



**COUNCIL MEETING  
21<sup>st</sup> FEBRUARY, 2017  
AGENDA ITEM NO: 7**

**Draft Revenue Budget 2017/2018**

If Members have any questions regarding the detail behind the Revenue budget, please contact **Emma Thomas (01903 221232)** or **Sarah Gobey (01903 221221)** prior to the meeting.

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

1. **REPORT TO THE EXECUTIVE**  
Estimates 2017/18 and setting of 2017/18 Council Tax
  
2. **APPENDIX 1**  
Revenue Budget Summary Statement 2016/17 – 2021/22.
  
3. **APPENDIX 2**  
Schedule of Earmarked Reserves
  
4. **APPENDIX 3**  
Property Analysis – Calculation of Tax Base
  
5. **RECOMMENDATION FROM THE EXECUTIVE 06<sup>TH</sup> FEBRUARY 2017**
  
6. **APPENDIX 4 SUMMARY OF EXECUTIVE MEMBER REQUIREMENTS AND PORTFOLIO BUDGETS**  
(including Summary of Variations)
  - Environment
  - Health and Wellbeing
  - Customer Services
  - Leader
  - Regeneration
  - Resources
  
7. **COUNCIL TAX DETERMINATION 2017/18 – TO FOLLOW**

**FURTHER DETAIL ON THE BUDGET IS AVAILABLE ON ADUR-WORTHING INTRANET**

**WORTHING BOROUGH COUNCIL BUDGET ESTIMATES 2017/18 AND SETTING OF 2017/18 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 2017/18 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2017/18, prior to its submission to the Council for approval on the 21<sup>st</sup> February 2017. 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 and any committed growth. The report also updates members about the impact of the draft 2017/18 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 reduction in Government resources for another 2-5 years (see section 3.2) ;
- The Executive will need to consider whether to increase Council Tax by maximum level possible of £5.00 (2.27%) or by a lower amount (paragraph 5.10); and, finally
- The Executive needs to consider the new growth item in paragraph 5.11.

1.4 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2017/18 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

## 1.0 SUMMARY

- 1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2017/18 of £5.00 or 3.36%. The proposed 2017/18 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 20<sup>th</sup> January 2017. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 20<sup>th</sup> February 2017 at which point the Commissioner will be in a position to confirm the Council Tax for 2017/18 just in time for Council on the 21<sup>st</sup> February 2017.
- 1.6 The Chancellor's Autumn Statement in November 2016 contained very little that impacted directly on Local Government.
- 1.7 The draft Local Government Settlement confirmed that a 3% 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 5% 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 17<sup>th</sup> February 2017. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 21st February 2017.
- 1.9 The following appendices have been attached to this report:
- (i) **Appendix 1** Revenue Budget Summary Statement 2016/17 – 2021/22
  - (ii) **Appendix 2** Schedule of Earmarked Reserves
  - (iii) **Appendix 3** Property Analysis and Calculation of Tax Base
  - (iv) **Appendix 4** Worthing Budget 2017/18 – Summary of Executive Member Portfolios
  - (v) **Appendix 5** Glossary of technical terms used in Local Government Settlement

## 2.0 BACKGROUND

- 2.1 The Joint Strategic Committee considered the 'Outline 5-year forecast for 2017/18 to 2021/22 and the Budget Strategy' on 13<sup>th</sup> September 2016. 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 report built on the strategy first proposed last year whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax income and business rate income.

## 2.0 BACKGROUND

2.2 With this strategy in mind, the Councils have set-up several strategic boards who are responsible for taking forward key initiatives aimed at delivering savings for the future:

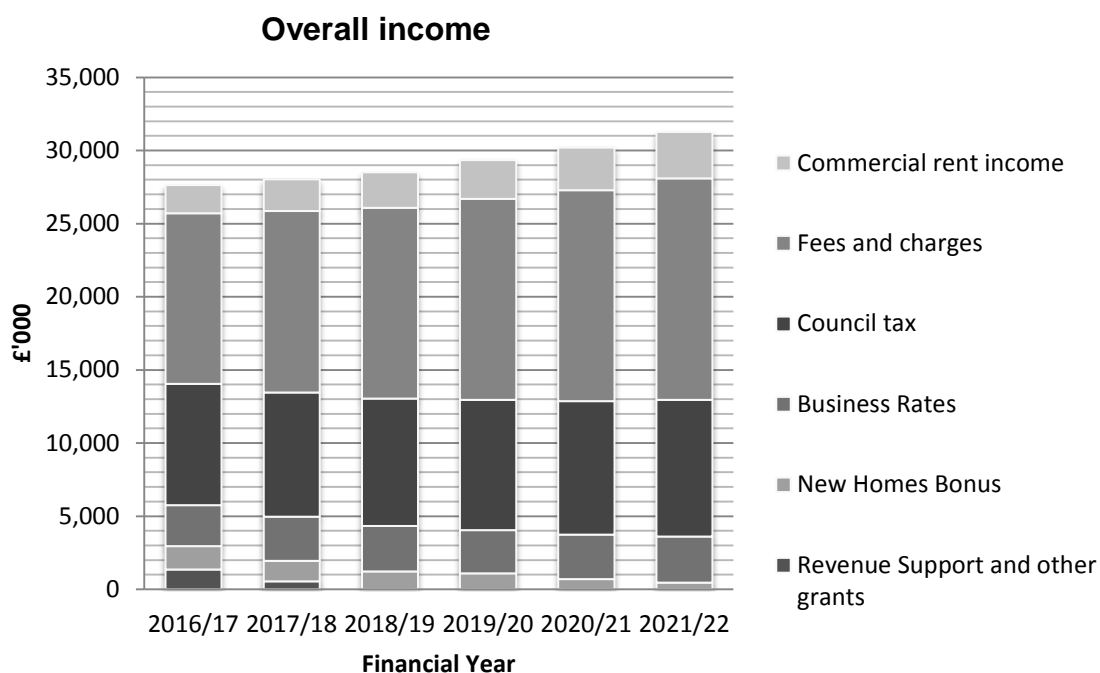
- **The Major Projects Board** will lead on delivering projects to increase employment space and additional housing;
- **The Digital Programme Board** will lead on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work.
- **The Strategic Asset Management 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.

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

2.3 The successful delivery of the strategy will fundamentally change how the Council is funded. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities. Overall the Council benefits from over £27.6m of income per year which is expected to grow each financial year.

| Total income                           | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|---------|---------|---------|---------|---------|---------|
|  | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Revenue Support and other grants       | 1,354   | 553     | 8       | 0       | 0       | 0       |
| Business Rates                         | 2,809   | 3,020   | 3,097   | 2,939   | 3,042   | 3,142   |
| New Homes Bonus                        | 1,599   | 1,388   | 1,228   | 1,102   | 704     | 470     |
| Council Tax                            | 8,277   | 8,507   | 8,702   | 8,912   | 9,117   | 9,337   |
| Income from taxation                   | 14,039  | 13,468  | 13,035  | 12,953  | 12,863  | 12,949  |
| Fees and charges                       | 11,672  | 12,389  | 13,057  | 13,738  | 14,433  | 15,142  |
| Commercial rent income                 | 1,928   | 2,167   | 2,410   | 2,658   | 2,911   | 3,169   |
| Income from commercial activity        | 13,600  | 14,556  | 15,467  | 16,396  | 17,344  | 18,311  |
|  |         |         |         |         |         |         |
| Total income excluding specific grants | 27,639  | 28,024  | 28,502  | 29,349  | 30,207  | 31,260  |

## 2.0 BACKGROUND



- 2.4 The subsequent report to the Joint Strategic Committee, on 6<sup>th</sup> December 2016 updated Members as to the latest budgetary information and the forecast shortfall, before savings or growth, was revised as follows:

| <b>Worthing Borough Council</b>                                       | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21</b> | <b>2021/22</b> |
|---|----------------|----------------|----------------|----------------|----------------|
|   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
| Overall shortfall – September forecast                                | 1,410          | 2,511          | 3,617          | 4,415          | 5,056          |
| Overall shortfall – December forecast (including net approved growth) | 1,663          | 2,771          | 3,875          | 4,672          | 5,311          |
| Increase / (Decrease) in shortfall                                    | 253            | 260            | 258            | 257            | 255            |
| Overall shortfall – December forecast                                 | 1,663          | 2,771          | 3,875          | 4,672          | 5,311          |
| Savings identified in December 2016 report                            | -1,734         | -1,379         | -1,579         | -1,779         | -1,979         |
| Revised budget shortfall/Surplus(-) as at December 2016               | -71            | 1,392          | 2,296          | 2,893          | 3,332          |

- 2.5 The 2017/18 savings proposals identified within the report amounted to £1,734,000.

## 2.0 BACKGROUND

2.6 Since the meeting on 6th December 2016, 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 2017/18 can be summarised as:

|   | <b>£'000</b> |
|---|--------------|
| <b>Original shortfall as identified in September</b>  | <b>1,410</b> |
| <b>Changes identified in December 2016:</b>   |              |
| (a) Improvements to the income from Council Tax   | -81          |
| (b) Further increase in homelessness caseload   | 170          |
| (c) Reduction in Government Grant for Council Tax Support Scheme administration (New Burdens Funding) | 60           |
| (d) Net committed growth items identified by budget holders   | 184          |
| (e) Removal of contingency budget   | -80          |
| <b>Budget shortfall as at 6<sup>th</sup> December 2016</b>  | <b>1,663</b> |
| <b>Settlement</b>   |              |
| Impact of provisional New Homes Bonus allocation  | 126          |
| Adjustment to other government grants   | -7           |
| <b>Adjustment for final items identified</b>  |              |
| Changes to the capital programme  |              |
| - Impact of expected delivery date for the new refuse and recycling fleet                             | -119         |
| - Environmental improvements at Brooklands Lake   | 9            |
| Impact of 2017 rates revaluation of the rates payable by the Council                                  | 80           |
| Adjustment to insurance budget following increase in Insurance Premium Tax which is increasing by 2%  | 7            |
| Removal of provision for new growth items   | -90          |
| <b>Final adjustment to allocations between the two Councils</b>                                       |              |
| <b>Revised budget shortfall – carried forward</b>   | <b>1,669</b> |
| <b>Less:</b> Net savings agreed in December   | -1,734       |
| Adjustment to final savings arising from allocations  | -6           |
| <b>Budget surplus to be placed in reserves (before any further action is agreed)</b>                  | <b>-71</b>   |

### 3.0 AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.1 Autumn Statement 2016

3.1.1 The Chancellor Philip Hammond delivered the 2016 Autumn Statement on the 23<sup>rd</sup> November 2016, which included a substantial re-assessment of Government finances since the previous Budget. The Chancellor announced that the public purse will be £122bn worse off in the period until 2021, with debt rising from 84.2% of GDP last year to 87.3% this year, and further increasing to 90.2% in 2017/18.

3.1.2 As a result, one of the most significant policy decisions has been that the Government will no longer seek to deliver a budget surplus by the end of this current Parliament, although there is an ambition that public finances should return to a balanced budget by 'as early as possible' in the next Parliament. This decision has allowed the Chancellor to respond, not with further fiscal tightening and departmental funding reductions, but by maintaining the current spending plans and using additional borrowing to fund infrastructure investment.

3.1.3 However there will be no easing of the financial pressure for public services including Local Government but that said Local Government were not worse off as a result of the Autumn Statement. The Government clearly intended to operate within the four-year guarantee announced in the 2016/17 settlement. Nevertheless, this does continue with the significant reduction in Local Government funding over the period 2016/17 – 2019/20 announced as part of the spending review.

| <b>Local Government – Departmental Expenditure Limit (DEL)</b> |                 |                |                |                |                |
|--|-----------------|----------------|----------------|----------------|----------------|
| <b>Departmental Expenditure Limit</b>                          | <b>£Billion</b> |                |                |                |                |
|  | <b>2015/16</b>  | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> |
| 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%         |

3.1.3 The Government will keep to the same broad priorities for the remainder of this Parliament in line with its previous spending decisions, including ring fencing funding for NHS, defence, and overseas aid; and the triple-lock guarantee of increases to pensions.



### **3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT**

#### **3.1 Autumn Statement 2016**

3.1.4 There was a welcome final announcement that the timetabling of the national budgets has been changed. The Chancellor announced the intention to have the Budget in the autumn and a Spring Statement. This switch will allow more time for scrutiny of funding decisions before they come into effect.

3.1.5 Contained within the Autumn Statement were a few announcements which have particular relevance to the Council:

- The Chancellor announced that there would be £1 billion to invest in full-fibre broadband and trialling 5G networks. This investment will support the private sector to roll out more full-fibre broadband by 2020-21. Funding will also support trials of 5G mobile communications.

And from April 2017, the government will also provide a new 100% business rates relief for new full-fibre infrastructure for a 5 year period.

This is very welcome particularly in light of the Gigabit Coast project which seeks to facilitate improved digital infrastructure throughout the County and for which Adur and Worthing Councils will act as the pilot project.

