



**COUNCIL MEETING  
23rd FEBRUARY, 2016  
AGENDA ITEM NO: 8**

**Draft Revenue Budget 2016/2017**

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**

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

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

**1.0 SUMMARY**

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

- The final revenue estimates for 2016/17;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2016/17, prior to its submission to the Council for approval on the 23<sup>rd</sup> February 2016. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2016/17 settlement.

1.3 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the austerity measures for another 2-5 years (see section 3.5);
- The Executive will need to consider whether to increase Council Tax by maximum level possible below 2% (1.96%) or by a lower amount (paragraph 5.10); and, finally
- The Executive needs to consider the new growth items in Appendix 2.

1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2016/17 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2016/17 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2016/17 of 3.44% (as one of the lowest precepts in the country they are permitted to increase by £5) and the proposed 2016/17 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 22<sup>nd</sup> January 2016. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18<sup>th</sup> February 2016 at which point the Commissioner will be in a position to confirm the Council Tax for 2016/17 in time for Council on the 23<sup>rd</sup> February 2016.

## 1.0 SUMMARY

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

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

The Right Honorable George Osborne, Chancellor of the Exchequer

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

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

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

1.9 The following appendices have been attached to this report:

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

## 2.0 BACKGROUND

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

## 2.0 BACKGROUND

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

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

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

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

- Efficiency reviews
- Procurement reviews
- Base budget reviews

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

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

## 2.0 BACKGROUND

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

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

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

## 2.0 BACKGROUND

	<b>£'000</b>
<b>Revised budget shortfall – carried forward</b>	<b>1,657</b>
<b>Less:</b> Net savings agreed in December	-1,167
Adjustment to final savings arising from Housing restructure	10
<b>Budget surplus to be placed in reserves (before any further action is agreed)</b>	<b>-</b>

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

### Combined Spending Review & Autumn Statement 2015

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

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

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

The Right Honorable George Osborne, Chancellor of the Exchequer

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 3.5 Revenue Support Grant

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

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

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

#### 3.6 New Homes Bonus (NHB)

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

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

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

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

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

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

#### 3.6 New Homes Bonus (NHB)

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

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

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

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

#### 3.7 Business Rates

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

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

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

#### 3.8 Summary

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

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

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

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

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

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

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

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

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

### 3.9 Business Rate Retention Scheme

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

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

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

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

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

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

#### 3.9 Business Rate Retention Scheme –

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

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

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

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

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

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

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

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

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

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

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

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

#### 3.9 Business Rate Retention Scheme

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

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

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

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

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

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

\* Includes any surplus or deficit on the collection fund

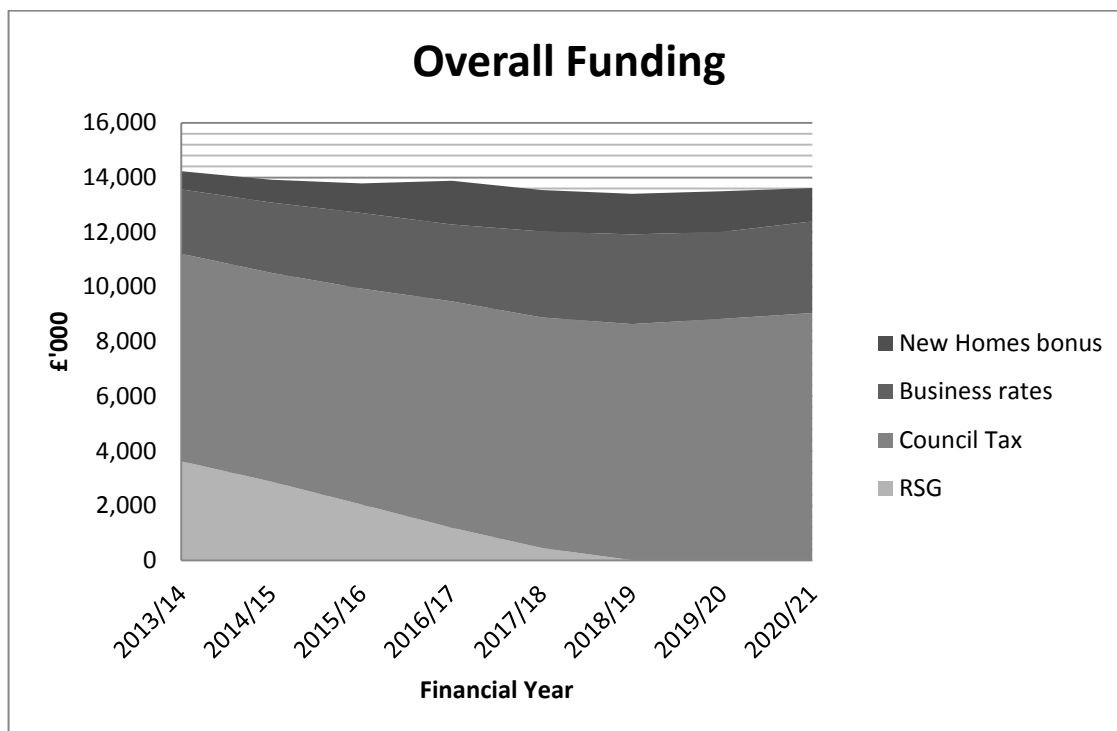
\*\* Includes the Council Tax Freeze Grant

