



**COUNCIL MEETING  
17th FEBRUARY, 2015  
AGENDA ITEM NO: 8**

**Draft Revenue Budget 2015/2016**

If Members have any questions regarding the detail behind the Revenue budget, please contact **Jo-Anne Chang-Rogers (01903 221232)** or **Sarah Gobey (01903 221221)** prior to the meeting.

# **C O N T E N T S**

- 1. REPORT TO THE EXECUTIVE**  
Estimates 2015/16 and setting of 2015/16 Council Tax
- 2. APPENDIX 1**  
Revenue Budget Summary Statement 2014/15 – 2019/20.
- 3. APPENDIX 2**  
Movements from Original Forecast
- 4. APPENDIX 3**  
Non-Committed Growth
- 5. APPENDIX 4**  
Schedule of Earmarked Reserves
- 6. APPENDIX 5**  
Budget Consultation 2014
- 7. APPENDIX 6**  
Property Analysis – Calculation of Tax Base
- 8. RECOMMENDATION FROM THE EXECUTIVE 02<sup>ND</sup> FEBRUARY 2015**
- 9. APPENDIX 7 SUMMARY OF EXECUTIVE MEMBER REQUIREMENTS AND PORTFOLIO BUDGETS**  
(including Summary of Variations)
  - Environment
  - Health and Wellbeing
  - Customer Services
  - Leader
  - Regeneration
  - Resources
- 10. COUNCIL TAX DETERMINATION 2015/16 – TO FOLLOW**  
**FURTHER DETAIL ON THE BUDGET IS AVAILABLE ON ADUR-WORTHING INTRANET**

**WORTHING BOROUGH COUNCIL OVERALL BUDGET ESTIMATES 2015/16  
AND SETTING OF 2015/16 COUNCIL TAX**

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

**1.0 SUMMARY**

1.1 This report represents the culmination of the annual budget exercise and asks members to consider the following:

- The final revenue estimates for 2015/16;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2015/16, prior to its submission to the Council for approval on the 17<sup>th</sup> February 2015. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by the Executive.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2015/16 settlement.

1.3 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the austerity measures for another 2-5 years (see paragraph 3.7) ;
- The Executive will need to consider whether to increase Council Tax by 1.5% or to freeze Council Tax for the fifth successive year and accept the Council Tax freeze grant (paragraph 5.12); and, finally
- The Executive needs to consider the new growth items in appendix 3

1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2015/16 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2015/16 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2015/16 of 1.98% and the proposed 2015/16 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 23<sup>rd</sup> January 2015. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 20<sup>th</sup> February 2015 at which point the Commissioner will be in a position to confirm the Council Tax for 2015/16. If the proposals for the PCC's share of the Council Tax are not confirmed until 21<sup>st</sup> February, then the planned Council date of the 17<sup>th</sup> February will be rearranged to the 24<sup>th</sup> February 2015.

## 1.0 SUMMARY

1.6 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 13<sup>th</sup> February 2015. Therefore the formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 17<sup>th</sup> February 2015.

## 2.0 BACKGROUND

2.1 The outline forecast report to Joint Strategic Committee on 22<sup>nd</sup> July 2014 identified an initial likely budget shortfall of £476,000 for 2015/16. To meet this challenge the Council has:

1. Undergone a major restructure ('Getting in Shape') resulting in net savings of £78,000 per year for the two Councils;
2. Embarked on a new digital strategy designed to lever in additional savings over the next three to five years; and
3. Progressed the approved budget strategy designed to help meet this challenge through four major work streams:
  - Major Service Reviews
  - Efficiency Reviews
  - Base Budget Review
  - Strategic Procurement Review

2.2 The subsequent report to the Joint Strategic Committee, on 2<sup>nd</sup> December 2014 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

<b>Worthing Borough Council</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Overall shortfall - July forecast	476	1,308	2,044	2,770	3,470
Overall shortfall – December forecast (including approved growth)	572	1,467	2,201	2,923	3,620
Increase / (Decrease) in shortfall	100	159	157	153	150

2.3 The 2015/16 savings proposals identified within the report for the Council amounted to £500,000. In addition, further savings of £135,000 have subsequently been identified and approved as follows:

- Savings from the restructure ('Getting in Shape') of £35,000
- Savings from the rationalisation of the tourism service £100,000

## 2.0 BACKGROUND

- 2.4 Since the meeting on 2<sup>nd</sup> December, the Worthing Borough Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Council for 2015/16 can be summarised as:

	<b>£'000</b>
Original shortfall as identified in July	<b>476</b>
Changes identified in December 2014:	
Impact of revised projection of New Homes Bonus for 2015/16	124
Increased pay offer	35
Improved income from Council Tax due to an increase in the taxbase	-179
Net committed growth items identified by budget holders	286
Removal of contingency budget	-120
Removal of contingency for job evaluation costs	-50
Budget shortfall as at 2 <sup>nd</sup> December 2014	<u>572</u>
<b>Main changes to the revenue budget:</b>	
<b>Impact of Settlement:</b>	
Draft allocation of New Homes Bonus (final adjustment for affordable homes and empty properties)	19
Final Revenue Support Grant and NNDR baseline funding is marginally lower than expected	10
<b>Changes to Council Tax :</b>	
Estimated impact of the reduction in the Council Tax Support Scheme	-100
Less: Impact of provision of a hardship fund and additional staff requirements to implement the new Council Tax Support Scheme	40
Estimated loss on the Collection Fund	2
<b>Changes in business rate forecasts :</b>	
Impact of settlement on retained business rates	-52
<b>Changes in treasury management forecasts :</b>	
Net impact of lower interest rates	-144
Impact of slippage on the capital programme	-112
<b>Other changes identified:</b>	
Reduced income from Commercial rents	130
Impact of final inflation, salary increments and allocations	90
Reduced housing benefit administration grant	40
Net other changes identified by budget holders	35
<b>Revised budget shortfall</b>	<u><b>530</b></u>

## 2.0 BACKGROUND

	<b>£'000</b>
<b>Revised budget shortfall</b>	<b>530</b>
<b>Less:</b> Net savings identified in December	-500
Savings identified in January	-135
Final adjustment to the allocation of the savings	-48
<b>BUDGET SURPLUS TO BE PLACED IN RESERVES (BEFORE ANY FURTHER ACTION AGREED)</b>	<b>-153</b>

## 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

3.1 Local Government has seen an unparalleled reduction in funding over recent years. The Comprehensive Spending Review in 2010 detailed reductions in support of 28% in real terms over the four years 2011/12 – 2014/15.

<b>Local Government – Departmental Expenditure Limit (DEL)</b>					
<b>Departmental Expenditure Limit</b>	<b>£Billion</b>				
	<b>2010/ 2011</b>	<b>2011/ 2012</b>	<b>2012/ 2013</b>	<b>2013/ 2014</b>	<b>2014/ 2015</b>
Overall Total	28.5	26.1	24.4	24.2	22.9
Formula Grant Element	28.0	25.0	23.4	23.2	21.9
Council Tax Freeze	0	0.7	0.7	0.7	0.7
Other	0.5	0.5	0.4	0.4	0.4
Annual percentage reduction in Formula Grant		10.7%	6.4%	0.9%	5.6%
Overall reduction in Formula Grant					21.8%
Nationally overall funding available for all Councils will fall by 28% over the 4 years					

3.2 This trend of reducing Government support was then further reinforced by the Comprehensive Spending Review announced on 26<sup>th</sup> June 2013 for 2014/15 and 2015/16

	<b>2014-15 (£bn)</b>	<b>2015-16 (£bn)</b>	<b>Cash reduction (-)/ increase</b>	<b>Real terms growth</b>
LG Resource DEL	25.6	23.5	-9.2%	-10.0%
Localised business rates	11.2	11.6	3.6%	1.7%
<b>Total Government Funding</b>	<b>36.8</b>	<b>35.1</b>	<b>-4.6%</b>	<b>-6.5%</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

3.3 The review also announced that:

- 2011-12 and 2013-14 Council Tax freeze funding would be incorporated into Revenue Support Grant until at least 2015/16;
- a Council Tax freeze grant of 1% would be available for both 2014/15 and 2015/16;
- £300m to support the transformation of local services of which:
  - £200m was for an extension of Troubled Families programme to +400,000 families; and
  - £100m to enable efficiencies in service delivery.

These funding streams are subject to a bidding process

3.4 Consequently, Worthing Borough Council has already seen a significant reduction in support from Central Government via Revenue Support Grant and, now, baseline funding:

Worthing Borough Council	2010/11 (adjusted)	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m	£m
Revenue Support Grant and 'baseline funding' *	6.821	5.720	5.046	4.582	3.798	3.010
Council Tax Freeze Grant - now part of Revenue Support Grant		0.212	0.210	0.210	0.296	0.384
Homelessness grant				0.149	0.147	0.146
Council Tax Support Grant **				0.947	0.947	0.947
Total Government Support		5.932	5.256	5.888	5.188	4.487
Annual reduction in revenue support grant and baseline funding.		1.101	0.674	0.464	0.784	0.788
Annual percentage reduction		16.14%	11.78%	9.20%	17.11%	20.75%
Cumulative total			1.775	2.239	3.023	3.811
			26.02%	32.83%	44.32%	55.87%

\* Excluding various Council Tax Freeze grants which have been consolidated into the total; and Council Tax Support Grant of £947k and homelessness grant of £146k which formed part of government funding in 2013/14.

\*\* The Council Tax Support Grant formed part of Revenue Support Grant and Baseline Funding from 2014/15 onwards.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

- 3.5 The Autumn Statement has confirmed that the trend of reducing funding for the public sector will continue for at least another two years:

*'We have a choice – we can ease up, or we can continue with our plans.*

*Our policy of continuing the spending cuts in the first 2 full years of the next Parliament, at the same pace as we achieved in this Parliament, now produces £4 billion less spending.....*

*..... I do not hide from the House that in the coming years there are going to have to be very substantial savings in public spending.'*

**Chancellor of the Exchequer George Osborne,  
The Autumn Statement 2014**

- 3.6 However, importantly, there were no additional cuts for Local Government in 2015/16 which had been feared by some commentators ahead of the budget announcements. Nevertheless, the Chancellor did announce a fundamental review of business rates which may have far reaching consequences for rate retention scheme in 2017/18 and may impact on the City Deals.
- 3.7 The settlement was announced on the 18<sup>th</sup> December 2015. The tenor of the statement reinforced the messages from the Chancellor:

*'This government inherited the largest deficit in post-war history. Thanks to this government's long-term economic plan – that deficit is falling, the economy is growing and employment is at a record high. This government is putting our public finances back on track. Local government – like every part of the public sector – has made a significant contribution to this.*

*However, the job is not done. As my hon. friend, the Chancellor of the Exchequer has indicated to the House, in the coming years, very substantial savings must be made in public spending. The government continues to need to take difficult decisions to put the public finances on a sustainable path.*

**Local Government Minister Kris Hopkins  
Provisional local government finance settlement 2015 to 2016**

Consequently, the Council must prepare itself for continuing reductions in funding from Central Government.

- 3.8 The settlement announced contained few surprises and confirmed that there would be no further reduction in Local Government funding for 2015/16. The settlement included the following highlights:

- The referendum limit will again be 2.0% for all authorities, with the freeze grant offer confirmed as 1% of the enhanced taxbase, which includes a full reimbursement for those receiving council tax support.



### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

- The minister highlighted the large increase in parish precepts over the Parliament (15%), but said nothing to suggest that action from DCLG is imminent. If anything any action is going to be taken it will almost certainly focus on the larger town and parish councils.
- Additional funding was announced for rural councils which has been increased by £4m to £15.5m
- The increase in the business rates will be 1.91% which will result in a multiplier of 48.0p rather than 48.2p. However Councils will be compensated for the lost income via a S31 grant.
- Overall grants for the administration of Council Tax Support and Housing Benefit have reduced quite sharply from £363m to 329m. An overall reduction of 9%.