- Rural Rates Relief will increase to 100% which will be welcome news for small business. The Councils expect to be fully reimbursed for this change through additional government grant.
- The living wage is set to increase from £7.20 to £7.50 per hour which whilst welcome for low paid staff will put a very minor pressure on the Council budget.
- Insurance Premium Tax is set to increase from will increase from 10% to 12% from 1st June 2017. It is inevitable that the insurance companies will pass this cost onto the consumers.

#### **3.2 2017/18 Local Government Finance Settlement**

3.2.1 The Secretary of State for the Department for Communities and Local Government (DCLG) Sajid Javit delivered the provisional Local Government Finance Settlement on the 15<sup>th</sup> December 2016. Consultation on the provisional settlement will close on the 13<sup>th</sup> January 2017.

3.2.2 The key features of the 2017/18 provisional settlement were outlined in the speech as:

- *Four year offer*
- *Changes to New Homes Bonus*
- *Funding for Social Care*
- *Fair Funding review*

Taking each of these in turn:

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.2 2017/18 Local Government Finance Settlement

##### 3.2.3 Four Year Offer

In his speech, the Secretary of State confirmed the Government's commitment to the 2016/17 four year funding plan.

*"This [local government finance settlement](#) honours our commitment to 4-year funding certainty for councils that are committed to reform. "*

The Secretary of State for Communities and Local Government – Sajid Javit

97% of councils submitted a long term efficiency plan.

The Council has received confirmation that its efficiency plan has been accepted by the government as so have certainty about the level of government funding from revenue support grant for the next three years.

| Worthing Borough Council  | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---------------------------|---------|---------|---------|---------|---------|---------|
|                           | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Draft settlement          | 2,043   | 1,194   | 453     | 8       | 0       | 0       |
| Decrease year on year (£) |         | 849     | 741     | 445     | 8       |         |
| Decrease year on year (%) |         | 41.56%  | 62.06%  | 98.23%  | 100.00% |         |

##### 3.2.4 New Homes Bonus (NHB)

Following the consultation on New Homes Bonus earlier in the year, significant changes were announced to the scheme as part of settlement. As expected, legacy payments are being reduced from 6 years to 5 years in 2017/18 and then to 4 years in 2018/19. More unexpectedly, a national baseline for housing growth of 0.4% will be introduced; growth below this threshold will not qualify for grant. The implication of this change is that 181 Band D equivalent properties will need to be completed each year before any grant will be awarded.

The national savings in New Homes Bonus generated by the new baseline will be used to contribute towards the cost of social care. A new £240m adult social care support grant has been created in 2017/18 and is distributed according to relative need.

It is further proposed that from 2018/19 the Government will withhold payments from authorities not supporting housing growth whether through an absence of a local plan or by not granting planning permission (which is then granted on appeal). There will be a further consultation on this element of the new scheme in the Summer 2017.

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.2 2017/18 Local Government Finance Settlement

##### 3.2.4 New Homes Bonus (NHB)

The retention of the New Homes Bonus will benefit those Councils who have capacity to build a significant number of homes. 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 additional income in 2017/18 and beyond albeit at a reduced level to reflect the new national housing baseline.

|  | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|---------|---------|---------|---------|---------|---------|
|  | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Original assumption  | 1,599   | 1,514   | 1,484   | 1,488   | 1,220   | 860     |
| Draft settlement   |         |         |         |         |         |         |
| Historic allocations                                       | 1,599   | 1,154   | 764     | 518     |         |         |
| 2017/18 allocation   |         | 234     | 234     | 234     | 234     |         |
| Potential future allocations                               |         |         | 230     | 350     | 470     | 470     |
| Total New Homes Bonus                                      | 1,599   | 1,388   | 1,228   | 1,102   | 704     | 470     |
| Increase / decrease (-) in grant from previous assumptions |         | -126    | -256    | -386    | -516    | -390    |

The New Homes Bonus has been an important source of funding. The provisional 2017/18 allocation for this council is £1,388,230. It should be noted that the future allocations are indicative at this stage as the final details of the new scheme are dependent not only on the level of house building but on the outcome of the consultation planned for next Summer.

##### 3.2.5 Funding for Social Care

There will be an increase in the allowable addition to the social care precept. This will increase from the current 2% to the new threshold of 3% in 2017-18 and 2018-19 which the Government estimates will yield £208m and £444m respectively.

This is a welcome change for those with social care responsibility but will only go part of the way to meeting the costs.

In effect, this will increase the maximum potential addition to the County Council share of the bill to 5% in each year.

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.2 2017/18 Local Government Finance Settlement

##### 3.2.6 Fair funding review

The Government is undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up-to-date, more transparent and fairer needs assessment formula.

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme due to be introduced across the Country by 2019/20. Consequently this review will not only influence the level of Revenue Support Grant received by each Council but all the amount of business rates each Council will be able to retain.

##### 3.2.7 Summary of 2017/18 Local Government Settlement

In overall terms, the 2017/18 settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in government funding of 15.35%. For districts, this is even slightly less than last year's drop of 16.96%.

| <b>YEAR-ON-YEAR CHANGE FOR THE 2017/18 SETTLEMENT</b> |   |  |   |
|---|---|--|---|
| <b>Class of Local Authority</b>                       | <b>2016-17<br/>Adjusted<br/>settlement<br/>Funding<br/>Assessment</b> | <b>2017-18<br/>Settlement<br/>Funding<br/>Assessment</b> | <b>Overall<br/>Reduction<br/>in funding</b> |
|   | <b>£million</b>   | <b>£million</b>  | <b>%</b>                                    |
| <b>England</b>  | 18,601.46   | 16,630.16  | -10.60%                                     |
| <b>London Area</b>                                    | 4,555.10  | 4,235.48   | -7.02%                                      |
| <b>Metropolitan Areas</b>                             | 4,999.32  | 4,553.31   | -8.92%                                      |
| <b>Shire Areas</b>                                    | 9,043.75  | 7,838.08   | -13.33%                                     |
| <b>Isles of Scilly</b>                                | 3.29  | 3.29   | 0.00%                                       |
| <b>London Area</b>                                    |   |  |   |
| London Boroughs                                       | 3,398.55  | 3,078.33   | -9.42%                                      |
| GLA   | 1,156.55  | 1,157.15   | 0.05%                                       |
| <b>Metropolitan Areas</b>                             |   |  |   |
| Metropolitan Districts                                | 4,751.57  | 4,323.36   | -9.01%                                      |
| Metropolitan Fire Authorities                         | 247.75  | 229.95   | -7.18%                                      |
| <b>Shire Areas</b>                                    |   |  |   |
| Shire unitaries with fire                             | 321.61  | 283.17   | -11.95%                                     |
| Shire unitaries without fire                          | 3,459.30  | 3,066.75   | -11.35%                                     |
| Shire counties with fire                              | 1,677.09  | 1,426.86   | -14.92%                                     |
| Shire counties without fire                           | 2,408.24  | 2,043.98   | -15.13%                                     |
| <b>Shire districts</b>                                | <b>789.80</b>   | <b>668.57</b>  | <b>-15.35%</b>                              |
| Combined fire authorities                             | 387.71  | 348.75   | -10.05%                                     |

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.2 2017/18 Local Government Finance Settlement

3.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on Friday 13<sup>th</sup> January 2017 with final settlement expected by the middle of February.

3.2.9 In previous years, there were few significant change at this late stage. If there are any significant changes arising from the final information members will be briefed before Council.

#### 3.3 Other matters related to settlement

##### 3.3.1 Council Tax Referendum

In parallel to the settlement, the proposed referendum criteria were published. Shire districts can increase council tax by 2% or £5.00 on Band D equivalent property whichever is higher. The current budget assumes an increase of 2% and a £5.00 increase would be equivalent to 2.27%.

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

##### 3.3.2 Business Rate Retention Scheme

The business rate retention scheme has now been in place for several 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 fall in income below the baseline funding level of £188,590.
- 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>    |

\* Any levy is now retained by the business rate pool rather than paid over to the Treasury.

## **3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT**

### **3.3 Other matters related to settlement**

3.3.3 The forecast for 2017/18 is currently being finalised. The 2017/18 NNDR return which underpins this forecast is due to be submitted by the 31<sup>st</sup> January 2017 and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

3.3.4 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: The Aquarena site, Union Place and Teville Gate.

3.3.5 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. The equates to an estimated additional business rate income of over £2m retained locally each year to benefit the residents of West Sussex.

3.3.6 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. There is no time limit on when an appeal might be lodged. This is particularly pertinent in a valuation year. In the first year of the 2010 valuation, the VOA received 222 appeals with an ultimate loss in rateable value of over £0.5m.
- 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 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. This is the subject of a national legal challenge.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

#### 3.3 Other matters related to settlement

3.3.7 Consequently there could be significant swings in the amount of business rate income in any one year particularly following a rating revaluation. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2016/17 year end.

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

3.4.1 The financing of local government has continues to change. 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 additional Council Tax) and the creation of employment space (Business Rate Retention Scheme).

Consequently, the income from Council Tax forms an increasingly significant proportion of the Council's overall taxation income over the next 5 years and so the decision regarding the annual increase has a greater strategic importance.

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

|                                     | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
|                                     | £'000   | £'000   | £'000   | £'000   | £'000   | £'000   |
| Council Tax *                       | 8,277   | 8,505   | 8,701   | 8,910   | 9,116   | 9,335   |
| Business Rates *                    | 2,809   | 3,020   | 3,097   | 2,939   | 3,042   | 3,142   |
| Revenue Support and other grants ** | 1,354   | 553     | 8       | 0       | 0       | 0       |
| New Homes Bonus                     | 1,599   | 1,388   | 1,228   | 1,102   | 704     | 470     |
|                                     | 14,039  | 13,466  | 13,034  | 12,951  | 12,862  | 12,947  |

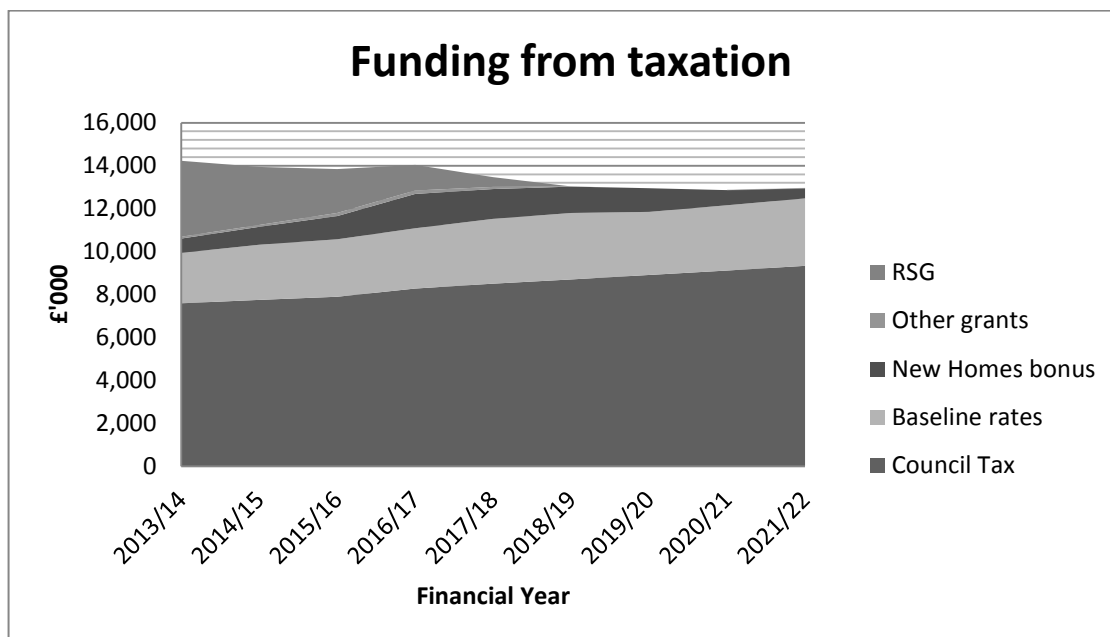
\* Includes any surplus or deficit on the collection fund

\*\* Includes the Transition Grant and other minor grants

|                                     | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Council Tax *                       | 58.96%  | 63.16%  | 66.76%  | 68.80%  | 70.88%  | 72.10%  |
| Business Rates *                    | 20.01%  | 22.43%  | 23.76%  | 22.69%  | 23.65%  | 24.27%  |
| Revenue Support and other grants ** | 9.64%   | 4.10%   | 0.06%   | 0.00%   | 0.00%   | 0.00%   |
| New Homes Bonus                     | 11.39%  | 10.31%  | 9.42%   | 8.51%   | 5.47%   | 3.63%   |
| Total                               | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

