recognise that their voice is not heard. Councillors are whipped to follow the Government's agenda. The developments along the coast road bear this out. The size of the developments are totally inappropriate for Shoreham. Congestion, no increase in infrastructure
- We are supposed to have joint services why then are the flower beds in Shoreham not maintained to the same standard as in Worthing?
- Time for CHANGE.
- Clearer website and a newsletter outlining any consultations.
- Just let me know there IS a consultation
- Post rather than email. Too many old fashioned users in this area.

Post Code

142 People provided their post code details.

BN11 (Worthing - South of railway line, west up to George V Avenue and East up to Worthing Borough boundary) = 34 (23.94%)

BN12 (West Worthing - West of George V Avenue to Borough boundary in the West = 6 (4.23%)

BN13 - (Worthing North to High Salvington - North of railway line and as far east as Offington Lane) = 28 (19.72%)

BN14 - Worthing North to Borough boundary near Findon and east from Offington Lane to eastern part of Borough in Broadwater north of the railway. = 18 (12.68%)

BN15 - Sompting, Lancing areas = 15 (10.56%)

BN42 - Southwick, Southwick Green and Hillside areas = 1 (0.70%)

BN43 - Shoreham Beach and Shoreham areas = 40 (28.17%)

Age range

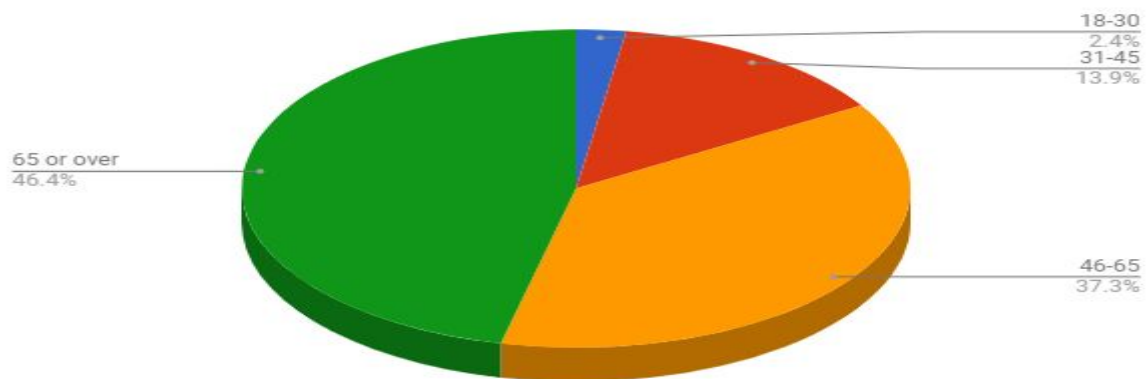
166 people provided their age range.

18 - 30 = 4 (2.41%)

31 - 45 = 23 (13.86%)

46 - 65 = 62 (37.35%)

65 or over = 77(46.38%)



APPENDIX B

Consultation Principles 2018

- A. Consultations should be clear and concise Use plain English and avoid acronyms. Be clear what questions you are asking and limit the number of questions to those that are necessary. Make them easy to understand and easy to answer. Avoid lengthy documents when possible and consider merging those on related topics.
- B. Consultations should have a purpose Do not consult for the sake of it. Ask departmental lawyers whether you have a legal duty to consult. Take consultation responses into account when taking policy forward. Consult about policies or implementation plans when the development of the policies or plans is at a formative stage. Do not ask questions about issues on which you already have a final view.
- C. Consultations should be informative Give enough information to ensure that those consulted understand the issues and can give informed responses. Include validated impact assessments of the costs and benefits of the options being considered when possible; this might be required where proposals have an impact on business or the voluntary sector.
- D. Consultations are only part of a process of engagement Consider whether informal iterative consultation is appropriate, using new digital tools and open, collaborative approaches. Consultation is not just about formal documents and responses. It is an on-going process.
- E. Consultations should last for a proportionate amount of time Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses.
- F. Consultations should be targeted Consider the full range of people, business and voluntary bodies affected by the policy, and whether representative groups exist. Consider targeting specific groups if appropriate. Ensure they are aware of the consultation and can access it. Consider how to tailor consultation to the needs and preferences of particular groups, such as older people, younger people or people with disabilities that may not respond to traditional consultation methods.
- G. Consultations should take account of the groups being consulted Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action, such as prior discussion with key interested parties or extension of the consultation deadline beyond the holiday period.
- H. Consultations should be agreed before publication Seek collective agreement before publishing a written consultation, particularly when consulting on new policy proposals. Consultations should be published
- I. Consultation should facilitate scrutiny Publish any response on the same page on gov.uk as the original consultation, and ensure it is clear when the government has responded to the consultation. Explain the

responses that have been received from consultees and how these have informed the policy. State how many responses have been received.

J. Responses to consultations should be published in a timely fashion. Publish responses within 12 weeks of the consultation or provide an explanation why this is not possible. Where consultation concerns a statutory instrument publish responses before or at the same time as the instrument is laid, except in very exceptional circumstances (and even then publish responses as soon as possible). Allow appropriate time between closing the consultation and implementing policy or legislation.

K. Consultation exercises should not generally be launched during local or national election periods. If exceptional circumstances make a consultation absolutely essential (for example, for safeguarding public health), departments should seek advice from the Propriety and Ethics team in the Cabinet Office. This document does not have legal force and is subject to statutory and other legal requirements.

Gunning Principles

1. That consultation must take place when the proposal is still at a formative stage;
2. Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response;
3. Adequate time must be given for consideration and response;
4. The product of consultation must be conscientiously taken into account.

FINANCIAL PERFORMANCE 2017/18 - REVENUE OUTTURN

REPORT BY DIRECTOR FOR DIGITAL & RESOURCES

EXECUTIVE SUMMARY

1. PURPOSE

- 1.1 This report outlines the revenue financial monitoring position for the end of the 2017/18 financial year for Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statements of Accounts are in the process of being audited. Any adjustments that emerge as the audit proceeds will be reported to members later in the year.

The outturn positions are underspends of £495,023 in Adur District Council, and £812,788 in Worthing Borough Council. After allowance for proposed carry forward of budgets in 2018/19, this represents a 4% underspend against budget for both Councils.

The outturn figures include revenue savings that have been factored into the 2018/19 budget that have crystallised in 2017/18, earlier than projected. These include ICT maintenance costs, pension contributions and the capitalisation of staff costs. Also there are proposed carry forward requests, detailed in section 6.1, that will need to be met from these underspends which relate to committed spend that is now planned for 2018/19: Adur District Council £88,680 and Worthing Borough Council £231,330 (including the Joint Services proposals).

In addition there are some variances that relate specifically to 2017/18, some of which occurred in the last quarter of the year. In Adur District Council these include planning application fees and market income. Worthing Borough Council received additional income from commercial properties and theatres had a successful fourth quarter. There was also an improvement on some of the underachievements previously forecast, such as homelessness, bereavement services and Parks and Open Spaces.

This is an improved outcome to what was projected in the quarter 3 monitoring report when underspends of £14,000 and £46,100 were being forecast in Adur and Worthing respectively. The areas that have contributed to the net movement are highlighted in the report and appendix 5(b) and in addition to the above include: external borrowing costs, investment income, Minimum Revenue Provision, and income from Environmental Services, Building Control, and property investments.

1.2 The following appendices have been attached to this report:

- Appendix 1** (a) Joint Summary of 2017/18 Outturn
- Appendix 2** (a) Adur District Council – Summary of 2017/18 Outturn
(b) Adur District Council - Use of Earmarked Reserves
- Appendix 3** (a) Worthing Borough Council – Summary of 2017/18 Outturn
(b) Worthing Borough Council - Use of Earmarked Reserves
- Appendix 4** HRA Summary
- Appendix 5** (a) Major Variations – Budget to Outturn (over £20,000)
(b) Major Variations – Quarter 3 to Quarter 4
(c) HRA Major Variations – Budget to Outturn

2. RECOMMENDATIONS

2.1 The Joint Strategic Committee is asked to recommend that Adur District Council, at its meeting on 19th July 2018 and Worthing Borough Council at its meeting on 17th July 2018:-

- (a) NOTE the overall final outturn for 2017/18.
- (b) AGREE to the net carry over of an approval to use reserves where the original approval for 2017/18 was not utilised in-year as set out in paragraph 6.2 (General Fund) totalling:

Worthing Borough Council	£10,000
--------------------------	---------

- (c) APPROVE the net appropriations to General Fund Reserves in the year as detailed in paragraph 6.3 totalling:

Adur District Council	£655,819
Worthing Borough Council	£1,315,127

- (d) AGREE the net carry over of revenue budget to 2018/19 funded from reserves as detailed in paragraph 6.1:

Adur District Council	£88,680
Worthing Borough Council	£231,330

- (e) APPROVE the establishment of new Business Rates Smoothing Reserves for Adur District Council and Worthing Borough Council as detailed in paragraph 4.12, to earmark funds to address the timing difference between the Business Rates income received in the General Fund in year (net of reliefs), and the grant income paid from Central Government to reimburse lost revenue as a consequence of Government policy decisions on reliefs.
- (f) Joint Overview and Scrutiny Committee is asked to note the contents of the report and consider whether it needs to scrutinise anything in detail.

3. CONTEXT

3.1 Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends in expenditure or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or the authority might decide to take no action but to finance the shortfall from reserves.

3. CONTEXT

- 3.2 The monitoring of the revenue budgets has been reported to the Joint Strategic Committee three times during the year. The last monitoring report was considered by the Committee on 6th March 2018.
- 3.3 The Joint Strategic Committee (JSC) budgets are held separately and operate as holding accounts. They represent pooled budgets of Adur and Worthing Councils. All expenditure and income in the joint budgets are recharged back to the respective authorities. This means that the net expenditure is fully allocated out to the two Councils and the overall position for the Joint Strategic Committee will be zero. An over or underspend reported in the Joint will be incorporated into the individual Councils' accounts via the allocation process.
- 3.4 Each joint service is allocated out to the Councils on an individual basis using an appropriate allocation for that service. Overall, Worthing's share of the joint outturn is approximately 60% and Adur's share is 40%.

4. REVENUE OUTTURN OVERVIEW

- 4.1 The final revenue outturns reported for Q4 are as follows:-

Summary of 4th Quarter Budget Monitoring Report			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2017/18	20,802	9,166	13,469
Projected outturn	20,537	8,671	12,656
Projected Forecast over/ (underspend)	(265)	(495)	(813)
Projected over/(underspend) percentage	(1.3%)	(5.4%)	(6.0%)

- 4.2 The Summary Outturn for each body is reported in **Appendices 1 - 3**. The joint budgets are presented by service block. It is not possible to show them by Council portfolios as the responsibilities allocated to the portfolios in Adur and Worthing are not the same.
- 4.3 The headline budget variations across both the councils and joint shared services are:-
- Increased demand and spend on temporary and emergency accommodation within the Homelessness budget;
 - Increased income from commercial property;
 - Improvement in income from commercial services;
 - Business Rates;
 - External Borrowing Costs, Investments and Minimum Revenue Provision;
 - Revised timescales for commissioned studies related to major projects;
 - Capitalisation of staff costs;
 - Impact of the withdrawal from CenSus IT services within the Joint Services;
 - Vacancy Provision and Pension Costs.

4. REVENUE OUTTURN OVERVIEW

- 4.4 The third quarter monitoring report was presented to Joint Strategic Committee on 6th March 2018. Since this time the financial position has changed as follows:

Comparison of 3rd budget monitoring report & 4th budget monitoring report			
	Joint	Adur	Worthing
	£'000	£'000	£'000
Over/(Under)spends reported at Quarter 3	88	(14)	(46)
Over/(Under)spends reported at Quarter 4	(265)	(495)	(813)
Difference	(353)	(481)	(767)

The significant variations that impact on the final outturn from quarter 3 to quarter 4 are identified in appendix 5(b).

- 4.5 There needs to be a continued focus on improving financial management. As part of this process, the current Medium Term Financial Plan (MTFP) includes a number of key financial health indicators, which are:

- Continue to maintain a General Fund balance at a minimum balance of 6% and a maximum of 10% of the General Fund Net Revenue Budget. (This will measure overall financial health).
- Revenue outturn to be within 2% of the Total Budget Requirement. (This will measure accuracy of budget preparation).
- Revenue outturn for Total Executive Member and Joint Strategic Committee Requirements to be within 1% of the estimate of Total Executive Member Requirements contained in the quarter 3 monitoring report. (This will measure accuracy of budget monitoring).

- 4.6 There is a continued need for an improvement in reporting of individual services and more focus on budget monitoring with particular emphasis on high-risk and cross-cutting areas to highlight potential over or under achievements during the year.

For the past five years, the Councils have undertaken reviews of revenue base budgets and this exercise contributed to the savings needed to meet the budget requirement between 2012/13 and 2018/19. We intend to carry out a similar exercise for the 2019/20 budget round to ensure that any on-going variances are properly reflected in future years' budgets.

- 4.7 Major variations between budget and actual outturn for 2017/18 are detailed in appendix 5(a). Details of other less significant variations and outturn are available on request from the finance team.

4. REVENUE OUTTURN OVERVIEW

As highlighted earlier in this report, any JSC over/underspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported underspends in Adur and Worthing Councils in the table above include the total share transferred from the JSC.

- 4.8 There are a number of key issues listed above which require a more detailed explanation. These are listed below.

4.9 Housing Management

The cost of providing emergency and temporary accommodation continues to increase and reflects: rising demand across the South East, including Adur and Worthing; changes to service delivery; and the lack of housing supply for those needing affordable accommodation. In March there were on average 88 cases in emergency accommodation in Worthing and 37 cases in Adur, this compares with 65 cases and 30 cases respectively in April 2017. The overspend net of grant in Worthing is £146,000, Adur costs were on budget.

Emergency accommodation (EA) is where we place individuals / families that meet certain initial criteria whilst we fully assess our duty to house the household. Investigation of this duty should take 33 days, at which time if we accept a full housing duty, the household is moved into long term temporary accommodation (TA). The household will also be added to the housing register, assigned a 'banding' and is able to bid for suitable properties that become available.

Across the South East there is competing demand between local authorities for both emergency and temporary accommodation, the latter often being leased private sector accommodation. As a consequence prices in some areas (e.g. Worthing) are being pushed beyond the reach of the Councils and the supply of suitable emergency and temporary accommodation within the Borough is reduced. The Councils are still faced with placing some clients in costly budget accommodation hotel chains when no other suitable options are available.

During 2017/18 the Councils have expanded the supply of EA by securing more leasehold units. Additionally, Worthing Council's Planning Committee has approved plans, put forward by Worthing Housing department in conjunction with Roffey Homes and Worthing Churches Homeless Project, to convert a former NHS building into a 37 bedroom temporary accommodation centre. The Council will have nomination rights for 18 units of accommodation which will provide a saving of £160 per week per unit compared to the cost of bed and breakfast. There is very real competition in the housing market for suitable properties; however the team is committed to continuing to explore options to increase the supply of suitable emergency accommodation.

4. REVENUE OUTTURN OVERVIEW

4.9 Housing Management

In response to this, the Councils have adopted a new strategy for sourcing both temporary and emergency accommodation as agreed at the Joint Strategic Committee in September 2017. The Councils committed to investing £3m in emergency temporary accommodation to reduce the need to rely on expensive private sector provision as a solution.

Since this time the Councils have successfully procured a number of leased temporary accommodation units in the local area. Officers are continuing to actively appraise other potential property purchases that will allow the Councils to directly provide high quality emergency accommodation at rates much lower than the private sector. A cross Council working group is meeting regularly to appraise and progress these schemes as quickly as possible, while ensuring the Councils are spending their investment wisely.

In addition a new Private Rental Scheme (PRS) is being explored and may be piloted as a way of addressing the Councils' need to help prevent homelessness. The proposal is to create a scheme whereby the Councils work with private landlords, offering a package of services to encourage them to offer below market rents, enabling placements of people at risk of homelessness and avoiding the need for emergency accommodation. This scheme, if proved viable following a small scale trial, could reduce costs whilst fulfilling the Councils' duty to prevent homelessness.

A further budget pressure has resulted from a government change in housing benefit subsidy. Previously councils received a payment of a management fee per temporary accommodation placement via housing benefit; this has been replaced by a grant. The initial impact of this was a predicted shortfall of £75,000 for Worthing in 2017/18. With ever increasing demand and an increasing number of households remaining in temporary accommodation, the shortfall for Worthing Borough Council in 2017/18 is £146,000. Adur District Council is not being affected to the same extent, as the basis of the grant funding is closer to the current demand in the area. This will continue be a budget pressure.

4.10. Commercial Property

Additional commercial rent income was generated from commercial properties, and rent reviews. (Adur £74,000 and Worthing £77,000). Both Councils showed an improvement on the additional income that was reported in quarter 3.