3.9 In overall terms, the settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in funding of 15.34%.

<b>YEAR-ON-YEAR CHANGE FOR THE 2015/16 SETTLEMENT</b>			
<b>Class of Local Authority</b>	<b>2014-15 Adjusted settlement funding</b>	<b>2015-16 Settlement funding</b>	<b>Overall Reduction in funding</b>
	<b>£million</b>	<b>£million</b>	<b>%</b>
<b>England</b>	24,127.89	20,823.18	-13.70%
<b>London Area</b>	5,553.06	4,888.18	-11.97%
<b>Metropolitan Areas</b>	6,490.46	5,524.46	-14.88%
<b>Shire Areas</b>	12,081.05	10,407.24	-13.85%
<b>Isles of Scilly</b>	3.32	3.30	-0.42%
<b>London Area</b>			
London Boroughs	4,440.04	3,779.96	-14.87%
GLA – excluding the Police element	1,113.02	1,108.22	-0.43%
<b>Metropolitan Areas</b>			
Metropolitan Districts	6,201.55	5,260.60	-15.17%
Metropolitan Fire Authorities	288.91	263.86	-8.67%
<b>Shire Areas</b>			
Shire unitaries with fire	428.26	365.81	-14.58%
Shire unitaries without fire	4,580.04	3,907.65	-14.68%
Shire counties with fire	2,243.80	1,958.11	-12.73%
Shire counties without fire	3,274.46	2,827.96	-13.64%
<b>Shire districts</b>	<b>1,094.05</b>	<b>926.25</b>	<b>-15.34%</b>
Combined fire authorities	460.43	421.46	-8.46%

3.10 It should be appreciated that unlike the previous funding system which redistributed funding according to changing needs, under the current system changes in funding are equally applied to all authorities within each tier.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

3.11 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 15<sup>th</sup> January 2015 with final settlement expected in early February 2015.

3.12 It is unlikely that there will be any significant change at this late stage. If there are any significant changes arising from the final information members will be briefed before Council.

3.13 The local government finance settlement now effectively deals with 4 different matters which affect local government funding and the Council needs to fully understand when setting the 2015/16 budget. These can be broken down into 4 topics, which are dealt with in more detail below:

1. Overall Government Funding
2. Business Rate Retention Scheme
3. New Homes Bonus
4. Council Tax referendum

#### 3.14 Overall Government Funding

The total overall funding to the Council has reduced by 11.9%. The total funding from Government is then split into two components:

1. Baseline Funding
2. Revenue Support Grant

This split is based on a national calculation which has determined that the Baseline Funding will be 46.17% of the total funding. For Worthing this means that the overall funding will be split as follows:

Worthing Borough Council	2014/15	2015/16	Difference	
	£'000	£'000	£'000	%
Overall funding	5,188	4,487*	-701	-13.51%
Split as follows:				
Baseline Funding **	2,398	2,444	46	+1.92%
Revenue Support Grant	2,790	2,043	-747	-25.85%

\* From 2015/16 onwards, revenue support grant includes the 2014/15 Council Tax freeze grant of £87,000.

\*\* Minimum business rates income retained provided target business rate income is met.

#### 3.15 Business Rate Retention Scheme

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

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

- There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be of 7.5% of Baseline Funding which is equivalent to a maximum below baseline funding of £183,290.
- A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over it's share of the business rate target.

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

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

#### 3.15 Business Rate Retention Scheme

3.15.2 The forecast for business rates has now been revised for the latest information on appeals, reliefs and changes to rateable values. Overall there has been an improvement in the level of expected income due to the impact of settlement on the amount to be paid over to the Government:

Worthing Borough Council	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Total business rate income	36,843	37,759	38,674	39,666	40,657
Less: Business rate reliefs awarded	-5,184	-5,314	-5,446	-5,583	-5,722
Net business rate income	31,659	32,445	33,228	34,083	34,935
<b>Less:</b>					
Write offs	-69	-71	-72	-74	-76
Appeals	-603	-618	-633	-649	-665
Net income	30,987	31,756	32,523	33,360	34,194
<b>Less:</b> Share of income paid to Council for administration costs	-136	-139	-143	-146	-150
Net income for purpose of income share calculation	30,851	31,617	32,380	33,214	34,044

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

#### 3.15 Business Rate Retention Scheme

Worthing Borough Council	2015/16	2016/17	2017/18	2018/19	2019/20
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Council share of income (40%)	12,340	12,647	12,952	13,286	13,618
Less: Tariff	-9,996	-10,246	-10,502	-10,765	-11,034
Retained business rates	2,344	2,401	2,450	2,521	2,584
<b>Add</b> : S151 grants paid directly to the General Fund	770	790	809	830	850
Total income eligible for levy / safety net calculation	3,114	3,191	3,259	3,351	3,434
Baseline funding	-2,444	-2,505	-2,568	-2,631	-2,698
Surplus / (deficit) business rates	670	686	691	720	736
Less: Levy @ 50%	-335	-343	-345	-361	-367
Additional retained business rates	335	343	346	359	369
Share of estimated 2014/15 deficit	-153	0	0	0	0
Estimated surplus / deficit (-)	182	343	346	359	369
Previous forecast	246	413	418	433	444
Adj: Business rates income attributable to the new Leisure Trust	-116	-123	-126	-129	-132
Adjusted forecast	130	290	292	304	312
Underlying Improvement / deterioration (-)	52	53	54	55	57

3.15.3 The Council will fully provide for any known backdated business rates appeals at the 2014/15 year end, consequently the level of provision for new and outstanding appeals will reduce from 2015/16 onwards.

3.15.4 The Council is also working on a county wide project to improve the forecasting of appeals using some specialist software which, as time progresses, will ensure the forecast of the impact of appeals is more robust.

3.15.5 The forecast is currently being finalised. The government released the guidance for the 2015/16 NNDR return which underpins this forecast on the 6<sup>th</sup> January. The return is due to be submitted by the 31<sup>st</sup> January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

#### 3.15 Business Rate Retention Scheme

3.15.6 Looking further ahead, the generation of additional business rates may become one of the solutions to the Council's ongoing financial pressures. Members will be aware that there are several schemes progressing within the Borough which will create employment space. For example, a significant new business in the area may bring financial benefits to the Council as follows:

Assumed rateable value £1m  
Business rate multiplier of £0.48

Estimated Rates income: £480,000

	<b>Additional income</b>	<b>Levy paid to Treasury</b>	<b>Kept locally</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Split as follows:			
HM Treasury	240,000		
County Council	48,000	24,000	24,000
District Council	192,000	96,000	96,000
	480,000	120,000	120,000

3.15.7 The Council has agreed to participate in a County based business rates pool. The business rates pool has been approved by DCLG. Participating in the pool will enable the participating Councils to retain any 'levy' paid which will be set aside to fund economic regeneration initiatives within the County area.

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

- It is difficult to establish the number of appeals which are likely to come forward in any given year. There is no time limit on when an appeal might be lodged.
- There is a specific risk associated with schools becoming academies. If a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

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

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

#### 3.16 New Homes Bonus

3.16.1 The New Homes Bonus is assuming a greater level of importance as source of funding. By 2015/16 the Council is expecting to receive £1.1m:

	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20
	£'000	£'000	£'000	£'000	£'000
New homes bonus (2011/12 - 2016/17)	273	273	0	0	0
New homes bonus (2012/13 - 2017/18)	172	172	172	0	0
New homes bonus (2013/14 - 2018/19)	220	220	220	220	0
New homes bonus (2014/15 - 2019/20)	170	170	170	170	170
New homes bonus (2015/16 - 2020/21)	246	246	246	246	246
<b>Total New Homes Bonus</b>	<b>1,081</b>	<b>1,081</b>	<b>808</b>	<b>636</b>	<b>416</b>

3.16.2 The final level of New Homes Bonus due to be received in 2015/16 is lower than expected by some £19,000 from the forecast in December. This is due to the final adjustments relating to the number of affordable homes built and the number of empty properties.

3.16.3 The future of New Homes Bonus from 2016/17 onwards is uncertain. The commitment to New Homes Bonus is until 2015/16 only and so it is assumed that there will be no new bonus from 2016/17 onwards. Consequently, this resource will be gradually phased out over the next six years.

#### 3.17 Council Tax Referendum

3.17.1 Finally, as part of settlement, the Minister confirmed the referendum criteria

*All councils should be freezing their Council Tax in 2015 to 2016 and helping people with their cost of living. We are providing additional funding equivalent to a 1% Council Tax increase, to help councils freeze.*

**Local Government Minister Kris Hopkins**  
**Provisional local government finance settlement 2015 to 2016**

3.17.2 However any funding would be guaranteed for 2015/16 only. The future of any Council Tax Freeze funding will be very much dependent on the policies of a new government.

3.17.3 The options for the Council Tax increase are discussed in detail later in the report.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

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

3.18.1 The financing of local government is fundamentally changing. Revenue Support Grant reduces significantly year on year and the New Homes Bonus is likely to be phased out. Only the business rate retention scheme is expected to increase over time. Consequently, the income from Council Tax forms a more significant proportion of the council's overall income and so the decision regarding the annual increase has a greater strategic importance.

3.18.2 The decision about whether or not to increase Council Tax will become even more significant in future as they will influence not only income in the coming year but will also protect the income streams for future years providing a controllable and sustainable income source to the Council assisting the Council in addressing unavoidable inflationary pressures.

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

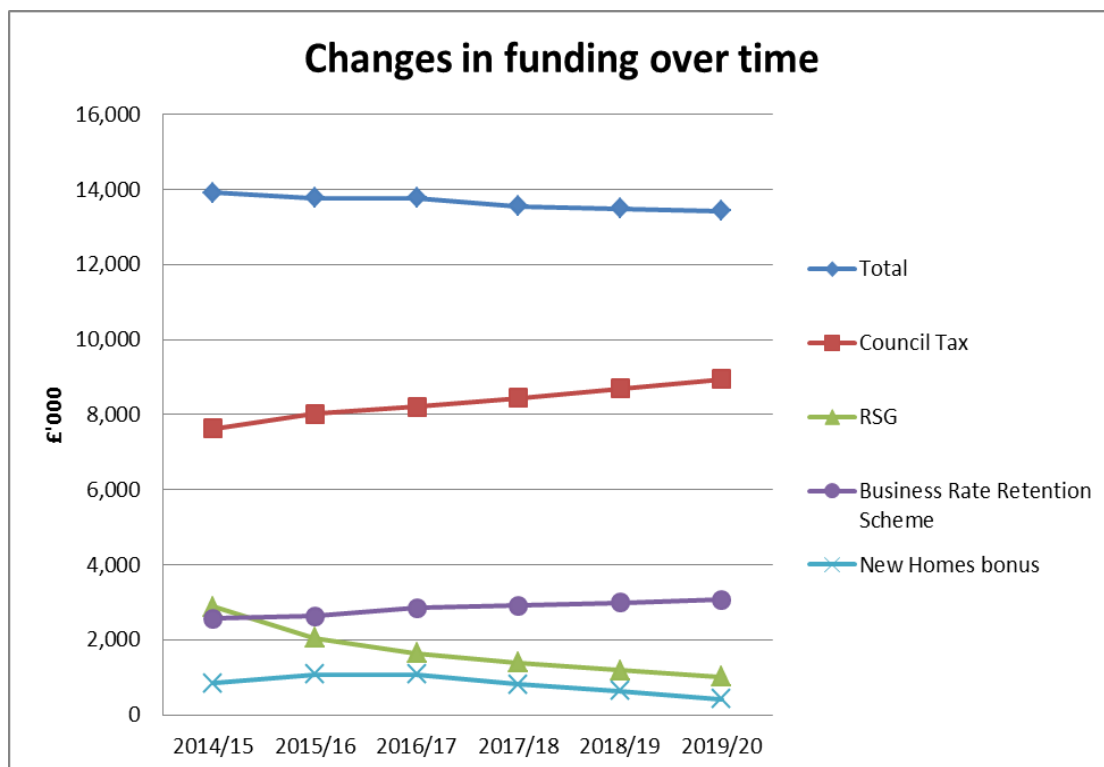
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Council Tax *	7,634	8,014	8,209	8,448	8,685	8,938
Business Rates *	2,570	2,626	2,848	2,914	2,991	3,066
Revenue Support Grant **	2,878	2,043	1,634	1,389	1,181	1,004
New Homes Bonus	835	1,081	1,081	808	636	416
	13,917	13,764	13,772	13,559	13,493	13,424