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



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

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



### 4.0 2015/16 BUDGET – CURRENT POSITION

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

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

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

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

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

#### 5.0 DRAFT REVENUE ESTIMATES 2016/17

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

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

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

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

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

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

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

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

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

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

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

5.9 Members are now faced with two questions:

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

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

### 5.10 The Council Tax increase:

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

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

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

### 5.10 The Council Tax increase:

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

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

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

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

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

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

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

## 5.0 DRAFT REVENUE ESTIMATES 2016/17

### 5.10 The Council Tax increase:

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

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

### 5.11 Uncommitted Growth Items:

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

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

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

## 6.0 IMPACT ON FUTURE YEARS

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

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

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

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

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

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

## 7.0 RESERVES

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

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

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

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

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

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



## 7.0 RESERVES

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

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

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

## 8.0 SIGNIFICANT RISKS

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

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

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

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

## 9.0 CONSULTATION

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

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

## **10.0 UPDATE TO PRUDENTIAL INDICATORS**

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

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

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

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

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

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

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

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

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

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

## **12.0 COUNCIL TAX SETTING**

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

- 12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2016/17 Budget, the resulting Council Tax for the Borough can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

## 12.0 COUNCIL TAX SETTING

### 12.3 Worthing Borough Council:

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

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

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

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

(b) **Council Tax Base**

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

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

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

## 12.0 COUNCIL TAX SETTING

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

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

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

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

### 12.5 Overall Council Tax

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

## 13.0 CONCLUSION

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

## **13.0 CONCLUSION**

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

## **14.0 RECOMMENDATIONS**

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

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

## **Local Government Act 1972**

### **Background Papers :**

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

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

**Background Papers :**

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

Spending Review and Autumn Statement 2015. HM Treasury

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

Local Government Act 2003 and Explanatory Note

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

Statement of Accounts 2014/15

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

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

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

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

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

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

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

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

## SCHEDULE OF EARMARKED RESERVES

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

C = Capital Contribution

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

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

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.15	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.16	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.17
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. <b>MUSEUM RESERVE</b>	107	-	-	107	-	-	107
<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.							
7. <b>THEATRE TICKET LEVY</b>	35	60	(23)	72	80	(143)	9
<b>Purpose:</b>							
Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.							
8. <b>PLANNING DELIVERY GRANT RESERVE</b>	98	-	(69)	29	-	-	29
<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.							
<b>C = Capital Contribution</b>							



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

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

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

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

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

**DECISION**

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

**DECISION THE EXECUTIVE**

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

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

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

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

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

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



**APPENDIX 5**

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

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

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



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



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



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

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

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



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

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



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

# CUSTOMER SERVICES PORTFOLIO

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

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



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

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



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

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



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

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

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



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

# REGENERATION PORTFOLIO

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

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

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

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



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

# RESOURCES PORTFOLIO

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

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

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

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



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



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

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

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

### ***Billing authorities***

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

### ***Business Rates***

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

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

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

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

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

### ***Control totals***

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

### ***Council Tax***

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

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

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

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

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

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

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

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

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

### ***Floor damping***

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

### ***Levy***

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

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

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

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

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

### ***Local share***

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

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

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

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

### ***Multiplier***

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

### ***Precept***

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

### ***Precepting authority***

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

### ***Proportionate share***

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

### ***Receiving authorities***

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

### ***Reserves***

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

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

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

### ***Ringfenced grant***

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

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

### ***Safety net***

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

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

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

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

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

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

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

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

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

### ***Specific grants***

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

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

***Specified body***

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

***Tariffs and top ups***

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