	Quarter 3 £'000	Quarter 4 £'000	Improvement £'000
Adur	69	74	5
Worthing	50	77	27

4. REVENUE OUTTURN OVERVIEW

4.11 Commercial services

Car Parks

Worthing - Income from off street parking exceeded the budget by £108,000 for the year, lower than the projected £150,000 in quarter 3. The over-achievement against budget is in part due to the increased take up of the Town Centre Workers deal allowing customers working in the BN11 area to park for £4 per day. Parking income in Q4 was lower compared to the same period the previous year, which is believed to be linked to the cold weather during this period, which also affected local retailers.

Adur- Overall there is an underachievement in the service of £49,000. There was a shortfall in Enforcement PCN income of £32,000 which reflects the reality that the income target was too high in relation to the high level of compliance in the district; this has been addressed in the 2018/19 budget. Additionally, within off street parking there was an overspend of £23,000 for improvement works including the installation of height barriers and making machines more secure from theft to protect future income streams. Spend was partially offset by additional income of £6,000.

Development Management

Worthing Development Management income has underachieved against budget for 2017/18 by £148,000, Adur has overachieved by £130,000 due to some large scale applications during the year including Southern Housing Group, the Monks Farm site and phase 1 of the Adur Civic Site.

Adur's Planning policy team overspent the budget by £65,000 this is due to additional costs arising from the progression and examination of the Adur Local Plan. There was a net saving within Worthing of £46,000.

Waste and Cleansing

Commercial Waste income exceeded the budget by £7,000 in Adur and £45,000 in Worthing at the end of the financial year. Disposal costs, however, were over budget due to a price increase notified after the budget was set, for Adur this was an additional cost of £43,000 and for Worthing £186,000. This is in line with what was projected at quarter 3.

Agency staff costs were £200,000 higher than budget due to a combination of the higher minimum wage, long term sickness, extra crew required to cope with the increasing numbers of properties and an increase in the take up of the green bin service. The on-going staffing issues meant that some of the staff savings identified in the savings plan were not implemented. The delay to the delivery of the new fleet increased vehicle running costs in the first part of the year. The expenditure was necessary to enable the smooth running of the service.

4. REVENUE OUTTURN OVERVIEW

4.11 Commercial services

Waste and Cleansing

However, the Adur and Worthing service received £101,000 income from West Sussex County Council, which was a share of the income from the sale of recycling materials in 2016/17 which is distributed in the following financial year. This additional income offset the cost pressures experienced by the service throughout 2017/18.

Although it is still early days, the new refuse and recycling fleet is now showing a saving on transport costs of around £16,000.

The 2017/18 budget included additional income generation and expenditure reduction targets of £435,000. Overall the service has overspent by £48,000 and so this target has almost been achieved for the year. This is a significant improvement on the outturn overspend projected in quarter 3 of £192,000.

Looking ahead to 2018/19, the budget for tipping charges has now been corrected and the issues with staffing are being resolved so it is expected that the service will deliver on budget in the forthcoming year.

Bereavement Services

The crematorium generates a net income to the council of £1.4m. The outturn position is an overall shortfall in income within the crematorium service of £15,000 (1% shortfall); this includes a £18,000 rebate to a funeral director for direct cremations and a £16,000 shortfall in the Cameo abatement rebate scheme. The memorial service (including the Memorial Garden) income has underachieved by £22,000. Going forward, new brochures and application forms are being printed and we are developing an e-commerce portal on the Worthing Crematorium website to support online sales.

Parks and Open Spaces

Beach Hut income was in line with the budget for the year. An income shortfall relating to new huts was previously forecast to members of £23,000 but additional income has been generated to offset this from charging administration costs on beach hut sales.

Brooklands Par 3 Golf course has been closed since the works started on the Rampion wind farm in 2016. It was expected that the course would be opened and returned to Council in 2017/18 and the income budget of £98,000 was reinstated. There has subsequently been a delay in Rampion's operations and the course has not been reinstated yet or returned to the Council. Loss of income was successfully claimed under contractual obligation from Rampion for £65,166.82 in March 2018 to cover the period 15th March 2017 to end of March 2018. Overall there was an underachievement against the service of £28,000 which is an improvement on the £90,000 forecast in quarter 3.

4. REVENUE OUTTURN OVERVIEW

4.11 Commercial services

Parks and Open Spaces

In Adur there was a £43,000 underspend against budget for the year, this was mainly within grounds maintenance and services. This was not projected at quarter 3.

Building Control and Land Charges

Building Control and Land charges income was not predicted to meet its income budget. The final outturn position is a shortfall of £60,000 Adur and £69,000 Worthing. The service is under increasing levels of competition from the private sector albeit it has increased fee income compared to last year. In response to the budget shortfall and to secure savings for next year a restructure of the service has been undertaken and a new Building Control Partnership Manager has been appointed.

Land Charges has moved to Planning and Development as a result of the recent restructure. Fee income is down for the service but this is due to fluctuations in the property market. The service has been affected by delays in implementing software from an external supplier and this has impacted performance and customer satisfaction. The system contract is being closely managed and there has been improved progress recently.

Markets

Income from markets and bus shelter advertising in Adur overachieved by £68,000, this was due to better and more robust reporting. The underspend includes a £35,000 receipt relating to prior years which was received at the year end; this had not been previously reported as it was not known until quarter 4.

Theatres and Museums

Theatres and Museums have recorded an underspend of £32,000. Monitoring and management of costs, together with service efficiencies and increased ticket sales for live events have made significant contributions to the effective management of this budget. Over the year, increased venue hire, maximisation of VAT opportunities and an improvement in the income from catering have contributed.

£95,000 was received in maintenance levy; of this £78,000 was in excess of the approved budgeted and has been transferred to the Theatre Levy Reserve for future maintenance requirements, this is excluded from the Worthing outturn figure.

4. REVENUE OUTTURN OVERVIEW

4.12 Business Rates

Additional net income was received in relation to Business Rates by Adur £74k and Worthing £425k during 2017/18; the table below shows a breakdown:

	Adur		Worthing	
	Budget	Actual	Budget	Actual
	£000	£000	£000	£000
Income - Fixed in January	7,199	7,199	12,515	12,515
Less: Tariff Payment	-4,641	-4,787	-9,540	-9,552
	2,558	2,412	2,975	2,963
Plus: s31 Grants from Govt	433	644	650	1,037
Less: Levy Payment	-605	-596	-605	-555
Net Income	2,386	2,460	3,020	3,445
Additional income above budget for 2017/18		74		425

The precept income from the Collection Fund is set before the start of the financial year as part of the budget process and the tariff payment is usually fixed by Government around the same time (although in December 2017 they announced a retrospective adjustment to the 2017/18 tariff figures).

The section 31 grants are a reimbursement by Government for the income lost by local authorities for any reliefs or support given to local businesses under the business rate retention scheme. This year there were a number of tax changes announced as part of the Budget Statement that have impacted on the income for the reporting year. However the changes were made after the income to be taken from the Collection Fund was determined. The result is a timing difference between when the grant is received (in 2017/18) and accounted for and when the Council will fund actual loss of income to the Collection Fund which will be in 2019/20.

To address this timing issue and protect the budget position in 2019/20, it is proposed that a Business Rate Smoothing Reserve is established for both Councils and the outturn figures includes the transfer of the surplus income from the General Fund (£74,000 for Adur and £425,000 for Worthing), which the committee is asked to ratify. This reserve will be used to compensate the Councils for reduced business rate income in 2019/20.

4.13 External Borrowing Costs, Investments and Minimum Revenue Provision

There are variances for both Adur and Worthing. For both Councils the MRP costs were lower than the budget due to re-profiling of the capital programmes: Adur had a favourable variance of £272k and Worthing had a favourable variance of £304k.

4. REVENUE OUTTURN OVERVIEW

4.13 External Borrowing Costs, Investments and Minimum Revenue Provision

Investment returns were above budget for both Councils due to the increase in Bank Base Rate in November 2017. Adur General Fund exceeded its income budget by £8k and the HRA exceeded its income budget by £18k. Worthing exceeded its income budget by nearly £40k.

In addition, for Worthing officers are taking advantage of the stability in interest rates to arrange some short term rather than long term borrowing, resulting in reduced costs from lower interest rates and reduced provision for repayment of debt, giving a net favourable variance of £53k. Most of Adur's borrowing is at long term fixed rates, so the Council does not benefit to the same degree from the current market. However, new long term borrowing at better than forecast rates resulted in a net favourable General Fund variance of £3k. There was a saving of £54k in interest costs for the HRA. Both Councils are also fixing longer term borrowing with the PWLB to fund the purchase of properties, as approved in their budgets.

The new loan from Worthing Borough Council to Worthing Homes resulted in additional income, in excess of the budget, of £26k after costs, due to receipt in 2017/18 of part of the arrangement fee, which had been in the budget for 2016/17.

4.14 Impact of Capital Expenditure on Major Projects

In the final quarter of 2017/18 Worthing Borough Council commissioned the complete demolition of Teville Gate Multi Story Car Park and surrounding buildings. Significant work also focused on developing the Land Pooling Agreement with London & Continental Railways which was approved at April 2018 Joint Strategic Committee Meeting. The focus on capital expenditure and formalising the relationship with London & Continental Railways has resulted in a revenue underspend of £154,000 against major projects and this is in the main due to the rescheduling of commissioning studies on the large scale projects during the year. This was not projected to be an underspend in the quarter 3 monitoring report.

A budget carry forward of £114,000 has been requested for the work in 2018/19 to enable progress and studies to support schemes identified in the Worthing Investment Prospectus.

4.15 Capitalisation of Staff Costs

During 2017/18 the Council surveyors spent a larger proportion of their time working on capital schemes than forecast, particularly in Worthing. This has resulted in an underspend of £155,000 in the Worthing revenue accounts due to a larger proportion of the staff costs now being charged to capital. Improvements to forecasting practice in the service are underway.

4. REVENUE OUTTURN OVERVIEW

4.16 Joint Services

Payroll Services

The Payroll department continued to provide a paid payroll service to South Downs Leisure Trust during 2017/18. It was not anticipated that this contract would continue beyond 2016/17, therefore the net underspend within Finance of £35,000 includes income received of £68,000 that was not budgeted in 2017/18.

Digital and ICT

As a result of our strategy to withdraw from Census ICT and migrate to cloud hosting, there was a net underspend within Digital and ICT of £132,000, with benefits being realised earlier than expected. The underspend was mainly due to maintenance expenditure being below budget and the identification of projects that are no longer required as a result of our digital strategy, resulting in a saving.

Revenues and Benefits

Overpayments of Housing Benefit occur where entitlement is re-assessed retrospectively due to a change in customers' circumstances, and invoices are raised, with a variety of recovery methods employed in order that monies are repaid to the Council. A number of new initiatives have been implemented during the last two years to identify changes in circumstances and consequently both the number and value of overpayments has increased.

This has resulted in income from the recovery of housing benefit overpayments exceeding its budget for Worthing by £121,000, as projected in quarter 3. The underachievement in the recovery of court costs in respect of Council Tax and Business Rates arrears in both Adur and Worthing as a result of changes in the process, which takes a more customer focused approach in engaging with customers earlier in the process prior to Court action being instigated, has been previously reported. Included in the outturn is a shortfall of income of £53,000 for Adur and £116,000 for Worthing which related to court income and the existence of income budgets that should have been removed from the budget.

On 1st October 2017 Adur's Revenues & Benefits team joined the Worthing service. There have been some additional set up costs/curtailment costs due to the merging of the teams. It was anticipated that these costs would be contained within the current budget, however there was an overspend within the service of £60,000 Adur and £64,000 Worthing. The Adur overspend includes an allowance for redundancy costs associated with the transition of £69,000.

In Worthing the overspend relates to a combination of: increased agency staff costs £12,000, printing, stationery and postage £33,000, a vacancy provision of £12,000 and an erroneous income budget of £10,000.

4. REVENUE OUTTURN OVERVIEW

4.16 Joint Services

Elections

During work on the 2017/18 claim for election expenses to Central Government (Police and Crime Commissioner and General elections) an error relating to VAT was identified associated with prior year claims. The VAT on supplies has been reclaimed from HM Revenues and Benefits (HMRC) by Adur and Worthing which should have been claimed by Central Government as they reimburse gross costs to Councils; (Adur £32,000 and Worthing £40,000). A declaration has been made to HMRC and the matter was reported in quarter 3. This cost has partially been offset by underspends within the service of £14,000 Adur and £30,000 Worthing which has not been previously forecast, resulting in a net overspend of £18,000 in Adur and £10,000 in Worthing.

4.17 Vacancy Provision and Pension Costs

Vacancy Provision

The Councils had a total vacancy saving target of £760,150 for 2017/18. The final outturn position was an underachievement of £23,650 against this target which is a £61,850 improvement on the £85,500 forecast in quarter 3. There was a higher level of staff turnover in the last three months of the year than anticipated. The Councils' budgets for salaries in 2017/18 was £25.6m so this equates to a 0.1% overspend.

Pension Costs

Additional pension strain and back funding costs were incurred by Adur in 2017/18 of £96,000. Worthing's pension contribution costs were £71,000 lower than budgeted. The reason for these differences is the final pension figures were not received from the actuary until after the 2017/18 budget had been finalised. The outcome of the actuary reports have been built into the 2018/19 budget. These variances have not previously been reported.

5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

- 5.1 Adur Homes is held within a ring fenced Housing Revenue Account, which is shown in Appendix 4. Overall the HRA contained net expenditure within budget and showed an overall underspend against its budget of £47,909. Previous forecasts estimated a larger underspend of £150,000 but the outturn figure includes the impact of the depreciation charge for the year, which had a variance of £110,000. The significant variances are detailed in appendix 5(c).
- 5.2 The HRA Reserve stood at £1.939m at 31st March 2018 which will be used to support the HRA over the next 5 years as it addresses the impact of the 1% rent reductions.

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.1 Recommended Carry Forwards of Unspent Budget

Any unspent funds are placed into reserves at the year end. Budgets in respect of the following items remain unspent at 31st March 2018 and are required to complete existing initiatives in 2018/19.

The focus for carry forward proposals this year is on existing commitments or other essential items rather than bids for new initiatives. This is to build capacity in the reserves to protect the Councils' interests for the next two years. It is recommended that these amounts are carried forward to 2018/19 and funded from the respective Capacity Issues Reserves. The Committee may wish to consider how these items contribute to the Councils' priorities when approving the carry forwards.

The following are recommended for carry forward for the Joint Committee, Adur District Council and Worthing Borough Council:

Proposed Carry Forward of unspent budgets within the Joint Strategic Committee			
	ADC	WBC	Joint
	£	£	£
Digital and Resources - Delivery of change and re-design projects	16,000	24,000	40,000
Digital and Resources - Staff Travel plan - produce a travel action plan which will outline key actions aimed at changing patterns of travel behaviour and increasing use of more active and sustainable transport modes in order to reduce pressure on car parking.	2,130	3,200	5,330
Digital and Resources - Refurbishment of seats in the Town Hall Council Chamber.	-	5,000	5,000
Digital and Resources - Increase to the budget development fund for new projects designed to deliver future income growth or business efficiencies.	30,000	45,000	75,000
Total carry forward proposals for the Joint Strategic Committee shared between Adur and Worthing	48,130	77,200	125,330

Proposed Carry Forward of Unspent Budgets within Adur District Council	
Wellbeing: The balance of the Grants budget has been allocated through the Adur Grants process (3rd round) and by Officer Decision to Going Local Grants	£ 40,550
Total carry forward proposals for Adur District Council	40,550

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.1 Recommended Carry Forwards of Unspent Budget

Proposed Carry Forward of Unspent Budgets within Worthing Borough Council	
	£
Wellbeing: This provides £10,000 towards the Going Local Grants. The grant has been awarded and the recipients are awaiting a contract from our legal team to sign before funding is released.	10,000
Economy: This income has resulted from Phase 1 of the scheme to introduce street furniture licensing in Warwick Street. The next Phase is to introduce the scheme into Montague Street and Portland Road and the set up for this will be funded from the carried forward amount from 2017/18.	3,850
Economy: Worthing Borough Council has adopted the Seafront Investment Plan (SIP) to guide future development of the seafront. This income will support the delivery of the phased developments associated with the SIP. The alignment of Concessions to the SIP is also required; therefore a Concessions Review is likely to take place in 2018-19 which may require external consultancy.	6,530
Economy: The development of Grafton Car Park is identified as a key priority in the Council's Platforms for Places. The carry forward of this budget is required to support the ongoing site investigation, site preparation and consultancy work required to address key issues prior to offering the site to market or pursuing a development of the site in 2018/19.	113,750
Economy: Additional income of £6,000 was received in 2017/18 for the Observation Wheel. It is proposed to use this income in 2018/19 to reinvest in an Outdoor Event planned for Autumn.	6,000
Culture: This budget was set aside for the provision of equipment for Museums implementation of the new Theatres Booking System -Spectrix. A delay in implementation of the project resulted in the budget remaining unspent and it is therefore requested that the budget is carried forward to 2018-19, when the new system will be implemented in May 2018.	5,000
Culture: An opportunity has arisen to purchase a new van to replace the existing van which is no longer fit for purpose. The cost of purchase will be partly met by sponsorship arranged by the fundraising manager, theatres needs to provide £9,000 towards the total cost of the £18,000.	9,000
Total carry forward proposals for Worthing Borough Council	154,130

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.2 Recommended Carry Forwards of 2017/18 Approvals to Use Reserves

The following unspent items were approved for 2017/18 and were planned to be funded from reserves. It is recommended that these approvals to utilise reserves are carried forward from 2017/18 to 2018/19. ***No transfer to reserves is required as the funds have been previously set aside.***

Worthing Borough Council - Proposed Carry Forwards (not yet spent and previously approved) - Existing Reserves	
Wellbeing: This provides £10,000 towards the Going Local Grants. The grant has been awarded and the recipients are awaiting a contract from our legal team to sign before funding is released	£ 10,000
TOTAL FOR WORTHING BOROUGH COUNCIL	10,000

6.3 Movements and Use of Reserves

As part of the 2017/18 final accounts process, officers have identified amounts that are recommended for transfer to reserves for specific purposes or planned as part of the budget process, as detailed below.