\* Includes any surplus or deficit on the collection fund

\*\* Includes the Council Tax Freeze Grant

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Council Tax	54.85%	58.23%	59.61%	62.31%	64.37%	66.58%
Business Rates	18.47%	19.08%	20.68%	21.49%	22.17%	22.84%
Revenue Support Grant	20.68%	14.84%	11.86%	10.24%	8.75%	7.48%
New Homes Bonus	6.00%	7.85%	7.85%	5.96%	4.71%	3.10%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16



### 4.0 2014/15 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to the Joint Strategic Committee on 4<sup>th</sup> November 2014 showed a forecast underspend for the year of £156,000 due to the following major factors:

	Forecast Over/(Under) spend
<b>Theatres</b>	<b>£'000</b>
The team is currently forecasting a year end overspend of £192,000 which is being addressed through a management action plan.	192
<b>FIT 4 – Net Leisure income</b>	
Improved membership income from FIT4 offset by additional costs	-95
<b>Investment Properties</b>	
Lower than expected income due to an overall reduction in rental income which has not yet been reflected in the budget.	160
<b>Business Rate Retention Scheme</b>	
Additional income from government due to increased business rate relief.	-108
<b>Balance Carried Forward</b>	<b>149</b>



#### 4.0 2014/15 BUDGET – CURRENT POSITION

	Forecast Over/(Under) spend
	<b>£'000</b>
Balance Brought Forward	149
<b>VAT</b>	
Backdated VAT refund from HMRC in respect of trade waste	-107
<b>Treasury Management</b>	
Net saving in borrowing costs offset by a fall in investment income	-435
<b>Cross-Cutting savings</b>	
Impact of job evaluation	292
Net other over/(under) spends	-55
<b>Underspend as at 4<sup>th</sup> November 2014</b>	<b>-156</b>

4.2 Any underspend at the year-end will give the Council the much needed opportunity to place some funds into reserves to meet future needs as discussed elsewhere within this report. The ongoing trends that have been identified as part of this monitoring have been built into the 2015/16 revenue budget.

4.3 On past evidence, spending patterns between the November monitoring and the end of the financial year have shown there is every reason to expect that the position may continue to improve as the year progresses, which will be reported when the outturn report comes before the Joint Strategic Committee in July 2015. Consequently, any final recommendations regarding this underspend must be deferred until the outturn results are known.

#### 5.0 DRAFT REVENUE ESTIMATES 2015/16

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,764,000. This includes the savings agreed at Joint Strategic Committee in December and January.

5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.

5.3 The key question of how the net budget requirement of £13.764m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.

## 5.0 DRAFT REVENUE ESTIMATES 2015/16

- 5.4 Details of all of the main changes in the base budget from 2014/15 to 2015/16 are in Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 7. The changes can be summarised briefly as follows:

	£'000	£'000
<b>2014/15 Original Estimate</b>		14,113
<b>Add: General Pay and Price Increases</b>		447
<b>Add: Committed and Unavoidable Growth:</b>		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	649	
Reduced Income as per 3 year forecast	-	
Impact of Capital Investment Programme	-195	454
<b>Less: Compensatory savings/Additional Income:</b>		
Compensatory savings	-46	
Additional income	-15	-61
2015/16 budget prior to agreed savings		14,953
<b>Less: Savings agreed by members</b>		
Approved as part of the 2014/15 budget	-396	
Approved in December	-798	
Approved in January	-100	
Final adjustment to the allocation of the savings between the Councils	-48	
		-1,342
Executive Member requirements		13,611
Potential contribution to reserves*		153
Potential budget requirement before external support		13,764
Collection fund deficit		2
<b>2015/16 BUDGET REQUIREMENT</b>		<b>13,766</b>
*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.		

- 5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year.
- 5.6 As part of the review of the allocation of support services there have been some changes for individual services which are reflected in the detailed budgets. It is important to note that this does not change the overall cost of the support services to each Council, but that it does influence the size of the share that each service takes, the proportion allocated to the HRA, and the proportion borne by the General Fund and the Capital Investment Programme.

## 5.0 DRAFT REVENUE ESTIMATES 2015/16

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

- 5.7 The current net estimated 2015/16 spend is more than previously predicted and is mainly due to the following factors:

	£'000
<b>Changes to net cost of borrowing:</b>	
Net impact of fall in interest rates	-144
Impact of slippage on the capital programme	-112
<b>Final adjustments in respect of inflation and salary increments</b>	90
<b>Fall in commercial rents</b>	130
<b>Fall in Housing Benefit Administration Grant</b>	40

- 5.8 In addition to the above, the projected deficit on the Collection Fund is now estimated to be only £13,480, of which £1,910 is the Borough Council share. This is a very minor deficit in light of the overall income due which exceeds £54.3m.

- 5.9 Members are now faced with two questions:

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

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

### 5.10 The Council Tax increase:

- 5.10.1 The budget forecast currently assumes that Council Tax will increase by 1.5% in 2015/16.

- 5.10.2 In the recent consultation 64.9% of residents supported an increase in Council Tax and a 1.5% uplift would be a modest increase in the Borough council share of the bill for 2015/16 as follows:

<b>Worthing Borough Council</b>	<b>£</b>
Average Band D Council Tax in 2014/15	216.00
Annual impact of 1.5% increase	3.24
Amount per week	0.06

## 5.0 DRAFT REVENUE ESTIMATES 2015/16

### 5.10 The Council Tax increase:

5.10.3 Members should also be aware that the Police and Crime Commissioner has been consulting on a 1.98% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 0% increase. Consequently, the total overall increase in the Council Tax bill for an average band D property would be just over 0.4%:

	2014/15	2015/16	%
	£	£	
Worthing Borough Council	216.00	219.24	1.50%
West Sussex District Council	1,161.99	1,161.99	0.00%
Sussex Police and Crime Commissioner	141.12	143.91	1.98%
	1,519.11	1,525.14	0.40%

5.10.4 Members should also be aware that there may long term consequences to accepting the Council Tax Freeze Grant and setting a 0% Council Tax increase:

Worthing Borough Council	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council Tax is increased by 1.5% in 2015/16 and by inflation thereafter	8,016	8,209	8,448	8,685	8,938
Council Tax income if Council Tax is frozen in 2015/16	7,898	8,088	8,323	8,557	8,806
Net fall in income	118	121	125	128	132
<b>Less:</b> Grant from government	-86	0	0	0	0
Fall in income per annum if Council Tax is frozen	32	121	125	128	132

5.10.5 Members are asked to consider which level of Council Tax increase that they support. Increasing Council Tax by 1.5% will protect the longer term financial interests of the Council and build some much needed capacity in the next financial year to invest in priority initiatives. However, given the current economic climate, and the very small financial benefit in the first year, members may want to freeze Council Tax to protect the local community and accept the Council Tax freeze grant.

### 5.11 Uncommitted Growth Items:

5.11.1 Attached in Appendix 3 is a listing of the new uncommitted growth items which total £107,800. Members are asked to consider which of the items should be included within the revenue estimates for 2015/16.

## 5.0 DRAFT REVENUE ESTIMATES 2015/16

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

	£'000	£'000
Net budget requirement		13,611
<b>Less:</b> Government grant	2,043	
Baseline Funding	2,444	
Share of additional Business Rate income	182	
Council Tax (1.5% increase)	8,016	
New Homes Bonus	1,081	
Collection Fund deficit	2	13,764
Estimated budget surplus based on 1.5% Council Tax increase brought forward		<b>-153</b>
Estimated impact of freezing Council Tax and accepting the Council Tax freeze grant		32
Maximum impact of accepting the growth items		108
		13
<b>Maximum contribution from reserves</b>		-13
		-

5.13 The budget could support a 0% Council Tax increase and support some priority projects for the coming year from the estimated budget surplus.. Looking further ahead to 2016/17, the surplus savings identified in 2015/16 will help the council address it's future budget shortfall.

5.14 However, budgets remain extremely tight and there is little flexibility to fund new initiatives to take forward key priorities, such as economic development projects, designed to stimulate the economy and create new jobs.

## 6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 1.5% tax increase for 2015/16 which is to be considered as part of this report). The difficult settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

## 6.0 IMPACT ON FUTURE YEARS

	Expected shortfall (Cumulative)				
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	793	1,941	2,690	3,426	4,137
<b>Less:</b>					
Net savings agreed in December and January	-946	-971	-971	-971	-971
Impact of accepting the Council Tax Freeze grant	32	121	125	128	132
Impact of accepting all the growth items at appendix 2	108	146	146	146	146
Potential contribution to reserves to be agreed	13	-	-	-	-
Adjusted cumulative budget shortfall	-	1,237	1,990	2,729	3,444
Savings required each year	-	1,237	753	739	715

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

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

The creation of a new major projects team as outlined in Appendix 3 will help the Council's further stimulate the local economy.

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

6.4 Members should also be aware that the future of the overall funding for Local Government continues to be a cause for concern and there remains a risk that funding levels will reduce even beyond the current pessimistic projections.

## 7.0 RESERVES

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 77 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31<sup>st</sup> March 2014 was £844,000 which is 6.1% of net revenue expenditure. The balance reduced in 2013/14 from £1,142,000 due to the overall overspend that the Council incurred that year.

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

		£'000	%
31.03.2015	Balance carried forward – per Final Accounts	844	6.1
31.03.2016	No planned drawdown or contribution expected	844	6.1
31.03.2017	No planned drawdown or contribution expected	844	6.1
31.03.2018	No planned drawdown or contribution expected	844	6.2

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

- 7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:
1. A further fall in interest rates of 0.5% would cost the Council in a region of £50,000 in 2015/16.
  2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £172,000.

## 7.0 RESERVES

3. Further adverse falls in income from such sources as development control income, car parks and land charges against a background of the recession which could result in falling income of over £100,000.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract
6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2015/16 of £838,000 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £1,398,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

7.5 The estimated balance of general fund earmarked reserves as at 31<sup>st</sup> March, 2014 is £2,073,000, although this reduces to £1,455,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 4. The key risks to the overall budget and the Council's reserves are detailed below.

7.6 The Council has committed a significant proportion of its reserves in 2014/15 to take forward some major initiatives such as:

- |  |          |
|--|----------|
| • Getting into shape                   | £203,500 |
| • Digital Strategy                     | £374,300 |
| • Decoy Farm contaminated land surveys | £150,000 |

7.7 As a result the capacity issues reserve will be nearly exhausted by the end of 2015/16 subject to the ability to place any underspend into the reserves at the end of 2015/16. To build some capacity within this reserve for new initiatives it is proposed to transfer the balances from two un-used reserves to the Capacity Issues Reserve to enable new initiatives to be funded as follows:

- Transfer the residual funds of £212,000 from the VAT Exemptions Reserve;
- Transfer the funds of £97,000 from the vehicle repair and renewal reserve. This fund is unlikely to be needed due to the planned replacement of vehicles in 2016/17.



## 7.0 RESERVES

7.8 However, in all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes but the size and nature of the risks to the overall budget leaves the Council with little room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

- supporting one-off rather than recurring revenue expenditure;
- dealing with short-term pressures in the revenue budget; and
- managing risk to the Council's budget.

