



Extract from Joint Strategic committee - 10 July 2018

**JSC/017/18-19 Achieving Financial Sustainability - Budget Strategy for 2019/20
and beyond**

Purpose

- 1.1. Over the last three years, our councils have been successfully delivering a budget strategy to address the rapid change in local government financing, preparing for the removal of central government funding in 2020.
- 1.2. This strategic effort has involved the development of new and critical capabilities in the organisation, including strategic property investment, nationally recognised digital service design, and high quality, successful commercial services.
- 1.3. It has also required careful financial management, including managed and prudent increases in council tax, and a clear focus on driving efficiency and Productivity.
- 1.4. Funding received from Government grant has been significantly reduced over the last 7 years, from 2019/20 onwards the councils will no longer receive any support via Revenue Support Grant. Looking ahead to 2020/21, the level of funding from central government is likely to further Reduce.
- 1.5. Adur and Worthing Councils have responded to the challenge of falling government grant by promoting economic regeneration, investing in property, growing our commercial offer, and through business efficiency from the customer and digitisation transformation programmes. Despite the inevitable challenges bought by reducing resources, the Councils have continued to maintain good core services across the board and have a clear focus on customer service excellence.
- 1.6. This report aims to set out the Councils will continue to address the changing financial climate over the next 10 years, outlining the revenue forecast and setting out our strategic response, creating the conditions to

be self-financing by 2020/21. With the detailed budget proposals for 2019/20 coming forward to Joint Strategic Committee in December, this reports sets out the broader context for the detailed work that will be undertaken over the intervening months.

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

Summary of Discussion

Before the Committee was a report by the Director for Digital & Resources, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these Minutes as Item 8.

The report established how the Councils would address the changing financial climate over the next 10 years, outlining the revenue forecast and setting out the Councils strategic response, creating the conditions to be self-financing by 2020/21. With the detailed budget proposals for 2019/20 coming forward to Joint Strategic Committee in December, the report sets out the broader context for the detailed work that would be undertaken over the intervening months.

The Committee noted that Adur and Worthing Councils would be increasingly reliant on council tax income, business rate income, and their own income generating services. The Councils had a good track record in innovation, working creatively in partnership, transforming digital capabilities and putting the customer at the heart of services, in order to do far more than just survive.

Over the summer and autumn 2018, the Operational Leaders Group (Heads of Service) would be working with the Councils Leadership Team to produce new service plans designed to deliver a balanced budget over the next 3 years. The outcome of the service planning would be presented to Joint Strategic Committee for approval in December 2018 as part of the development of the 2019/20 budget.

Members acknowledged the challenges that lay ahead and the need for Adur and Worthing Councils to become self sufficient.

Resolution from Committee

That the Joint Strategic Committee:-

- a. noted the report and the outline 5-year forecasts in Appendix 2;
- b. approved the proposed budget process as set out in section 6 of the report;
- c. recommended that Adur and Worthing Councils approve the Budget Strategy for 2019/20, outlined in Section 10 of the report.

(Link to the report on the website

<https://www.adur-worthing.gov.uk/media/media.149799.en.pdf>)