In 2017/18, both authorities drew down on reserves to fund redundancy costs. A detailed breakdown of the reserve positions is included in **Appendix 2b** for Adur and **Appendix 3b** for Worthing.

Adur District Council:

Adur District Council transfers to General Fund Earmarked Reserves 2017/18		
Budgeted/Committed contributions to/from reserves:	£	£
• Increase in Grants Carried Forward	126,796	
• Budgeted contribution to Reserves	4,000	
• Self-insurance charges and proposed contributions	30,000	160,796
Contribution to reserves for future needs:		
• Transfer to Business Rate Smoothing Reserve (paragraph 4.12)	74,000	
Contribution to reserves from general underspend:		
• Carry Forward requests to Capacity Issues Reserve (see para. 6.1)	88,680	
• Unallocated General Fund underspend transferred to Capacity Issues Reserve	222,343	
• General Fund underspend transferred to General Fund Reserve (working balance)	110,000	495,023
Total recommended net contributions to Reserves		655,819

6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

6.3 Movements and Use of Reserves

If all the proposals in the above table are adopted, Adur District Council's General Fund Working Balance will increase to £518,171 which, at nearly 6% of net expenditure of £8.671m is almost within the range of 6%-10% set by the Council. In addition the Council would retain earmarked revenue reserves of £0.760m (excluding the revenue grants reserve), an increase of £0.271m over 31st March, 2017. The full listing of earmarked reserves is attached as **Appendix 2b**.

Worthing Borough Council:

Worthing Borough Council net transfers to General Fund Earmarked Reserves 2017/18		
Budgeted/Committed contributions to/from reserves:	£	£
• Reduction in Grants Carried Forward	(32,116)	
• Withdrawal from Theatres Maintenance Reserve	(1,000)	
• Budgeted contribution to Reserves	1,470	
• Self-insurance charges and proposed contributions	30,700	(946)
Contribution to reserves for future needs:		
• Transfer to Business Rate Smoothing Reserve (paragraph 4.12)	425,000	
• Transfer to Theatres Capital Maintenance Reserve funded by levy payments	78,328	503,328
Contribution to reserves from general underspend:		
• Carry Forward requests to Capacity Issues Reserve (see para. 6.1)	231,330	
• Additional transfer to Leisure Lottery and Insurance Reserves	2,513	
• Unallocated General Fund underspend transferred to Capacity Issues Reserve	578,902	812,745
Total recommended net contributions to Reserves		1,315,127

If all the proposals in the above table are adopted, Worthing Borough Council will maintain its General Fund Working Balance at £843,625 which, at 6.7% of net expenditure of £12.656m, is within the range of 6%-8% set by the Council. In addition the Council would retain earmarked revenue reserves of £2.550m (excluding revenue grants reserve), an increase of £0.935m over 31st March, 2017. The full listing of earmarked reserves is attached as **Appendix 3b**.

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2017/18 AND DEBT POSITION

MRP Requirement for 2017/18

- 7.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 require the Councils to make a prudent provision within the accounts for repayment of debt. This provision is called the Minimum Revenue Provision (MRP) and is charged to revenue expenditure.
- 7.2 The Councils' MRP policy was approved by the Joint Strategic Committee at its meeting of 2nd June 2016 and was recommended for approval by Worthing Council at its meeting on 19th July 2016 and by Adur Council at its meeting on 21st July 2016. It was agreed that: firstly for any debt associated with unfunded capital expenditure incurred before 1st April 2008, the MRP will be set aside in equal instalments over the life of the associated debt. This does not apply to Worthing Borough Council which had no debt as at 1st April 2008. Secondly, for both Councils' non-HRA capital expenditure which forms part of the Capital Financing Requirement (the CFR), (excluding loans to RSLs), after 1st April 2008, the MRP will be calculated as the annual amount required to repay the CFR using the Annuity Method over the life of the assets acquired. The option remains to use additional revenue contributions or capital receipts to repay debt earlier. Where a building is being constructed, the MRP will be set aside once the building has been completed. The CFR is a prescribed calculation which is used to measure the Councils' underlying need to borrow to finance all capital expenditure.
- 7.3 The MRP policy will ensure that by the time debts are due to be repaid sufficient funds will have been set aside.
- 7.4 As MRP is applied in the year after which capital expenditure is funded from borrowing, the MRP for 2017/18 relates to unfunded expenditure incurred up to and including 31st March, 2017.
- 7.5 By applying the approved methodologies, described in paragraph 7.2, the following MRP determinations have been provided for in the 2017/18 accounts:
- For Adur District Council: £712,431. No Voluntary MRP was set aside for the HRA.
 - For Worthing Borough Council: £809,289

Debt Position at 31 March 2018

- 7.6 In recognition of the introduction of the HRA Self-Financing regime, the Councils' joint treasury management policy also includes a requirement to account separately for General Fund and HRA debt in accordance with the "two pool approach" recommended by CIPFA within the Treasury

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2017/18 AND DEBT POSITION

Debt Position at 31 March 2018

- 7.6 Management Code of Practice. This approach apportioned historic debt at 31 March 2012 between HRA and General Fund in accordance with the Code guidance, and requires new borrowing from 1 April 2012 onwards to be attributed to either General Fund or HRA according to the purpose for which it is obtained.
- 7.7 For Adur Council the separation of General Fund and HRA debt facilitates a comparison with the corresponding underlying need to borrow (the Capital Financing Requirement) i.e. capital expenditure not financed from internal resources. The purpose of the comparison is to enable General Fund and HRA treasury management decisions to be taken independently of each other, and in an equitable and transparent manner.
- 7.8 Accordingly, there follows a comparison of the respective debt outturn positions compared to the CFR for each Council, albeit that as Worthing does not have an HRA it therefore does not operate a two pool approach.

CFR v Debt Position at 31 March 2018	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
Actual Long Term Debt 01/04/17	14,967,131	59,585,172	74,552,303	11,337,167
New Long Term Debt Raised in year	13,066,000	0	13,066,000	25,954,500
Long Term Debt Repaid in Year	(769,531)	(1,710,546)	(2,480,077)	(1,727,485)
Actual Long Term Debt 31/03/18	27,263,600	57,874,626	85,138,226	35,564,182

CFR v Long Term Debt Position at 31 March 2018	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
Capital Financing Requirement (CFR)	28,500,305	60,102,737	88,603,042	39,150,019
(Over) / Under Borrowing	1,236,705	2,228,111	3,464,816	3,585,837
HRA Debt Limit	N/A	68,912,000	68,912,000	N/A
HRA Borrowing Headroom (Debt Limit – Actual Debt)	N/A	11,037,374	N/A	N/A

7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2017/18 AND DEBT POSITION

Debt Position at 31 March 2018

- 7.9 In addition to the amounts reported in the table above, Worthing also held temporary borrowing of £6m at 31st March 2018, £5m of which will mature fully by 17th July 2018. Some of this may be refinanced as new temporary borrowing if required. Adur did not hold any temporary borrowing at 31st March 2018.
- 7.10 For Adur Council the General Fund is under-borrowed by approximately £1.237m. The HRA is under-borrowed by £2.228m because, although actual debt is gradually repaid, the Council has not made any Voluntary Minimum Revenue Provision for 2017-18 and consequently the Capital Financing Requirement has not reduced. This position largely reflects the opening position at 1st April 2012 arising from the application of the two pool split, where-in the CIPFA methodology assumed the HRA was fully borrowed at the level of its CFR, so that any under or over borrowing at that time was fully attributed to the General Fund. The General Fund took out new long term borrowing to fund a property purchase and the replacement of the refuse and recycling vehicles.
- 7.11 Worthing is under-borrowed by £3.586m based on long term borrowing, which reflects the cumulative impact over a number of years of consistently using internal borrowing and short term borrowing as a cheaper source of funding capital investment. This has been a prudent measure in the climate of historically low interest rates to reduce the “cost of carry” (i.e. the difference between the interest charged on new borrowing compared to the interest foregone on cash balances used to fund capital expenditure that would otherwise have been invested). New long term loans amounting to nearly £26m have been taken out in 2017-18 to fund several capital projects, for example a £10m loan to Worthing Homes, property purchases and the replacement of the refuse and recycling vehicles.

8.0 CONCLUSION

- 8.1 The overall underspends for Worthing and Adur are most welcome at this time to help the Councils manage the challenging financial climate which they are currently grappling with. However, the nature of many of the underspends does not indicate an improved outlook for the revenue budget going forward, and pressures very much remain.
- 8.2 The Councils have had a difficult year with reduced funding and cost pressures to manage, but they have successfully addressed some significant issues. The underspends in 2017/18 have given the Councils the opportunity to contribute to reserves, which is welcome at a time when local government faces ongoing financial pressures.

Local Government Act 1972

Background Papers:

Reports to the Joint Overview and Scrutiny and Joint Strategic Committee

Revenue Budget 2017/18 Joint, Adur and Worthing

3rd Monitoring Revenue and Capital Reports Joint Strategic Committee, Adur District Councils and Worthing Borough Council – Report to the Joint Strategic Committee dated 6th March 2018

Accounts and Audit Regulations 2015

Officer Contact Details:

Emma Thomas

Chief Accountant

01903 221232

emma.thomas@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


2017/18 FINAL REVENUE OUTTURN JOINT SUMMARY


 ADUR & WORTHING COUNCILS	ORIGINAL ESTIMATE 2017/18	CURRENT ESTIMATE 2017/18	OUTTURN 2017/18	(UNDER)/ OVERSPEND 2017/18
	£	£	£	£
Chief Executive	639,430	649,220	619,898	(29,322)
Director for Communities	9,206,440	8,824,980	8,852,991	28,011
Director for Customer Services	-	-	-	-
Director for Digital & Resources	10,477,650	11,047,200	10,802,825	(244,375)
Director for the Economy	4,171,790	4,031,430	4,044,705	13,275
Grants Reserves			(91,826)	(91,826)
TOTAL SERVICES	24,495,310	24,552,830	24,228,594	(324,236)
ALLOCATION OF COSTS				
Recharged to other joint services	(3,751,130)	(3,751,130)	(3,692,226)	58,904
	20,744,180	20,801,700	20,536,368	(265,332)
Adur District Council	(8,464,000)	(8,468,340)	(8,360,728)	107,612
Worthing Borough Council	(12,280,180)	(12,333,360)	(12,175,640)	157,720
TOTAL SERVICE BLOCK ALLOCATIONS	(20,744,180)	(20,801,700)	(20,536,368)	265,332

CIVIC BUDGET 2017-2018
Summary of Final Revenue Outturn

 ADUR DISTRICT COUNCIL CABINET MEMBER PORTFOLIOS	ORIGINAL BUDGET 2017/18	CURRENT ESTIMATE 2017/18	OUTTURN 2017/18	Notional Capital Charges Variance	Support Service Recharge Variances	(Under) / Over Spend Excluding Support and Capital Charges
	£	£	£			
<i>CM for Environment</i>	2,962,240	2,923,980	2,904,564	42,981	(20,014)	(42,383)
<i>CM for Health & Wellbeing</i>	1,013,010	1,090,760	1,002,320	-	(10,854)	(77,586)
<i>CM for Customer Services</i>	1,356,940	1,390,270	1,486,629	(2,860)	(41,754)	140,973
<i>Leader</i>	626,870	626,870	583,779	(880)	36,564	(78,775)
<i>CM for Regeneration</i>	1,597,960	1,592,190	1,345,284	23,440	(43,675)	(226,672)
<i>CM for Resources</i>	1,960,440	1,763,980	2,132,249	95,473	42,742	230,054
<i>Support Service Holding Accounts</i>	190,140	200,590	-	(35,370)	36,990	(202,210)
<i>Budget vired to HRA</i>						-
TOTAL CABINET MEMBERS	9,707,600	9,588,640	9,454,824	122,784	-	(256,600)
<i>Credit Back Depreciation</i>	(1,378,220)	(1,378,220)	(1,512,074)	(122,784)	-	(11,070)
<i>Minimum Revenue Provision</i>	818,480	984,630	712,431	-	-	(272,200)
<i>Additional Non Ring Fenced Grants</i>	-	-	33,938	-	-	33,938
<i>Financial Instrument Adjustment</i>	-	-	2,270	-	-	2,270
	9,147,860	9,195,050	8,691,389	-	-	(503,661)
Transfer to/from reserves:						
<i>Transfer from reserves to fund specific expenditure</i>	18,000	(29,190)	(20,552)	-	-	8,638
<i>General fund working balance</i>			110,000	-	-	110,000
Net Underspend/(Overspend) Transferred to Reserves			385,023	-	-	385,023
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	9,165,860	9,165,860	9,165,860	-	-	(0)

 ADUR DISTRICT COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance	Decrease	Increase	Closing Balance
	2017/18	2017/18	2017/18	2017/18
	£	£	£	£
Capacity Issues Fund including General Fund Carry Forward Reserve	121,187			
Consolidation of New Technology Fund into Capacity Issues	22,300			
Consolidation of Health & Safety Reserve into Capacity Issues	32,545			
Project Manager for CENSUS review (8/10/15 JSC/042/15-16)		(39,188)		
Redundancy costs (24/04/17 JAW/8/16-17)		(59,774)		
Carry forward from 2016/17 approved at JSC 11 July 2017: Fishersgate caretaker		(8,000)		
Budgeted contribution to/(from) revenue			4,000	
Revenue underspend			311,023	
Balance				384,093
Insurance Fund	180,850	(35,907)	30,000	174,943
Business Rates Smoothing Reserve	-	-	74,000	74,000
Investment Property Maintenance Fund - Revenue Maintenance Programme	38,387	-	-	38,387
Grants and Contributions held in Reserves	425,872	(168,175)	294,971	552,668
Election Reserve	7,880	-	-	7,880
Special and Other Emergency Reserve Redundancy costs (22/06/17 JAW/1/17-18)	86,103	(5,023)	-	81,080
General Fund Reserve	408,171	-	110,000	518,171
TOTALS	1,323,295	(316,067)	823,994	1,831,222

 WORTHING BOROUGH COUNCIL CABINET MEMBER PORTFOLIOS	ORIGINAL BUDGET 2017/18	CURRENT ESTIMATE 2017/18	OUTTURN 2017/18	Notional Capital Charges Variance	Support Service Recharge Variances	(Under) / Over Spend Excluding Support and Capital Charges
	£	£	£			
<i>Leader</i>	1,054,600	1,054,600	1,079,949	(200)	(10,332)	35,880
<i>CM for the Environment</i>	2,890,240	2,983,740	3,408,498	87,710	(60,059)	397,107
<i>CM for Health & Wellbeing</i>	1,286,210	1,296,210	1,304,543	260	(8,589)	16,661
<i>CM for Customer Services</i>	5,425,580	5,375,670	5,196,703	25,700	(65,626)	(139,041)
<i>CM for Regeneration</i>	2,621,670	2,914,900	2,699,126	(6,090)	(23,575)	(186,109)
<i>CM for Resources</i>	2,519,070	2,223,960	1,746,447	110,040	(449,591)	(137,962)
<i>Holding Accounts</i>	(165,700)	(130,040)	-	(9,182)	617,771	(478,549)
TOTAL CABINET MEMBER	15,631,670	15,719,040	15,435,265	208,238	-	(492,012)
<i>Credit Back Depreciation</i>	(3,323,380)	(3,323,380)	(3,531,618)	(208,238)		-
<i>Minimum Revenue Provision</i>	1,072,620	1,113,810	809,289			(304,521)
<i>Additional Non Ring Fenced Grants</i>	-	-	(270,026)			(270,026)
	13,380,910	13,509,470	12,442,910	-		(1,066,560)
Transfer to/from reserves:						
<i>Transfer from reserves to fund specific expenditure</i>	87,720	(40,840)	212,932			253,772
Net Underspend Transferred to Reserves			812,788			812,788
Total Budget requirement before External Support from Government	13,468,630	13,468,630	13,468,630	-		0