## 8.0 SIGNIFICANT RISKS

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

- Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2015/16, income may fall further than expected.
- Withdrawal of funding by partners** - All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.
- Inflation** - A provision for 2.0% inflation has been built into non-pay budgets together with an allowance for additional inflation on fuel. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will be around 2% in 2015/16, there is a risk that inflation will run at a higher rate than allowed for within the budget. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	172
Non-pay	147

## 8.0 SIGNIFICANT RISKS

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

## 9.0 CONSULTATION

- 9.1 This report represents the culmination of the budget process which has involved consultation with Members, staff, members of the public and the business community.
- 9.2 Both Councils have undertaken a follow-up consultation to last year's area wide exercise entitled 'Your Chance to be the Chancellor'. This again took the form of a leaflet sent out to each home. The focus of this year's consultation was around the potential changes to the Council Tax Reduction Scheme in 2015/16, and the level of Council Tax increase that the public would support. 2,575 residents responded to the consultation and the full outcome of the consultation is attached at appendix 4.
- 9.3 With respect to the Council Tax increase, the Council asked and received the following response from residents:

*The councils have managed to freeze council tax for the past four years despite a reduction in government grant of over 40%. Both councils expect a further reduction in a grant for 2015-16 of around 20% which is equivalent to £516,000 for Adur District Council and £778,000 for Worthing Borough Council.*

*With this in mind, would you prefer...*

<i>A small increase which will help the Councils to protect priority services</i>	1,671	64.9%
<i>To freeze Council Tax for the fourth year in a row and cut services</i>	904	35.1%

## 10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme.
- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake. The Council has considered the revenue consequences of any proposed capital programme in agreeing the budget strategy for 2015/16. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2015/16 and future years.

## **10.0 UPDATE TO PRUDENTIAL INDICATORS**

10.3 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These will be considered in detail in the report entitled 'Joint Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 to 2017/18 for Adur District Council and Worthing Borough Council, which is to be discussed at the Joint Strategic Committee on the 5<sup>th</sup> February 2015.

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

11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.

11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:

- making prudent allowance in the estimates for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

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

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

- (1) The provision of estimates for items outside of the direct control of the Council:
  - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
  - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.

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

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

- Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

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

### **11.4 The Chief Financial Officers overall view of the robustness of the estimates is, therefore, as follows:**

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

## **12.0 COUNCIL TAX SETTING**

12.1 The Council is obliged to raise the balance of its resources after grant to finance the General Fund Revenue Budget from its local Council Taxpayers. The Worthing Borough Council Tax will be added to the Precepts from the West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Worthing Borough.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2015/16 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

### **12.3 Worthing Borough Council:**

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2015/16 prior to the consideration of the budget proposals. This is based on 1.5% Council Tax increase:

## 12.0 COUNCIL TAX SETTING

### 12.3 Worthing Borough Council:

	£	£
Net 2015/16 Budget *		13,824,240
<b>Plus:</b>		
Contribution from the Collection Fund surplus (as per paragraph 5.8)		1,910
Net Budget requirement (see Ap'x 7)		13,826,150
<b>Less:</b>		
Aggregate External Finance:		
Revenue Support Grant	-2,043,070	
Baseline Funding	-2,443,810	
Retained Business Rate income	-182,000	
Council Tax Reduction Scheme Grant	-60,000	
New Homes Bonus	-1,080,890	
		-5,809,770
<b>Balance to be raised from Council Tax</b>		<b>8,016,380</b>

\* 2015/16 budget requirement after any contribution to or from reserves required to balance the budget.

However, within section 5 of the report, members are given the option of freezing the Council Tax and approving the non-committed growth items. Any reduction in income would be funded from the budget surplus.

#### (b) Council Tax Base

The Council's Tax base for 2015/16 is 36,564.4 Band D equivalent properties. There is an increase in the current year base of 35,329.00 which is due to an increasing number of homes, a general fall in the cost of the Council Tax Support Schemes coupled with a planned reduction in the level of benefit to be paid in the future. The full calculation of the tax base is shown in Appendix 6.

#### (c) Worthing Council Band D Council Tax

In order to raise the required sum, and after allowing for special expenses, it is recommended that the Council Tax at Band D be increased by an average of 1.5% or 0% as follows:

## 12.0 COUNCIL TAX SETTING

### (c) Worthing Council Band D Council Tax

Area	2014/15	2015/16 (0% increase)	2015/16 (1.5% increase)
	£	£	£
<b>Worthing Borough Council</b>	<b>216.00</b>	<b>216.00</b>	<b>219.24</b>

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

- (a) The County Council requirements are expected to be confirmed on 13<sup>th</sup> February, 2015. The Police and Crime Commissioner's proposed increase of around 1.98% is due to be considered by the Police and Crime Panel on 23<sup>rd</sup> January. The latest date that any increase by the Police and Crime Commission will be confirmed is the 20<sup>th</sup> February 2015.

	2014/15 £	2015/16 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	141.12	t.b.a.
<b>TOTAL</b>	<b>1,303.11</b>	<b>t.b.a.</b>

### 12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the District Council at its meeting on 19<sup>th</sup> February 2014.

## 13.0 CONCLUSION

- 13.1 The last year has brought about some significant change for the Council. There is now a new Council Leadership Team, and with the recent 'Getting in Shape' restructure, a new Operational Leadership Group has now been formed. In addition, the Council has also embarked on an ambitious digital transformation programme. The Council is now positioned to start delivering the 'Surf's Up' programme.
- 13.2 This work is essential to ensure that the Council can meet the challenges of the next 5 years as it is now clear that the Council will continue to face budget shortfalls for the foreseeable future.

## 13.0 CONCLUSION

- 13.3 The withdrawal of yet another significant amount of government grant has been challenging to address. Overall the Council has successfully identified further savings of over £0.9m to meet the current year's financial challenges. However, this has not been without pain. The council has reduced its workforce, with the inevitable pressure of additional work falling on the shoulders of the remaining staff. But we have again largely protected the Council's front-line services.
- 13.4 Looking further ahead, 2016-17 will be equally as challenging. It is difficult to be certain what the future will hold for the Council after the next general election. However one thing is certain, the austerity measures will continue irrespective of which political party wins the election. The only question is: How much funding will we lose?
- 13.5 Whilst developing both the local economy to increase employment space and local jobs together with the provision of new homes will be one of the strategic measures that the Council can take to protect its longer term financial interests, there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 13.6 But we must not forget that the Council remains in good financial health with good reserves, which will help us deal with the continuing reduction in funding whilst the Council revisits its priorities and strives for further efficiencies.
- 13.7 In preparing the strategy and forecast for 2015/16 an assessment was carried out of the significant risks and factors which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.
- 13.8 The annual preparation of the budget is a huge exercise involving the co-operation and support of countless officers in all departments of the Council. Most of the work, of course, falls on the Financial Services team and has to be completed within tight time constraints at a difficult time of year.

## 14.0 RECOMMENDATIONS

### 14.1 The Executive is recommended to:

- (a) **Consider which of the growth items detailed at appendix 3 should be included within the revenue budget in 2015/16.**
- (b) **Agree to recommend to Council the draft budgets for 2015/16 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,824,240 , subject to any amendments above; and**

## 14.0 RECOMMENDATIONS

- (c) **Approve the rationalisation of the reserves as outlined in paragraph 7.7**
- (d) **Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2015/16 as set out in paragraph 12.3; and**

### Local Government Act 1972

#### Background Papers :

Report to the Joint Strategic Committee 22<sup>nd</sup> July 2014 Outline forecast 2015/16 to 2019/20 and Budget Strategy

Report to the Joint Strategic Committee 2<sup>nd</sup> December 2014 Outline 5 year forecast and savings proposals.

Local Authority Finance (England) Settlement Revenue Support Grant for 2015/16 and Related Matters: DCLG Letters and associated papers of 18<sup>th</sup> December 2014.

The Autumn Statement 2014. HM Treasury

Local Government Act 2003 and Explanatory Note

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

Statement of Accounts 2013/14

Report to Joint Strategic Committee 4<sup>th</sup> November 2014 – "2<sup>nd</sup> Capital, Revenue Budget and Performance Monitoring 2014/15

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## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

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

### **2.0 SPECIFIC ACTION PLANS**

2.1 The report details how the Council proposes to meet the financial targets initially outlined in the 3-year outline forecast considered in July 2010.

### **3.0 SUSTAINABILITY ISSUES**

3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

4.1 The majority of the proposals included in the report will have no impact on equality issues as there are no proposed changes to the way in which services are delivered.

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

5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

6.1 Matter considered and no issues identified

### **7. REPUTATION**

7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

8.1 Consultations are detailed in Section 9 of the main report

### **9.0 RISK ASSESSMENT**

9.1 The overall risks to the budget are detailed in Section 8 of the main report.

### **10.0 HEALTH AND SAFETY ISSUES**

10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**

11.1 Matter considered and no issues identified

### **12.0 PARTNERSHIP WORKING**

12.1 The report considers the impact that partnership working has on the overall revenue budget.

**WORTHING BOROUGH COUNCIL**  
**Revenue Budget Summary Statement 2014/15 - 2019/20**

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Spending to be Financed from Taxation</b>						
<b>Base budget</b>	<b>14,113</b>	14,113	14,113	14,113	14,113	14,113
(a) <b>Annual Inflation</b>						
Estimated inflation		412	919	1,441	1,971	2,527
Impact of pay award (2.2% over 2 years)		35	36	37	38	39
(b) <b>One -off / non-recurring items</b>						
Local Elections (not held once every four years)		-	-	(76)	-	-
(c) <b>Committed Growth</b>						
Changes to National Insurance Contributions		-	466	466	466	466
Impact of Pension contribution increase		112	206	212	216	220
Housing condition survey - carried out once every 3 years		(9)	(9)	-	(9)	(9)
Contribution to Gypsy and Traveller site		15	15	15	15	15
Growth items approved in December 2014		286	286	286	286	286
Loss of Housing Benefit Grant		40	40	40	40	40
Loss of Commercial rent income		130	130	130	130	130
Additional staffing required to administer the new Council Tax Support Scheme		20	20	20	20	20
Provision for a new 'Hardship' scheme and financial inclusion work.		20	20	20	20	20
New items identified as per Appendix 2		35	35	35	35	35
(d) <b>Compensatory savings</b>						
Fall out of early retirement costs		(46)	(46)	(46)	(46)	(46)
(e) <b>Impact of capital programme</b>						
Financing costs		(195)	76	202	330	479
(f) <b>Additional income</b>						
Investment income		(15)	(41)	(93)	(153)	(222)
(g) <b>Agreed Savings</b>						
Grounds Maintenance budget		(30)	(30)	(30)	(30)	(30)
Net Leisure trust saving		(250)	(250)	(250)	(250)	(250)
Adjustment for cost of business rate relief (shown below)		(116)	(123)	(123)	(123)	(123)
Leisure Trust (adjusted for business rate relief)		(366)	(373)	(373)	(373)	(373)
Splashpoint - Impact of sale of Aquarena site		-	(150)	(150)	(150)	(150)
<b>Total Cabinet Member Requirements</b>	<b>14,113</b>	<b>14,557</b>	<b>15,713</b>	<b>16,249</b>	<b>16,919</b>	<b>17,560</b>

