

**TITLE: WORTHING OVERALL BUDGET ESTIMATES 2014/15 AND  
SETTING OF 2014/15 COUNCIL TAX**

**REPORT BY: SARAH GOBEY, EXECUTIVE HEAD (FINANCIAL SERVICES)**

## **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 2014/15;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2014/15, prior to its submission to the Council for approval on the 18<sup>th</sup> February 2014. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Cabinet.

1.2 These budgets reflect the decisions taken by Members to date in relation to agreed savings proposals. The report also updates members about the impact of the draft 2014/15 local government finance settlement.

1.3 The major points raised within the report include:

- The Council will benefit from surplus business rates in 2014/15 of £172,000 (paragraph 3.9.7);
- The Council expects to receive £566,000 more in New Homes Bonus in 2015/16 due to a combination of the removal of the top-slice to the New Homes Bonus and the considerable number of new homes that are being built within the Borough (paragraph 3.10.3 and 3.10.4);
- The referendum criterion has yet to be announced. Speculation within the press suggests that this will be set at a rate lower than 2%. Consequently, the maximum Council Tax increase that the Council can approve without triggering a referendum is likely to reduce and for planning purposes this is judged to be 1.5% (paragraph 3.11);
- The cabinet will need to consider whether to increase Council tax by 1.5% or to freeze council tax for the fourth successive year and accept the council tax freeze grant (paragraph 5.11); and, finally

## 1.0 SUMMARY

- The Cabinet needs to consider the growth items in appendix 2
- 1.4 The budget is analysed by Cabinet Member portfolio. In addition, the draft estimates for 2014/15 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities 2014/15 (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.5 The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2014/15 of 3.6% and the proposed 2014/15 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 24<sup>th</sup> January 2014. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 21<sup>st</sup> February 2014 at which point the Commissioner will be in a position to confirm the Council Tax for 2014/15. If the proposals for the PCC's share of the Council Tax are not confirmed until 21<sup>st</sup> February, then the planned Council date of the 18<sup>th</sup> February will be rearranged to the 25<sup>th</sup> February 2014.
- 1.6 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 14<sup>th</sup> February 2014. Therefore the formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 18<sup>th</sup> February 2014.

## 2.0 BACKGROUND

- 2.1 The outline forecast report to Joint Strategic Committee on 4<sup>th</sup> July 2013 identified an initial likely budget shortfall of £1,025,000 for 2014/15. The Council agreed a budget strategy to meet this challenge through three major work streams:
1. Major Service Reviews;
  2. Efficiency Reviews;
  3. Base Budget Review.
- 2.2 In addition to these reviews, the July 2013 report proposed two new additional strands of work to balance the 2014/15 budget:
- Procurement review
  - Continuous Improvement Board, as a replacement to the Change Management Board which has subsequently been deferred and replaced by the 'Catching the Wave' programme of work lead by the Chief Executive

## 2.0 BACKGROUND

- 2.3 The report to the Joint Strategic Committee in September updated members about the likely impact of the changes to the Council's financial prospects following the Comprehensive Spending Review and to consider the Council's responses to the consultations that have been released over the summer months. This revealed a slightly improved position for 2014/15, but a deteriorating position from 2015/16 onwards due to the then proposed changes to the New Homes Bonus and Revenue Support Grant.

Worthing Borough Council	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Overall shortfall - July forecast	1,025	1,477	2,618	3,325	3,996
Overall shortfall - September forecast	1,019	1,887	2,984	3,575	4,160
Increase / (Decrease) in shortfall	-6	410	366	250	164

- 2.4 The subsequent report to the Joint Strategic Committee, on 3<sup>rd</sup> December 2013, outlined the options for savings and growth and updated Members as to the latest budgetary information. The 2014/15 savings proposals for the Council amounted to £1,341,400. Since this time some additional savings of £45,800 have been identified and were considered by the Joint Committee on the 7<sup>th</sup> January 2014. These are attached at appendix 2 for information.
- 2.5 Since the meeting on 3<sup>rd</sup> December, the Worthing Borough Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any non-committed growth items. Overall, therefore, the current financial position of the Joint Strategic Committee for 2014/15 can be summarised as:

	£'000
Original shortfall as identified in September	<b>1,019</b>
Changes identified in December 2013	
Impact of revised projection of New Homes Bonus for 2014/15	82
Impact of 2014 pension valuation	133
Impact of job evaluation	12
Net committed growth items identified by Executive Heads	213
Changes in grounds maintenance saving	300
Removal of contingency budget	-250
Budget shortfall as at 3 <sup>rd</sup> December 2013 carried forward	<b>1,509</b>

## 2.0 BACKGROUND

	<b>£'000</b>
Budget shortfall as at 3 <sup>rd</sup> December 2013 brought forward	1,509
<b>Main changes to the revenue budget:</b>	
<b>Impact of Settlement:</b>	
Draft New Homes Bonus	-11
Additional bonus due to revision to the empty properties number	-18
Final Revenue Support Grant and NNDR baseline funding is marginally lower than expected	3
Final adjustment to Council Tax Freeze Grant	-1
<b>Changes to Council Tax :</b>	
Estimated surplus on the Collection Fund	-3
Decrease Council Tax income resulting from changes to the tax base	68
Decrease in Council Tax income resulting from a possible change in the referendum criteria from 2% to 1.5% (see paragraph 3.10.3)	38
<b>Changes in business rate forecasts :</b>	
Estimated surplus on the Collection Fund	-28
Additional retained business rates	-144
<b>Other changes identified:</b>	
Revised assessment for the cost of increments, inflation, and the capital programme.	35
Impact of auto-enrolment on pension costs for Leisure Services	50
Other minor adjustments	4
<b>Revised budget shortfall</b>	<b>1,502</b>
<b>Less:</b> Savings identified in December	-1,341
Savings identified in January	-46
Adjustment to allocations between the councils	-6
Removal of no detriment	-19
<b>BUDGET SHORTFALL TO BE FUNDED FROM RESERVES (BEFORE ANY FURTHER ACTION AGREED)</b>	<b>90</b>

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

## 2.0 BACKGROUND

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

- 2.7 This trend of reducing Government support was further reinforced by the Comprehensive Spending Review announced on 26<sup>th</sup> June 2013 for 2014/15 and 2015/16 which confirmed that the reductions would continue on for the next 2 years:

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

- 2.8 The review also announced that:

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

These funding streams are subject to a bidding process.

## 2.0 BACKGROUND

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

Worthing Borough Council	2010/11 (adjusted)	2011/12	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m	£m	£m
Revenue Support Grant and 'baseline funding' *	6.821	5.720	5.046	4.582	3.798	3.020
Council Tax Freeze Grant 2011/12		0.212	0.210	0.210	0.209	0.209
Council Tax Freeze Grant 2013/14					0.087	0.087
Homelessness grant				0.149	0.147	0.146
Council Tax Support Grant **				0.947	0.947	0.947
Total government support		5.932	5.256	5.888	5.188	4.409
Annual reduction in revenue support grant and baseline funding		1.101	0.674	0.464	0.784	0.778
Annual percentage reduction		16.14%	11.78%	9.20%	17.11%	20.48%
Cumulative total			1.775	2.239	3.023	3.801
			26.02%	32.83%	44.32%	55.72%

\* Excluding 2011/12 Council Tax freeze grant of £210k which was consolidated into the total in 2012/13; Council Tax Support Grant of £947k and homelessness grant of £149k which will form part of government funding in 2013/14; and the 2013/14 Council Tax freeze grant which was consolidated in 2014/15.