 WORTHING BOROUGH COUNCIL EARMARKED REVENUE RESERVE ACCOUNTS	Opening Balance 2017/18	Estimated Decrease 2017/18	Estimated Increase 2017/18	Projected Closing Balance 2017/18
£	£	£	£	£
Capacity Issue Reserve - Redundancy costs (24/04/17 JAW/8/16-17) Expenditure funded from approved carry forwards from 2016/17 - Worthing carry forwards from 2016/17 agreed Joint Strategic Committee 11th July, 2017 - Budgeted contribution to/(from) revenue - Revenue underspend Balance	846,341	(89,661) (128,560)	1,470 810,232	1,439,822
Insurance Reserve	388,949	(124,655)	32,613	296,907
Joint Health Promotion Reserve	9,910	(2,100)	-	7,810
Leisure Lottery & Other Partnerships - 01/02/18 JSC/078/17-18 for Museum Costume Research Centre	77,166	-	600	77,766
Museum reserve - 12/09/17 JSC/037/17-18 release of funds to support grant bid	114,012	(16,310)	-	97,702
Crematorium Improvement Reserve	-	(70,494)	70,494	-
Business Rates Smoothing Reserve	-	-	425,000	425,000
Theatres Capital Maintenance Reserve	63,821	(1,000)	78,328	141,149
Special and Other Emergency Reserve Redundancy costs (22/06/17 JAW/1/17-18)	41,827	(7,535)	-	34,292
Grants & Contributions	574,292	(157,276)	125,160	542,176
Capital Expenditure Reserve Brooklands Environmental Scheme	73,158	(43,500)	-	29,658
General Fund Working Balance	843,625	-	-	843,625
TOTAL	3,033,101	(641,090)	1,543,896	3,935,907

HRA SUMMARY

	BUDGET 2017/18	OUTTURN 2017/18	VARIANCE 2017/18
	£	£	£
EXPENDITURE			
General Management	3,389,220	3,363,026	(26,194)
Special Services	208,350	176,987	(31,363)
Rent, Rates, Taxes & Other Charges	25,650	23,621	(2,029)
Repairs & Maintenance	3,110,200	2,883,757	(226,443)
Bad/Doubtful Debt	50,000	77,181	27,181
Contribution to reserves	-	-	-
Capital Financing Costs			
Depreciation and revenue contribution to capital	4,406,760	4,517,220	110,460
Interest charges	2,322,400	2,268,178	(54,222)
TOTAL EXPENDITURE	13,512,580	13,309,968	(202,612)
INCOME			
Dwelling Rents	(12,183,440)	(12,122,732)	60,708
Non-Dwelling Rents	(539,720)	(524,150)	15,570
Heating Charges	(72,840)	(33,567)	39,273
Leaseholder's Service Charges	(214,410)	(224,486)	(10,076)
Other Service Charges	(292,250)	(224,742)	67,508
Interest Received	(28,000)	(46,281)	(18,281)
TOTAL INCOME	(13,330,660)	(13,175,958)	154,702
NET (SURPLUS)/DEFICIENCY - TRANSFER TO/FROM HRA	181,920	134,011	(47,909)
GENERAL RESERVE			

The variations greater than £20,000, for this report, are detailed below

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
NET TRADING				
Parking		49	(108)	Income from car parking exceeded the budget for Worthing (mainly from surface car parks) But in Adur there is a shortfall in income from the enforcement and an increase in management costs
Total Net Trading	-	49	(108)	
Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
INCOME:				
Growth - Commercial Income		(74)	(77)	Net income after borrowing costs.
Development Management - Fee Income	-	(130)	148	Projected shortfall for Worthing Development Management income. Unbudgeted costs incurred by Adur's Planning Policy Team relating to the Adur Local Plan.
Building Control & Land Charges	-	60	69	Building Control Income, which is derived from fees set on a cost recovery basis, is projected to be below target at year end. Growth targets and strategies are being worked on. Land charges forecast a shortfall in income.
Theatres	-	-	(32)	Income exceeded projections for the final quarter of the year
Environment - Bereavement Services		-	37	Income shortfall relating to crematorium services and memorials
Environment - Parks & Open Spaces		(43)	28	Underachievement of income for loss of income, after compensation, due to closure of the Par 3 golf course

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
Revenues & Benefits		113	59	ADC - old grant income budget, plus increased costs during joint service transition. WBC - Net Additional income from the recovery of housing benefits overpayments offset by a grant income budget that won't be realised.
Finance	(35)	-	-	Net income from the extension of payroll provision to South Downs Leisure
Communications	(40)	-	-	Increased external income
Total Income	(75)	(74)	232	
Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
COSTS:				
Corporate costs	21	-	(155)	Joint: Net cost of essential mileage review which was completed later than projected delayed start, plus increased Pool car costs £59k, offset by savings in MFD and Printing costs, Worthing: Shift in capital allocation for Surveyor and Engineers staff
Maintenance	-	-	(60)	Underspend on maintenance (excluding culture)
Elections		18	10	VAT liabilities on all Elections going back several years
Leisure	-	-	98	Leisure Contractual costs
Energy Costs	(28)	-	-	Saving in energy costs
Waste Services	48	36	141	Increased Agency staff costs. Overspend on Trade Waste disposal costs due to increase after the budget was set (offset partially by increased income). Savings on diesel costs.
Place & Investment		(98)	(191)	Adur: Increased income from Farmers markets Worthing: Commissioning of studies for major projects originally anticipated to be required in 2017/18 now planned for 2018/19; the remainder relates to underspends on Grants and subscriptions for both Authorities

Service Area	Joint £000s (under)/ over-spend	Adur £000s (under)/ over-spend	Worthing £000s (under)/ over-spend	Significant Variations
Homelessness	-	-	146	Emergency accommodation costs are continuing to increase to meet demand. This is partially offset by a grant provided to cover removal of the management element of the benefit subsidy.
ICT & Digital	(132)	-	-	Overspend on Telephony in 2017/18 - (36k) , This is offset by an underspend in Census ICT of £168k (maintenance and project costs savings against budget).
Finance - MRP	-	(272)	(304)	Savings on MRP as a result of deferred capital expenditure and increase in external funding
Finance	-	(11)	(119)	Net savings due to changes in interest rates on borrowing and additional interest income on investments
Wellbeing	-	(77)	(35)	Underspend on Wellbeing grants
Planning Policy	-	56	(46)	Local plan : Increased cost of producing in Adur and a net saving in Worthing
Business Rates	-	(49)	(47)	Saving in Business Rate costs
Overprovision of Pension costs	-	96	(71)	Adur: Increased Pension strain and backfunding costs, Worthing: reduction in Pension contributions
Vacancy Provision	23	-	-	Slight Underachievement on Vacancy Provision forecast.
Other	(122)	(63)	(145)	Other minor variations
Allocation of Joint Variance		(106)	(159)	Share of joint services allocated 40:60 to Councils
Total costs	(190)	(470)	(937)	
Total Variance	(265)	(495)	(813)	

Adur Major Variances	Net underspend	Forecast at JSC Q3	Difference	
	£000s	£000s	£000s	
<u>Economy Directorate</u>				
Planning Income	(130)	-	(130)	Large scale planning applications received in the last quarter of 2017/18 . Fee increase has been factored into the 2018/19 budget.
Increased cost of producing local plan	56	65	(9)	Costs arising from the progression and examination of the Adur Local Plan - overspend lower than projected in quarter 3.
Building Control & Land charges income shortfall	60	65	(5)	Shortfall in income was in line with quarter 3 projection. A new Building Control Partnership Manager has been appointed in response to the budget pressures within the service.
Strategic Property Investment commercial income exceeding Budget	(74)	(69)	(5)	Additional income generated from commercial properties and rent reviews. Increased income has been incorporated into the 2018/19 budget.
Net additional income from farmers markets	(68)	-	(68)	Includes a one off receipt £35k relating to prior years.
<u>Communities Directorate</u>				
Waste services shortfall in income and overspends on vehicles and agency staff	36	44	(8)	Overall net overspend against budget relating to disposal costs in line with previous forecast.
Wellbeing Grants underspend	(77)	-	(77)	There is a £40,000 budget carry forward request for grants not yet paid out included within this underspend.
Elections overspend	18	32	(14)	Costs associated with previous years VAT liabilities. This issue is resolved for 2018/19. Compensating savings meant the overspend was lower than projected in quarter3.
<u>Digital and Resources Directorate</u>			-	
Revenues and Benefits - Provision for departure costs	60	-	60	One off redundancy costs related to the service transferring in-house.
Revenues and Benefits - erroneous budget	53	70	(17)	Erroneous budget has been removed in 2018/19. savings have partially offset the previously forecast shortfall.
Increased pension strain and backfunding costs	96	-	96	In year variance due to the timing of actuary information when the budget was set. This has not previously been reported.
Savings on interest rates	(11)	(14)	3	As predicted in quarter 3 overall savings in interest rates.
<u>Other</u>				
Minimum Revenue Provision	(272)	(272)	-	Cost saving resulting from deferred capital expenditure in 2016/17 and increased external funding- outturn as forecast in Q3
Underspend on joint services - not included above	(106)	35	(141)	There is a £50k budget carry forward request within the Joint Services.
Other changes	(136)		(136)	
	(495)	(44)	(451)	

Worthing Major Variances	Net underspend	Forecast at JSC Q3	Difference	
	£000s	£000s	£000s	
<u>Economy Directorate</u>				
Economic Growth	(154)	-	(154)	There is a budget carry forward request of £114,000 from this underspend to commission studies on some of the major projects within Worthing, including the Grafton site.
Planning Income	148	8	140	Income lower than forecast for 2017/18.
Planning Policy	(46)		(46)	Underspend on Local Plan - one off saving not previously reported.
Building Control & Land charges income shortfall	69	94	(25)	Shortfall in income was less than projected in quarter 3. A new Building Control Partnership Manager has been appointed in response to the budget pressures within the service.
Strategic Property Investment commercial income exceeding Budget	(77)	(50)	(27)	Additional income generated from commercial properties and rent reviews. Increased income has been incorporated into the 2018/19 budget.
Theatres	(32)	-	(32)	There is a budget carry forward request for £14,000 from this underspend. The remaining underspend against budget of £18,000 was not previously reported as quarter 4 income exceeded projections, particularly live events and film.
Place and Investment Grants	(37)	-	(37)	There is a £10,000 budget carry forward request for grants to be paid in 2018/19.
<u>Communities Directorate</u>				
Homelessness	146	170	(24)	Increase in pressure on service. Additional costs have been incorporated into the 2018/19 budget.
Waste services shortfall in income and overspends on vehicles and agency staff	141	141	-	Overall net overspend against budget relating to disposal costs in line with previous forecast.
Bereavement Services	37	60	(23)	The outturn shortfall was more favourable than predicted in quarter 3. The income shortfall includes a one off rebate of £18,000. Crematorium price increases have been factored into the 2018/19 budget.
Leisure Contract Costs	98	-	98	A provision has been established relating to contract costs that are under negotiation with South Downs Leisure Trust.
Parks and Open Spaces	28	90	(62)	The improvement in the projected overspend from quarter 3 to quarter 4 is due to the receipt of income compensation relating to the Par 3 Golf course.
Wellbeing Grants underspend	(35)	-	(35)	There is a £20,000 budget carry forward request for grants not yet paid out included within this underspend.
Elections overspend	10	40	(30)	Costs associated with previous years VAT liabilities. This issue is resolved for 2018/19. Compensating savings meant the overspend was lower than projected in quarter 3.
<u>Digital and Resources Directorate</u>				
Car Parking - Fee Income	(108)	(150)	42	Additional income received above budget was lower in Q4 than was projected in Q3, possibly linked to the cold weather in the period.
Revenues and Benefits - Shortfall in Court Costs Recovery & Erroneous budget	180	-	180	Includes an erroneous budget has been removed in 2018/19.
Additional Income from Overpayment Recovery	(121)	(120)	(1)	This is in line with the overachievement projected at quarter 3.
Capitalisation of Surveyors and Engineers costs	(155)	-	(155)	A review of the time allocation identified a higher proportion of work being carried out by the Surveyors and Engineers on capital schemes. This has been factored into the 2018/19 budget.
Reduction in pension contributions	(71)	-	(71)	In year variance due to the timing of actuary information when the budget was set. This has not previously been reported however the outcome of the actuary report has been built into the 2018/19 budget.
Savings on interest rates	(119)	(77)	(42)	Additional net interest income received, higher than projected in quarter 3, due to a combination of lower rates associated with borrowing and higher interest earned on investments.
<u>Other</u>				
Minimum Revenue Provision	(304)	(305)	1	Cost saving resulting from deferred capital expenditure in 2016/17 and increased external funding- outturn as forecast in Q3
Underspend on joint services - not included above	(159)	53	(212)	There is a £69,000k budget carry forward request within the Joint Services.
Other changes	(252)		(252)	
	(813)	(46)	(767)	

Joint Services Major Variances	Net underspend	Forecast at JSC Q3	Difference	
	£000s	£000s	£000s	
<u>Chief Executive</u>				
Communications	(40)	-	(40)	Increased income in quarter 3 for communication support related to major project support and Coastal West Sussex
Communities Directorate				
Waste Services	48	7	41	Higher level of agency staff and disposal costs. Additionally there was more vehicle maintenance expenditure in the last quarter of 2017/18 not previously forecast.
Wellbeing	-	25	(25)	Overall underspends in the service have offset the underachievement in digital savings that were being forecast in quarter 3.
<u>Digital and Resources Directorate</u>				
ICT and Digital	(132)	(40)	(92)	Underspend on telephony. Additionally there was an underspend from Census, some maintenance savings which have been factored into the 2018/19 budget and some one off savings from project work. There is a carry forward of £40,000 proposed to enable the delivery of change and re-design projects.
Finance	(35)	-	(35)	Net income from the extension of payroll service provision to South Downs Leisure Trust.
<u>Other</u>				
Corporate Costs	21	10	11	Net additional cost of essential mileage review taking later in the year and increased pool car costs. Offset partially by savings on MFD and printing costs.
Vacancy Provision	23	86	(63)	Vacancy provision achieved. Staff turnover higher than anticipated in the last quarter of 2017/18.
Other changes	(150)	-	(150)	Other net underspends, includes £28,000 saving on energy costs.
	(265)	88	(353)	



HRA Major Variances

	(Under)/ Overspends £'000
<u>Variations in income and running costs:</u>	
Underspend on Pay, Grading, Consultancy and General Management	(123)
Underspend on Building Maintenance, Repairs & Voids	(201)
Underspend on various minor operational budgets	(19)
Increase in provision for Bad Debts	27
Increased cost from Corporate & Democratic Core (incl. pension charge)	82
Increased cost of Central Allocations	26
Shortfall in rental income due to void periods and debts written off	66
Shortfall in service charge income	55
Total variation in running costs	(86)
<u>Variations in treasury management and capital costs:</u>	
Reduction in interest costs	(54)
Increase in depreciation	110
Additional interest receipts	(18)
Total variation in treasury management and capital costs	38
TOTAL	(48)



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
10 July 2018
Agenda Item 8

Joint Overview and Scrutiny Committee
26 July 2018
Agenda Item 12

Key Decision: No

Ward(s) Affected: All

Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond

Report by the Director for Digital & Resources

Executive Summary

1. Purpose

- 1.1. Over the last three years, our councils have been successfully delivering a budget strategy to address the rapid change in local government financing, preparing for the removal of central government funding in 2020.
- 1.2. This strategic effort has involved the development of new and critical capabilities in the organisation, including strategic property investment, nationally recognised digital service design, and high quality, successful commercial services.
- 1.3. It has also required careful financial management, including managed and prudent increases in council tax, and a clear focus on driving efficiency and productivity.
- 1.4. Funding received from Government grant has been significantly reduced over the last 7 years, from 2019/20 onwards the councils will no longer receive any support via Revenue Support Grant. Looking ahead to 2020/21, the level of funding from central government is likely to further reduce.
- 1.5. Adur and Worthing Councils have responded to the challenge of falling government grant by promoting economic regeneration, investing in property, growing our commercial offer, and through business efficiency from the customer and digitisation transformation programmes. Despite the inevitable challenges brought by reducing resources, the Councils have

continued to maintain good core services across the board and have a clear focus on customer service excellence.

- 1.6. This report aims to set out the Councils will continue to address the changing financial climate over the next 10 years, outlining the revenue forecast and setting out our strategic response, creating the conditions to be self-financing by 2020/21. With the detailed budget proposals for 2019/20 coming forward to Joint Strategic Committee in December, this reports sets out the broader context for the detailed work that will be undertaken over the intervening months.
- 1.7. As set out in the following pages, the Councils will be increasingly reliant on council tax income, business rate income, and our own income generating services. Our Councils have a good track record in innovation, working creatively in partnership, transforming our digital capabilities and putting the customer at the heart of our services, so that we have capacity to do far more than just 'survive'.
- 1.8. Our strategy, 'Platforms for our Places' was approved by the Councils in February 2017 is sets out how we can play an even greater role in helping to shape the future of our places. The refresh of this strategy is elsewhere on this agenda. The 5 'Platforms' that provide the direction for all our work over the next 2 years are:
 - Our Financial Economies
 - Our Social Economies
 - Stewarding our Natural Resources
 - Services and Solutions for our places
 - Leadership of our Places
- 1.9 Over the summer and autumn, the Operational Leaders Group (Heads of Service) will be working with the Councils Leadership Team to produce new service plans designed to deliver a balanced budget over the next 3 years. The outcome of the service planning will be presented to Joint Strategic Committee for approval in December 2018 as part of the development of the 2019/20 budget.