### 3.0 THE AUTUMN STATEMENT 2016 AND 2017/18 LOCAL GOVERNMENT FINANCE SETTLEMENT

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



### 4.0 2016/17 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to the Joint Strategic Committee on 8<sup>th</sup> November 2016 projected an underspend for the year of £298,000

|   | Forecast Over/(Under) spend |
|---|-----------------------------|
|   | £'000                       |
| <b>Homelessness</b><br>Increasing caseloads   | 197                         |
| <b>Theatres</b><br>Underachievement of net income from live events and catering   | 132                         |
| <b>Commercial rent income</b><br>Additional income arising from the purchase of two properties in Montague Street after allowing for borrowing costs. | (117)                       |
| <b>Treasury Management</b><br>Impact of new MRP policy, the final 2015/16 capital programme and changes in interest rates                             | (411)                       |
| Balance carried forward   | (199)                       |



#### 4.0 2016/17 BUDGET – CURRENT POSITION

|  | Forecast<br>Over/(Under)<br>spend |
|--|-----------------------------------|
|  | <b>£'000</b>                      |
| Balance brought forward  | (199)                             |
| <b>Crematorium</b>   |                                   |
| Essential unplanned repairs to the cremators (£15k) and additional medical fees (£12k).  | 27                                |
| <b>Recovery of Benefit Overpayments</b>  |                                   |
| Additional income from the recovery of housing benefit payments. Since the introduction of Real Time information from HMRC, overpayments are being more regularly and swiftly identified leading to additional income. | (200)                             |
| <b>Development Management</b>  |                                   |
| Cost of public enquiry into the Grand Avenue planning decision.  | 27                                |
| <b>Car Parking</b>   |                                   |
| Underachievement of income against budget  | 30                                |
| Net other variations   | 17                                |
| <b>Forecast underspend as at 8<sup>th</sup> November 2016</b>  | <b>(298)</b>                      |

- 4.2 As at the end of the 2<sup>nd</sup> quarter, Worthing Borough Council is likely to underspend. The on-going trends identified as part of the monitoring during 2016/17 have been incorporated into the 2017/18 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 2017/18 will be reported when the outturn report comes before the Joint Strategic Committee in July 2017. 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 2017/18

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,468,630. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

## 5.0 DRAFT REVENUE ESTIMATES 2017/18

- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.3 The key question of how the net budget requirement of £13.468m 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 2016/17 to 2017/18 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>2016/17 Original Estimate</b>   |        | 14,039        |
| <b>Add: General Pay and Price Increases</b>  |        | 183           |
| <b>Add: Committed and Unavoidable Growth:</b>  |        |               |
| Increased Expenditure as per 3 year forecast<br>(net of any proposed use of reserves)  | 1,145  |               |
| Reduced Income as per 3 year forecast  | 56     |               |
| Impact of Capital Investment Programme   | 38     | 1,239         |
| <b>Less: Compensatory savings/Additional Income:</b>   |        |               |
| Compensatory savings   | -226   |               |
| Additional income  | -98    | -324          |
| 2017/18 budget prior to agreed savings   |        | 15,137        |
| <b>Less: Savings agreed by members</b>   |        |               |
| Approved in December   | -1,734 |               |
| Final adjustment to saving arising from a<br>review of the allocations   | -6     | -1,740        |
| Executive Member requirements  |        | 13,397        |
| Potential contribution to reserves*  |        | 71            |
| Potential budget requirement before external support   |        | 13,468        |
| Collection fund surplus  |        | -9            |
| <b>2017/18 BUDGET REQUIREMENT</b>  |        | <b>13,459</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 item and the Council Tax increase. |        |               |

## 5.0 DRAFT REVENUE ESTIMATES 2017/18

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

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

Further details can be provided by request from Emma Thomas (Finance Manager) or Sarah Gobey (Chief Financial Officer).

5.7 The current net estimated 2017/18 spend is more than previously predicted and is mainly due to the following factors:

|  | £'000 |
|--|-------|
| Reduction in New Homes Bonus   | 126   |
| Impact of latest expected capital spend on treasury management costs         | -119  |
| Impact of 2017 business rate revaluation on the Councils business rate bills | 80    |
| Removal of provision for new growth items                                    | 63    |

5.8 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £66,270, of which £9,400 is the District Council share. This is a minor surplus in light of the overall income due which exceeds £59.3m, and is due to a slight improvement in the level of income to the collection fund.

5.9 Members are now faced with two questions:

- What level of Council Tax to set?
- Whether to accept the growth item 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 2017/18.

## 5.0 DRAFT REVENUE ESTIMATES 2017/18

### 5.10 The Council Tax increase:

5.10.2 The consultation undertaken last year revealed that:

| Responses to potential Council Tax increases                               | %     |
|--|-------|
| 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 2% uplift would be a modest increase in the District council share of the bill for 2017/18 as follows:

| Worthing Borough Council                         | £      |
|--|--------|
| Band D Council Tax in 2016/17                    | 220.23 |
| Annual impact of 2% increase                     | 4.41   |
| Amount per week                                  | 0.08   |
| Amount per week for an average property (Band C) | 0.07   |

5.10.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a £5.00 (3.36%) increase for their 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%:

|                                      | 2016/17  | 2017/18<br>(Indicative) | %     |
|--------------------------------------|----------|-------------------------|-------|
|                                      | £        | £                       |       |
| Worthing Borough Council             | 220.23   | 224.64                  | 2.00% |
| West Sussex County Council           | 1,207.89 | 1,255.60                | 3.95% |
| Sussex Police and Crime Commissioner | 148.91   | 153.91                  | 3.36% |
|                                      | 1,577.03 | 1,634.15                | 3.62% |

## 5.0 DRAFT REVENUE ESTIMATES 2017/18

### 5.10 The Council Tax increase:

5.10.5 There are long term consequences in setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with over the next 5 years. The financial impact of freezing Council Tax rather than increasing by 2% is detailed below.

| Worthing Borough Council   | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|--|---------|---------|---------|---------|---------|
|  | £'000   | £'000   | £'000   | £'000   | £'000   |
| Council Tax income if Council Tax is increased by just under 2.0% every year | 8,498   | 8,702   | 8,912   | 9,117   | 9,337   |
| Council Tax income if Council Tax is frozen every year                       | 8,331   | 8,364   | 8,398   | 8,423   | 8,457   |
| Fall in income per annum if Council Tax is frozen                            | 167     | 338     | 514     | 694     | 880     |
| Current budget shortfall based on 2% council tax increase                    | 1,669   | 3,097   | 4,189   | 5,172   | 5,642   |
| Revised budget shortfall if Council Tax is frozen                            | 1,836   | 3,435   | 4,703   | 5,866   | 6,522   |

5.10.6 Members are asked to consider which level of Council Tax increase that they support. An increase of 2% would enable the Council to set a balanced budget and fund some new initiatives.

5.10.7 Each 1% increase in Council Tax is worth £83,000 and increasing Council Tax by 2.0% will protect the longer term financial interests of the Council during a particularly challenging time.

### 5.11 Uncommitted Growth Items:

5.11.1 There is one uncommitted growth item to be considered. A budgetary provision of £70,000 is needed to fund the costs associated the delivery of major development projects within the town. The sites include Teville Gate, Union Place, and Grafton This is especially pertinent where a more complex delivery vehicle is being considered (e.g. Joint Venture) which would require specialist legal and financial advice, however the budget can also be used to fund other associated studies.

5.11.2 The redevelopment of these sites is contributes to the delivery of 'Platforms for Our Places' commitments outlined in Platform 1: Our Financial Economies (Commitment 1.6).

## 5.0 DRAFT REVENUE ESTIMATES 2017/18

### 5.12 Summary of budget position

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

|  |              |              |
|--|--------------|--------------|
| Net budget requirement                                     | <b>£'000</b> | <b>£'000</b> |
|  |              | 13,397       |
| <b>Less:</b> Government grant (including transition grant) | 553          |              |
| Baseline Funding   | 2,514        |              |
| Share of additional Business Rate income                   | 506          |              |
| Council Tax (2.0% increase)                                | 8,498        |              |
| New Homes Bonus  | 1,388        |              |
| Collection Fund surplus                                    | 9            | -13,468      |
| Balanced budget based on 1.98% Council Tax increase        |              | -71          |
| Maximum impact of accepting the growth item (para. 5.11)   |              | 70           |
|  |              | -1           |
| <b>Maximum contribution to reserves</b>                    |              | 1            |
|  |              | -            |

## 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 1.98% tax increase for 2017/18 which is to be considered as part of this report). The 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) |         |         |         |         |
|--|---------------------------------|---------|---------|---------|---------|
|  | 2017/18                         | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|  | £'000                           | £'000   | £'000   | £'000   | £'000   |
| Cumulative budget shortfall                            | 1,669                           | 3,097   | 4,189   | 5,172   | 5,642   |
| <b>Less:</b>   |                                 |         |         |         |         |
| Net savings agreed in December                         | -1,740                          | -1,385  | -1,585  | -1,785  | -1,985  |
| Impact of accepting the growth items in paragraph 5.11 | 70                              | 70      | 70      | 70      | 70      |
| Potential contribution to reserves to be agreed        | -1                              | -       | -       | -       | -       |
| Adjusted cumulative budget shortfall                   | -                               | 1,782   | 2,674   | 3,457   | 3,727   |
| Savings required each year                             | -                               | 1,782   | 892     | 783     | 270     |

## 6.0 IMPACT ON FUTURE YEARS

6.2 The continuation of the withdrawal of government fund 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;

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £600k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

|  | Expected shortfall (Cumulative) |         |         |         |
|--|---------------------------------|---------|---------|---------|
|  | 2018/19                         | 2019/20 | 2020/21 | 2021/22 |
|  | £'000                           | £'000   | £'000   | £'000   |
| Cumulative budget shortfall              | 1,773                           | 2,666   | 3,448   | 3,719   |
| Future savings from budget strategy:     |                                 |         |         |         |
| Customer and Commercial Board            | -420                            | -840    | -1,260  | -1,680  |
| Digital Programme Board                  | -120                            | -240    | -360    | -480    |
| New savings initiatives to be identified | 1,233                           | 1,586   | 1,828   | 1,559   |
| New initiatives required each year       | 1,233                           | 353     | 242     | -269    |

2018/19 remains a particularly challenging year.

## 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 99 'Local Authority Reserves and Balances'.

7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); 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.

## 7.0 RESERVES

- 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 2016 was £844,000 which was 6.0% of net 2016/17 revenue expenditure – just within the range of 6%-10% set by the Council. There are no plans to draw down from the working balance

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

|            |  | £'000 | %   |
|------------|--|-------|-----|
| 31.03.2017 | Balance carried forward – per Final Accounts | 844   | 6.3 |
| 31.03.2018 | No planned drawdown or contribution expected | 844   | 6.5 |
| 31.03.2019 | No planned drawdown or contribution expected | 844   | 6.5 |
| 31.03.2020 | No planned drawdown or contribution expected | 844   | 6.6 |

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 each year.

- 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 0.25% would cost the Council in a region of £31,250 in 2017/18.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £162,000.
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.



## 7.0 RESERVES

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2017/18 of £808,800 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 £1,346,600 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, 2018 is £1,768,000, although this reduces to £798,000 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 2. 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. The Council has over the past year minimised new calls on such resources.

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) **Housing Services** – The Council has experienced a significant increase in demand for emergency and temporary accommodation over the past year. Whilst substantial growth has been built into the budget, the degree to which this will be adequate depends on two factors:

1. The extent to which caseload continues to grow

## 8.0 SIGNIFICANT RISKS

### 2. The supply of cost effective accommodation

Whilst the Council is now sourcing more cost effective accommodation for our clients, there remains a risk that demand for such accommodation will outstrip our ability to find additional cost effective units.

In addition, there will be a change to the funding regime. Currently, an additional £60.00 per week per family can be claimed from housing benefit towards the cost of accommodating clients in bed and breakfast. From 1<sup>st</sup> April, this funding is to be replaced with a grant and it is not known how the grant will be assessed.

- (ii) **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 2017/18, income may fall further than expected or new targets for commercial income may not be met.
- (iii) **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.
- (iv) **Inflation** - A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2017/18, 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     | 162         |
| Non-pay | 135         |

- 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 ran a consultation exercise last year which support the Council's five year budget strategy. In light of this, no consultation exercise was undertaken this year.

## **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 2017/18. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2017/18 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 2017/18 to 2019/20 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 2017.

## **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;

## 11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

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

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

- (1) The provision of estimates for items outside of the direct control of the Council:
  - Income from fees and charges in volatile markets, e.g. car parks and development control fees.
  - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
  - 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 2017/18.

### 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 Worthing Borough.

## 12.0 COUNCIL TAX SETTING

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2017/18 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.