**WORTHING BOROUGH COUNCIL**  
**Revenue Budget Summary Statement 2014/15 - 2019/20**

	2014/15 Base	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Baseline funding</b>	2,398	2,444	2,505	2,568	2,632	2,698
<b>Less: Safety net payment/business rate sh'fall</b>	-	-	-	-	-	-
<b>Add: Net retained additional business rates</b>	144	182	343	346	359	368
<b>Add: Share of 2013/14 surplus</b>	28					
<b>Adusted Baseline funding</b>	2,570	2,626	2,848	2,914	2,991	3,066
<b>Revenue Support Grant</b>	2,790	2,043	1,634	1,389	1,181	1,004
<b>Council Tax income</b>						
Adjusted Council Tax income	7,631	8,016	8,209	8,448	8,685	8,938
Council Tax Freeze grant 2014/15	88	-	-	-	-	-
New homes bonus (2011/12 - 2016/17)	273	273	273	-	-	-
New homes bonus (2012/13 - 2017/18)	172	172	172	172	-	-
New homes bonus (2013/14 - 2018/19)	220	220	220	220	220	-
New homes bonus (2014/15 - 2019/20)	170	170	170	170	170	170
New homes bonus (2015/16 - 2020/21)	-	246	246	246	246	246
Collection fund surplus/deficit (-)	3	(2)	-	-	-	-
Total other grants and contributions	926	1,079	1,081	808	636	416
<b>Total Income from Taxation</b>	<b>13,917</b>	<b>13,764</b>	<b>13,772</b>	<b>13,559</b>	<b>13,493</b>	<b>13,424</b>
<b>(Surplus) / Shortfall in Resources</b>	<b>196</b>	<b>793</b>	<b>1,941</b>	<b>2,690</b>	<b>3,426</b>	<b>4,137</b>
<b>Use of / (contribution to) Res'ves to Balance Budget</b>						
Capacity issues reserve	196	-	-	-	-	-
<b>Total Income from Reserves</b>	<b>196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>793</b>	<b>1,941</b>	<b>2,690</b>	<b>3,426</b>	<b>4,137</b>
<b>Savings agreed in December</b>						
As per main budget report		763	763	763	763	763
Restructure - 'Getting in shape'		35	35	35	35	35
<b>Savings agreed in January</b>						
Closure of the TIC		100	125	125	125	125
Final adjustments to the allocation of the December savings between the two Councils		48	48	48	48	48
<b>Total savings identified</b>		<b>946</b>	<b>971</b>	<b>971</b>	<b>971</b>	<b>971</b>
<b>Savings still to be found/ (surplus)</b>		<b>(153)</b>	<b>970</b>	<b>1,719</b>	<b>2,455</b>	<b>3,166</b>
Council Tax increase		1.50%	2.00%	2.50%	2.50%	2.50%
<b>Savings required in each year</b>		<b>793</b>	<b>1,148</b>	<b>749</b>	<b>737</b>	<b>710</b>

**WORTHING BOROUGH COUNCIL**  
**Movements from Original Forecast**

DESCRIPTION MOVE	2012/13 £'000	2013/14 £'000	2014/15 £'000
(a) <b>CUSTOMER SERVICES</b> Final adjustment to remove 'profit' on land charges. Statutorily the account should break even.	27.0	27.0	27.0
(b) <b>DIGITAL AND RESOURCES</b> Additional cost arising from the renewal of CenSus IT maintenance agreement	13.0	13.0	13.0
(d) <b>ECONOMY</b> Removal of growth item approved in December for car park salaries which is no longer needed.	(5.0)	(5.0)	(5.0)
<b>NET IMPACT</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>

Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
<p><b>DIGITAL AND RESOURCES DIRECTORATE</b></p> <p><b><u>Legal Services:</u></b></p> <p>Increase in hours of Senior Information Officer</p> <p>In 2008 the Census Partnership highlighted the lack of information security standards, procedures and practice to the Census Joint Steering Group who agreed for a Project Team to develop a suite of Information Security Policies. The policy was agreed by Joint Strategic Committee on 27<sup>th</sup> March 2012 and a suite of 12 policies have been developed and adopted by Management Team which set out the role and responsibilities of the Information Security Manager. These roles and responsibilities are new areas of work arising from the policies adopted by the Council. The work has been allocated to the Council's Senior Information Officer, who does not have the capacity to absorb this work into her current post.</p> <p>The duties of the role are to take day-to-day responsibility for developing, monitoring and overseeing the implementation of the Corporate Information and Records Management Policies, procedures and guidelines and proving the mechanisms for supporting Access to Information compliance.</p>	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	14.3	14.3	14.3	0.0	0.0	14.3	14.3

Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
<p><b>DIGITAL AND RESOURCES DIRECTORATE</b></p> <p><b><u>Legal Services:</u></b></p> <p>The policy approved by Joint Strategic Committee commits the Councils to putting in place policies, procedures, guidelines and mechanisms for improving good information management, information security and record keeping. The role and responsibilities assigned to the Information Security Manager are essential to the successful implementation and continued commitment to the laudable aims and objectives of the policy.</p> <p>Adur District Council approve it's share of the additional hours in 2014/15. The request is resubmitted for Worthing Borough Council to now approve the additional funding.</p> <p><b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b></p> <p>i) Safeguarding the Councils and avoiding breaches of statutory data protection rules.</p> <p><b><i>Implication of unsuccessful bid</i></b></p> <p>There will be insufficient resources to carry out the role of Information Security Manager</p>	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>ECONOMY DIRECTORATE</u></b>							
<b><u>Major Projects Team</u></b>							
Three new major project managers to help design and deliver our major infrastructure projects	90.0						
<b>Less:</b> Contribution from WSCC	-35.0						
Net cost of new team	55.0	145.0	145.0	27.5		27.5	55.0
<b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>							
i) If we delivered our 15 major regeneration projects we would create 136,000m2 of business land, create 5,000 new jobs, 1,000 jobs in construction and safeguard a further 1,300 jobs. In the same period if we built the 7,000 new homes planned for in our emerging Local Plans in the next 10 years, we could generate an additional £9m-£10m in council tax revenue for the authorities.							
<b><i>Implication of unsuccessful bid</i></b>							

Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COMMUNITIES DIRECTORATE</b>							
<p><b>Provision for annual participatory budgeting exercise</b>                      Worthing Borough Council has held a participatory budgeting exercise called 'The Money Tree' for the last two years funded from reserves. It is proposed that £10,000 is set aside from the revenue budget to facilitate this initiative in the future.</p> <p><b>Benefit/deliverables (outputs, impact on financial savings)</b>                      The exercise is used to engage with young people and the local communities in how the council spends its resources</p> <p><b>Implication of unsuccessful bid</b>                      The exercise will have to continue to be funded from the reserves or will cease.</p>	10.0	10.0	10.0	0.0	0.0	10.0	10.0



Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>CUSTOMER SERVICES</u></b>							
<b><u>Revenues and Benefits and Customer Services Teams Specialist Compliance and Quality officers</u></b>	35.0	35.0	35.0	0.0	0.0	35.0	35.0
<b><i>Benefit/deliverables (outputs, impact on financial savings)</i></b>							
i) Improved capacity within the Revenues and Benefits (and Customer Service) Teams to meet the challenge of increasing workloads due to housing numbers, together with an increased base of staff skills and knowledge.							
<b><i>Implication of unsuccessful bid</i></b>							
Staff are not adequately briefed on changes to legislation and the approach to benefit and Council Tax administration leading to mistakes.							

Non-Committed growth	When / Value?			2015/16			
	2015/16	2016/17	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>CHIEF EXECUTIVE</b>							
<p><b>Organisational Development</b></p> <p>To provide funding for three streams of work:</p> <p>i) The essential development of the new Operational Leadership Group (OLG) which will encompass both personal and group development to help the new staff to step up to the new leadership roles.</p> <p>ii) To deliver talent management approach (initially with GSK) to provide accelerated development to key high potential staff in the organisation.</p> <p>iii) Improving our Digital competence.</p>	35.0	35.0	35.0	14.0		21.0	35.0
	149.3	239.3	239.3	41.5	0.0	107.8	149.3

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>1. CAPACITY ISSUES RESERVE</b> <b>Purpose:</b> The Capacity Issues Reserve was set up in 2005/06 to give the Council scope to deal with a range of cost pressures expected to arise from 2006/07 onwards.	2,015	309 **see below	(1,889) *see below	435	*see below	(109)	326
<b>2. CREMATORIUM IMPROVEMENT</b> <b>Purpose:</b> This reserve was established in 2005 to fund Crematorium infrastructure improvements.	-	60	(60) C	-	60	(60) C	-
<b>3. INSURANCE RESERVE</b> <b>Purpose:</b> The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.	436	31	(40)	427	31	(6)	452
<b>C = Capital Contribution      * To be confirmed at the year end      **Includes transfer in of Reserves 10 and 11</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p>4. <b>JOINT HEALTH PROMOTION</b>  <b>Purpose:</b>  The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.</p>	22	-	-	22	-	-	22
<p>5. <b>LEISURE LOTTERY AND OTHER PARTNERSHIP</b>  <b>Purpose:</b>  The Leisure, Lottery and Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies and other funding agencies and organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid and the Football Foundation bid.</p>	78 C	-	-	78	-	-	78
<b>C = Capital Contribution</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. <b>MUSEUM RESERVE</b> <b>Purpose:</b> The Museum Reserve was established in 1993/94 to support the overall service aims of the Museum and Art Gallery on occasions where annual budgets do not allow the work of the Museum and Art Gallery to progress in a manner which will contribute to achieving these aims.	112	-	-	112	-	-	112
7. <b>THEATRE TICKET LEVY</b> <b>Purpose:</b> Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	27	60	(23)	64	80	(143)	1
8. <b>PLANNING DELIVERY GRANT RESERVE</b> <b>Purpose:</b> The Planning Delivery Grant was set up in 2006/07 to carry forward grant received in previous years, which has been approved by Cabinet to be spent on specific planning initiatives.	124	-	(38)	86	-	(30)	56
<b>C = Capital Contribution</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
9. <b>SPECIAL AND OTHER EMERGENCY EXPENDITURE</b> <b>Purpose:</b> The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise.	149	-	(74)	75	-	-	75
10. <b>VAT EXEMPTIONS LIABILITY</b> <b>Purpose:</b> The VAT Exemption Liability Reserve was set up in 2002 to meet potential VAT liabilities.	212	-	(212)	-	-	-	-
11. <b>VEHICLE REPAIRS &amp; RENEWAL</b> <b>Purpose:</b> The Vehicle Repairs and Renewal Fund was set up in 2008 to meet future maintenance costs of the Adur and Worthing Council Services Fleet.	97	-	(97)	-	-	-	-
12. <b>CAPITAL EXPENDITURE RESERVE</b>	73	-	-	73	-	-	73

C = Capital Contribution

**SCHEDULE OF EARMARKED RESERVES**

Reserve	Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. <b>GRANTS &amp; CONTRIBUTIONS</b> Held in reserves	545	-	-	545	-	-	545
14. <b>PROJECTED UNDERSPEND</b> Reserves to be identified at outturn.	-	156 *see below	-	156	-	-	156
15. <b>GENERAL FUND WORKING BALANCE</b>	844	-	-	844	-	-	844
<b>TOTAL</b>	<b>4,734</b>	<b>616</b>	<b>(2,433)</b>	<b>2,917</b>	<b>171</b>	<b>(348)</b>	<b>2,740</b>
<b>C = Capital Contribution - * Contribution to be confirmed at the year-end</b>							

## BUDGET CONSULTATION 2014

Before you start the survey please be aware that you are required to give an answer for all the multiple choice questions.

In order for us to be able to analyse the results in the best way possible, please could you tell us the following:

### ABOUT YOU:

#### 1. Do you live in:

Adur District Council	1,726
Worthing Borough Council	2,575

#### 2. Do you currently claim Council Tax Benefit?

Worthing		
Yes	380	(14.8%)
No	2,195	(85.2%)

#### 3. Do you think the Council should reduce the amount of financial support we give to residents on low incomes by increasing the amount we ask them to pay in Council Tax? (some residents on very low incomes currently pay no Council Tax)

Worthing		
Yes	1,468	(57.0%)
No	1,107	(43.0%)

This can be further broken down between those that claim benefit and those that don't as follows:

Worthing	Yes	No
Council Tax Benefit claimants	18.9% (72)	81.1% (308)
Other residents	63.6% (1,396)	36.4% (799)



## BUDGET CONSULTATION 2014

We have come up with 4 ideas of how we could make changes to our current scheme. Please could you answer all the questions:

## IDEA 1

## 4. All working age claimants should pay something?

Worthing		
Strongly Agree	1,032	(40.0%)
Agree	1,021	(39.7%)
Disagree	324	(12.6%)
Strongly Disagree	198	(7.7%)

## 5. Some claimants currently have no Council Tax to pay because they receive the maximum level of Council Tax support. After Council Tax support has been awarded to these working age claimants, should they be asked to pay?

Worthing		
Nothing	521	(20.2%)
At least £2.50 per week	825	(32.1%)
At least £5.00 per week	816	(31.7%)
More than £5.00 per week	413	(16.0%)

## IDEA 2

## 6. Working age claimants living in larger properties should pay proportionately more than claimants living in smaller properties?