2. Recommendations:

- 2.1 The Joint Strategic Committee is recommended to:
 - (a) Note the report and the outline 5-year forecasts in Appendix 2;
 - (b) Approve the proposed budget process as set out in section 6 of the report;

(c) **Recommend** to the Councils to approve the Budget Strategy for 2019/20 outlined in Section 10 of the report.

2.2 The Joint Overview and Scrutiny Committee is asked to note the content of the report.

3. Background

- 3.1 Both Councils have successfully managed to maintain a balanced budget over the recent years despite the considerable financial challenges presented by the withdrawal of Government funding. Council Tax increases have been kept to a minimum over the past few years, with the Councils choosing to freeze or reduce the Council tax when possible.
- 3.2 However, the financial pressure continues. Revenue support grant has disappeared, the conditions attached to New Homes Bonus will mean that this will reduce as a resource in future potentially being phased out from 2020/21 onwards, and the Councils expect a reduction in the level of retained business rates when the business rate system is reset in 2020/21. Local Government funding has changed considerably over the last 7 years, and the pace of change is set to continue with the proposed changes to the business rates system.
- 3.3 Members are being asked to consider the budget strategy at an early point in the year to enable the Councils to plan ahead. There are clear advantages in this approach, not least because it gives members and officers a good understanding of the overall financial position of the Council as well as giving sufficient time to consider how the challenges identified will be met.

4. Financial context

4.1 National context and external factors

Since 2010, the Councils have seen a considerable reduction in the level of funding from Government. However the Comprehensive Spending Review of 2016/17 provided some certainty over the level of funding that the Councils can expect in the short term. Contained within the 2016/17 settlement were indicative grant allocations for the four year period 2016/17 – 2019/20. Councils were able to secure this level of funding by submitting a four year efficiency plan. The Councils efficiency plan was accepted in 2016/17, which gives us certainty in 2019/20. However the grant allocations which were confirmed as part of the 2018 Local Government Finance Settlement showed that the Councils would see no immediate easing of the financial pressures and from 2019/20 the Councils will receive no Revenue Support Grant.

4.2 How Council funding is changing:

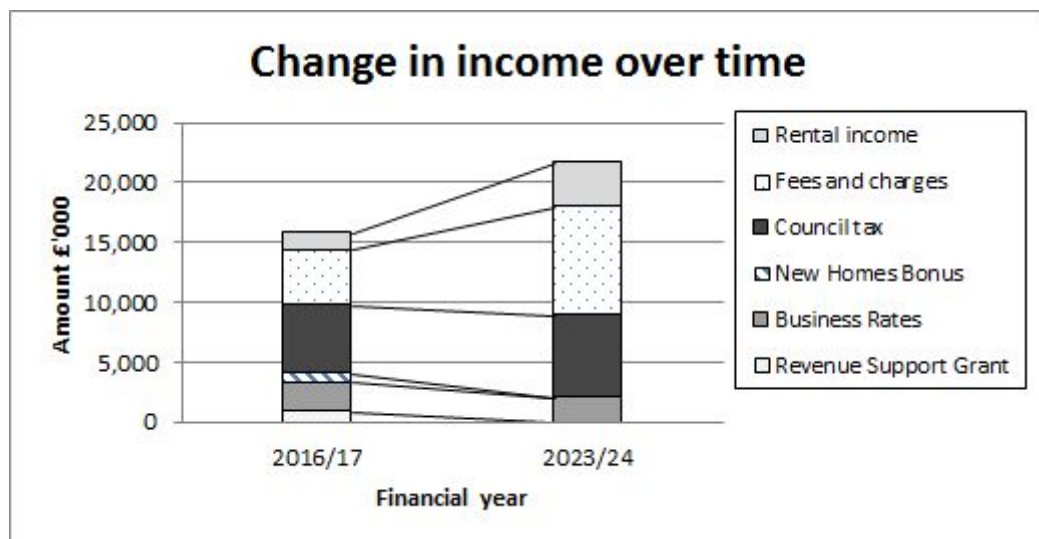
4.2.1 The Local Government Finance landscape has changed profoundly over the last few years due to three factors:

- The introduction of Business Rate Retention Scheme which is due to be reformed again for 2020/21
- Localising Council Tax Support (Council Tax Benefit)
- The continuing reduction in all Government grants

From 2019/20, the Councils will receive three distinct funding streams from taxation which are discussed more fully later in the report:

- Business Rates;
- New Homes Bonus; and
- Council Tax

Revenue Support Grant (RSG) has ceased to be a funding source for the Councils and the underlying make-up of funding to the Councils continues to change rapidly with increasing proportions coming from fees and charges, rental income, Council Tax and the Business Rate Retention Scheme. New Homes Bonus has been substantially reduced and will at some point be phased out.



(Using Adur as an example)

These changes to local government funding have influenced how the Councils view both the building of new homes and the creation of new employment space. The Councils are taking an increasingly proactive role in stimulating the local economy, whether this is through the provision of office space to attract high quality employers or through working with business to facilitate the development of sites within the areas to stimulate the economy. The increasing importance of economic development to the Council is reflected in the priorities set out in 'Platforms for our Places'.

4.2.2 Baseline Funding and Business Rates Retention

Under the business rate retention scheme, District and Borough Councils are entitled to retain a 40% share of the business rate income raised locally. However the system is complex, with the share retained being reduced by a series of nationally determined adjustments (the Tariff and the levy)..

Ultimately the Scheme allows councils to keep a small element (20%) of any growth in business rate income over a retained 'baseline' amount. The forecasting of overall business rate income is again difficult this year due to two factors which are discussed in more detail below:

- i) The continuing impact of the appeals arising from the national business rate revaluation in 2017/18.
- ii) The potential further reform of the business rate system and the impact of the fairer funding review.

The forecasts contained within the report are based on the current business rate system. There are three aspects of this scheme which will ultimately influence the amount of business rate income retained locally and also the Councils' budgets in the medium term:

1. The 'Tariff':

Whilst the Councils are entitled to retain 40% of all business rate income, they are then obliged to pay over a substantial element of these retained business rates to the Government via an adjustment known as the Tariff. This is set to increase well above inflation next year.

Now that Revenue Support Grant has been withdrawn, the only mechanism that the Government has to redistribute or reduce local government funding is via the Business Rate retention scheme using the Tariff. Consequently, the amount of business rate income retained locally is expected to be reduced in 2019/20, with the Councils keeping a diminishing share of the business rate income.

This is a controversial element of the settlement announced in 2017/18 and the adjustment to the tariff payments is colloquially known as 'negative RSG'. However, as part of settlement, it was announced that there would be a review of the "negative RSG" allocations for 2019-20. Whilst it is by no means certain that these adjustment will be removed it did suggest that the then Secretary of State, Sajid Javid, was minded to address the issue.

If the Government decides to reverse the adjustment relating to negative RSG, then additional funding will need to be found for the sector. The cost nationally would be £159.9m.

<u>Tariff payments</u>	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24
	£'000	£'000	£'000	£'000	£'000	£'000
ADUR	4,931	5,039	5,515	5,625	5,737	5,852
Negative RSG		367				
Final Tariff payment	4,931	5,406	5,515	5,625	5,737	5,852
Annual increase						
- Amount		475	109	110	112	115
- Percentage		9.6%	2.0%	2.0%	2.0%	2.0%
WORTHING	9,840	10,057	10,757	10,973	11,192	11,416
Negative RSG		490				
Final Tariff payment	9,840	10,547	10,757	10,973	11,192	11,416
Annual increase						
- Amount		707	210	216	219	224
- Percentage		7.2%	2.0%	2.0%	2.0%	2.0%

2. Target income from Business Rates (Baseline funding):

Every year the Councils are set a target by Government of how much business rates to collect. If this target is exceeded, the Council can keep 20% of the additional income in addition to the baseline funding amount. If there is a shortfall, then the Councils will have to make up 40% of the difference, although the maximum loss of income is limited to 7.5% of baseline funding.

The Councils have developed a five year model for business rate income which underpins the medium term financial plan. This includes the impact of larger developments currently being built and any new charitable reliefs being awarded. A summary of the expected additional business rates is detailed below:

	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24
ADUR	£'000	£'000	£'000	£'000	£'000	£'000
Baseline funding	1,700	1,738	1,772	1,808	1,844	1,881
Retained surplus rates	638	388	236	240	245	248
Total business rate income kept locally	2,338	2,126	2,008	2,048	2,089	2,129
Total business rate income	18,459	18,561	18,794	19,168	19,551	19,921
Percentage retained locally	12.67%	11.45%	10.68%	10.68%	10.68%	10.68%

WORTHING	2018/ 19 £'000	2019/ 20 £'000	2020/ 21 £'000	2021/ 22 £'000	2022/ 23 £'000	2023/ 24 £'000
Baseline funding	2,589	2,648	2,701	2,755	2,810	2,866
Retained surplus rates	770	574	293	299	303	306
Total business rate income kept locally	3,359	3,222	2,994	3,054	3,113	3,172
Net business rate income collected	33,005	32,833	33,531	34,202	34,870	35,534
Percentage retained locally	10.18%	9.81%	8.93%	8.93%	8.93%	8.93%

Members should be aware that there is significant volatility around aspects of the system, such as appeals, which make it difficult to forecast income with accuracy.

In addition, the local NHS trusts are claiming mandatory business rate relief. This is the subject of a national dispute. Whilst this will not significantly affect Adur District Council, Worthing Borough Council has several substantial claims amounting to a potential loss of income to the Council £719,000. Worthing Borough Council has made a provision within the Collection Fund for the likely loss of income.

One of the features of the new system is that the Councils determine how much Business Rate income that they are entitled to from the Collection Fund at the outset of the new financial year. Once set, this total cannot be changed irrespective of any changes to the net business rate income within the year. Any surplus or deficit, due to changes in the business rate income, will be adjusted for in future years. This is similar to how Council Tax is treated. Both Councils saw an increase in reliefs during 2017/18 due to changes in Government policy together with a number of appeals being settled at the end of the financial year which led to a deficit within the Collection Fund of both Councils. This will have to be recouped in 2019/20. The Councils have set up a business rate smoothing reserves to help address this issue.

It is intended to refine the forecast of the business rate income over the coming months and to project forward the impact of new developments where planning permission has been granted but building has not yet started. There are a number of developments in progress which will ultimately benefit the business rate income for both Councils. These include:

- The Parcellforce site in Adur – Expected completion date is December 2018.
- New Monks Farm site in Adur – A planning application is expected to be considered by the Planning Committee in July. The proposal includes a new IKEA store which, if approved, is likely to be constructed over the next 2 – 3 years and will potentially benefit Adur in 2020.
- Free Wharf, Western Harbour Arm in Adur includes new commercial floorspace and is likely to start later in the year and be completed by 2021
- Union Place in Worthing – The development will take 3 – 4 years to complete once planning permission has been granted.
- Teville Gate in Worthing – A planning application is expected by the end of the year. The development will take 3 – 4 years to complete once planning permission has been granted.

Clearly, if the business rate income improves in 2018/19, then the surplus could be used to support the budget in 2019/20. An update to the likely surplus or deficit will be undertaken later in the year.

3. **Reform of the business rate system**

The Chancellor announced the reform of the business rate system in the Autumn Statement 2015 which took the form of two separate initiatives:

- Fair Funding Review which considered how business rates would be distributed across the Country in future.
- 100% retention of business rate income by Local Government

i) Fairer Funding Review:

The Government is undertaking a fairer funding review with the aim of introducing a more up-to-date, more transparent and fairer needs assessment formula which will be used to distribute the Business Rate income nationally and any residual Revenue Support Grant.

The review is considering all services provided by local Government and will determine the new starting point for local authorities under the revamped Business Rate Retention Scheme which is due to be introduced in 2020/21.

The Government will undertake a series of consultations on the new system over the coming months. The last consultation was responded to in March 2018.

However it is extremely difficult to predict the outcome of this review as insufficient details have been released. It is almost inevitable that there will be some transition arrangements in place as there will be some significant swings in how individual Councils will be funded in the future which will be difficult to address in the short term, particularly as we are unlikely to know the full financial impact of the proposals until late Autumn 2019.

ii) Business Rate Retention:

Due to the impact of Brexit on the legislative timetable, the full return of business rate income to Local Government has been deferred. The proposal is now to increase the amount retained locally by the Council and the County Council to 75% from 2020/21 onwards.

The new system must be fiscally neutral and so the increase in business rate income will be matched by the removal of grants such as Revenue Support Grant, Public Health Grant and other funding streams.

Whilst it is not clear how this change will be dealt with in two tier areas, given the requirement for new system to be cost neutral, it is likely that the County Council will be the beneficiary of the increased share of the business rate income.

As part of the new system, along with the impact of the fairer funding review, there will be a 'baseline' reset. The statement by the Secretary of State was clear that:

"Local authorities will be able to keep that same share of growth on their baseline levels from 2020 to 2021 when the system is reset. So that from 2020 to 2021 business rates will be redistributed according to the outcome of the new needs assessment subject to suitable transitional measures".

Within the 5 year forecast it is assumed that the Council will lose at least 50% of any gain in the new system along with some specific grants associated with homelessness and New Homes Bonus.

4.2.3 New Homes Bonus

The Coalition Government introduced the New Homes Bonus (NHB) in 2011/12 which is specifically targeted at rewarding increases in the Council Tax base and dealing with empty properties. The scheme has been recently reformed. Grant is now paid over 4 years rather than 6. In addition, a national baseline for housing growth of 0.4% was been introduced from 2017/18 onwards; growth below this level will not qualify for grant. For Adur

and Worthing, this means a substantial number of houses will need to be completed each year before any grant will be awarded (102 in Adur or 181 in Worthing).

Consequently, the grant will now only benefit those Councils which have the capacity to build a significant number of new homes, and Adur, in particular, will struggle to build sufficient homes to qualify for any grant.

The current forecast is based on an estimate of the new homes to be built in the next 3 years. At present the forecast assumes that the grant will eventually be phased out as part of the next Comprehensive Spending Review.

New Homes Bonus	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Adur	202	116	1	0	0
Worthing	1,221	1,094	576	342	120

4.2.4 Council Tax

Council Tax is now the Councils' major source of general income from taxation. By 2019/20 it will be over 70% of the total general income received by Adur District Council and 66% of the income received by Worthing Borough Council. Consequently, there is an ever increasing strategic significance to the annual debate of how much to increase the Council Tax by.

The Councils have kept to a minimum increases over the past several years, opting to freeze or reduce Council Tax where possible whilst government support for such initiatives was available. 2017/18 was the first year that the Councils opted to raise Council Tax since 2011/12.

The Councils are well aware of the long term consequences of these decisions. Looking ahead the decision whether or not to increase Council Tax will have inevitable consequences for the Councils.

Clearly the loss of income will have an impact on the budget shortfall which would add to the level of savings required for the future.

However, the decision whether to freeze Council Tax is a finely balanced one. The Council has a policy of keeping Council Tax low and the cost of freezing council tax in any particular year is fairly low, but the cumulative impact is growing. Therefore the Councils are faced with the dilemma of increasing Council Tax or finding additional savings to support a Council Tax freeze. This is particularly pertinent in the next two years when the Councils have to find savings of over £4.8m.

The budget consultations, over the last couple of years, indicate that the local communities were increasingly supportive of a Council Tax increase, when the following question was asked:

... would you prefer?

	Overall
A small increase which will help the Councils to protect priority services	63.2% (64.1% in 2015/16)
To freeze Council Tax for the fourth year in a row and cut services	36.3% (35.9% in 2015/16)
Not answered	0.5%

Finally, Members are reminded that there is a referendum limit. The limit announced last year was the higher of 2.95% or £5.00 per Band D property. At this time we do not know the referendum limit for the 2019/20 Council Tax increase. The referendum limit was set at 2.95% when inflation was around 3.1%. Historically the limit has been set at a lower limit at around 2%. The Consumer Price Index (CPI) is currently falling and was at 2.4% in May 2018. Consequently for the purposes of planning it is assumed that the limit will revert to 2%. A 2% increase would be equivalent to £5.81 per Band D property in Adur and £4.62 per Band D property in Worthing.

So, even if the Councils were minded to increase Council Tax, there is an imposed limit on the actual increase that the Councils can make. Members should be aware that a 1% change in Council Tax is equivalent to £59,090 in Adur and £88,920 in Worthing for 2018/19.

The current outline forecasts assume that the Councils will set the following increases over the next 5 years:

2019/20	2020/21	2021/22	2022/23	2023/24
2.0%	2.0%	2.0%	2.0%	2.0%

However in recognition of the difficult financial position that many local residents experience this can be reduced if sufficient savings are found.