### 12.3 Worthing Borough Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2017/18 prior to the consideration of the budget proposals. This is based on 2.0% Council Tax increase:

|  | £          | £                |
|--|------------|------------------|
| Net 2017/18 Budget *   |            | 13,468,630       |
| <b>Less:</b>   |            |                  |
| Aggregate External Finance:  |            |                  |
| Revenue Support Grant  | -452,930   |                  |
| Baseline Funding   | -2,514,490 |                  |
| Additional Retained Business Rate income                             | -505,750   |                  |
| New Homes Bonus  | -1,388,230 |                  |
| Contribution from the Collection Fund surplus (as per paragraph 5.8) | -9,400     |                  |
| Transition Grant   | -99,860    |                  |
|  |            | -4,970,660       |
| <b>Balance to be raised from Council Tax</b>                         |            | <b>8,497,970</b> |

\* 2017/18 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 item. 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 2017/18 is 37,829.30 Band D equivalent properties. There is an increase to the current year base of 37,360.30 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 3.

## 12.0 COUNCIL TAX SETTING

### 12.3 Worthing Borough Council:

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

Members are now asked to consider which level of Council Tax to set for 2017/18. A Council Tax increase of 2.0% will ensure that the Council has a balanced budget.

|                                 | 2016/17       | 2017/18<br>(1%<br>increase) | 2017/18<br>(2.0%<br>increase) |
|---------------------------------|---------------|-----------------------------|-------------------------------|
|                                 | £             | £                           | £                             |
| <b>Worthing Borough Council</b> | <b>220.23</b> | <b>222.43</b>               | <b>224.64</b>                 |
| Annual increase                 |               | 2.20                        | 4.41                          |
| 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 3.36% was considered by the Police and Crime Panel on 20<sup>th</sup> January 2017 and agreed.

|                            | 2016/17<br>£    | 2017/18<br>£  |
|----------------------------|-----------------|---------------|
| West Sussex County Council | 1,207.89        | t.b.c.        |
| Sussex Police Authority    | 148.91          | 153.91        |
| <b>TOTAL</b>               | <b>1,356.80</b> | <b>t.b.c.</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 21<sup>st</sup> February 2017.

## 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 £1.7m of savings and is now in the position to set a balanced budget.

## **13.0 CONCLUSION**

- 13.2 Looking further ahead, 2018/19 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 commercial income growth and business efficiencies through the digital agenda assumes 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 and income from our commercial services.
- 13.4 The aims of 'Platforms for our Places' 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 2017/18 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 Joint Overview and Scrutiny Committee is consider the report and make any comments on the budget proposals for Worthing Borough Council (including the proposals for Council Tax) to the Joint Strategic Committee.**
- 14.2 **The Executive is recommended to:**
- (a) Approve the growth item detailed at paragraph 5.11;**
  - (b) Agree to recommend to Council the draft budgets for 2017/18 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,468,630, subject to any amendments above; and**

## 14.0 RECOMMENDATIONS

- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2017/18 as set out in paragraph 12.3.

### Local Government Act 1972

#### Background Papers :

Report to the Joint Strategic Committee September 2016 Outline forecast 2017/18 to 2021/22 and Budget Strategy

Report to the Joint Strategic Committee 6<sup>th</sup> December 2016 Updated Outline 5 year forecast and savings proposals.

Local Authority Finance (England) Settlement Revenue Support Grant for 017/18 and Related Matters: DCLG Letters and associated papers of 15<sup>th</sup> December 2016.

Autumn Statement 2016. HM Treasury

Local Government Act 2003 and Explanatory Note

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

Statement of Accounts 2015/16

Report to Joint Strategic Committee 6<sup>th</sup> December 2015 – 2<sup>nd</sup> Revenue Budget Monitoring 2015/16

#### Contact Officer:

Sarah Gobey,  
Chief Financial Officer  
Town Hall, Worthing  
Telephone No: (01903) 221221  
Email: [sarah.gobey@adur-worthing.gov.uk](mailto:sarah.gobey@adur-worthing.gov.uk).



|   | 2016/17<br>Base | 2017/18       | 2018/19       | 2019/20       | 2020/21       | 2021/22       |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | £'000           | £'000         | £'000         | £'000         | £'000         | £'000         |
| <b>Net Spending to be Financed from Taxation</b>                                  |                 |               |               |               |               |               |
| <b>Base budget</b>  | <b>14,039</b>   | 14,039        | 14,039        | 14,039        | 14,039        | 14,039        |
| <b>Annual Inflation</b>   |                 |               |               |               |               |               |
| Estimated inflation   |                 | 304           | 882           | 1,480         | 2,087         | 2,723         |
| - Overprovision for pay award in 2016/17 budget                                   |                 | (121)         | (121)         | (121)         | (121)         | (121)         |
| <b>One -off / non-recurring items</b>   |                 |               |               |               |               |               |
| Local Elections (not held once every four years)                                  |                 | (76)          | -             | -             | -             | (76)          |
| <b>Committed Growth / Cost reductions</b>   |                 |               |               |               |               |               |
| Impact of Pension Fund Triennial valuation  |                 | 100           | 204           | 315           | 321           | 327           |
| Housing condition survey - carried out once every 3 years                         |                 | 9             | -             | -             | 9             | -             |
| Impact of pension valuation for SDLT - Fall out of pension costs.                 |                 | (26)          | (52)          | (78)          | (104)         | (130)         |
| Loss of Housing Benefit Administration Grant                                      |                 | 45            | 90            | 135           | 180           | 225           |
| Reopening of Brooklands Golf Course (reopens 2017/18)                             |                 | (98)          | (98)          | (98)          | (98)          | (98)          |
| Net impact of SDLT commissioning support services from external providers         |                 | 187           | 187           | 187           | 187           | 187           |
| Increasing demand for emergency accommodation                                     |                 | 520           | 520           | 520           | 520           | 520           |
| Impact of reprocurement of building maintenance contracts for corporate buildings |                 | 14            | 14            | 14            | 14            | 14            |
| Reprocurement of IT systems   |                 | 25            | 25            | 25            | 25            | 25            |
| New 2020 recycling targets  |                 | -             | -             | 300           | 600           | 600           |
| Impact of 2% additional Insurance Premium Tax                                     |                 | 7             | 7             | 7             | 7             | 7             |
| Impact of 2017 rate revaluation   |                 | 80            | 80            | 80            | 80            | 80            |
| Growth items identified by Heads of Service approved in December                  |                 | 184           | 184           | 184           | 184           | 184           |
| <b>Impact of capital programme</b>  |                 |               |               |               |               |               |
| Financing costs - General Programme   |                 | 148           | 181           | 297           | 239           | 317           |
| Impact of latest estimates of spend and slippage                                  |                 | (119)         | 54            | (72)          | (10)          | (48)          |
| Impact of increasing 2017/18 programme  |                 | 9             | 38            | 38            | 38            | 38            |
| <b>Additional income</b>  |                 |               |               |               |               |               |
| Investment income   |                 | 56            | 48            | 40            | (12)          | (72)          |
| <b>Agreed Savings</b>   |                 |               |               |               |               |               |
| Splashpoint - Impact of sale of Aquarena site                                     |                 | (150)         | (150)         | (150)         | (150)         | (150)         |
| <b>Approved Growth items</b>  |                 |               |               |               |               |               |
| Provision for new growth items  |                 | -             | -             | -             | -             | -             |
| <b>Total Cabinet Member Requirements</b>  | <b>14,039</b>   | <b>15,137</b> | <b>16,132</b> | <b>17,142</b> | <b>18,035</b> | <b>18,591</b> |
| <b>Total Cabinet Member Requirements b/fwd</b>                                    | <b>14,039</b>   | <b>15,137</b> | <b>16,132</b> | <b>17,142</b> | <b>18,035</b> | <b>18,591</b> |
| <b>Baseline funding</b>   | 2,464           | 2,514         | 2,595         | 2,688         | 2,742         | 2,797         |
| <b>Add: Net retained additional business rates</b>                                | 520             | 506           | 502           | 251           | 300           | 345           |
| <b>Add: Share of 2015/16 surplus /deficit (-)</b>                                 | (175)           |               |               |               |               |               |
| <b>Adjusted Baseline funding</b>  | <b>2,809</b>    | <b>3,020</b>  | <b>3,097</b>  | <b>2,939</b>  | <b>3,042</b>  | <b>3,142</b>  |
| <b>Revenue Support Grant</b>  | <b>1,194</b>    | <b>453</b>    | <b>8</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |

| <b>WORTHING BOROUGH COUNCIL</b><br><b>Revenue Budget Summary Statement 2016/17 - 2021/22</b> |                 |               |               |               |               |               |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|
|  | 2016/17<br>Base | 2017/18       | 2018/19       | 2019/20       | 2020/21       | 2021/22       |
|  | £'000           | £'000         | £'000         | £'000         | £'000         | £'000         |
| <b>Council Tax income</b>  |                 |               |               |               |               |               |
| Adjusted Council Tax income  | 8,228           | 8,498         | 8,702         | 8,912         | 9,117         | 9,337         |
| Transitional Grant   | 100             | 100           | -             | -             | -             | -             |
| Council Tax Reduction Scheme Grant   | 60              | -             | -             | -             | -             | -             |
| New homes bonus (2011/12 - 2016/17)  | 273             | -             | -             | -             | -             | -             |
| New homes bonus (2012/13 - 2017/18)  | 172             | -             | -             | -             | -             | -             |
| New homes bonus (2013/14 - 2018/19)  | 220             | 220           | -             | -             | -             | -             |
| New homes bonus (2014/15 - 2019/20)  | 170             | 170           | -             | -             | -             | -             |
| New homes bonus (2015/16 - 2020/21)  | 246             | 246           | 246           | -             | -             | -             |
| New homes bonus (2016/17 -2019/20)   | 518             | 518           | 518           | 518           | -             | -             |
| New homes bonus (2017/18 - 2020/21)  | -               | 234           | 234           | 234           | 234           | -             |
| New homes bonus (2018/19- 2021/22)   | -               | -             | 230           | 230           | 230           | 230           |
| New homes bonus (2019/20 - 2022/23)  | -               | -             | -             | 120           | 120           | 120           |
| New homes bonus (2020/21 - 2023/24)  | -               | -             | -             | -             | 120           | 120           |
| Total New Homes Bonus  | 1,599           | 1,388         | 1,228         | 1,102         | 704           | 470           |
| Collection fund surplus/deficit (-)  | 49              | 9             | -             | -             | -             | -             |
| Total other grants and contributions   | 1,808           | 1,497         | 1,228         | 1,102         | 704           | 470           |
| <b>Total Income from Taxation</b>  | <b>14,039</b>   | <b>13,468</b> | <b>13,035</b> | <b>12,953</b> | <b>12,863</b> | <b>12,949</b> |
| <b>(Surplus) / Shortfall in Resources</b>  | <b>-</b>        | <b>1,669</b>  | <b>3,097</b>  | <b>4,189</b>  | <b>5,172</b>  | <b>5,642</b>  |
| <b>Use of / (contribution to) Res'ves to Balance Budget</b>                                  |                 |               |               |               |               |               |
| Capacity issues reserve  | -               | -             | -             | -             | -             | -             |
| <b>Total Income from Reserves</b>  | <b>-</b>        | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| <b>AMOUNT REQUIRED TO BALANCE BUDGET</b>   | <b>-</b>        | <b>1,669</b>  | <b>3,097</b>  | <b>4,189</b>  | <b>5,172</b>  | <b>5,642</b>  |
| <b>Strategic Initiatives to balance the budget</b>   |                 |               |               |               |               |               |
| <b>Strategic Property Investment Fund</b>  |                 |               |               |               |               |               |
| Properties purchased to date   |                 | 148           | 148           | 148           | 148           | 148           |
| Future property purchases  |                 | 52            | 252           | 452           | 652           | 852           |
| <b>Commercial activities and commissioning</b>   |                 |               |               |               |               |               |
| Commercial and Customer Board  |                 | 484           | 484           | 484           | 484           | 484           |
| <b>Efficiency Measures</b>   |                 |               |               |               |               |               |
| Digital Strategy Board   |                 | 108           | 132           | 132           | 132           | 132           |
| <b>Restructures and service plan savings not included above (see appendix 3)</b>             |                 |               |               |               |               |               |
|  |                 | 948           | 369           | 369           | 369           | 369           |
|  |                 | <b>1,740</b>  | <b>1,385</b>  | <b>1,585</b>  | <b>1,785</b>  | <b>1,985</b>  |
| <b>Cumulative savings still to be found</b>  |                 | <b>(71)</b>   | <b>1,712</b>  | <b>2,604</b>  | <b>3,387</b>  | <b>3,657</b>  |
| <b>Annual savings still to be found</b>  |                 | <b>(71)</b>   | <b>1,783</b>  | <b>821</b>    | <b>783</b>    | <b>270</b>    |
| Council Tax increase   |                 | 2.00%         | 2.00%         | 2.00%         | 2.00%         | 2.00%         |
| Average annual increase (Band C property)  |                 | £3.88         | £3.96         | £4.04         | £4.12         | £4.20         |
| Average weekly increase (Band C property)  |                 | £0.07         | £0.08         | £0.08         | £0.08         | £0.08         |