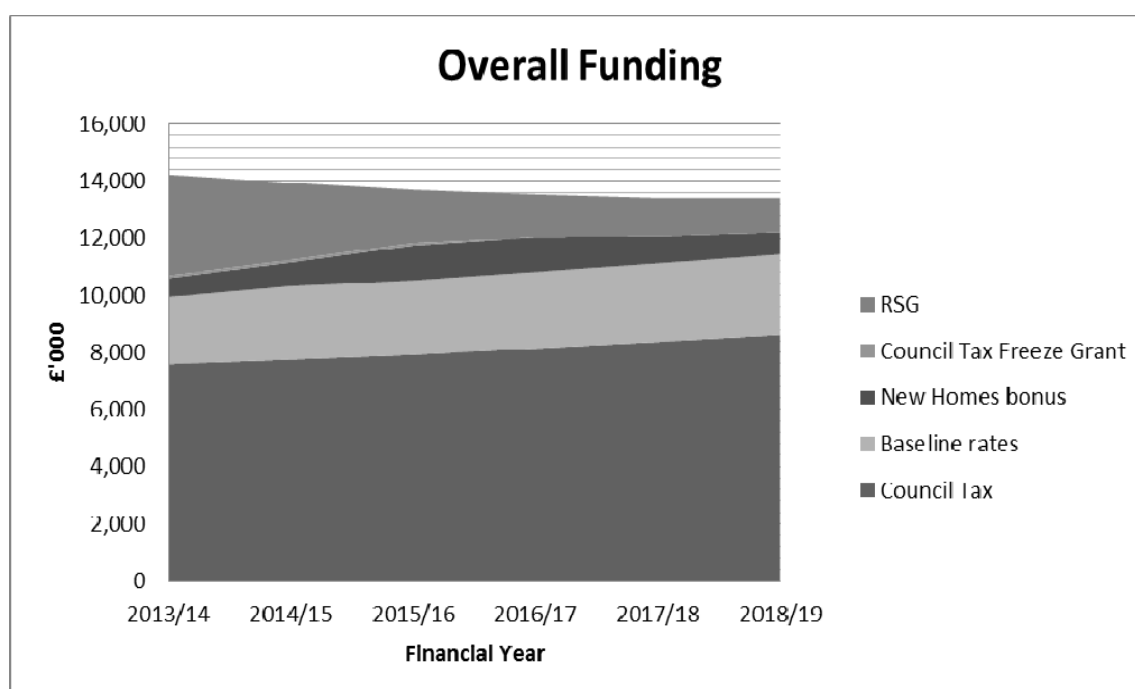
\*\* The Council Tax Support Grant will form part of Revenue Support Grant and Baseline Funding from 2014/15 onwards.

2.10 One of the implications behind the reducing level of revenue support grant combined with the introduction of the business rate retention scheme and the New Homes Bonus is that over time these elements together with Council Tax form a more significant proportion of the council's overall income and consequently have a greater strategic importance. This means that decisions about whether or not to increase Council Tax become even more significant as they will influence not only income in the coming year but will also protect the income streams for future years providing a controllable and sustainable income source to the Council assisting the council in addressing unavoidable inflationary pressures.

## 2.0 BACKGROUND

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	7,589	7,749	7,915	8,145	8,373	8,617
Baseline rates	2,352	2,570	2,612	2,677	2,744	2,812
RSG	3,536	2,703	1,858	1,486	1,337	1,203
New Homes bonus	665	834	1,223	1,223	950	778
Council Tax Freeze Grant 2013/14	86	87	87	0	0	0
	14,228	13,943	13,695	13,531	13,404	13,410

Breakdown of general income to the Council	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	%	%	%	%	%	%
Council Tax	53.35%	55.58%	57.79%	60.20%	62.47%	64.26%
Baseline rates	16.53%	18.43%	19.07%	19.78%	20.47%	20.97%
RSG	24.85%	19.39%	13.57%	10.98%	9.97%	8.97%
New Homes bonus	4.67%	5.98%	8.93%	9.04%	7.09%	5.80%
Council Tax Freeze Grant	0.60%	0.62%	0.64%	0.00%	0.00%	0.00%



Consequently, it is now clear that we cannot expect any easing of the financial pressure in the next 2 – 3 years.

## 2.0 BACKGROUND

- 2.11 The likely impact of the autumn statement and settlement for 2014/15 and 2015/16 is now known and this is discussed in detail in the next section of the report.