Worthing		
Strongly Agree	836	(32.5%)
Agree	969	(37.6%)
Disagree	396	(15.4%)
Strongly Disagree	193	(7.5%)
I don't know	181	(7.0%)

## 7. Do you think the maximum support a claimant is entitled to should be higher or lower than the average Council Tax Band C (equivalent to £1,404.32 in Adur and £1,350.32 per year in Worthing)?

Worthing		
More than Band C	207	(8.0%)
Same as Band C	1,315	(51.1%)
Less than Band C	1,053	(40.9%)

## BUDGET CONSULTATION 2014

## IDEA 3

8. Some people can afford to pay their Council Tax, but they pay a lower amount because a family member or friend (who is on a low income) lives with them. Do you think these awards should stop for working age claimants?

Worthing		
Strongly Agree	1,151	(44.7%)
Agree	1,043	(40.5%)
Disagree	255	(9.9%)
Strongly Disagree	126	(4.9%)

## IDEA 4

9. Working age claimants with savings should pay more than those with little or no savings? (The current savings cap set by the government is £16,000).

Worthing		
Strongly Agree	487	(18.9%)
Agree	781	(30.3%)
Disagree	801	(31.1%)
Strongly Disagree	506	(19.7%)

10. What is the level of savings people can have and still be able to claim benefit?

Worthing		
None	472	(18.3%)
£6,000	621	(24.1%)
£10,000	671	(26.1%)
More than £10,000	811	(31.5%)

11. If these ideas go ahead, what level of impact do you think this would have on your household?

Worthing		
High Impact	143	(5.6%)
Medium Impact	253	(9.8%)
Low Impact	520	(20.2%)
No Impact	1,162	(45.1%)
I don't know	497	(19.3%)

## BUDGET CONSULTATION 2014

**COUNCIL TAX FOR NEXT YEAR**

The councils have managed to freeze council tax for the past four years despite a reduction in government grant of over 40%. Both councils expect a further reduction in a grant for 2015-16 of around 20% which is equivalent to £516,000 for Adur District Council and £778,000 for Worthing Borough Council.

12. With this in mind, would you prefer...

Worthing		
A small increase which will help the Councils to protect priority services	1,671	64.9%
To freeze Council Tax for the fourth year in a row and cut services	904	35.1%

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.00	7,588.00	10,919.00	12,735.00	8,996.00	5,235.00	2,295.00	883.00	25.00	48,676.00
Less: Exemptions	0.00	-162.00	-157.00	-111.00	-94.00	-49.00	-14.00	-4.00	0.00	-591.00
	0.00	7,426.00	10,762.00	12,624.00	8,902.00	5,186.00	2,281.00	879.00	25.00	48,085.00
Disabled Relief Adjustment (net)	9.00	29.00	20.00	-5.00	-7.00	-15.00	5.00	-19.00	-17.00	0.00
Chargeable Dwellings	<b>9.00</b>	<b>7,455.00</b>	<b>10,782.00</b>	<b>12,619.00</b>	<b>8,895.00</b>	<b>5,171.00</b>	<b>2,286.00</b>	<b>860.00</b>	<b>8.00</b>	<b>48,085.00</b>
Broken down as follows:										
Full Charge	3.00	2,537.00	5,824.00	8,484.00	6,400.00	3,977.00	1,871.00	701.00	5.00	29,802.00
25% Discount (Including Adj for SP dis)	6.00	4,849.00	4,884.00	4,101.00	2,465.00	1,172.00	374.00	126.00	0.00	17,977.00
50% Discount	0.00	83.00	115.00	126.00	111.00	65.00	62.00	39.00	3.00	604.00
0% Discount (Long Term Empty Homes)	0.00	315.00	285.00	146.00	81.00	44.00	11.00	20.00	0.00	902.00
Total Equivalent Number of Dwellings	7.50	6,233.25	9,527.50	11,580.75	8,268.25	4,865.50	2,174.00	813.50	6.50	43,476.75
Reduction in tax base due to Council Tax Support	5.02	1,682.08	1,694.77	1,216.81	403.05	137.50	23.63	5.27	0.00	5,168.13
Adjusted equivalent total dwellings	<b>2.48</b>	<b>4,551.17</b>	<b>7,832.73</b>	<b>10,363.94</b>	<b>7,865.20</b>	<b>4,728.00</b>	<b>2,150.37</b>	<b>808.23</b>	<b>6.50</b>	<b>38,308.62</b>
<b>Band D Equivalents</b>										
Revenue Support Settlement	1.40	3,034.10	6,092.20	9,212.40	7,865.20	5,778.70	3,106.10	1,347.10	13.00	36,450.20
Add: Forecast new homes	0.00	13.70	135.30	121.30	37.00	13.40	14.40	-0.90	0.00	334.20
Add: Second Homes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Adjustments for Losses on Collection, and Void Properties	0.00	0.00	0.00	0.00	220.00	0.00	0.00	0.00	0.00	220.00
<b>COUNCIL TAX BASE</b>	<b>1.40</b>	<b>3,047.80</b>	<b>6,227.50</b>	<b>9,333.70</b>	<b>7,682.20</b>	<b>5,792.10</b>	<b>3,120.50</b>	<b>1,346.20</b>	<b>13.00</b>	<b>36,564.40</b>
<b>ADJUSTED COUNCIL TAX BASE</b>										<b>36,564.40</b>

## **DECISION**

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

### **DECISION THE EXECUTIVE**

- (i) Considered which of the growth items detailed at appendix 3 should be included within the revenue budget in 2015/16, with the exception of the legal services bid which was not supported, all other bids were approved for inclusion in the budget;
- (ii) Recommend to Council the draft budgets for 2015/16 at Appendix 7 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,824,240, subject to the adjustments required in (i) above;
- (iii) Approved the rationalisation of the reserves as outlined in paragraph 7.7 of the report;
- (iv) Considered which Band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2015/16 as set out in paragraph 12.3; this was determined as 0% increase therefore the band D as recommended for 2015/16 was £216.00.

**The Chief Financial Officer reported verbally at the Executive there were no changes arising from settlement and an increase in the income from the business rate retention scheme which has increased income from surplus business rates from £182,000 to £234,000. These changes have been incorporated into the following appendix.**

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**APPENDIX 7**  
**CIVIC BUDGET TABLE 2015/2016**  
**Summary of Executive Member Requirements**

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

**WORTHING BUDGET 2015/16**  
**Summary of Executive Member Portfolios**



**APPENDIX 7**

<b>EXECUTIVE PORTFOLIO</b>	<b>ESTIMATE 2014/15</b>	<b>ESTIMATE 2015/16</b>
	<b>£</b>	<b>£</b>
Environment	3,503,140	3,265,280
Health and Wellbeing	1,325,400	1,215,000
Customer Services	3,792,090	3,981,290
Leader	1,008,200	893,980
Regeneration	2,494,550	2,296,610
Resources	3,238,620	2,782,420
Support Services Depreciation Not Charged To Services	767,730	864,510
<b>NET SERVICE EXPENDITURE</b>	<b>16,129,730</b>	<b>15,299,090</b>
Credit Back Depreciation / Impairments	(3,178,370)	(2,738,770)
Minimum Revenue Provision	1,207,040	1,221,070
	<b>14,158,400</b>	<b>13,781,390</b>
Transfer to / from Reserves	14,260	(17,190)
Balance Available to Transfer To / (From) Reserves	(195,880)	79,280
<b>Total budget requirement before external support from government</b>	<b>13,976,780</b>	<b>13,843,480</b>
Baseline Funding	(2,397,990)	(2,443,810)
Additional business rate income	(171,560)	(234,000)
Revenue Support Grant	(2,790,410)	(2,043,070)
Council Tax Reduction Scheme Grant	(60,000)	(60,000)
Council Tax Freeze Grant	(87,740)	(85,710)
Other unfenced grants (New homes bonus & Ctax Transition)	(834,940)	(1,080,890)
Contribution to/ (from) Collection Fund	(3,080)	1,910
<b>Amount required from Council Tax</b>	<b>7,631,060</b>	<b>7,897,910</b>
Council Tax Base	<b>35,329.0</b>	<b>36,564.4</b>
<b>Average Band D Council Tax - Worthing Borough</b>	<b>216.00</b>	<b>216.00</b>
% increase	-	0.0%

SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>DIRECTOR OF DIGITAL AND RESOURCES</b>		
<b>Business and Technical Services</b>		
Engineering	82,810	57,370
Surveying & Design	387,060	428,130
	<b>469,870</b>	<b>485,500</b>
<b>DIRECTOR OF COMMUNITIES</b>		
<b>Environment</b>		
Allotments	29,570	59,200
Cemeteries	118,100	98,780
Crematorium	(1,205,640)	(1,228,840)
Environmental Health - Domestic	143,470	156,790
Parks	1,609,260	1,690,760
	<b>694,760</b>	<b>776,690</b>
<b>Leisure</b>		
Leisure FIT4	1,164,780	674,730
	<b>1,164,780</b>	<b>674,730</b>
<b>Wellbeing</b>		
Community Wellbeing	116,590	143,990
Environmental Health - Domestic	147,800	147,770
	<b>264,390</b>	<b>291,760</b>
<b>DIRECTOR OF ECONOMY</b>		
<b>Parking</b>		
Parking	(945,450)	(812,070)
	<b>(945,450)</b>	<b>(812,070)</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Waste and Cleansing</b>		
Abandoned Vehicles	27,390	34,040
Clinical Waste	28,160	38,090
Compliance	(1,670)	(1,700)
Graffiti	27,690	19,750
Recycling	(157,860)	(158,710)
Refuse	1,370,370	1,421,990
Street Cleansing	802,110	758,710
Trade Refuse	(242,710)	(266,090)
Vehicle Workshop	1,310	2,590
	<b>1,854,790</b>	<b>1,848,670</b>
<b>TOTAL ENVIRONMENT PORTFOLIO</b>	<b>3,503,140</b>	<b>3,265,280</b>



WORTHING - ENVIRONMENT PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>	£		£	£	£	£	£	£	£	£	£
<b>Business and Technical Services</b>											
Engineering	-	24,720	27,900	-	-	-	-	52,620	4,750	-	57,370
Surveying & Design	-	50,940	325,000	-	60	-	(560)	375,440	5,930	46,760	428,130
<b>DIRECTOR OF COMMUNITIES</b>											
<b>Environment</b>											
Allotments	-	12,160	9,010	-	-	-	(390)	20,780	35,780	2,640	59,200
Cemeteries	-	82,350	184,590	-	16,400	-	(234,240)	49,100	41,960	7,720	98,780
Crematorium	318,110	28,110	437,850	4,400	145,370	-	(2,328,440)	(1,394,600)	94,410	71,350	(1,228,840)
Environmental Health - Domestic	-	110,730	-	-	-	-	-	110,730	42,310	3,750	156,790
Parks	-	627,400	696,180	-	146,760	-	(248,590)	1,221,750	260,940	208,070	1,690,760
<b>Leisure</b>											
Leisure FIT4	-	58,600	332,030	-	-	(324,100)	-	66,530	-	608,200	674,730
<b>Wellbeing</b>											
Community Wellbeing	-	130,090	-	-	-	-	-	130,090	13,900	-	143,990
Environmental Health - Domestic	-	720	-	-	-	-	(3,180)	(2,460)	150,230	-	147,770
<b>DIRECTOR OF ECONOMY</b>											
<b>Parking</b>											
Parking	285,060	200,030	631,690	10,200	161,760	-	(2,282,110)	(993,370)	50,280	131,020	(812,070)
<b>DIRECTOR OF CUSTOMER SERVICES</b>											
<b>Waste and Cleansing</b>											
Abandoned Vehicles	-	-	-	-	2,160	-	(440)	1,720	32,320	-	34,040
Clinical Waste	-	(3,700)	6,540	-	-	-	-	2,840	33,410	1,840	38,090
Compliance	-	-	-	-	-	-	(1,700)	(1,700)	-	-	(1,700)
Graffiti	-	14,050	-	-	-	-	-	14,050	5,700	-	19,750
Recycling	-	(454,710)	-	-	-	1,400	-	(453,310)	173,420	121,180	(158,710)
Refuse	-	1,068,700	-	-	-	-	-	1,068,700	164,120	189,170	1,421,990
Street Cleansing	-	897,920	-	-	-	-	(310,780)	587,140	91,960	79,610	758,710
Trade Refuse	-	290,140	8,080	-	367,120	-	(1,021,550)	(356,210)	46,760	43,360	(266,090)
Vehicle Workshop	-	-	-	-	-	-	-	0	-	2,590	2,590
	<b>603,170</b>	<b>3,138,250</b>	<b>2,658,870</b>	<b>14,600</b>	<b>839,630</b>	<b>(322,700)</b>	<b>(6,431,980)</b>	<b>499,840</b>	<b>1,248,180</b>	<b>1,517,260</b>	<b>3,265,280</b>
<b>Percentage Direct Cost</b>	9%	45%	38%	0%	12%	-5%					