## ESTIMATED RESERVES

| SCHEDULE OF EARMARKED RESERVES   |                        |                       |                     |                                 |                       |                     |                                 |
|--|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
| Reserve  | Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.17 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.18 |
|  | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 1. <b>CAPACITY ISSUES RESERVE</b><br><b>Purpose:</b><br>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. | 455                    | -                     | (342)               | 113                             | -                     | -                   | 113                             |
| 2. <b>INSURANCE RESERVE</b><br><b>Purpose:</b><br>The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.                     | 392                    | 30                    | (21)                | 401                             | 30                    | (30)                | 401                             |
| 3. <b>JOINT HEALTH PROMOTION</b><br><b>Purpose:</b><br>The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.           | 10                     | -                     | -                   | 10                              | -                     | (10)                | -                               |

ESTIMATED RESERVES

**SCHEDULE OF EARMARKED RESERVES**

| Reserve  | Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.17 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.18 |
|--|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
|  | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 4. <b>LEISURE LOTTERY AND OTHER PARTNERSHIP</b><br><b>Purpose:</b><br>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. | 78                     | -                     | (40)                | 38                              | -                     | -                   | 38                              |
|  | <b>C</b>               |                       |                     |                                 |                       |                     |                                 |
| <b>C = Capital Contribution</b>  |                        |                       |                     |                                 |                       |                     |                                 |

## ESTIMATED RESERVES

## SCHEDULE OF EARMARKED RESERVES

| Reserve   | Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.17 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.18 |
|---|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
|   | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 5. <b>MUSEUM RESERVE</b><br><b>Purpose:</b><br>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. | 114                    | -                     | -                   | 114                             | -                     | -                   | 114                             |
| 6. <b>THEATRE TICKET LEVY</b><br><b>Purpose:</b><br>Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.   | 70                     | 90                    | (100)               | 60                              | 80                    | (50)                | 90                              |
| 7. <b>PLANNING DELIVERY GRANT RESERVE</b><br><b>Purpose:</b><br>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.   | 49                     | -                     | -                   | 49                              | -                     | (49)                | -                               |
| <b>C = Capital Contribution</b>   |                        |                       |                     |                                 |                       |                     |                                 |

## ESTIMATED RESERVES

| SCHEDULE OF EARMARKED RESERVES  |                        |                       |                     |                                 |                       |                     |                                 |
|---|------------------------|-----------------------|---------------------|---------------------------------|-----------------------|---------------------|---------------------------------|
| Reserve   | Balance as at 01.04.16 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 01.04.17 | Planned Contributions | Planned Withdrawals | Forecast Balance as at 31.03.18 |
|   | £'000                  | £'000                 | £'000               | £'000                           | £'000                 | £'000               | £'000                           |
| 8. <b>SPECIAL AND OTHER EMERGENCY EXPENDITURE</b><br>Purpose:<br>The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise. | 42                     | -                     | -                   | 42                              | -                     | -                   | 42                              |
| 9. <b>GRANTS &amp; CONTRIBUTIONS</b><br>Held in reserves*   | 897                    | -                     | -                   | 897                             | -                     | -                   | 897                             |
| 10. <b>PROJECTED UNDERSPEND</b><br>Reserves to be identified at outturn.  | -                      | -                     | -                   | -                               | -                     | -                   | -                               |
|   |                        | *see below            |                     |                                 |                       |                     |                                 |
| 11. <b>GENERAL FUND WORKING BALANCE</b>   | 844                    | -                     | -                   | 844                             | -                     | -                   | 844                             |
| 12. <b>CAPITAL EXPENDITURE RESERVE</b>  | 73                     | -                     | -                   | 73                              | -                     | -                   | 73                              |
| <b>TOTAL</b>  | <b>3,024</b>           | <b>120</b>            | <b>(503)</b>        | <b>2,641</b>                    | <b>110</b>            | <b>(50)</b>         | <b>2,612</b>                    |
| <b>C = Capital Contribution - * Contribution to be confirmed at the year-end</b>  |                        |                       |                     |                                 |                       |                     |                                 |

| 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         |                  |
| <b>Number of Dwellings</b>   | 0.00        | 7,733.00        | 11,097.00        | 12,803.00        | 9,247.00        | 5,371.00        | 2,332.00        | 892.00          | 25.00        | 49,500.00        |
| <b>Less: Exemptions</b>  | 0.00        | -162.00         | -128.00          | -111.00          | -97.00          | -59.00          | -21.00          | -7.00           | 0.00         | -585.00          |
|  | 0.00        | 7,571.00        | 10,969.00        | 12,692.00        | 9,150.00        | 5,312.00        | 2,311.00        | 885.00          | 25.00        | 48,915.00        |
| <b>Disabled Relief Adjustment (net)</b>                                | 5.00        | 33.00           | 19.00            | -5.00            | 7.00            | -28.00          | 8.00            | -21.00          | -18.00       | 0.00             |
| <b>Chargeable Dwellings</b>  | <b>5.00</b> | <b>7,604.00</b> | <b>10,988.00</b> | <b>12,687.00</b> | <b>9,157.00</b> | <b>5,284.00</b> | <b>2,319.00</b> | <b>864.00</b>   | <b>7.00</b>  | <b>48,915.00</b> |
| <b>Broken down as follows:</b>   |             |                 |                  |                  |                 |                 |                 |                 |              |                  |
| <b>Full Charge</b>   | 2.00        | 2,589.00        | 6,011.00         | 8,618.00         | 6,677.00        | 4,109.00        | 1,907.00        | 706.00          | 4.00         | 30,623.00        |
| <b>25% Discount (Including Adj for SP dis)</b>                         | 3.00        | 4,960.00        | 4,931.00         | 4,041.00         | 2,444.00        | 1,154.00        | 372.00          | 127.00          | 0.00         | 18,032.00        |
| <b>50% Discount</b>  | 0.00        | 93.00           | 115.00           | 129.00           | 120.00          | 73.00           | 60.00           | 43.00           | 3.00         | 636.00           |
| <b>0% Discount (Long Term Empty Homes)</b>                             | 0.00        | 270.00          | 252.00           | 139.00           | 92.00           | 51.00           | 12.00           | 5.00            | 0.00         | 821.00           |
| <b>Total Equivalent Number of Dwellings</b>                            | 4.25        | 6,351.50        | 9,740.75         | 11,659.75        | 8,526.00        | 4,986.00        | 2,205.50        | 816.75          | 5.50         | 44,296.00        |
| <b>Reduction in tax base due to Council Tax Support</b>                | 2.12        | 1,408.92        | 1,449.35         | 1,027.95         | 376.94          | 113.61          | 21.73           | 4.99            | 0.00         | 4,405.62         |
| <b>Adjusted equivalent total dwellings</b>                             | <b>2.13</b> | <b>4,942.58</b> | <b>8,291.40</b>  | <b>10,631.80</b> | <b>8,149.06</b> | <b>4,872.39</b> | <b>2,183.77</b> | <b>811.76</b>   | <b>5.50</b>  | <b>39,890.38</b> |
| <b>Band D Equivalents</b>  |             |                 |                  |                  |                 |                 |                 |                 |              |                  |
| <b>Revenue Support Settlement</b>                                      | 1.20        | 3,295.10        | 6,449.00         | 9,450.50         | 8,149.10        | 5,955.10        | 3,154.30        | 1,352.90        | 11.00        | 37,818.20        |
| <b>Add: Forecast new homes</b>   | 0.00        | 13.30           | 40.10            | 184.40           | 59.50           | 2.40            | 0.70            | 0.70            | 0.00         | 301.10           |
| <b>Add: Second Homes</b>   | 0.00        | 0.00            | 0.00             | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00         | 0.00             |
| <b>Less: Adjustments for Losses on Collection, and Void Properties</b> | 0.00        | 0.00            | 0.00             | 0.00             | 290.00          | 0.00            | 0.00            | 0.00            | 0.00         | 290.00           |
| <b>COUNCIL TAX BASE</b>  | <b>1.20</b> | <b>3,308.40</b> | <b>6,489.10</b>  | <b>9,634.90</b>  | <b>7,918.60</b> | <b>5,957.50</b> | <b>3,155.00</b> | <b>1,353.60</b> | <b>11.00</b> | <b>37,829.30</b> |

## **DECISION**

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

## **DECISION THE EXECUTIVE**

- (i) Approved the growth item detailed at paragraph 5.11;
- (ii) Agreed to recommend to Council the draft budgets for 2017/18 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,468,630;
- (iii) Agreed to recommend to Council an increase of 2% making Band D for Worthing Borough Council's requirements in 2017/18 as set out in paragraph 12.3 of £224.64 per annum.

## **REASON FOR DECISION**

Statutory requirement to set a budget.



---

**APPENDIX 4**  
**CIVIC BUDGET TABLE 2017/18**  
**Summary of Executive Member Requirements**

**\*\*\***

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

**WORTHING BUDGET 2017/2018**  
**Summary of Executive Member Portfolios**



**APPENDIX 4**

| <b>EXECUTIVE PORTFOLIO</b>  | <b>ESTIMATE<br/>2016/2017</b> | <b>ESTIMATE<br/>2017/2018</b> |
|---|-------------------------------|-------------------------------|
|   | <b>£</b>                      | <b>£</b>                      |
| Environment   | 3,201,790                     | 2,884,900                     |
| Health and Wellbeing  | 1,225,150                     | 1,257,200                     |
| Customer Services   | 4,625,800                     | 5,483,680                     |
| Leader  | 996,520                       | 1,054,600                     |
| Regeneration  | 2,605,470                     | 2,656,020                     |
| Resources   | 3,024,250                     | 2,460,970                     |
| Support Services Depreciation Not Charged To Services                   | 237,900                       | (165,700)                     |
| <b>NET SERVICE EXPENDITURE</b>  | <b>15,916,880</b>             | <b>15,631,670</b>             |
| Credit Back Depreciation / Impairments                                  | (3,272,280)                   | (3,323,380)                   |
| Minimum Revenue Provision   | 1,307,770                     | 1,072,620                     |
|   | <b>13,952,370</b>             | <b>13,380,910</b>             |
| Transfer to / from Reserves   | 86,250                        | 86,250                        |
| Balance Available to Transfer To / (From) Reserves                      | -                             | 1,470                         |
| <b>Total budget requirement before external support from government</b> | <b>14,038,620</b>             | <b>13,468,630</b>             |
| Baseline Funding  | (2,464,180)                   | (2,514,490)                   |
| Additional business rate income   | (345,440)                     | (505,750)                     |
| Revenue Support Grant   | (1,193,380)                   | (452,930)                     |
| Transition Grant  | (99,860)                      | (99,860)                      |
| Council Tax Reduction Scheme Grant                                      | (60,000)                      | -                             |
| Council Tax Freeze Grant  | -                             | -                             |
| Other unfenced grants (New homes bonus & Ctax Transition)               | (1,599,440)                   | (1,388,230)                   |
| Contribution to/ (from) Collection Fund                                 | (48,460)                      | (9,400)                       |
| <b>Amount required from Council Tax</b>                                 | <b>8,227,860</b>              | <b>8,497,970</b>              |
| Council Tax Base  | <b>37,360.3</b>               | <b>37,829.3</b>               |
| <b>Average Band D Council Tax - Worthing Borough</b>                    | <b>220.23</b>                 | <b>224.64</b>                 |
| % increase  | -                             | 2.00%                         |

| SERVICE                                  | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b> |                       |                       |
| <b>Business and Technical Services</b>   |                       |                       |
| Engineering                              | 55,520                | 66,310                |
| Surveying & Design                       | 351,800               | 352,870               |
|  | <b>407,320</b>        | <b>419,180</b>        |
| <b>DIRECTOR OF COMMUNITIES</b>           |                       |                       |
| <b>Environment</b>                       |                       |                       |
| Allotments                               | 61,940                | 63,190                |
| Cemeteries                               | 103,460               | 92,800                |
| Crematorium                              | (1,449,360)           | (1,438,670)           |
| Environmental Health - Domestic          | 86,370                | 72,290                |
| Parks                                    | 1,649,170             | 1,627,510             |
|  | <b>451,580</b>        | <b>417,120</b>        |
| <b>Leisure</b>                           |                       |                       |
| South Downs Leisure                      | 1,317,120             | 1,298,350             |
|  | <b>1,317,120</b>      | <b>1,298,350</b>      |
| <b>Wellbeing</b>                         |                       |                       |
| Community Wellbeing                      | 131,290               | 29,010                |
| Environmental Health - Domestic          | 161,810               | 212,260               |
|  | <b>293,100</b>        | <b>241,270</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>     |                       |                       |
| <b>Waste and Cleansing</b>               |                       |                       |
| Abandoned Vehicles                       | 31,220                | 28,580                |
| Clinical Waste                           | 28,880                | 16,780                |
| Compliance                               | (1,730)               | (1,770)               |
| Graffiti                                 | 4,610                 | 670                   |
| Parking                                  | (858,520)             | (829,560)             |
| Pest Control                             | 26,790                | 8,800                 |
| Recycling                                | (327,390)             | (408,920)             |
| Refuse                                   | 1,382,200             | 1,336,980             |
| Street Cleansing                         | 764,270               | 758,220               |
| Trade Refuse                             | (318,290)             | (401,430)             |
| Vehicle Workshop                         | 630                   | 630                   |
|  | <b>732,670</b>        | <b>508,980</b>        |
|  |                       |                       |
| <b>TOTAL ENVIRONMENT PORTFOLIO</b>       | <b>3,201,790</b>      | <b>2,884,900</b>      |