## 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- 3.1 The Autumn Statement contained some good news for the Council. The Chancellor commented that:

*'We can therefore be confident in reducing the contingency reserve by £1 billion this year and reducing departmental budgets by a similar amount in the next two years. This will save a further £3 billion in total.....*

*We will not apply these additional savings to local government, because we expect them to freeze Council Tax next year'*

*Chancellor of the Exchequer George Osborne,  
The Autumn Statement 2013*

Contained within the detail of the statement was some further good news about New Homes Bonus

*The government will formally respond to the technical consultation on the New Homes Bonus and the Local Growth Fund in due course. The government will not include the New Homes Bonus in the Local Growth Fund, except for £70 million for the London Local Enterprise Partnership, which is chaired by the Mayor of London.*

*Autumn Statement*

It is now unlikely that the planned transfer of New Homes Bonus monies to the Local Growth Fund will take place (other than in London) in 2015/16. This is of particular significance to Worthing Borough Council and will be discussed in more detail later in the report.

- 3.2 Settlement was released on the 18<sup>th</sup> December 2013 in the form of a written statement and this year has been largely as expected. So the likely impact of the settlement for 2014/15 and 2015/16 for the Council is now clear. The settlement included the following highlights:

- Efficiency Support for Sparse Areas grant worth £9.5 million so that the most rural local authorities can continue to drive forward efficiencies in their area. This is an increase on the grant paid for this purpose in 2013 to 2014 and we intend that the grant will be rolled in to the settlement in 2014 to 2015, offering further protection for the most rural authorities. Worthing Borough Council will not benefit from this additional funding.



### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

- The Government is providing up to £550 million of extra funding to local authorities so they can freeze Council Tax for the next 2 years. The Secretary of State has agreed with the Chancellor that the funding for the next 2 freeze years will also be built into the spending review baseline and so the support will continue on until at least 2016-2017. The Local Government Minister wrote:

*We hope this will give maximum possible certainty for councils that the extra funding for freezing Council Tax will remain available, and there will not be a 'cliff edge' effect from the freeze grant disappearing in due course. We have done our part – we now expect councils to do theirs in helping hard-working people with the cost of living.*

Written ministerial statement by Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014/2015

- The Council Tax referendum threshold principles are to be announced separately later in the New Year. Interesting the Government are:

*'open to representations suggesting that some lower threshold be applied to all or some categories of authorities, given the strong need to protect taxpayers wherever possible from unreasonable increases in bills, and given next year's elections on 22 May across the country allow for referendums to be held at minimal cost'*

Local Government Minister, Brandon Lewis

The issue the Council will face is that, statutorily, it needs to set its Council Tax by 11<sup>th</sup> March but the referendum referred to, if needed, is proposed to coincide with the Local Government elections in May. This will mean that the Council would incur significant rebilling costs if the referendum overturned the Council's Council Tax proposals.

Logistically, it would be far more helpful if the Government announced the criteria at an earlier stage to enable all Councils to more effectively plan any Council Tax increase. Without knowing the criteria – it will be difficult to know what level of increase is 'safe' and avoids the need for a referendum.

- 3.3 Helpfully the government has also provided illustrative grant figures for 2015-16 which will give the council some certainty for the coming year. Although with a general election on 7<sup>th</sup> May 2015, it is difficult to be certain about the level of Local Government funding in the future beyond 2015-16. However, given the tenor of the Chancellor's speech on the 6<sup>th</sup> January which announced a further £25 billion cuts in 2016/17 and 2017/18 of which £12 billion will be in welfare, it is inevitable that the Council will face further reductions in funding in the future.

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

3.4 In overall terms, the settlement revealed that District and Borough Councils were the most heavily affected class of authority by an overall cut in funding of just under 13.5%.