**ENVIORNMENT PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16**



SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Business and Technical Services</b>										
Engineering	82,810	530	-	-	-	-	-	-	(25,970)	57,370
Surveying & Design	387,060	5,860	-	21,800	-	-	-	-	13,410	428,130
<b>DIRECTOR OF COMMUNITIES</b>										
<b>Environment</b>										
Allotments	29,570	(190)	-	18,800	-	-	-	-	11,020	59,200
Cemeteries	118,100	(680)	-	-	-	-	-	-	(18,640)	98,780
Crematorium	(1,205,640)	(27,940)	-	-	-	-	-	(45,000)	49,740	(1,228,840)
Environmental Health - Domestic	143,470	-	-	-	-	-	-	-	13,320	156,790
Parks	1,609,260	17,890	-	34,000	-	-	-	(20,000)	49,610	1,690,760
<b>Leisure</b>										
Leisure FIT4	1,164,780	-	-	-	-	-	-	(366,940)	(123,110)	674,730
<b>Wellbeing</b>										
Community Wellbeing	116,590	-	-	-	-	-	-	-	27,400	143,990
Environmental Health - Domestic	147,800	(60)	-	-	-	-	-	-	30	147,770
<b>DIRECTOR OF ECONOMY</b>										
<b>Parking</b>										
Parking	(945,450)	(15,460)	-	-	-	-	-	-	148,840	(812,070)
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Waste and Cleansing</b>										
Abandoned Vehicles	27,390	30	-	-	-	-	-	-	6,620	34,040
Clinical Waste	28,160	130	-	-	-	-	-	-	9,800	38,090
Compliance	(1,670)	(30)	-	-	-	-	-	-	-	(1,700)
Graffiti	27,690	-	-	-	-	-	-	-	(7,940)	19,750
Recycling	(157,860)	-	-	-	-	-	-	-	(850)	(158,710)
Refuse	1,370,370	-	-	-	-	-	-	-	51,620	1,421,990
Street Cleansing	802,110	(6,090)	-	-	-	-	-	-	(37,310)	758,710
Trade Refuse	(242,710)	(12,120)	-	-	-	-	-	(28,000)	16,740	(266,090)
Vehicle Workshop	1,310	-	-	-	-	-	-	-	1,280	2,590
	<b>3,503,140</b>	<b>(38,130)</b>	<b>0</b>	<b>74,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(459,940)</b>	<b>185,610</b>	<b>3,265,280</b>

SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>DIRECTOR OF COMMUNITIES</b>		
Worthing Festival	3,230	3,300
	<b>3,230</b>	<b>3,300</b>
<b>Grants</b>		
Grants	22,440	9,170
	<b>22,440</b>	<b>9,170</b>
<b>Housing</b>		
Housing	80,550	80,530
	<b>80,550</b>	<b>80,530</b>
<b>Wellbeing</b>		
Community Wellbeing	364,050	392,760
Community Safety	166,130	182,760
Environment Health - Commercial	356,390	320,610
Environment Health - Licensing	33,260	21,680
Environment Health - Domestic	154,010	123,720
	<b>1,073,840</b>	<b>1,041,530</b>
<b>DIRECTOR OF DIGITAL AND RESOURCES</b>		
<b>Business and Technical Services</b>		
Engineering	50,660	50,730
	<b>50,660</b>	<b>50,730</b>
<b>DIRECTOR OF ECONOMY</b>		
<b>Culture</b>		
Theatres	34,160	29,720
	<b>34,160</b>	<b>29,720</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Revenues and Benefits</b>		
Revenues	60,520	20
	<b>60,520</b>	<b>20</b>
<b>TOTAL HEALTH AND WELLBEING PORTFOLIO</b>	<b>1,325,400</b>	<b>1,215,000</b>

WORTHING -HEALTH AND WELLBEING PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
<b>DIRECTOR OF COMMUNITIES</b>											
Worthing Festival	-	-	2,860	-	440	-	-	3,300	-	-	3,300
<b>Grants</b>											
Grants	-	9,170	-	-	-	-	-	9,170	-	-	9,170
<b>Housing</b>											
Housing	-	-	-	-	-	-	(100)	(100)	80,630	-	80,530
<b>Wellbeing</b>											
Community Wellbeing	-	158,860	-	-	208,040	-	-	366,900	25,860	-	392,760
Community Safety	-	105,000	3,540	-	31,820	-	-	140,360	35,720	6,680	182,760
Environment Health - Commercial	-	275,630	-	-	6,300	-	(140)	281,790	38,820	-	320,610
Environment Health - Licensing	-	176,740	-	-	3,710	-	(210,480)	(30,030)	51,710	-	21,680
Environment Health - Domestic	-	800	-	-	52,180	-	(3,440)	49,540	73,920	260	123,720
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>											
<b>Business and Technical Services</b>											
Engineering	-	4,560	46,170	-	-	-	-	50,730	-	-	50,730
<b>DIRECTOR OF ECONOMY</b>											
<b>Culture</b>											
Theatres	-	-	-	-	55,080	-	(25,360)	29,720	-	-	29,720
<b>DIRECTOR OF CUSTOMER SERVICES</b>											
<b>Revenues and Benefits</b>											
Revenues	-	-	-	-	20	-	-	20	-	-	20
	<b>0</b>	<b>730,760</b>	<b>52,570</b>	<b>0</b>	<b>357,590</b>	<b>0</b>	<b>(239,520)</b>	<b>901,400</b>	<b>306,660</b>	<b>6,940</b>	<b>1,215,000</b>
<b>Percentage Direct Cost</b>	0%	64%	5%	0%	31%	0%					

## HEALTH AND WELLBEING PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16



SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
<b>DIRECTOR OF COMMUNITIES</b>										
Worthing Festival	3,230	70	-	-	-	-	-	-	-	3,300
<b>Grants</b>										
Grants	22,440	-	-	-	-	-	-	-	(13,270)	9,170
<b>Housing</b>										
Housing	80,550	-	-	-	-	-	-	-	(20)	80,530
<b>Wellbeing</b>										
Community Wellbeing	364,050	3,160	-	-	-	-	-	(14,280)	39,830	392,760
Community Safety	166,130	690	-	-	-	-	-	-	15,940	182,760
Environment Health - Commercial	356,390	120	-	-	-	-	-	-	(35,900)	320,610
Environment Health - Licensing	33,260	(4,370)	-	22,500	-	-	-	(6,000)	(23,710)	21,680
Environment Health - Domestic	154,010	1,050	-	-	-	-	-	(5,500)	(25,840)	123,720
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Business and Technical Services</b>										
Engineering	50,660	910	-	-	-	-	-	-	(840)	50,730
<b>DIRECTOR OF ECONOMY</b>										
<b>Culture</b>										
Theatres	34,160	580	-	-	-	-	-	-	(5,020)	29,720
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Revenues and Benefits</b>										
Revenues	60,520	-	-	-	-	-	-	(60,500)	-	20
	<b>1,325,400</b>	<b>2,210</b>	<b>0</b>	<b>22,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(86,280)</b>	<b>(48,830)</b>	<b>1,215,000</b>

# CUSTOMER SERVICES PORTFOLIO

SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>DIRECTOR OF COMMUNITIES</b>		
<b>Environment</b>		
Lido/Pier/Pavilion	193,580	190,720
Community Parks & Open Spaces - Brooklands	(5,100)	(5,200)
	<b>188,480</b>	<b>185,520</b>
<b>Housing</b>		
Housing	934,560	869,970
Housing Improvement Assistance	88,770	119,820
Housing Strategy	40,880	30,890
	<b>1,064,210</b>	<b>1,020,680</b>
<b>Wellbeing</b>		
Community Wellbeing	176,980	193,870
	<b>176,980</b>	<b>193,870</b>
<b>DIRECTOR OF ECONOMY</b>		
<b>Culture</b>		
Theatres	1,191,390	1,288,270
Museums	456,370	543,180
	<b>1,647,760</b>	<b>1,831,450</b>
<b>DIRECTOR OF DIGITAL AND RESOURCES</b>		
<b>Finance</b>		
Fraud, Verification & Adjudication	-	20,000
	<b>-</b>	<b>20,000</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Revenues and Benefits</b>		
Revenues	185,320	257,560
Benefits	529,340	472,210
	<b>714,660</b>	<b>729,770</b>
<b>TOTAL CUSTOMER SERVICES PORTFOLIO</b>	<b>3,792,090</b>	<b>3,981,290</b>

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
<b>DIRECTOR OF COMMUNITIES</b>											
Lido/Pier/Pavilion	-	39,460	248,930	-	8,690	-	(116,240)	180,840	9,880	-	190,720
Brooklands	-	-	(5,200)	-	-	-	-	(5,200)	-	-	(5,200)
<b>Culture</b>											
Theatres	1,285,640	105,560	457,710	3,780	1,945,730	-	(3,140,260)	658,160	276,190	353,920	1,288,270
Museums	238,860	34,330	108,270	1,020	42,270	-	(50,830)	373,920	96,060	73,200	543,180
<b>Housing</b>											
Housing	-	318,740	-	-	408,290	151,680	(272,630)	606,080	260,640	3,250	869,970
Housing Improvement Assistance	-	121,250	-	-	-	-	(39,560)	81,690	38,130	-	119,820
Housing Strategy	-	29,210	-	-	-	-	-	29,210	1,680	-	30,890
<b>Wellbeing</b>											
Community Wellbeing	-	18,020	37,390	-	610	-	-	56,020	8,540	129,310	193,870
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>											
<b>Finance</b>											
Fraud, Verification & Adjudication	-	-	-	-	80,000	-	(60,000)	20,000	-	-	20,000
<b>DIRECTOR OF CUSTOMER SERVICES</b>											
<b>Revenues and Benefits</b>											
Revenues	342,460	29,950	-	3,180	85,580	-	(524,230)	(63,060)	320,620	-	257,560
Benefits	390,650	331,280	-	310	82,020	35,886,240	(36,633,440)	57,060	415,150	-	472,210
	<b>2,257,610</b>	<b>1,027,800</b>	<b>847,100</b>	<b>8,290</b>	<b>2,653,190</b>	<b>36,037,920</b>	<b>(40,837,190)</b>	<b>1,994,720</b>	<b>1,426,890</b>	<b>559,680</b>	<b>3,981,290</b>
<b>Percentage Direct Cost</b>	5%	2%	2%	0%	6%	84%					

**CUSTOMER SERVICES PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16**

SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
<b>DIRECTOR OF COMMUNITIES</b>										
Lido/Pier/Pavilion	193,580	2,900	-	-	-	-	-	(9,700)	3,940	190,720
Brooklands	(5,100)	(100)	-	-	-	-	-	-	-	(5,200)
<b>Culture</b>										
Theatres	1,191,390	39,490	-	-	-	-	-	-	57,390	1,288,270
Museums	456,370	14,230	-	82,000	-	-	-	(17,010)	7,590	543,180
<b>Housing</b>										
Housing	934,560	5,580	-	15,000	-	-	-	(12,000)	(73,170)	869,970
Housing Improvement Assistance	88,770	(780)	-	-	-	-	-	-	31,830	119,820
Housing Strategy	40,880	-	-	-	-	-	-	-	(9,990)	30,890
<b>Wellbeing</b>										
Community Wellbeing	176,980	630	-	-	-	-	-	-	16,260	193,870
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Finance</b>										
Fraud, Verification & Adjudication	-	-	-	20,000	-	-	-	-	-	20,000
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Revenues and Benefits</b>										
Revenues	185,320	2,360	-	55,000	-	-	-	-	14,880	257,560
Benefits	529,340	16,910	-	39,290	-	-	-	-	(113,330)	472,210
	<b>3,792,090</b>	<b>81,220</b>	<b>0</b>	<b>211,290</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(38,710)</b>	<b>(64,600)</b>	<b>3,981,290</b>



SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>CHIEF EXECUTIVE OFFICE</b>		
<b>Communications</b>		
Head of Communication	-	10,000
Communications	12,010	16,290
Performance and Scrutiny	16,550	200
	<b>28,560</b>	<b>26,490</b>
<b>DIRECTOR OF COMMUNITIES</b>		
<b>Wellbeing</b>		
Democratic Services	710,970	586,580
	<b>710,970</b>	<b>586,580</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Elections</b>		
Elections	268,670	280,910
	<b>268,670</b>	<b>280,910</b>
<b>TOTAL LEADER PORTFOLIO</b>	<b>1,008,200</b>	<b>893,980</b>

WORTHING - THE LEADER PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£	£
<b>CHIEF EXECUTIVE</b>											
<b>Communications</b>											
Head of Communication	-	-	-	-	10,000	-	-	10,000	-	-	10,000
Communications	-	9,260	-	-	-	-	-	9,260	7,030	-	16,290
Performance and Scrutiny	-	-	-	-	200	-	-	200	-	-	200
<b>DIRECTOR OF COMMUNITIES</b>											
<b>Wellbeing</b>											
Democratic Services	254,770	253,520	-	4,290	34,980	-	-	547,560	39,020	-	586,580
<b>DIRECTOR OF CUSTOMER SERVICES</b>											
<b>Elections</b>											
Elections	-	124,680	1,260	-	138,500	-	(5,290)	259,150	18,190	3,570	280,910
	<b>254,770</b>	<b>387,460</b>	<b>1,260</b>	<b>4,290</b>	<b>183,680</b>	<b>0</b>	<b>(5,290)</b>	<b>826,170</b>	<b>64,240</b>	<b>3,570</b>	<b>893,980</b>
<b>Percentage Direct Cost</b>	31%	47%	0%	1%	22%	0%					

THE LEADER PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16

SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
<b>CHIEF EXECUTIVE</b>										
<b>Communications</b>										
Head of Communication	-	-	-	10,000	-	-	-	-	-	10,000
Communications	12,010	-	-	-	-	-	-	-	4,280	16,290
Performance and Scrutiny	16,550	-	-	-	-	-	-	-	(16,350)	200
<b>DIRECTOR OF COMMUNITIES</b>										
<b>Wellbeing</b>										
Democratic Services	710,970	5,870	-	-	-	-	-	(5,000)	(125,260)	586,580
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Elections</b>										
Elections	268,670	2,820	-	-	-	-	-	(5,880)	15,300	280,910
	<b>1,008,200</b>	<b>8,690</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,880)</b>	<b>(122,030)</b>	<b>893,980</b>

# RESOURCES PORTFOLIO

SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>DIRECTOR OF DIGITAL AND RESOURCES</b>		
<b>Business and Technical Services</b>		
Administrative Buildings	(15,400)	(710)
Surveying & Design	(49,980)	(52,550)
	<b>(65,380)</b>	<b>(53,260)</b>
<b>Finance</b>		
Corporate Management	504,580	466,200
Finance - others	2,634,410	2,220,340
Treasury Management	464,150	314,620
	<b>3,603,140</b>	<b>3,001,160</b>
<b>DIRECTOR OF ECONOMY</b>		
<b>Estates</b>		
Estates	(270,410)	(165,480)
	<b>(270,410)</b>	<b>(165,480)</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Building Control &amp; Land Charges</b>		
Land Charges	(28,730)	-
	<b>(28,730)</b>	-
<b>TOTAL RESOURCES PORTFOLIO</b>	<b>3,238,620</b>	<b>2,782,420</b>

WORTHING - RESOURCES PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£		£	£	£	£	£	£	£	£
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Business and Technical Services</b>										
Administrative Buildings	-	-	-	-	-	(710)	(710)	-	-	(710)
Surveying & Design	110	18,490	60,680	3,520	80	(143,230)	(60,350)	2,510	5,290	(52,550)
<b>Finance</b>										
Corporate Management	(535,330)	347,970	8,010	144,490	-	(139,820)	(174,680)	640,880	-	466,200
Finance - others	2,241,820	-	12,860	-	-	(43,680)	2,211,000	-	9,340	2,220,340
Treasury Management	-	-	-	30	-	(135,170)	(135,140)	66,370	383,390	314,620
<b>DIRECTOR OF ECONOMY</b>										
<b>Estates</b>										
Estates	-	212,010	104,420	14,290	-	(712,640)	(381,920)	196,090	20,350	(165,480)
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Building Control &amp; Land Charges</b>										
Land Charges	-	92,340	-	44,240	-	(158,920)	(22,340)	22,340	-	0
	<b>1,706,600</b>	<b>670,810</b>	<b>185,970</b>	<b>206,570</b>	<b>80</b>	<b>(1,334,170)</b>	<b>1,435,860</b>	<b>928,190</b>	<b>418,370</b>	<b>2,782,420</b>
<b>Percentage Direct Cost</b>	62%	24%	7%	7%	0%					

**RESOURCES PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16**

SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Business and Technical Services</b>										
Administrative Buildings	(15,400)	(310)	-	15,000	-	-	-	-	-	(710)
Surveying & Design	(49,980)	(1,520)	-	-	-	-	-	(4,760)	3,710	(52,550)
<b>Finance</b>										
Corporate Management	504,580	(5,760)	-	21,000	-	-	-	-	(53,620)	466,200
Finance - others	2,634,410	10,860	-	-	(26,000)	-	-	(18,620)	(380,310)	2,220,340
Treasury Management	464,150	(340)	-	-	-	(208,680)	(15,460)	(37,500)	112,450	314,620
<b>DIRECTOR OF ECONOMY</b>										
<b>Estates</b>										
Estates	(270,410)	(14,850)	-	130,000	-	-	-	(7,990)	(2,230)	(165,480)
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Building Control &amp; Land Charges</b>										
Land Charges	(28,730)	(2,700)	-	22,580	-	-	-	-	8,850	0
	<b>3,238,620</b>	<b>(14,620)</b>	<b>0</b>	<b>188,580</b>	<b>(26,000)</b>	<b>(208,680)</b>	<b>(15,460)</b>	<b>(68,870)</b>	<b>(311,150)</b>	<b>2,782,420</b>

SERVICE	ESTIMATE 2014/2015	ESTIMATE 2015/2016
	£	£
<b>DIRECTOR OF DIGITAL AND RESOURCES</b>		
<b>Business and Technical Services</b>		
Business Services	57,220	62,460
Engineering	238,550	172,890
Energy and Sustainability	43,830	45,520
	<b>339,600</b>	<b>280,870</b>
<b>DIRECTOR OF COMMUNITIES</b>		
<b>Environment</b>		
Foreshores	535,550	496,280
	<b>535,550</b>	<b>496,280</b>
<b>DIRECTOR OF ECONOMY</b>		
<b>Grants</b>		
Grants	-	-
	-	-
<b>Growth</b>		
Planning Policy	340,890	296,610
Major Projects	-	27,500
Development Control	514,910	542,490
	<b>855,800</b>	<b>866,600</b>
<b>Place &amp; Investment</b>		
Economic Development	349,840	343,190
	<b>349,840</b>	<b>343,190</b>
<b>Regeneration</b>		
Tourism	267,490	179,740
	<b>267,490</b>	<b>179,740</b>
<b>DIRECTOR OF CUSTOMER SERVICES</b>		
<b>Building Control &amp; Land Charges</b>		
Building Control	146,270	129,930
	<b>146,270</b>	<b>129,930</b>
<b>TOTAL REGENERATION PORTFOLIO</b>	<b>2,494,550</b>	<b>2,296,610</b>

WORTHING - REGENERATION PORTFOLIO - 2015/2016 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Premises	Direct Recharges	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
<b>DIRECTOR FOR DIGITAL &amp; RESOURCES</b>	£		£	£	£	£	£	£	£	£
<b>Business and Technical Services</b>										
Business Services	-	57,390	-	-	-	-	57,390	5,070	-	62,460
Engineering	101,490	56,660	-	6,370	-	(22,270)	142,250	11,990	18,650	172,890
Energy and Sustainability	-	34,880	-	-	-	-	34,880	10,640	-	45,520
<b>DIRECTOR OF COMMUNITIES</b>										
<b>Environment</b>										
Foreshores	445,310	212,990	6,250	31,510	-	(344,810)	351,250	80,780	64,250	496,280
<b>DIRECTOR OF ECONOMY</b>										
<b>Grants</b>										
Grants	-	-	-	-	-	-	0	-	-	0
<b>Growth</b>										
Planning Policy	-	29,220	-	71,350	-	-	100,570	196,040	-	296,610
Major Projects	-	27,500	-	-	-	-	27,500	-	-	27,500
Development Control	-	771,190	-	78,320	5,100	(461,410)	393,200	149,290	-	542,490
<b>Place &amp; Investment</b>										
Economic Development	1,420	223,310	-	55,490	-	-	280,220	46,810	16,160	343,190
<b>Regeneration</b>										
Tourism	28,330	64,270	-	88,930	-	(15,150)	166,380	11,810	1,550	179,740
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Building Control &amp; Land Charges</b>										
Building Control	-	349,120	-	3,800	-	(299,020)	53,900	76,030	-	129,930
	<b>576,550</b>	<b>1,826,530</b>	<b>6,250</b>	<b>335,770</b>	<b>5,100</b>	<b>(1,142,660)</b>	<b>1,607,540</b>	<b>588,460</b>	<b>100,610</b>	<b>2,296,610</b>
<b>Percentage Direct Cost</b>	21%	66%	0%	12%	0%					



REGENERATION PORTFOLIO - SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET - 2015/16

SERVICE / ACTIVITY	Original Estimate 2014/15	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£		£	£	£
<b>DIRECTOR FOR DIGITAL AND RESOURCES</b>										
<b>Business and Technical Services</b>										
Business Services	57,220	-	-	-	-	-	-	-	5,240	62,460
Engineering	238,550	1,710	-	-	-	-	-	(1,700)	(65,670)	172,890
Energy and Sustainability	43,830	-	-	-	-	-	-	-	1,690	45,520
<b>DIRECTOR OF COMMUNITIES</b>										
<b>Environment</b>										
Foreshores	535,550	2,550	-	-	-	-	-	(6,100)	(35,720)	496,280
<b>DIRECTOR OF ECONOMY</b>										
<b>Parking</b>										
Parking	-	-	-	-	-	-	-	-	-	0
<b>Growth</b>										
Planning Policy	340,890	1,700	-	-	-	-	-	(15,000)	(30,980)	296,610
Major Projects	-	-	-	27,500	-	-	-	-	-	27,500
Development Control	514,910	(7,410)	-	-	-	-	-	-	34,990	542,490
<b>Place &amp; Investment</b>										
Economic Development	349,840	1,130	-	-	-	-	-	-	(7,780)	343,190
<b>Regeneration</b>										
Tourism	267,490	2,290	-	-	-	-	-	(16,050)	(73,990)	179,740
<b>DIRECTOR OF CUSTOMER SERVICES</b>										
<b>Building Control &amp; Land Charges</b>										
Building Control	146,270	(5,060)	-	-	-	-	-	(37,000)	25,720	129,930
	<b>2,494,550</b>	<b>(3,090)</b>	<b>0</b>	<b>27,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(75,850)</b>	<b>(146,500)</b>	<b>2,296,610</b>