**WORTHING - ENVIRONMENT PORTFOLIO - 2017/2018 - 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                               | -                  | -                | 21,710           | -               | -                   | -                | -                  | 21,710                    | 44,600           | -                | 66,310           |
| Surveying & Design                        | -                  | 18,220           | 244,730          | -               | -                   | -                | (580)              | 262,370                   | 7,900            | 82,600           | 352,870          |
| <b>DIRECTOR OF COMMUNITIES</b>            |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| <b>Environment</b>                        |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Allotments                                | -                  | 9,110            | 15,320           | -               | -                   | -                | (620)              | 23,810                    | 37,400           | 1,980            | 63,190           |
| Cemeteries                                | -                  | 121,340          | 126,960          | -               | 16,000              | -                | (266,020)          | (1,720)                   | 65,890           | 28,630           | 92,800           |
| Crematorium                               | 235,340            | 150,880          | 467,610          | 3,470           | 176,350             | -                | (2,678,520)        | (1,644,870)               | 115,870          | 90,330           | (1,438,670)      |
| Environmental Health - Domestic           | -                  | 57,300           | -                | -               | -                   | -                | -                  | 57,300                    | 12,480           | 2,510            | 72,290           |
| Parks                                     | -                  | 172,150          | 1,083,860        | -               | 132,890             | -                | (340,060)          | 1,048,840                 | 342,260          | 236,410          | 1,627,510        |
| <b>Leisure</b>                            |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| South Downs Leisure                       | (2,687,680)        | 32,340           | (651,200)        | (29,870)        | (930,450)           | (652,080)        | 5,234,220          | 315,280                   | 40,910           | 942,160          | 1,298,350        |
| <b>Wellbeing</b>                          |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Community Wellbeing                       | -                  | 15,090           | -                | -               | -                   | -                | -                  | 15,090                    | 13,920           | -                | 29,010           |
| Environmental Health - Domestic           | -                  | 1,250            | -                | -               | -                   | -                | (3,310)            | (2,060)                   | 214,320          | -                | 212,260          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| <b>Waste and Cleansing</b>                |                    |                  |                  |                 |                     |                  |                    |                           |                  |                  |                  |
| Abandoned Vehicles                        | -                  | -                | -                | -               | 2,220               | -                | (460)              | 1,760                     | 26,820           | -                | 28,580           |
| Clinical Waste                            | -                  | (4,280)          | -                | -               | -                   | -                | -                  | (4,280)                   | 19,840           | 1,220            | 16,780           |
| Compliance                                | -                  | -                | -                | -               | -                   | -                | (1,770)            | (1,770)                   | -                | -                | (1,770)          |
| Graffiti                                  | -                  | (4,430)          | -                | -               | -                   | -                | -                  | (4,430)                   | 2,500            | 2,600            | 670              |
| Parking                                   | -                  | 485,240          | 677,080          | 3,890           | 148,020             | -                | (2,475,210)        | (1,160,980)               | 183,310          | 148,110          | (829,560)        |
| Pest Control                              | -                  | 850              | -                | -               | -                   | -                | -                  | 850                       | 6,880            | 1,070            | 8,800            |
| Recycling                                 | -                  | (709,040)        | -                | -               | -                   | 1,400            | -                  | (707,640)                 | 160,820          | 137,900          | (408,920)        |
| Refuse                                    | -                  | 1,000,940        | -                | -               | -                   | -                | -                  | 1,000,940                 | 131,010          | 205,030          | 1,336,980        |
| Street Cleansing                          | -                  | 910,930          | -                | -               | -                   | -                | (323,320)          | 587,610                   | 95,300           | 75,310           | 758,220          |
| Trade Refuse                              | -                  | 316,110          | -                | -               | 410,310             | -                | (1,228,470)        | (502,050)                 | 50,090           | 50,530           | (401,430)        |
| Vehicle Workshop                          | -                  | -                | -                | -               | -                   | -                | -                  | 0                         | -                | 630              | 630              |
|   | <b>(2,452,340)</b> | <b>2,574,000</b> | <b>1,986,070</b> | <b>(22,510)</b> | <b>(44,660)</b>     | <b>(650,680)</b> | <b>(2,084,120)</b> | <b>(694,240)</b>          | <b>1,572,120</b> | <b>2,007,020</b> | <b>2,884,900</b> |
| <b>Percentage Direct Cost</b>             | -176%              | 185%             | 143%             | -2%             | -3%                 | -47%             |                    |                           |                  |                  |                  |

**WORTHING - ENVIRONMENT PORTFOLIO - 2017/2018 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2016/2017 | Inflation        | Committed Growth | Savings          | Non-MTFP Other Changes | Virements       | Payroll Changes | Recharges          | Joint Transfers | Asset Hire/ Impairment | TOTAL BUDGET     |
|---|-----------------------------|------------------|------------------|------------------|------------------------|-----------------|-----------------|--------------------|-----------------|------------------------|------------------|
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> | £                           |                  | £                |                  | £                      | £               | £               | £                  |                 |                        | £                |
| <b>Business and Technical Services</b>    |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| Engineering                               | 55,520                      | 220              | -                | -                | 10,570                 | -               | -               | 11,920             | (1,350)         | -                      | 66,310           |
| Surveying & Design                        | 351,800                     | 2,440            | (5,400)          | -                | 4,030                  | -               | -               | (78,570)           | -               | 82,600                 | 352,870          |
| <b>DIRECTOR OF COMMUNITIES</b>            |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| <b>Environment</b>                        |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| Allotments                                | 61,940                      | 80               | -                | (210)            | 1,380                  | 6,000           | -               | (6,630)            | 30              | 1,980                  | 63,190           |
| Cemeteries                                | 103,460                     | (3,160)          | 7,800            | (9,310)          | (5,990)                | -               | -               | 23,190             | (57,810)        | 28,630                 | 92,800           |
| Crematorium                               | (1,449,360)                 | (44,490)         | 40,500           | (53,140)         | 67,820                 | (2,100)         | 5,270           | (26,610)           | 930             | 90,330                 | (1,438,670)      |
| Environmental Health - Domestic           | 86,370                      | -                | -                | -                | (14,080)               | -               | -               | (16,590)           | -               | 2,510                  | 72,290           |
| Parks                                     | 1,649,170                   | 3,670            | (92,970)         | (46,300)         | 113,940                | (18,400)        | -               | (550,160)          | 446,090         | 236,410                | 1,627,510        |
| <b>Leisure</b>                            |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| South Downs Leisure                       | 1,317,120                   | 1,780            | (26,000)         | -                | 5,450                  | -               | -               | (936,710)          | -               | 942,160                | 1,298,350        |
| <b>Wellbeing</b>                          |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| Community Wellbeing                       | 131,290                     | -                | -                | -                | (102,280)              | -               | -               | (102,280)          | -               | -                      | 29,010           |
| Environmental Health - Domestic           | 161,810                     | (70)             | -                | -                | 50,520                 | -               | -               | 50,520             | -               | -                      | 212,260          |
| <b>DIRECTOR OF ECONOMY</b>                |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| <b>Waste and Cleansing</b>                |                             |                  |                  |                  |                        |                 |                 |                    |                 |                        |                  |
| Abandoned Vehicles                        | 31,220                      | 10               | -                | -                | (2,650)                | -               | -               | (2,650)            | -               | -                      | 28,580           |
| Clinical Waste                            | 28,880                      | -                | -                | -                | (12,100)               | -               | -               | (13,320)           | -               | 1,220                  | 16,780           |
| Compliance                                | (1,730)                     | (40)             | -                | -                | -                      | -               | -               | -                  | -               | -                      | (1,770)          |
| Graffiti                                  | 4,610                       | -                | -                | -                | (3,940)                | -               | -               | (6,540)            | -               | 2,600                  | 670              |
| Parking                                   | (858,520)                   | (39,840)         | 12,200           | (40,000)         | 96,600                 | -               | -               | (54,370)           | 2,860           | 148,110                | (829,560)        |
| Pest Control                              | 26,790                      | -                | -                | -                | (17,990)               | -               | -               | (19,060)           | -               | 1,070                  | 8,800            |
| Recycling                                 | (327,390)                   | -                | -                | -                | (81,530)               | -               | -               | (219,430)          | -               | 137,900                | (408,920)        |
| Refuse                                    | 1,382,200                   | -                | -                | -                | (45,220)               | -               | -               | (250,250)          | -               | 205,030                | 1,336,980        |
| Street Cleansing                          | 764,270                     | (6,330)          | -                | -                | 280                    | -               | -               | (75,030)           | -               | 75,310                 | 758,220          |
| Trade Refuse                              | (318,290)                   | (18,610)         | -                | (92,250)         | 27,720                 | -               | -               | (22,810)           | -               | 50,530                 | (401,430)        |
| Vehicle Workshop                          | 630                         | -                | -                | -                | -                      | 0               | -               | (630)              | -               | 630                    | 630              |
|   | <b>3,201,790</b>            | <b>(104,340)</b> | <b>(63,870)</b>  | <b>(241,210)</b> | <b>92,530</b>          | <b>(14,500)</b> | <b>5,270</b>    | <b>(2,296,010)</b> | <b>390,750</b>  | <b>2,007,020</b>       | <b>2,884,900</b> |

| SERVICE                                     | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|---|-----------------------|-----------------------|
|   | £                     | £                     |
| <b>DIRECTOR OF COMMUNITIES</b>              |                       |                       |
| Worthing Festival                           | 3,370                 | 3,420                 |
|   | <b>3,370</b>          | <b>3,420</b>          |
| <b>Grants</b>                               |                       |                       |
| Grants                                      | 10,860                | -                     |
|   | <b>10,860</b>         | -                     |
| <b>Housing</b>                              |                       |                       |
| Housing                                     | 1,520                 | 1,540                 |
|   | <b>1,520</b>          | <b>1,540</b>          |
| <b>Wellbeing</b>                            |                       |                       |
| Community Wellbeing                         | 415,070               | 420,810               |
| Community Safety                            | 192,870               | 308,770               |
| Environment Health - Commercial             | 304,490               | 246,310               |
| Environment Health - Licensing              | 59,980                | 51,860                |
| Environment Health - Domestic               | 157,610               | 162,620               |
|   | <b>1,130,020</b>      | <b>1,190,370</b>      |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>    |                       |                       |
| <b>Business and Technical Services</b>      |                       |                       |
| Engineering                                 | 60,300                | 61,850                |
|   | <b>60,300</b>         | <b>61,850</b>         |
| <b>DIRECTOR OF ECONOMY</b>                  |                       |                       |
| <b>Culture</b>                              |                       |                       |
| Theatres                                    | 19,060                | -                     |
|   | <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>1,225,150</b>      | <b>1,257,200</b>      |

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2017/2018 - 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                         | -         | -                | 2,960         | -         | 460                 | -           | -                | 3,420                     | -              | -               | 3,420            |
| <b>Grants</b>                             |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Grants                                    | -         | -                | -             | -         | -                   | -           | -                | 0                         | -              | -               | 0                |
| <b>Housing</b>                            |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Housing                                   | -         | -                | -             | -         | 1,640               | -           | (100)            | 1,540                     | -              | -               | 1,540            |
| <b>Wellbeing</b>                          |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Community Wellbeing                       | -         | 168,960          | -             | -         | 215,150             | -           | -                | 384,110                   | 36,700         | -               | 420,810          |
| Community Safety                          | -         | 247,760          | 3,650         | -         | 20,700              | -           | -                | 272,110                   | 35,320         | 1,340           | 308,770          |
| Environment Health - Commercial           | -         | 212,680          | -             | -         | 15,360              | -           | (3,740)          | 224,300                   | 22,010         | -               | 246,310          |
| Environment Health - Licensing            | -         | 186,540          | -             | -         | 3,830               | -           | (216,690)        | (26,320)                  | 78,180         | -               | 51,860           |
| Environment Health - Domestic             | -         | -                | -             | -         | 39,100              | -           | (980)            | 38,120                    | 120,780        | 3,720           | 162,620          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Business and Technical Services</b>    |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Engineering                               | -         | -                | 47,550        | -         | -                   | -           | -                | 47,550                    | 14,300         | -               | 61,850           |
| <b>DIRECTOR OF ECONOMY</b>                |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Culture</b>                            |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Theatres                                  | -         | -                | -             | -         | -                   | -           | -                | 0                         | -              | -               | 0                |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| <b>Revenues and Benefits</b>              |           |                  |               |           |                     |             |                  |                           |                |                 |                  |
| Revenues                                  | -         | -                | -             | -         | 20                  | -           | -                | 20                        | -              | -               | 20               |
|   | <b>0</b>  | <b>815,940</b>   | <b>54,160</b> | <b>0</b>  | <b>296,260</b>      | <b>0</b>    | <b>(221,510)</b> | <b>944,850</b>            | <b>307,290</b> | <b>5,060</b>    | <b>1,257,200</b> |

**WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2017/2018 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2016/2017 | 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                         | 3,370                       | 50         | -               | -                | -                           | -                 | -              | -                      | 3,420            |
| <b>Grants</b>                             |                             |            |                 |                  |                             |                   |                |                        |                  |
| Grants                                    | 10,860                      | -          | -               | -                | -                           | -                 | -              | (10,860)               | 0                |
| <b>Housing</b>                            |                             |            |                 |                  |                             |                   |                |                        |                  |
| Housing                                   | 1,520                       | 20         | -               | -                | -                           | -                 | -              | -                      | 1,540            |
| <b>Wellbeing</b>                          |                             |            |                 |                  |                             |                   |                |                        |                  |
| Community Wellbeing                       | 415,070                     | 2,130      | -               | -                | -                           | -                 | -              | 3,610                  | 420,810          |
| Community Safety                          | 192,870                     | 240        | -               | -                | -                           | -                 | -              | 115,660                | 308,770          |
| Environment Health - Commercial           | 304,490                     | 90         | -               | -                | -                           | -                 | (240)          | (58,030)               | 246,310          |
| Environment Health - Licensing            | 59,980                      | (2,540)    | -               | -                | -                           | -                 | (1,060)        | (4,520)                | 51,860           |
| Environment Health - Domestic             | 157,610                     | 390        | -               | -                | -                           | -                 | (780)          | 5,400                  | 162,620          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                             |            |                 |                  |                             |                   |                |                        |                  |
| <b>Business and Technical Services</b>    |                             |            |                 |                  |                             |                   |                |                        |                  |
| Engineering                               | 60,300                      | 470        | -               | -                | -                           | -                 | -              | 1,080                  | 61,850           |
| <b>DIRECTOR OF ECONOMY</b>                |                             |            |                 |                  |                             |                   |                |                        |                  |
| <b>Culture</b>                            |                             |            |                 |                  |                             |                   |                |                        |                  |
| Theatres                                  | 19,060                      | -          | -               | -                | -                           | -                 | -              | (19,060)               | 0                |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |            |                 |                  |                             |                   |                |                        |                  |
| <b>Revenues and Benefits</b>              |                             |            |                 |                  |                             |                   |                |                        |                  |
| Revenues                                  | 20                          | -          | -               | -                | -                           | -                 | -              | -                      | 20               |
|   | <b>1,225,150</b>            | <b>850</b> | <b>0</b>        | <b>0</b>         |                             |                   | <b>(2,080)</b> | <b>33,280</b>          | <b>1,257,200</b> |



# CUSTOMER SERVICES PORTFOLIO

| SERVICE                                    | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF COMMUNITIES</b>             |                       |                       |
| <b>Environment</b>                         |                       |                       |
| Lido/Pier/Pavilion                         | 180,500               | 229,000               |
| Worthing Symphony                          | -                     | -                     |
| Community Parks & Open Spaces - Brooklands | -                     | -                     |
|  | <b>180,500</b>        | <b>229,000</b>        |
| <b>Housing</b>                             |                       |                       |
| Housing                                    | 927,170               | 1,363,440             |
| Housing Improvement Assistance             | 95,190                | 71,330                |
| Housing Strategy                           | 60,160                | 32,270                |
|  | <b>1,082,520</b>      | <b>1,467,040</b>      |
| <b>Wellbeing</b>                           |                       |                       |
| Community Wellbeing                        | 183,030               | 80,270                |
|  | <b>183,030</b>        | <b>80,270</b>         |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Culture</b>                             |                       |                       |
| Theatres                                   | 1,423,430             | 1,613,360             |
| Museums                                    | 536,600               | 489,580               |
|  | <b>1,960,030</b>      | <b>2,102,940</b>      |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Finance</b>                             |                       |                       |
| Fraud, Verification & Adjudication         | 20,800                | 31,610                |
|  | <b>20,800</b>         | <b>31,610</b>         |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Revenues and Benefits</b>               |                       |                       |
| Revenues                                   | 392,740               | 511,470               |
| Benefits                                   | 806,180               | 1,061,350             |
|  | <b>1,198,920</b>      | <b>1,572,820</b>      |
|  |                       |                       |
| <b>TOTAL CUSTOMER SERVICES PORTFOLIO</b>   | <b>4,625,800</b>      | <b>5,483,680</b>      |

**WORTHING - CUSTOMER SERVICES PORTFOLIO - 2017/2018 - 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                        | -                | 38,300           | 240,550        | -             | 8,960               | -                 | (120,070)           | 167,740                   | 31,590           | 29,670          | 229,000          |
| Worthing Symphony                         | -                | -                | -              | -             | -                   | -                 | -                   | 0                         | -                | -               | 0                |
| Brooklands                                | -                | -                | -              | -             | -                   | -                 | -                   | 0                         | -                | -               | 0                |
| <b>Culture</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Theatres                                  | 1,671,560        | 151,390          | 441,770        | 8,110         | 2,068,310           | -                 | (3,458,700)         | 882,440                   | 404,050          | 326,870         | 1,613,360        |
| Museums                                   | 170,150          | 38,130           | 96,030         | 1,060         | 43,040              | -                 | (58,740)            | 289,670                   | 132,480          | 67,430          | 489,580          |
| <b>Housing</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Housing                                   | -                | 440,690          | -              | -             | 792,670             | 153,500           | (278,110)           | 1,108,750                 | 253,070          | 1,620           | 1,363,440        |
| Housing Improvement Assistance            | -                | 105,110          | -              | -             | -                   | -                 | (41,160)            | 63,950                    | 7,380            | -               | 71,330           |
| Housing Strategy                          | -                | -                | -              | -             | -                   | -                 | -                   | 0                         | 32,270           | -               | 32,270           |
| <b>Wellbeing</b>                          |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Community Wellbeing                       | -                | 54,460           | 19,670         | -             | 630                 | -                 | -                   | 74,760                    | 2,620            | 2,890           | 80,270           |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| <b>Finance</b>                            |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Fraud, Verification & Adjudication        | -                | -                | -              | -             | 91,610              | -                 | (60,000)            | 31,610                    | -                | -               | 31,610           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| <b>Revenues and Benefits</b>              |                  |                  |                |               |                     |                   |                     |                           |                  |                 |                  |
| Revenues                                  | 355,300          | 24,100           | -              | 3,280         | 87,500              | -                 | (540,100)           | (69,920)                  | 581,390          | -               | 511,470          |
| Benefits                                  | 469,810          | 479,970          | -              | 310           | 84,020              | 36,661,040        | (37,373,790)        | 321,360                   | 739,990          | -               | 1,061,350        |
|   | <b>2,666,820</b> | <b>1,332,150</b> | <b>798,020</b> | <b>12,760</b> | <b>3,176,740</b>    | <b>36,814,540</b> | <b>(41,930,670)</b> | <b>2,870,360</b>          | <b>2,184,840</b> | <b>428,480</b>  | <b>5,483,680</b> |

**WORTHING - CUSTOMER SERVICES PORTFOLIO - 2017/2018 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                        | Original Estimate 2016/2017 | 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                        | 180,500                     | 910             | -               | 3,700            | -                           | -                 | -                | 43,890                 | 229,000          |
| Worthing Symphony                         | -                           | -               | -               | -                | -                           | -                 | -                | -                      | 0                |
| Brooklands                                | -                           | -               | -               | -                | -                           | -                 | -                | -                      | 0                |
| <b>Housing</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Housing                                   | 927,170                     | 2,910           | -               | 529,000          | -                           | -                 | (157,500)        | 61,860                 | 1,363,440        |
| Housing Improvement Assistance            | 95,190                      | (810)           | -               | -                | -                           | -                 | -                | (23,050)               | 71,330           |
| Housing Strategy                          | 60,160                      | -               | -               | -                | -                           | -                 | -                | (27,890)               | 32,270           |
| <b>Wellbeing</b>                          |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Community Wellbeing                       | 183,030                     | 170             | -               | -                | -                           | -                 | -                | (102,930)              | 80,270           |
| <b>DIRECTOR OF ECONOMY</b>                |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Culture</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Theatres                                  | 1,423,430                   | (41,310)        | -               | 3,300            | -                           | -                 | (40,000)         | 267,940                | 1,613,360        |
| Museums                                   | 536,600                     | 290             | -               | 400              | -                           | -                 | -                | (47,710)               | 489,580          |
| <b>DIRECTOR FOR DIGITAL AND RESOURCES</b> |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Finance</b>                            |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Fraud, Verification & Adjudication        | 20,800                      | 810             | -               | -                | -                           | -                 | -                | 10,000                 | 31,610           |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>      |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| <b>Revenues and Benefits</b>              |                             |                 |                 |                  |                             |                   |                  |                        |                  |
| Revenues                                  | 392,740                     | (7,070)         | -               | -                | -                           | -                 | (10,000)         | 135,800                | 511,470          |
| Benefits                                  | 806,180                     | (3,360)         | -               | 17,650           | -                           | -                 | (10,000)         | 250,880                | 1,061,350        |
|   | <b>4,625,800</b>            | <b>(47,460)</b> | <b>0</b>        | <b>554,050</b>   | <b>0</b>                    | <b>0</b>          | <b>(217,500)</b> | <b>568,790</b>         | <b>5,483,680</b> |

| SERVICE                              | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|--------------------------------------|-----------------------|-----------------------|
|                                      | £                     | £                     |
| <b>CHIEF EXECUTIVE OFFICE</b>        |                       |                       |
| <b>Communications</b>                |                       |                       |
| Communications                       | 10,680                | 21,190                |
| Performance and Scrutiny             | 200                   | 200                   |
|                                      | <b>10,880</b>         | <b>21,390</b>         |
| <b>DIRECTOR OF COMMUNITIES</b>       |                       |                       |
| <b>Wellbeing</b>                     |                       |                       |
| Democratic Services                  | 692,090               | 776,330               |
|                                      | <b>692,090</b>        | <b>776,330</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                       |                       |
| <b>Elections</b>                     |                       |                       |
| Elections                            | 293,550               | 256,880               |
|                                      | <b>293,550</b>        | <b>256,880</b>        |
|                                      |                       |                       |
| <b>TOTAL LEADER PORTFOLIO</b>        | <b>996,520</b>        | <b>1,054,600</b>      |

**WORTHING - THE LEADER PORTFOLIO - 2017/2018 - 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                       | -              | 10,800           | -        | -            | -                   | -           | -              | 10,800                    | 10,390         | -               | 21,190           |
| Performance and Scrutiny             | -              | -                | -        | -            | 200                 | -           | -              | 200                       | -              | -               | 200              |
| <b>DIRECTOR OF COMMUNITIES</b>       |                |                  |          |              |                     |             |                |                           |                |                 |                  |
| <b>Wellbeing</b>                     |                |                  |          |              |                     |             |                |                           |                |                 |                  |
| Democratic Services                  | 269,430        | 270,600          | -        | 3,520        | 24,410              | -           | -              | 567,960                   | 208,370        | -               | 776,330          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                |                  |          |              |                     |             |                |                           |                |                 |                  |
| <b>Elections</b>                     |                |                  |          |              |                     |             |                |                           |                |                 |                  |
| Elections                            | -              | 136,810          | -        | -            | 65,130              | -           | (5,370)        | 196,570                   | 56,470         | 3,840           | 256,880          |
|                                      | <b>269,430</b> | <b>418,210</b>   | <b>0</b> | <b>3,520</b> | <b>89,740</b>       | <b>0</b>    | <b>(5,370)</b> | <b>775,530</b>            | <b>275,230</b> | <b>3,840</b>    | <b>1,054,600</b> |
| <b>Percentage Direct Cost</b>        | 35%            | 54%              | 0%       | 0%           | 11%                 | 0%          |                |                           |                |                 |                  |

