



**Extract from Joint Strategic Committee - 1 February 2018**

**JSC/076/17-18      Joint Treasury Management Strategy Statement and Annual  
Investment Strategy 2018/19 to 2020/21, Adur District Council and  
Worthing Borough Council**

**Purpose**

The report asked Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2018/19 to 2020/21 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

**Summary of Discussion**

The Committee was advised that at the Joint Governance Committee meeting held on the 30 January 2018, Members identified that the Treasury Management Strategy Statement should cover the Councils capital investment in property as well as financial investments.

Members noted that the new CIPFA and Treasury Codes were intended to ensure that Councils had a clear understanding of the financial implications of capital spending plans, borrowing and the risks involved. The codes reinforced effective financial planning, option appraisal, strong governance and risk management all supporting good decision making. As a result, a more detailed Capital Strategy would be required, the contents of which were set out in Appendix C. Moving forwards, treasury reports would contain more information about non treasury investment, such as the purchase of property.

To assist with understanding these changes, training for Members had been arranged with the Councils treasury advisers on 19 June 2018.

**Resolution from Committee**

**The Joint Strategic Committee:-**

- (i) approved and adopted the Treasury Management Strategy Statement and Annual Investment Strategy for 2018/19 to 2020/21, incorporating the Prudential Indicators and Limits, and Minimum Revenue Provision (MRP) Statements;

- (ii) **recommended the Prudential Indicators and Limits, and MRP Statements for approval by Worthing Borough Council at its meeting on 20 February 2018, and by Adur District Council at its meeting on 22 February 2018.**

[JSC Report - Item 6 - 1 February 2018](#)

**Extract from Executive - 5 February 2018**

**W EX/004/17-18 Worthing Overall Budget Estimates 2018/19 and Setting of 2018/19 Council Tax**

**Purpose:**

The report detailed the Overall budget estimates required for 2018/19 and the recommendation to Council for the setting of the 2018/19 Council Tax.

**Summary of Discussion:**

The Executive had before it a report by the Director for Digital and Resources, attached to the signed record of these decisions as item 4.

The report was the final report of the year in the annual budgeting exercise requesting members to consider:

The final revenue estimates for 2018/19 including any adjustments arising from settlement;

An updated outline 5-year forecast; and

The provisional level of Council Tax for 2018/19, prior to its submission to the Council for approval on the 20th February 2018, subject to any proposals to change the draft revenue budget at the meeting

The report outlined the medium term financial challenge through to 2022/23, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The budget strategy initiated 2 years ago was having a significant effect on how the Council would be funded in the future with increasing income generated from commercial income and rents.

The budgets reflected the decisions taken by Members to date in relation to agreed savings proposals and any committed growth. The report also updated members about the impact of the draft 2018/19 settlement.

The major points raised within the report included:

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 4.2 of the report) ;

The Executive would need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.10 of the report) ; and, finally

The Executive needed to consider the proposals to invest in services outlined in Appendix 2

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2018/19 had 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).

The Police and Crime Commissioner consulted on an increase to the Council Tax for 2018/19 of £5.00 or 3.25%. Following the greater flexibility on Council Tax levels announced as part of settlement, the final increase recommended to the Sussex Police and Crime Panel (PCP) was £12.00 which is equivalent to a 7.8% increase. The proposed 2018/19 budget was approved by the PCP on 19<sup>th</sup> January 2018.

The Chancellor's Autumn Budget in November 2017 contained very little new news on Local Government.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 3% which is in addition to the 3% Council Tax increase allowed specifically to support adult social care services. Therefore a maximum Council Tax increase of 6% for Councils with social care responsibilities is allowed.

The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16<sup>th</sup> February 2018. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 20<sup>th</sup> February 2018.

The following appendices had been been circulated as attachments to the report : **Appendix 1** 5 year forecast for Worthing Borough Council, **Appendix 2** Proposals for investment in services, **Appendix 3** Estimated Reserves, **Appendix 4** Council Tax base for 2018/19, **Appendix 5** Summary of Executive Member Portfolio budgets for 2018/19 and **Appendix 6** Glossary of terms used

The Director for Digital and Resources introduced the report highlighting the momentum in the Council's ongoing agenda; there were significant challenges and uncertainties to be faced. A three year business growth plan was being developed

for commercial investments as well as investing in some services to support the challenges.

The Head of Financial Services explained that the Settlement details had been delayed but were expected by the end of the week. As soon as details were known these would be shared.

In discussing the proposed budget a question was raised on the hardship fund; had a the current budget been allocated and if so the possibility of increasing the value of the fund to help as many residents as possible. The Officer responded that the fund had been well subscribed with nearly all funds committed. Any increase in the fund would need an agreement by WSCC as 75% of the fund was that Council's share. It was agreed that it was feasible to look at this but currently the amount was set at the right level.

There was a concern expressed by the Customer Services Portfolio holder that this service area was now spread across all Directors where previously it had a Director lead; it was felt that there needed to be a high level focus on services for customers and residents.

The Leader stated that customer services was paramount for residents with Platforms for Our Places and the budget setting out a programme of work embracing customers. He was optimistic that the current initiatives, Teville Gate and Union Place would be seen as supporting customers and residents to improve the Borough.

The Director for Digital and Resources explained that a piece of development work was being undertaken which would focus on customer service, the work would commence in the contact centre and face to face service points.

The Deputy Leader welcomed the balanced budget which had growth in certain areas and fully supported the Platforms for Our Places. There was no complacency about what the next 12 months would bring when considering the amount of Council Tax needed; the proposals gave scope for growth to meet demands. Homelessness was highlighted as an area under constant review.

The Executive Member for Digital and Resources also highlighted the positive investments in services, however he drew attention to known financial uncertainties, specifically around the impact of the Homelessness Reduction Act and emerging pressure around homelessness generally in the Borough. He explained that the Executive must take a proportionate and prudent approach to the risk management in the budget. He proposed that the recommendation for the Council Tax 2018/19 be an increase of 2.96 % which was an increase of 0.13p per week for the Borough. The Deputy Leader seconded the proposal.

### **Decision the Executive**

(i) Approved the proposals to invest in services outlined in Appendix 2;

**(ii) Agreed to recommend to Council the draft budgets for 2018/19 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,433,340 subject to the approval of the proposals outlined above and the final agreed rate of Council Tax;**

**(iii) Agreed to recommend to Council an increase of 2.96% making Band D for Worthing Borough Council's requirements in 2018/19 as set out in paragraph 5.10 of £ 231.30 per annum.**