4.3 Reserves Position:

Both Councils have a clear policy to maintain balances at a minimum level of 6% and a maximum level of 10% of net expenditure. The level of General Fund working balance as at the 1st April 2018 is estimated to be:

	Adur	Worthing
	£'000	£'000
Working balance	518	844
Net budget	8,628	13,517
Percentage held	6.0%	6.2%

In addition to the General Fund reserves, the Councils can access other major reserves to help smooth the impact of Council Tax increases and levels of savings necessary:

- The Capacity Issues Fund which was set up to help the Council cope with a range of cost pressures including cushioning the impact of the recession and to fund one-off initiatives (both Adur District Council and Worthing Borough Council);
- The Special and Other Emergency Expenditure Reserve which was set up to fund any strategic or one-off expenditure that may arise (both Adur District Council and Worthing Borough Council).

Assuming that no further withdrawals are approved from these reserves, it is estimated that the balance available to support the budget will be:

	Adur District Council		Worthing Borough Council	
	Balance as at 31-Mar-18	Uncommitted resources*	Balance as at 31-Mar-18	Uncommitted resources*
	£'000	£'000	£'000	£'000
Capacity Issues Reserve	458	248	1,441	1,214
Special and other emergency expenditure reserve	81	81	34	34
Total	539	329	1,475	1,248

- * This allows for approvals to use the resources from 2018/19 onwards including the funding of carry forwards.

5. Key budget pressures in the next 5 years

5.1 The Councils have a number of key financial issues that need to be addressed over the coming 5 years. Most of these were highlighted in the revenue budget report presented to Members earlier this year, and arise not from increasing service levels or delivering new services, but simply from maintaining current services. The most significant of these impacts are detailed below:

5.2 Pay and Prices

5.2.1 The largest source of immediate cost pressure comes from inflation. General inflation is currently at 2.4% (CPI) which is above the target 2% set by the Bank of England. The Bank of England expects inflation to continue to stay above the threshold in 2018/19 and gradually move back towards the 2% target rate by 2020.

5.2.2 In addition to general inflation, the Council will need to allow for the recent pay award agreed by the unions. This will add on average 3.35% to inflationary pressures in 2019/20. The Council has previously assumed that pay inflation would be in line with general inflation at 2% so the newly agreed pay award will add £360k to the cost pressures

5.2.3 The following pay and price inflation allowances have been built into the 5-year forecast which reflects the forecast provided by the Bank of England:

	2018/19	2019/20	2020/21	2021/22	2022/23
	%	%	%	%	%
Pay*	3.36	2	2	2	2
Supplies and Services	2.2	2	2	2	2
Income	2.2	2	2	2	2

* An additional allowance for increments has been included in each of the budgets as follows:

Adur	Worthing	Joint Strategic Committee
£'000	£'000	£'000
10	80	375

Increment costs vary year on year due to the impact of re-gradings and recruitment. This is reassessed annually.

Overall net pay and price inflation is expected to add to the 2018/19 base budget over the next 5 years as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Adur*	478	813	1,142	1,460	1,780
Worthing*	749	1,240	1,725	2,196	2,672
Note:					
Joint Services * (included above)	1,115	1,875	2,628	3,360	4,103

Income is assumed to increase by 2.2% in 2019/20 which will help to offset the inflationary pressures.

It is difficult to be certain about inflation for 2019/20 at this early point in the year. A 1% difference in the inflation assumptions is equivalent to:

	Adur	Worthing	Joint
	£'000	£'000	£'000
Pay	7	27	236
Supplies and Services	19	110	55
Income	-35	-128	-59
Total	-9	9	223
Share of joint inflation	93	139	-223
OVERALL TOTAL	84	148	-

5.3 Impact of the Capital Programme

- 5.3.1 The General Fund capital programmes are currently funded through a combination of prudential borrowing and capital receipts supplemented by specific grants and contributions. The five year forecast assumes a programme of £1.0m per year for Adur District Council and £2.5m for Worthing Borough Council from 2019/20 onwards. This reflects concerns about affordability in the medium term balanced with the need to invest to maintain the Councils asset stock.

In addition, within the capital strategy, Adur District Council has allocated £5.2m in 2019/20 and £5.5m in 2020/21 to the Housing Investment

Programme for general maintenance of the Adur Homes stock which is reflected in the 30 year investment business plan.

Each £1m of borrowing is estimated to cost £10,000 in the first year and £78,000 the year after, although the cost is dependent on the prevailing rate of interest and the life of the asset acquired. (Based on a 2.0% interest cost and 15 year asset life)

5.3.2 Interest rates

The bank interest rates have continued to remain low for some time at 0.5% and are unlikely to rise until later in 2018 at the earliest. These will influence the returns that the Council is likely to get on any investments. There is considerable uncertainty at the moment about interest rates and our treasury advisors indicate that they will stay low for a longer period of time. Built into the 5 year forecasts are the following assumptions regarding average investment yields:

	2019/20	2020/21	2021/22	2022/23	2023/24
Average interest yield	0.90%	0.90%	1.00%	1.25%	1.50%

Each 0.5% change in interest rates is equivalent to £50,000 (based on £10,000,000 investments).

5.4 2020 recycling targets:

- 5.4.1 By 2020, the County will need to recycle 50% of all waste which is a statutory target enshrined in UK legislation. Currently across West Sussex, 45.4% of all waste is recycled. A report jointly commissioned by all West Sussex Councils from Ricardos has analysed waste collection and the contents of 'residual' waste across the County to assess how behaviours could be changed to reduce residual waste and improve recycling rates.
- 5.4.2 This report indicates that to achieve the 50% target, the West Sussex Councils would have to extend the range of recyclable materials collected and collect food waste separately. The proposal to introduce food waste collection is under active discussion by WSCC as this is the largest segment of recyclable residual waste currently not collected.
- 5.4.3 The service is also actively engaged in behavioural change activities and pilots across our places to understand how we can encourage residents to minimise the volume of waste produced and to encourage a higher rate of recycling achieved.

5.4.4 It is unclear what will happen if the Council fails to meet the target, under EU legislation, if any member state failed to meet the target, then a fine could be imposed. Whilst the EU referendum may affect this outcome the UK remains committed to meeting the 50% target and in recent months has suggested this may be extended to 65% by 2030.

5.4.5 For the purposes of planning, £1m growth has been allowed from 2020 onwards with a part year impact in 2019/20. This will be refined as the options for meeting the targets become clearer.

5.5 Councils' Budget and Shortfall:

5.5.1 A summary of the position for 2019/20 is therefore:

	Adur £'000	Worthing £'000
Main cost pressures:		
Inflationary pressures in excess of the likely increase in Council Tax	341	553
Changes in Government Funding		
Change in retained business rates	211	137
Change in New Homes Bonus	86	127
Reduction in Revenue Support Grant	0	8
Overall change to government funding	297	272
Other items:		
Impact of 2017 pension fund valuation	4	-57
Net impact of the capital programme	-85	-119
Impact of interest rates on investment income	-31	-30
Impact of 2020 recycling targets	120	180
Impact of major projects	0	200
Deletion of Elections budget	-18	0
Provision for new committed growth items	70	80
Removal of surplus / deficit on the collection fund	5	55
Removal of contribution to reserves	-10	-41
Contingency	60	90
Other changes	-4	-24
Overall savings to be met from a combination of increased income from commercial activities, the digital strategy, and other savings initiatives.	749	1,159

Note: This breakdown of the cost pressures is given at the early point in the financial year; consequently a contingency amount has been added for unidentified items and known budget risks. This will be stripped out as the year progresses.

5.5.2 The overall estimated budget shortfall for both Councils is expected to increase for the next five years is as follows:

	2019/20	2020/21	2021/22	2022/23	2023/24
ADUR*	£'000	£'000	£'000	£'000	£'000
Overall cumulative shortfall	749	1,957	2,277	2,657	2,965
Annual shortfall	749	1,208	320	380	308
Total net budget	8,463	8,370	8,551	8,738	8,927
Annual savings as a percentage of overall net budget (%)	8.85%	14.44%	3.74%	4.35%	3.45%

	2019/20	2020/21	2021/22	2022/23	2023/24
WORTHING*	£'000	£'000	£'000	£'000	£'000
Overall cumulative shortfall	1,159	2,931	3,946	4,894	5,518
Annual shortfall	1,159	1,772	1,015	949	624
Total net budget	13,386	12,859	12,908	12,974	13,148
Annual savings as a percentage of overall net budget (%)	8.66%	13.78%	7.86%	7.31%	4.74%

	2019/20	2020/21	2021/22	2022/23	2023/24
JOINT SERVICES**	£'000	£'000	£'000	£'000	£'000
Overall cumulative shortfall	1,366	3,599	4,126	4,737	5,357
Annual shortfall	1,366	2,233	527	611	620
Total net budget	22,430	21,757	22,083	22,304	22,527
Annual savings as a percentage of overall net budget (%)	6.10%	10.30%	2.40%	2.70%	2.80%

- * Both the forecast for Adur District Council and Worthing Borough Council include the respective share of the cost of the Joint Strategic Committee.
- ** The overall income to the joint committee has been reduced in line with the average reduction for the constituent councils.

The full 5-year outline forecasts are shown at **Appendix 2**.

5.5.3 It is important to note that, at this early point in the year, the figures are indicative only and will certainly be changed as the year progresses. It is intended to present an updated picture in the autumn.

5.4 Budget risks

In addition to the issues quantified above, there are also two other key risks that Members should be aware of:

i) Impact of Universal Credit and the Homelessness Reduction Act (HR Act) on the cost of the housing solutions service and legal services

The HR Act places additional responsibilities on local authorities which may increase demand for homeless assessments and temporary accommodation. These duties include:

- An extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days, and increases of the action an authority should take when someone applies for assistance having been served with a section 8 (1) or section 21 (2) notice.
- A new duty to prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need.
- A new duty to relieve homelessness for all eligible homeless applicants, regardless of priority need.
- A new duty on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless.

The new Act came into force on the 1st April 2018. In Adur and Worthing the Act has been one of the driving forces behind much greater collaboration between agencies to identify those at risk of homelessness much earlier. However, over the medium term, the new requirements may well impact on both demand/caseload and the time taken to address each case as well as the potential for increased numbers of legal reviews.

In addition, the extension of Universal Credit to Adur and Worthing may increase the risk of homelessness, principally due to the time it takes to

be assessed and receive a payment and the potential for rent arrears to accrue. Again, multi-agency work and collaboration is at the heart of trying to address these issues locally, with the Department for Work and pensions being a key local partner.

ii) Impact of competition on commercial income

Some of the Councils commercial services have local competitors and so future income streams may be vulnerable. This is particularly true with the Crematorium where a number of local funeral directors now provide their own Chapels.

6. Options for addressing the budget gap in 2019/20 and beyond

6.1 The Councils will need to identify significant savings or deliver income growth over the next 5 - 10 years to balance the budget; this is with building only limited additional capacity to deliver new or improved services. The Councils reshaped the budget strategy back in 2016/17, with new explicit strands of work designed to balance the budget and support the Councils priorities. The focus has been to increase income generation and reduce the savings to be delivered from cost savings – nevertheless each year efficiency savings will still need to be found, especially in 2020/21 when it is expected that income from government and business rates will fall.

6.2 This programme will continue to be shaped over the coming months by the Strategic Boards. The current targets for the main agreed programme of work are:

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Main programmes:						
Strategic Property Investment Fund	350	555	300	300	100	1,605
Commercial income growth	600	600	600	600	600	3,000
Digital service redesign Programme	200	200	200	200	200	1,000

6.3 The Councils will need to identify options to meet the budget shortfall for 2019/20 and beyond. The process follows the four stages:

1. Directors are responsible for identifying proposals to meet a significant proportion of the savings targets to be considered by Council Leadership Team.
2. The “Budget Reference Group” (joint Executives) will consider the proposals to meet the 2018/19 budget shortfall which fit with the Councils’ priorities.
3. Consideration by Joint Overview and Scrutiny Committee of the options put forward with a view to commenting on the proposed savings than impact on the Worthing Borough Council budget. Joint Overview and Scrutiny Committee can also add to the list of proposed savings with additional options as considered appropriate.
4. Consideration by Joint Strategic Committee of which of the savings are to be used to fund the budget shortfall.

A flowchart with outline timescales for the 2019/20 budget is attached at Appendix 1.

6.4 There are several strands to the budget strategy which are explored in more detail below.

1. The Major Projects Board leads on delivering projects to increase employment space and additional housing;
2. The Commercial Activity working group leads on the delivery of the income growth from commercial services and seeks to improve the customer experience.
3. The Service Redesign Board leads on the delivery of business transformation and the Digital Strategy and ensure that the benefits are realised from this programme of work;
4. The Strategic Asset Management Board leads on delivering the income growth associated with the Strategic Property Investment Fund

6.5 These strands of work reflect the priorities identified as part of ‘Platforms for our Places’, as follows:

Platform 1: Our Financial Economies

The Councils will:

- i) Provide strategic support to the business sectors to drive growth across Adur and Worthing thereby facilitating the creation of more employment and retail space thereby increasing business rates income.
- ii) Invest in and deliver major projects and key infrastructure to increase employment space and new homes
- iii) Use the Council's Strategic Property Investment Fund to delivery new revenue streams and support investment projects. This will be achieved through the following strands of work:
 - a) The Council will look for development opportunities for owned land. For example both Councils own land which could be developed in partnership to provide accommodation or commercial property which could be rented out to generate an income stream which potentially could exceed that generated through investment of any sale proceeds. Adur District Council has recently approved in principle the construction of a new office building.
 - b) The Councils will look for the opportunity to acquire or develop new commercial properties. To facilitate this, within the capital strategy, funding is released each year for opportunities that will generate a return of between 2% and 3% after allowing for any financing costs. It should be appreciated that actual spend in any given year will be dependent on successfully identifying properties to purchase. An element of the additional income will be set aside each year to help fund the impact of any future void properties

Per Council	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Expected cumulative return (after debt charges and allowance for voids)	200	505	605	755	905

- iv) Promote initiatives to increase employment and reduce the burden on the public purse associated with benefits and poverty.

Platform 2: Our Social Economies

The Councils will:

- i) Provide and enable the delivery of new homes across Adur and Worthing. The delivery of new homes will increase Council Tax income and lever in any government reward grant (e.g. New Homes Bonus). On average each new home built (Band C) will generate £239.60 for Adur District Council and £199.68 for Worthing Borough Council in Council Tax income. There are a significant number of potential developments being considered by both Councils.
- ii) Encourage social innovation, social financing and supporting community and social entrepreneurs to create and deliver solutions that work for our places. This will include:
 - a. Extension of Community self-management of facilities such as sports sites and allotments;
 - b. Extension of the TCV project to involve communities in volunteering and conservation

Platform 3: Stewarding our Natural Resources

The Councils will:

- i) Deliver solar panels on our corporate buildings and reduce, in the longer term, our energy costs.
- ii) Engage with our communities to promote and support the zero to landfill objective thereby minimising the costs associated with meeting the 2020 recycling targets.

Platform 4: Services and Solutions for our places

The Councils will identify and maximise the financial return on our services to support the Council's budgetary position by:

- a. Implementing the Digital Strategy:

The Councils have embarked on a radical digital transformation programme as approved by the Joint Strategic Programme on the 2nd December 2014. There is an ongoing programme of work designed to lever in significant savings which the Council has continued to roll-out. The Councils have agreed to deliver further savings by the move to cloud hosting.

	2019/20	2020/21	2021/22	2022/23 and beyond
	£'000	£'000	£'000	£'000
Annual Savings	200	200	200	200
Cumulative impact	200	400	600	800

b. Identify options for commercialisation across all Directorates:

There are two elements to this area of work:

- Existing fee earning services will be reviewed:
 - Services which either have fees set by central government or can only break-even by statute will be reviewed to ensure that income is sufficient to cover costs. This includes Land Charges, Building Control and Development Management.
 - Services which have an agreed public subsidy (e.g. theatres) will be reviewed to ensure that the net cost of the service can be contained within the agreed subsidy and that the subsidy is reduced over time.
 - Services which operate on a commercial basis will be encouraged to maximise profit margins where possible.
- The Councils will look for new income generating opportunities.

A target increase in income from commercial activities has been agreed. It is expected that this strand of work will generate an additional £600k per annum which, if achieved, will be a substantial contribution to resolving the budget shortfall.

	2019/20	2020/21	2021/22	2022/23	2023/34
	£'000	£'000	£'000	£'000	£'000
Annual Savings	600	600	600	600	600
Cumulative impact	600	1,200	1,800	2,400	3,000

c. Procurement

The Councils will continue to identify opportunities to lever in further procurement savings by implementing a category management approach to procurement with partners, working with other organisations to pool both specialist procurement resources and aggregate contracts to deliver value for money. The clear intention is to identify potential 'procurement savings' within existing budgets where possible thereby protecting front-line services.

d. Base budget review

The Councils will undertake a base budget review to ensure that the budgets are as accurate as possible and strip out any unneeded provisions.