**WORTHING - THE LEADER PORTFOLIO - 2017/2018 - VARIANCE ANALYSIS**

| SERVICE / ACTIVITY                   | Original Estimate 2016/2017 | 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                       | 10,680                      | -            | -               | -                | -                           | -                 | -              | 10,510                 | 21,190           |
| Performance and Scrutiny             | 200                         | -            | -               | -                | -                           | -                 | -              | -                      | 200              |
| <b>DIRECTOR OF COMMUNITIES</b>       |                             |              |                 |                  |                             |                   |                |                        |                  |
| <b>Wellbeing</b>                     |                             |              |                 |                  |                             |                   |                |                        |                  |
| Democratic Services                  | 692,090                     | 3,000        | -               | -                | -                           | -                 | (5,670)        | 86,910                 | 776,330          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b> |                             |              |                 |                  |                             |                   |                |                        |                  |
| <b>Elections</b>                     |                             |              |                 |                  |                             |                   |                |                        |                  |
| Elections                            | 293,550                     | 590          | (76,000)        | -                | -                           | -                 | -              | 38,740                 | 256,880          |
|                                      | <b>996,520</b>              | <b>3,590</b> | <b>(76,000)</b> | <b>0</b>         | <b>0</b>                    | <b>0</b>          | <b>(5,670)</b> | <b>136,160</b>         | <b>1,054,600</b> |

| SERVICE                                    | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Business and Technical Services</b>     |                       |                       |
| Business Services                          | 51,780                | 53,520                |
| Engineering                                | 190,720               | 191,600               |
| Energy and Sustainability                  | 56,680                | 52,510                |
|  | <b>299,180</b>        | <b>297,630</b>        |
| <b>DIRECTOR OF COMMUNITIES</b>             |                       |                       |
| <b>Environment</b>                         |                       |                       |
| Foreshores                                 | 738,430               | 668,930               |
|  | <b>738,430</b>        | <b>668,930</b>        |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Growth</b>                              |                       |                       |
| Planning Policy                            | 338,990               | 369,990               |
| Major Projects                             | 76,410                | 155,060               |
| Development Control                        | 523,860               | 533,480               |
|  | <b>939,260</b>        | <b>1,058,530</b>      |
| <b>Place &amp; Investment</b>              |                       |                       |
| Economic Development (including Tourism)   | 510,660               | 522,750               |
|  | <b>510,660</b>        | <b>522,750</b>        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Building Control &amp; Land Charges</b> |                       |                       |
| Building Control                           | 117,940               | 108,180               |
|  | <b>117,940</b>        | <b>108,180</b>        |
|  |                       |                       |
| <b>TOTAL REGENERATION PORTFOLIO</b>        | <b>2,605,470</b>      | <b>2,656,020</b>      |

**WORTHING - REGENERATION PORTFOLIO - 2017/2018 - 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                           | -         | 43,630           | -              | -            | -                   | -            | -                  | 43,630                    | 9,890            | -               | 53,520           |
| Engineering                                 | -         | 5,000            | 100,890        | -            | 4,770               | -            | (23,170)           | 87,490                    | 85,460           | 18,650          | 191,600          |
| Energy and Sustainability                   | -         | 5,000            | -              | -            | -                   | -            | -                  | 5,000                     | 47,510           | -               | 52,510           |
| <b>DIRECTOR OF COMMUNITIES</b>              |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| <b>Environment</b>                          | -         | -                | -              | -            | -                   | -            | -                  | 0                         | -                | -               | 0                |
| Foreshores                                  | -         | 237,000          | 385,410        | 5,590        | 30,930              | -            | (413,500)          | 245,430                   | 154,830          | 268,670         | 668,930          |
| <b>DIRECTOR OF ECONOMY</b>                  |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| <b>Growth</b>                               |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| Planning Policy                             | -         | 26,300           | -              | -            | 67,890              | -            | -                  | 94,190                    | 275,800          | -               | 369,990          |
| Major Projects                              | -         | -                | -              | -            | 70,000              | -            | -                  | 70,000                    | 85,060           | -               | 155,060          |
| Development Control                         | -         | 779,290          | -              | -            | 48,970              | 5,250        | (495,350)          | 338,160                   | 193,450          | 1,870           | 533,480          |
| <b>Place &amp; Investment</b>               |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| Economic Development                        | -         | 274,580          | 9,640          | -            | 129,920             | -            | -                  | 414,140                   | 87,570           | 21,040          | 522,750          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>        |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| <b>Building Control &amp; Land Charges</b>  |           |                  |                |              |                     |              |                    |                           |                  |                 |                  |
| Building Control                            | -         | 394,060          | -              | -            | 3,920               | -            | (369,730)          | 28,250                    | 79,930           | -               | 108,180          |
|   | <b>0</b>  | <b>1,764,860</b> | <b>495,940</b> | <b>5,590</b> | <b>356,400</b>      | <b>5,250</b> | <b>(1,301,750)</b> | <b>1,326,290</b>          | <b>1,019,500</b> | <b>310,230</b>  | <b>2,656,020</b> |
| <b>Percentage Direct Cost</b>               | 0%        | 67%              | 19%            | 0%           | 14%                 | 0%           |                    |                           |                  |                 |                  |



**WORTHING - REGENERATION PORTFOLIO - 2017/2018 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                          | Original Estimate 2016/2017 | 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                           | 51,780                      | -               | -               | -                | -                           | -                 | -        | 1,740                  | 53,520           |
| Engineering                                 | 190,720                     | 580             | -               | -                | -                           | -                 | -        | 300                    | 191,600          |
| Energy and Sustainability                   | 56,680                      | -               | -               | -                | -                           | -                 | -        | (4,170)                | 52,510           |
| <b>DIRECTOR OF COMMUNITIES</b>              |                             |                 |                 |                  |                             |                   |          |                        |                  |
| <b>Environment</b>                          | -                           | -               | -               | -                | -                           | -                 | -        | -                      | 0                |
| Foreshores                                  | 738,430                     | (3,110)         | -               | 4,000            | -                           | -                 | (34,240) | (36,150)               | 668,930          |
| <b>DIRECTOR OF ECONOMY</b>                  |                             |                 |                 |                  |                             |                   |          |                        |                  |
| <b>Growth</b>                               |                             |                 |                 |                  |                             |                   |          |                        |                  |
| Planning Policy                             | 338,990                     | 670             | -               | -                | -                           | -                 | -        | 30,330                 | 369,990          |
| Major Projects                              | 76,410                      | -               | -               | -                | -                           | -                 | -        | 8,650                  | 85,060           |
| Development Control                         | 523,860                     | (9,080)         | -               | -                | -                           | -                 | (10,000) | 28,700                 | 533,480          |
| <b>Place &amp; Investment</b>               |                             |                 |                 |                  |                             |                   |          |                        |                  |
| Economic Development                        | 339,770                     | 1,420           | -               | 8,260            | -                           | -                 | (12,730) | 186,030                | 522,750          |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>        |                             |                 |                 |                  |                             |                   |          |                        |                  |
| <b>Building Control &amp; Land Charges</b>  |                             |                 |                 |                  |                             |                   |          |                        |                  |
| Building Control                            | 117,940                     | (6,490)         | -               | -                | -                           | -                 | (37,200) | 33,930                 | 108,180          |
|   | <b>2,434,580</b>            | <b>(16,010)</b> | <b>0</b>        | <b>12,260</b>    | <b>0</b>                    | <b>0</b>          |          |                        | <b>2,586,020</b> |

# RESOURCES PORTFOLIO

| SERVICE                                    | ESTIMATE<br>2016/2017 | ESTIMATE<br>2017/2018 |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| <b>DIRECTOR OF DIGITAL AND RESOURCES</b>   |                       |                       |
| <b>Business and Technical Services</b>     |                       |                       |
| Administrative Buildings                   | (730)                 | (750)                 |
| Surveying & Design                         | (21,920)              | 6,980                 |
|  | <b>(22,650)</b>       | <b>6,230</b>          |
| <b>Finance</b>                             |                       |                       |
| Corporate Management                       | 2,650,400             | 2,431,230             |
| Treasury Management                        | 269,990               | 268,110               |
|  | <b>2,920,390</b>      | <b>2,699,340</b>      |
| <b>DIRECTOR OF COMMUNITIES</b>             |                       |                       |
| <b>Adur Homes</b>                          |                       |                       |
| Adur Homes                                 | -                     | -                     |
|  | -                     | -                     |
| <b>DIRECTOR OF ECONOMY</b>                 |                       |                       |
| <b>Estates</b>                             |                       |                       |
| Estates                                    | 115,840               | (424,130)             |
|  | <b>115,840</b>        | <b>(424,130)</b>      |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                       |                       |
| <b>Building Control &amp; Land Charges</b> |                       |                       |
| Land Charges                               | 10,670                | 8,630                 |
|  | <b>10,670</b>         | <b>8,630</b>          |
|  |                       |                       |
| <b>TOTAL RESOURCES PORTFOLIO</b>           | <b>3,024,250</b>      | <b>2,290,070</b>      |

**WORTHING - RESOURCES PORTFOLIO -2017/2018 - 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                   | -                | -                | -              | -                   | -           | (750)              | (750)                     | -              | -               | (750)            |
| Surveying & Design                         | -                | 19,280           | 56,450         | 3,300               | 80          | (102,520)          | (23,410)                  | 10,670         | 19,720          | 6,980            |
| <b>Finance</b>                             |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Corporate Management                       | 2,279,750        | (425,270)        | (36,540)       | 244,970             | -           | (190,090)          | 1,872,820                 | 557,540        | 870             | 2,431,230        |
| Treasury Management                        | -                | -                | -              | 15,030              | -           | (158,000)          | (142,970)                 | 68,590         | 342,490         | 268,110          |
| <b>DIRECTOR OF COMMUNITIES</b>             |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Adur Homes</b>                          |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Adur Homes                                 | -                | -                | -              | -                   | -           | -                  | 0                         | -              | -               | 0                |
| <b>DIRECTOR OF ECONOMY</b>                 |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Estates</b>                             |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Estates                                    | -                | 111,190          | 401,220        | 26,670              | -           | (1,255,910)        | (716,830)                 | 240,590        | 52,110          | (424,130)        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| <b>Building Control &amp; Land Charges</b> |                  |                  |                |                     |             |                    |                           |                |                 |                  |
| Land Charges                               | -                | 113,310          | -              | 45,570              | -           | (175,690)          | (16,810)                  | 25,440         | -               | 8,630            |
|  | <b>2,279,750</b> | <b>(181,490)</b> | <b>421,130</b> | <b>335,540</b>      | <b>80</b>   | <b>(1,882,960)</b> | <b>972,050</b>            | <b>902,830</b> | <b>415,190</b>  | <b>2,290,070</b> |
| <b>Percentage Direct Cost</b>              | 80%              | -6%              | 15%            | 12%                 | 0%          |                    |                           |                |                 |                  |

**WORTHING - RESOURCES PORTFOLIO -2017/2018 - VARIANCE ANALYSIS**



| SERVICE / ACTIVITY                         | Original Estimate 2016/2017 | 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                   | (730)                       | (20)           | -               | -                | -                           | -                 | -                | -                    | -                      | (750)            |
| Surveying & Design                         | (21,920)                    | (1,500)        | -               | 4,440            | -                           | -                 | -                | -                    | 25,960                 | 6,980            |
| <b>Finance</b>                             |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| Corporate Management                       | 2,650,400                   | (720)          | -               | 14,800           | -                           | -                 | (7,830)          | -                    | (225,420)              | 2,431,230        |
| Treasury Management                        | 269,990                     | -              | -               | 15,000           | (134,000)                   | 104,420           | (46,880)         | -                    | 59,580                 | 268,110          |
| <b>DIRECTOR OF COMMUNITIES</b>             |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| <b>Adur Homes</b>                          |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| Adur Homes                                 | -                           | -              | -               | -                | -                           | -                 | -                | -                    | -                      | 0                |
| <b>DIRECTOR OF ECONOMY</b>                 |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| <b>Estates</b>                             |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| Estates                                    | 115,840                     | 3,670          | -               | 30,400           | -                           | (278,360)         | (115,000)        | -                    | (180,680)              | (424,130)        |
| <b>DIRECTOR OF CUSTOMER SERVICES</b>       |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| <b>Building Control &amp; Land Charges</b> |                             |                |                 |                  |                             |                   |                  |                      |                        |                  |
| Land Charges                               | 10,670                      | (2,790)        | -               | -                | -                           | -                 | (10,350)         | -                    | 11,100                 | 8,630            |
|  | <b>3,024,250</b>            | <b>(1,360)</b> | <b>0</b>        | <b>64,640</b>    | <b>(134,000)</b>            | <b>(173,940)</b>  | <b>(180,060)</b> | <b>0</b>             | <b>(309,460)</b>       | <b>2,290,070</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, uprated 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.

### ***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%   | (6/9)  |
| <b>Band B</b>                                  | £40,001 -  | £52,000  | 77.8%   | 7/9)   |
| <b>Band C</b>                                  | £52,001 -  | £68,000  | 8.9%  | 8/9)   |
| <b>Band D</b>                                  | £68,001 -  | £88,000  | 100%  | (9/9)  |
| <b>Band E</b>                                  | £88,001 -  | £120,000 | 122.2%  | (11/9) |
| <b>Band F</b>                                  | £120,001 - | £160,000 | 144.4%  | (13/9) |
| <b>Band G</b>                                  | £160,001 - | £320,000 | 166.7%  | (15/9) |
| <b>Band H</b>                                  | Over       | £320,001 | 200%  | (18/9) |

### ***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% of which the Council retains 40% and the County Council retain 10%.

## 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.

### ***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).

### ***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.

### ***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 uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.