6.6 The Councils currently have uncommitted reserves of:

	£'000
Adur	329
Worthing	1,248

So, there remains a limited option to use some reserves to smooth the impact of the savings required. However, any use of reserves can only be regarded as a short-term and non-sustainable solution and should have due regard to the level of reserves available. At this point of time in the budget cycle, it is not proposed to use reserves to balance the budget for 2019/20, but to set challenging targets for savings. This will be revisited in the autumn when the options for savings emerge and the Councils have a clearer understanding of the financial challenges ahead.

6.7 To ensure that the savings offered later in the year reflect the Councils' priorities, all the proposals which affect Worthing will also be presented to the Joint Overview and Scrutiny Committee for consideration and comment.

7. 2020/21 and beyond

7.1 The budget projections for 2019/20 to 2023/24 are also shown in Appendix 2. It is clear that many of the cost pressures identified in 2019/20 will continue on for the coming years and that there is a continuing need to make significant savings.

	2019/20	2020/21	2021/22	2022/23	2023/24
Adur District Council	£'000	£'000	£'000	£'000	£'000
Estimated cumulative savings required to balance the budget	749	1,957	2,277	2,657	2,965
Savings required each year	749	1,208	320	380	308
Worthing Borough Council					
Estimated cumulative savings required to balance the budget	1,159	2,931	3,946	4,894	5,518
Savings required each year	1,159	1,772	1,015	949	624

7.2 It is an inherent feature of the budget strategy that officers will continue to be asked to identify annual “cashable” efficiency and procurement savings to help meet the budget gap and to protect priority services. However, the focus of the new strategy is to meet a significant proportion of the challenge through income generation by:

- i) Building new homes and increasing income from Council Tax.
- ii) Increasing business rates through the development of new employment spaces.
- iii) Increasing income from commercial activity;
- iv) Investing in property using the Strategic Property Investment Fund.

7.3 This strategy will have long term benefits. Shown at Appendix 3 is a 10 year forecast which considers whether the current strategy will result in a more sustainable budget for the future based on known cost pressures. Whilst 2019/20 is challenging, if the Councils are successful in delivering the strategy detailed above, the financial issues faced in the future should be manageable with one exception, 2020/21 when the Councils may have to invest in new waste and recycling methodology to meet the targets set out in the 2020 and address the implications of the fairer funding review.

- 7.4 Challenging times are ahead, however if the Council focus on delivering the strategy and continue to target limited resources on priorities, then we are in a good position to respond to the inevitable budget shortfalls.

8. Housing Revenue Account

- 8.1 The Housing Revenue Account (HRA) has a 30-year financial plan which was included in the rent setting report considered in February this year. It is not intended to replicate those financial projections within this report but update the forecast later once the asset management plan has been refreshed. However, like the General Fund, the HRA is facing some significant challenges, not least the expected 1% rent reduction.
- 8.2 Nevertheless, the HRA will be subject to the same budget process and strategy as outlined below.

9. Engagement and Communication

- 9.1 The budget proposals will be the subject of internal officer consultation.
- 9.2 All savings proposals will be scrutinised by the Joint Overview and Scrutiny Committee at its meeting of November 2018.
- 9.3 All members will participate in the setting of the annual budget at the Council meetings in February.
- 9.4 If appropriate the budget consultation this year will be undertaken over the autumn. The final form of the consultation is not yet decided.
- 9.5 The Adur Consultative Forum (tenants' forum) will be consulted on regarding any proposed changes to the HRA.

10. Budget Strategy for the 2019/20 Budget

- 10.1 A detailed budget strategy now needs to be agreed, to underpin the preparation of the budget throughout the coming months and to reflect the discussion outlined above. The following are recommended as principles to be used in the preparation of the 2019/20 revenue and capital budgets:

10.2 Revenue Budget Strategy

- The Councils aim to be self-sufficient by 2020/21 and reliant only on income from fees and charges, commercial rents, Council Tax and Business Rates
- The Councils will aim to keep Council Tax increases to a minimum;

- The Councils will seek to increase income from business rates and council tax by facilitating the creation of new homes and employment space.
- Growth in expenditure is to be restricted to unavoidable expenditure to satisfy the delivery of the Councils' Key Priorities and other legislative requirements. The key items of growth identified to date have been included in the outline 5-year forecast;
- Any other growth to be accompanied by proposals for equivalent ongoing savings and not to be funded from reserves;
- Income is to be increased in line with the inflationary pressures upon the Councils (2.0%) or such higher increase as the individual markets can bear
- Expenditure is to be increased by: 2% for pay (plus an allowance has been made for increments which are a contractual commitment) and 2.5% for all other expenditure (except for inflation arising from contractual indexation provisions and energy for which an appropriate provision is to be made);
- The Council aims to set a balanced budget. Any proposed use of reserves is to have regard to the adequacy of such reserves and any such policy must be sustainable in the longer term. In addition, the Council aims not to have any planned call upon the General Fund Working Balance;
- Officers are to identify 'cashable' efficiency savings, options for reducing non-priority services, and undertake a critical review of income.

10.3 Capital Investment Programme

- The maximum level of funding be made available per year for the next 5 years to fund new General Fund schemes as follows:

Adur District Council: £1m core funding (plus £5.2m in 2019/20 and £5.5m in 2020/21 for the Housing Investment Programme)

Worthing Borough Council: £2.5m core funding, an increase of £0.5m from the 2018/19 allocation (see the capital strategy for details).

The funding of the programme is to be comprised of prudential borrowing, capital grants and capital receipts. This reflects concerns about affordability; however members need to be aware that the number, age and condition of the Councils' assets continue to be a

cause for concern and that the programmes may need to be increased if any unavoidable expenditure that cannot be accommodated within the programme is identified.

- Additional capital expenditure to be only agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

Financial Implications

11.1 There are no other financial implications other than those outlined above.

Finance Officer: Sarah Gobey

Date: 17th June 2018

Legal Implications

12.1 The Council is required to set a robust budget under the Local Government Act 2003. This report is the first step towards the Council achieving this aim for the 2019/20 budget round.

Legal Officer:

Date:

Background Papers

Report to Adur District Council Executive 6th February 2018 - Estimates 2018/19 and setting of 2018/19 Council Tax

Report to Worthing Borough Council Executive 5th February 2018 - Estimates 2018/19 and setting of 2018/19 Council Tax

Report to Joint Strategic Committee 10th July 2018 – Final Revenue Outturn for Joint, Adur and Worthing 2017/18.

Budget Statement 2015 – Report from HM Treasury
Budget Statement 2018 – Report from HM Treasury

Report to Joint Strategic Committee 2nd December 2014 – Investing in New Technology: The Springboard to Excellent Customer Experience and Business Efficiency.

Report to the Joint Strategic Committee 6th December 2017 – “Platforms for our Places” – Unlocking the power of people, communities and our local geographies.

Officer Contact Details:-

Sarah Gobey

Chief Financial Officer

(01903) 221221

sarah.gobey@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

The budget contains funding for commitments made under Platform 1: Our Financial Economies.

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

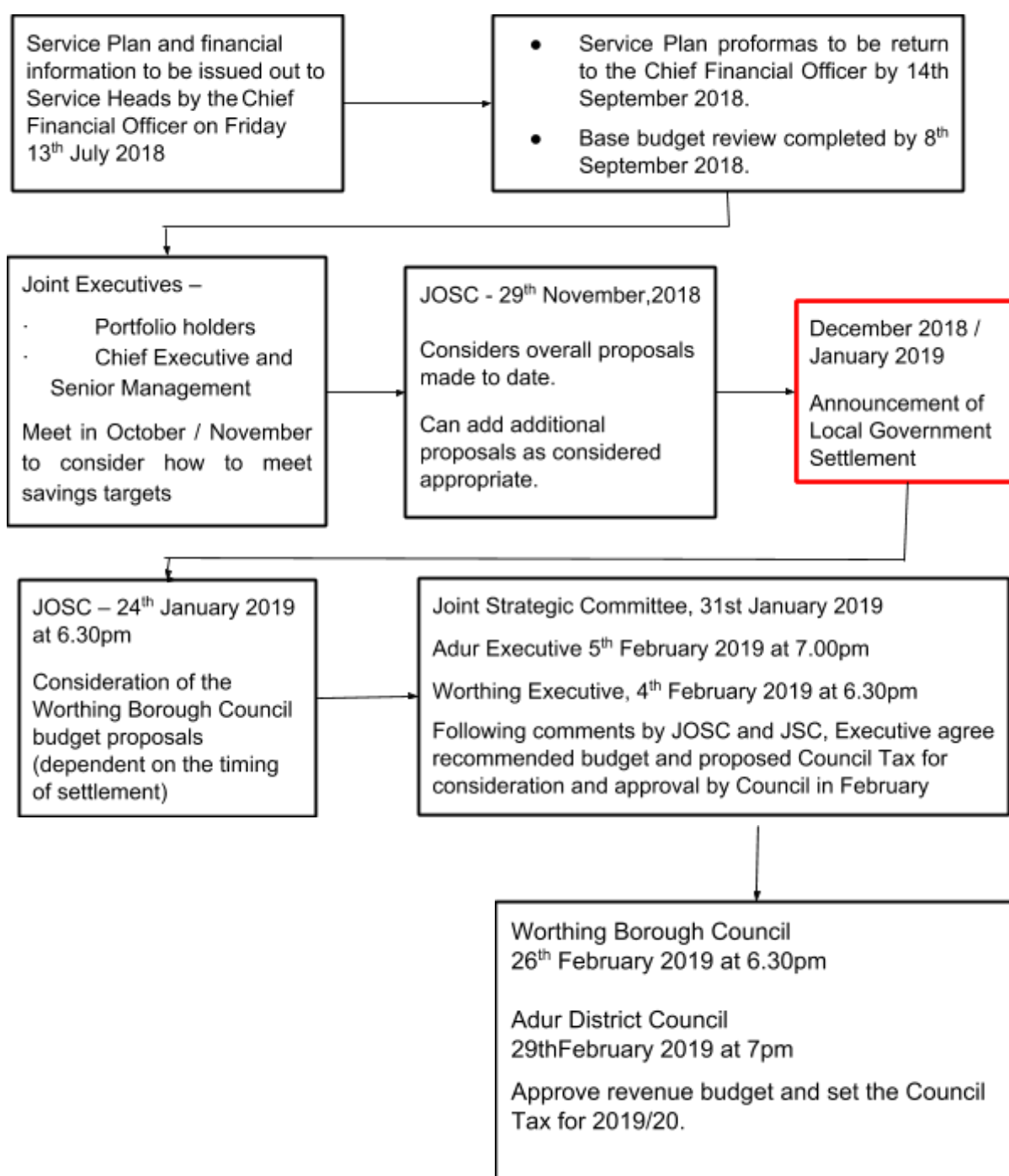
Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.



ADUR DISTRICT COUNCIL Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19 Base	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	8,618	8,618	8,618	8,618	8,618	8,618
Annual Inflation						
Estimated inflation		478	813	1,142	1,460	1,780
One -off / non-recurring items						
Local Elections (held every other year)		(18)	-	(19)	-	(20)
Committed Growth						
Impact of Pension contribution changes		4	4	4	4	4
Impact of new arrangements for funding homelessness		-	184	184	184	184
New 2020 recycling targets		120	400	400	400	400
Deletion of one-off savings in 2018/19		39	39	39	39	39
Contingency		70	140	210	280	350
Impact of capital programme						
Financing costs		(85)	84	163	307	417
Additional income						
Investment income		(31)	(32)	(50)	(94)	(138)
Reopening of Riverside Car Park		(20)	(20)	(20)	(20)	(20)
Approved Growth items						
Provision for new growth items		60	120	180	240	300
Fall out of growth items		(23)	(23)	(23)	(23)	(23)
Total Cabinet Member Requirements	8,618	9,212	10,327	10,828	11,395	11,891
Total Cabinet Member Requirements B/fwd	8,618	9,212	10,327	10,828	11,395	11,891
Baseline funding	1,700	1,738	1,773	1,808	1,844	1,881
Add: Retained additional business rates	591	488	236	240	245	248
Add: Share of previous year's surplus / (deficit)	46	(100)				
Adjusted Baseline funding	2,337	2,126	2,009	2,048	2,089	2,129
Revenue Support Grant	-	-	-	-	-	-
Council Tax						
Adjusted Council Tax income	6,084	6,221	6,360	6,503	6,649	6,798
Other grants						
New homes bonus (2015/16 - 2020/21)	86	-	-	-	-	-
New homes bonus (2016/17 - 2019/20)	115	115	-	-	-	-
New homes bonus (2017/18 - 2020/21)	1	1	1	-	-	-
New homes bonus (2018/19- 2021/22)	-	-	-	-	-	-
Total NHB	202	116	1	-	-	-
Collection fund surplus/deficit (-)	5	-	-	-	-	-
Total other grants and contributions	207	116	1	-	-	-
Total Income from Grants and Taxation	8,628	8,463	8,370	8,551	8,738	8,927
(Surplus) / Shortfall in Resources	(10)	749	1,957	2,277	2,657	2,965
Contribution to (-) / Use of Reserves to						
Capacity issues reserve	(10)		-	-	-	-
Total Income from Reserves	(10)	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	749	1,957	2,277	2,657	2,965

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET	749	1,957	2,277	2,657	2,965
Savings strategy to date:					
Strategic Property Investment Fund					
Future property purchases	300	600	800	1,000	1,200
New office block	-	55	55	55	55
Provision for future voids	(100)	(150)	(250)	(300)	(350)
Commercial activities and commissioning					
Commercial and Customer Activities	170	340	510	680	850
Efficiency Measures					
Digital strategy	80	160	240	320	400
Total future initiatives identified	450	1,005	1,355	1,755	2,155
Cumulative savings still to be found/ (surplus)	299	952	922	902	810
Annual savings still to be found	299	653	(30)	(20)	(92)
Council Tax increase	2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)	£5.82	£5.93	£6.05	£6.17	£6.30
Weekly increase (Band D property)	£0.11	£0.11	£0.12	£0.12	£0.12
Average annual increase (Band C property)	£1.65	£0.00	£0.00	£0.00	£0.00
Average weekly increase (Band C property)	£0.03	£0.00	£0.00	£0.00	£0.00

WORTHING BOROUGH COUNCIL Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19 Base	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	13,476	13,476	13,476	13,476	13,476	13,476
(a) Annual Inflation						
Estimated inflation		749	1,240	1,725	2,196	2,672
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		-	-	(50)	-	-
(c) Committed Growth / Cost reductions						
Impact of Pension Fund Triennial valuation		(57)	(57)	(57)	(57)	(57)
Fall out of SDLT pension costs.		(18)	(36)	(54)	(54)	(54)
Reduction in grant for homelessness		-	120	120	120	120
New 2020 recycling targets		180	600	600	600	600
Deletion of one-off savings in 2018/19		34	34	34	34	34
Contingency		80	160	240	320	400
(d) Impact of capital programme						
Financing costs - General Programme		(189)	(151)	(46)	133	348
Provision for additional cost of new burial spaces		32	32	32	32	32
Increase in capital programme from £2m to £2.5m		38	76	76	76	76
Impact of land acquisitions and new developments at Union Place, Grafton, town hall car park and other major projects.		200	200	600	800	800
(e) Additional income						
Investment income		(30)	(45)	(73)	(128)	(192)
(f) Approved Growth items						
Provision for new growth items		90	180	270	360	450
Fall out of one-off growth items		(40)	(40)	(40)	(40)	(40)
Total Cabinet Member Requirements	13,476	14,545	15,789	16,853	17,868	18,665
Baseline funding	2,590	2,648	2,701	2,755	2,810	2,866
Add: Net retained additional business rates	764	574	293	299	303	306
Add: Share of surplus /deficit (-)	5	-	-	-	-	-
Adjusted Baseline funding	3,359	3,222	2,994	3,054	3,113	3,172
Revenue Support Grant	8	-	-	-	-	-
Council Tax income						
Adjusted Council Tax income	8,874	9,070	9,289	9,512	9,741	9,976
New homes bonus (2015/16 - 2020/21)	247	-	-	-	-	-
New homes bonus (2016/17 - 2019/20)	518	518	-	-	-	-
New homes bonus (2017/18 - 2020/21)	234	234	234	-	-	-
New homes bonus (2018/19- 2021/22)	222	222	222	222	-	-
New homes bonus (2019/20 - 2022/23)	-	120	120	120	120	-
Total New Homes Bonus	1,221	1,094	576	342	120	-
Collection fund surplus/deficit (-)	55	-	-	-	-	-
Total other grants and contributions	1,276	1,094	576	342	120	-
Total Income from Taxation	13,517	13,386	12,859	12,908	12,974	13,148
(Surplus) / Shortfall in Resources	(41)	1,159	2,931	3,946	4,894	5,518
Use of / (contribution to) Res'ves to Balance Budget						
Capacity issues reserve	(41)	-	-	-	-	-
Total Income from Reserves	(41)	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,159	2,931	3,946	4,894	5,518

		2019/20	2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET		1,159	2,931	3,946	4,894	5,518
Savings identified to date:						
Strategic Property Investment Fund						
Future property purchases		250	550	800	1,000	1,000
Provision for future voids		(100)	(150)	(200)	(250)	(300)
Commercial activities and commissioning						
Commercial and Customer Activities		430	860	1,290	1,720	2,150
Efficiency Measures						
Service and Digital redesign		120	240	360	480	600
Restructures and service plan savings not included above						
Development of temporary accommodation supply (15 units of 1/2 bed)		-	-	-	59	118
Total savings initiatives identified to date		700	1,500	2,250	3,009	3,568
Cumulative savings still to be found		459	1,431	1,696	1,885	1,950
Annual savings still to be found		459	972	265	190	65
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£4.64	£4.72	£4.81	£4.91	£5.01
Weekly increase (Band D property)		£0.09	£0.09	£0.09	£0.09	£0.10
Average annual increase (Band C property)		£4.12	£4.19	£4.28	£4.36	£4.45
Average weekly increase (Band C property)		£0.08	£0.08	£0.08	£0.08	£0.09

	2018/19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027 /28	2028 /29
Adur District Council	Base £'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Base	8,618	8,618	8,618	8,618	8,618	8,618	8,618	8,618	8,618	8,618	8,618
Inflation		478	813	1,142	1,460	1,780	2,098	2,413	2,727	3,039	3,351
Impact of capital programme		-85	84	163	307	417	436	534	669	832	988
Net other growth		201	812	905	1,010	1,076	1,226	1,336	1,486	1,596	1,747
Net expenditure funded by taxation	8,618	9,212	10,327	10,828	11,395	11,891	12,378	12,901	13,500	14,085	14,704
Income from taxation											
Revenue support grant	0	0	0	0	0	0	0	0	0	0	0
Business rates	2,337	2,126	2,009	2,048	2,089	2,129	2,173	2,218	2,261	2,305	2,351
Council Tax	6,089	6,221	6,360	6,503	6,649	6,798	6,950	7,106	7,265	7,428	7,594
Other grants	202	116	1	0	0	0	0	0	0	0	0
Total income from taxation	8,628	8,463	8,370	8,551	8,738	8,927	9,124	9,324	9,526	9,733	9,945
Cumulative budget shortfall	-10	749	1,957	2,277	2,657	2,964	3,254	3,577	3,974	4,352	4,759
Budget strategy initiatives											
Investment in commercial property		200	505	605	755	905	1,055	1,205	1,395	1,545	1,695
Development of commercial income		170	340	510	680	850	1,020	1,190	1,360	1,530	1,700
Impact of digital strategy		80	160	240	320	400	400	400	400	400	400
Total savings initiatives identified		450	1,005	1,355	1,755	2,155	2,475	2,795	3,155	3,475	3,795
Remaining savings to be identified		299	952	922	902	809	779	782	819	877	964
Savings per year to be identified		299	653	-30	-20	-92	-30	3	36	58	87

	2018/19 Base £'000	2019/ 20 £'000	2020/ 21 £'000	2021/ 22 £'000	2022/ 23 £'000	2023/ 24 £'000	2024/ 25 £'000	2025/ 26 £'000	2026/ 27 £'000	2027 /28 £'000	2028 /29 £'000
Worthing Borough Council											
Base	13,476	13,476	13,476	13,476	13,476	13,476	13,476	13,476	13,476	13,476	13,476
Inflation		749	1,240	1,725	2,196	2,672	3,110	3,580	4,050	4,518	4,988
Impact of capital programme		81	157	662	1,041	1,256	1,455	1,634	1,846	2,385	2,642
Net growth		239	916	990	1,155	1,261	1,510	1,759	2,008	2,257	2,506
Net expenditure funded by taxation	13,476	14,545	15,789	16,853	17,868	18,665	19,551	20,449	21,380	22,636	23,612
Income from taxation											
Revenue support grant	8	0	0	0	0	0	0	0	0	0	0
Business rates	3,359	3,222	2,994	3,054	3,113	3,172	3,229	3,296	3,364	3,431	3,498
Council Tax	8,929	9,070	9,289	9,512	9,741	9,976	10,216	10,462	10,714	10,972	11,236
Other grants	1,221	1,094	576	342	120	0	0	0	0	0	0
Total income from taxation	13,517	13,386	12,859	12,908	12,974	13,148	13,445	13,758	14,078	14,403	14,734
Cumulative budget shortfall	-41	1,159	2,931	3,946	4,894	5,518	6,107	6,691	7,302	8,233	8,879
Budget strategy initiatives:											
Investment in commercial property		150	400	600	750	700	850	1,000	1,150	1,300	1,450
Development of commercial income		430	860	1,290	1,720	2,150	2,580	3,010	3,440	3,870	4,300
Impact of digital strategy		120	240	360	480	600	600	600	600	600	600
Other initiatives in place		0	0	0	59	118	118	118	118	118	118
Total savings initiatives identified		700	1,500	2,250	3,009	3,568	4,148	4,728	5,308	5,888	6,468
Remaining savings to be identified		459	1,431	1,696	1,885	1,950	1,983	1,987	2,018	2,369	2,435
Savings per year to be identified		459	972	265	190	65	33	5	31	351	66
Overall											
Adur		749	1,957	2,277	2,657	2,964	3,254	3,577	3,974	4,352	4,759
Worthing		1,159	2,931	3,946	4,894	5,518	6,107	6,691	7,302	8,233	8,879
Total		1,908	4,888	6,222	7,551	8,482	9,361	10,268	11,276	12,585	13,637
Budget strategy initiatives											
Investment in commercial property		350	905	1,205	1,505	1,605	1,905	2,205	2,545	2,845	3,145
Development of commercial income		600	1,200	1,800	2,400	3,000	3,600	4,200	4,800	5,400	6,000
Impact of digital strategy		200	400	600	800	1,000	1,000	1,000	1,000	1,000	1,000
Other initiatives in place		0	0	0	59	118	118	118	118	118	118
Total budget strategy initiatives		1,150	2,505	3,605	4,764	5,723	6,623	7,523	8,463	9,363	10,263
Remaining cumulative savings to be identified		758	2,383	2,617	2,787	2,759	2,762	2,769	2,837	3,246	3,398
Annual savings still to be identified		758	1,625	235	170	-28	3	7	67	409	152



ADUR & WORTHING
COUNCILS

Joint Overview and Scrutiny Committee
26 July 2018
Agenda Item 13

Key Decision [No]

Ward(s) Affected:N/A

Joint Overview and Scrutiny Committee Work Programme 2018/19

Report by the Director for Digital and Resources

Executive Summary

1. Purpose

This report outlines the Work Programme of the Committee for the remainder of the 2018/19 Municipal year and also includes two requests for additional scrutiny which have been submitted.

2. Recommendations

2.1 That the Work Programme for 2018/19 be noted;

2.2 That the Committee consider if the additional requests for Scrutiny should be added to the Work Programme

3. Context

- 3.1 The JOSC Work Programme for 2018/19 was approved by the Committee at its meeting on 22 March 2018 and in accordance with the current set of Joint Overview and Scrutiny Procedure Rules, which form part of the Councils' Constitutions, will be submitted for approval by both Councils in July.

4. Issues for consideration

- 4.1 The Committee will receive regular update reports on the implementation of the Work Programme at each meeting. A copy of the proposed 2018/19 Work Programme is attached as Appendix A to this report for reference.
- 4.2 The Committee is requested to review the Work Programme and consider if any further items are required to be added to the Work Programme. 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 will initially be considered by the Joint Chairpersons in accordance with the PAPER criteria and they will make their recommendations to the next JOSC for consideration and determination, following receipt of the Officer report. Consideration should also be given to capacity of the Committee and resources available when considering further Work Programme items.
- 4.3 Since the last JOSC meeting two further scrutiny requests have been received for items to be added to the Work Programme which have been received from a local resident and a local Councillor. The detail of these issues are set out in Appendix B to the report. Items for the Work Programme need to be chosen guided by how closely they align with the Councils' Strategic objectives, how the Committee can influence the outcomes and also general value and outcomes in accordance with the (PAPER criteria) - (P) - Public Interest, (A) - Ability to Change, (P) - Performance, (E) - Extent and (R) - Replication. An assessment of the requests has been undertaken, the suggestions discussed with the Joint Chairpersons and their recommendations are included with the detail of the requests set out in Appendix B.

5.0 Engagement and Consultation

- 5.1 The JOSC Chairmen and Vice-Chairmen have been consulted on the proposals contained in this report.

6.0 Legal

- 6.1 Under Section 111 of the Local Government Act 1972, the Councils have the power to do anything to facilitate or which is conducive or incidental to the discharge of any of their functions.

- 6.2 Section 1 of the Localism Act 2011 provides a Local Authority to do anything that individuals generally may do (subject to any current restrictions or limitations prescribed in existing legislation).
- 6.3 Section 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.
- 6.4 Paragraph 9.2 of the current 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 both Councils. A report must be taken to both Councils on an annual basis seeking both Councils' approval of the Joint Overview and Scrutiny Committee work programme for the forthcoming year.

7.0 Financial Implications

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

Background Papers

None.

Officer Contact Details:-

Mark Lowe
Scrutiny and Risk Officer
Town Hall,
Worthing,
West Sussex
Tel 01903 221009
mark.lowe@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

Matter considered and no direct 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. When considering items for the Work Programme, JOSC is guided by the Council's priorities and the governance arrangements for each Council.

APPENDIX A

Joint Overview and Scrutiny Committee Work Programme 2018/19

<u>Date of meeting</u>	<u>Items for discussion</u>	<u>Report Author</u>	<u>Executive Members to be invited</u>
21 June 2018	Annual JOSC report for 2017/18	Joint Chairmen of JOSC	N/A
	Air Quality - Response from West Sussex Director of Public Health	Director for Digital and Resources	N/A
26 July 2018	Attendance by Southern Water to speak about investment works to improve bathing water quality in Worthing in particular and across Adur & Worthing more broadly. This will include an update on investment works at the East Worthing works, plus a brief on proposed investment plans for the area for 2020 and beyond. This follows the sewage spill incident in July 2017	N/A	Adur Executive Member for the Environment, Worthing Executive Member for Regeneration.
	Review of the Public Space Protection Orders (PSPO's) - Bi-annual update	Director for Communities	Executive Members for Environment & Wellbeing
	Effectiveness of parking and road traffic enforcement policy in Adur and Worthing	Director for Digital & Resources/Head of Customer & Digital	Executive Members for Environment
	Joint Revenue Outturn report 2017/18	Director for Digital & Resources/Chief Financial Officer	Executive Members for Resources
	Outline Budget Strategy 2019/20	Director for Digital & Resources/Chief Financial Officer	II
	Report from the JOSC Consultations review Working Group	Chairman of the Working Group	N/A

	Report on possible dog fouling and litter enforcement scheme	Director for Communities	Executive Members for.....
20 September 2018	<p>Review of the Progress in delivering the activities in Platforms for our Places - Questioning Chief Executive</p> <p>Annual interviews with Council Leaders</p> <p>Progress report on the implementation of the outcomes from the Youth Engagement scrutiny report</p>	<p>Chief Executive</p> <p>Director for Digital & Resources</p> <p>Director for Communities/Head of Wellbeing</p>	<p>Adur & Worthing Executive Members</p> <p>Leaders</p> <p>Executive Members for Wellbeing</p>
18 October 2018	<p>Crime and Disorder scrutiny themed session - Interview with Chairman of Safer Communities Partnership</p> <p>Health Scrutiny themed session - Interview with Chairman of the West Sussex Health and Adult Social Care Committee (HASC) on the work of the Committee and the impact on Adur and Worthing</p>		<p>Executive Members for Wellbeing</p> <p>Executive Members for Wellbeing</p>
29 November 2018	Adur and Worthing and Joint Outline 5 year forecast and savings proposals - Executive Member interviews.	Director for Digital & Resources/Chief Financial Officer	Adur and Worthing Executive Members
24 January 2019	<p>Review of the Public Space Protection Orders (PSPO's) - Bi-annual update.</p> <p>Adur and Worthing Budget Estimates 18/19 and setting of 2018/19 Council Tax</p> <p>Progress report on the work of Officers to deal with Housing issues</p>	<p>Director for Communities</p> <p>Director for Digital & Resources/Chief Financial Officer</p> <p>Director for Communities/Head of Housing</p>	<p>Executive Members for Environment & Wellbeing</p> <p>Adur and Worthing Executives</p> <p>Executive Members for Customer Services</p>

21 March 2019	<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 setting 2019/20</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>
Date to be confirmed	<p>Major Projects being undertaken in partnership with West Sussex County Council - Update</p> <p>Report on the review of the potential loss of public car parking spaces in Worthing given the closure of Teville Gate and future development planned at Grafton Car Park.</p> <p>Report from the JOSC Effectiveness of OSC's Working Group</p> <p>Report from Working Group to review transport strategy issues for Adur and Worthing</p> <p>West Sussex Air Quality Strategy</p> <p>Attendance by Sussex Police and Crime Commissioner</p>	<p>Director for the Economy</p> <p>II</p> <p>Chairman of the Working Group</p> <p>Chairman of the Working Group</p> <p>West Sussex County Council Officers</p> <p>N/A</p>	<p>Executive Members for Regeneration and relevant West Sussex County Council Cabinet Members</p> <p>Worthing Executive Members for the Environment and Regeneration</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

Note - A progress report on the delivery of the work contained in the Work Programme will be presented to each meeting.

All timings are provisional and subject to change in agreement with the Joint Chairmen and the Committee.

APPENDIX B

Request 1

Issue - The basic upkeep of the the Worthing town centre/seafront and public gardens

Request from - Local resident

Public interest - We need to make the town as smart as possible so people visit, come back, and most importantly spend money here, boosting the local economy. If it looks tatty and rundown, they will go elsewhere.

Ability to change - The council needs to step up basic maintenance and spend some money on our seafront gardens, making them attractive.

Performance - I believe a review could improve Council performance.

Extent - It is a major issue, the town centre, seafront and public parks.

Replication - None.

Expected Outcomes - I hope the Council will realise that Worthing will only prosper if it can attract visitors, especially as many of the top firms that once used to employ so many people have quit the town or shed hundreds of staff.

Does the proposed review link with the Council strategic objectives or does the Joint Overview and Scrutiny Committee have the ability to influence and/or add value on the subject?

Platforms for our Places - Platform 1 - Our Financial economies

Commitment - Creating places that businesses wish to invest in and sustain

How could this review be undertaken? By report to JOSOC or by setting up a Working Group to investigate the issues.

Recommendations from Joint Overview and Scrutiny Committee Chairmen/Vice-Chairmen:-

Worthing Borough Council is already undertaking a number of initiatives to improve the town and seafront and the view is that this request would be replication and should not be accepted.

Request 2

Issue - The Night time Economy

This review has been proposed and assessed below in accordance with the 'PAPER' criteria approved by JOSOC.

Request from - Councillor Beccy Cooper

Public interest - The nighttime economy across the area will be used primarily by the local population. It will also be generated and provided by local businesses. It has the potential to offer employment to our local population and to regenerate our local town centres (particularly Worthing), which are facing in decline in demand for high street retail

Ability to change - The Councils award licenses to local businesses, which will have a significant effect on how the night time economy develops. Local planning committees also sign off on how local buildings will be used in the area. Platforms for our Places discusses development of our area for the benefit of our local population, and the night time economy forms part of this development.

Performance - This review is not about the poor performance of a service. Rather, it is about scrutinising the current night time economy offer for our population, considering whether it is fit for purpose and making recommendations for improvement

Extent - The health and development of the night time economy has implications across Adur and Worthing

Replication - No

Expected Outcomes - I hope that the Committee will call in external agencies that are essential to a thriving night time economy (local businesses, town centre residents, emergency services) to get a good overview of how the night time economy currently operates and how it might improve moving forward. I hope that the Committee will also call in relevant Exec members and officers to give evidence on the work that the Council are currently doing with the night time economy, and to understand what more the Council could be doing.

I hope that when the committee have heard from the relevant stakeholders that they will then make recommendations about the future direction of the local night time economy, and ways in which the Council can support this

Does the proposed review link with the Council strategic objectives or does the Joint Overview and Scrutiny Committee have the ability to influence and/or add value on the subject?

Platform 1 - Our Financial economies - Creating places that businesses wish to invest in and

sustain - Commitment to help create the right conditions for the growth of a 'night time' economy.

Platform 2 - Our Social economies - Promotion of our communities as safe places - Commitment to support the development of our night time economy by creating safer places.

How could this review be undertaken? By report to JOSC or a JOSC Working Group.

Recommendations from Joint Overview and Scrutiny Committee Chairmen/Vice-Chairmen:-

That the request is not specific and, therefore, the Chairmen have no strong views as to whether or not the request is added to the Work Programme. If the request is added to the Work Programme it would not be able to cover quasi judicial issues (Planning and Licensing).