<b>YEAR-ON-YEAR CHANGE FOR THE 2014-15 SETTLEMENT</b>			
<b>Class of Local Authority</b>	<b>2013-14 Adjusted settlement funding</b>	<b>2014-15 Settlement funding</b>	<b>Overall Reduction in funding</b>
	<b>£million</b>	<b>£million</b>	<b>%</b>
<b>England</b>	26,256.42	23,782.51	9.42%
<b>London Area</b>	6,023.71	5,510.29	8.52%
<b>Metropolitan Areas</b>	7,088.74	6,381.37	9.98%
<b>Shire Areas</b>	13,140.63	11,887.55	9.54%
<b>Isles of Scilly</b>	3.35	3.30	1.29%
<b>London Area</b>			
London Boroughs	4,859.199	4,354.84	10.38%
GLA – all functions	1,164.507	1,155.45	0.78%
<b>Metropolitan Areas</b>			
Metropolitan Districts	6,778.289	6,094.487	10.09%
Metropolitan Fire Authorities	310.447	286.884	7.59%
<b>Shire Areas</b>			
Shire unitaries with fire	473.009	426.120	9.91%
Shire unitaries without fire	4,998.291	4,503.665	9.90%
Shire counties with fire	2,391.602	2,193.651	8.28%
Shire counties without fire	3,520.281	3,213.572	8.71%
<b>Shire districts</b>	<b>1,263.788</b>	<b>1,093.588</b>	<b>13.47%</b>
Combined fire authorities	493.660	456.949	7.44%

3.5 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 15<sup>th</sup> January 2014 with final settlement expected in early February 2014.

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

3.7 The local government finance settlement fundamentally changed in 2014-15. There are four different strands to local government funding which the Council needs to fully understand when setting the 2014-15 budget. These can be broken down into 4 topics, which are dealt with in more detail below:

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

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.8 Overall Government Funding

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

1. Baseline Funding
2. Revenue Support Grant

This split is based on a national calculation which has determined that the Baseline Funding will be 46.22% of the total funding. For Worthing this means that the overall funding will be split as follows:

<b>Worthing Borough Council</b>	<b>£'000</b>
Overall funding	5,188*
Split as follows:	
Baseline Funding (46.22%)	2,790
Revenue Support Grant (53.78%)	2,398

\* From 2014/15 onwards, revenue support grant includes the 2013/14 Council Tax freeze grant.

The Baseline Funding then forms one of the components of the new business rate retention scheme discussed in further detail below.

#### 3.9 Business Rate Retention Scheme

3.9.1 The new business rate retention scheme has now been in place for a year. 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 7.5% of Baseline Funding which is equivalent to a maximum fall in income of £179,850.
- 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 its share of the business rate target.

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

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

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.2 Under the Business Rate Retention Scheme, the Council will be given a target income level for business rates. For 2014/15 this will be £30,516,438, of which 50% will be paid over to HM Treasury and 10% is paid to the County Council as follows:

	£
Business Rate target	30,516,438
Split as follows:	
HM Treasury (50%)	15,258,219
County Council (10%)	3,051,644
Borough Council (40%)	12,206,575

The monies paid over to the HM Treasury will be redistributed back to local government as Revenue Support Grant.

3.9.3 Those Councils whose share of business rate income target exceeds their baseline funding are known as 'tariff' Councils and will have to pay over business rate income to the Government equivalent to the surplus. Those Councils whose business rate income is less than their baseline will receive additional funding from the Government and are known as 'top-up' Councils. Worthing Borough Council is a 'tariff' Council as follows:

<b>Tariff calculation</b>	<b>£</b>
Business Rate Target income	12,206,575
Less: Baseline funding	2,397,993
	<hr/>
Tariff payment to government	9,808,582
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3.9.4 The new business rates system operates in a similar manner to the Council Tax. At the start of the year, the Council estimates how much business rates will be generated allowing for appeals, write-offs and administrative costs. The Council can then transfer its share of this estimated amount to the general fund. This is similar to a precept for the Council's share of Council Tax.

3.9.5 At the end of the financial year, any surplus or deficit associated with business rates is assessed and this will benefit the Council in the following financial year.

3.9.6 However, any adjustment to the levy or safety net due to the government must be repaid to the government at the end of the financial year (2013/14) despite the fact that the Council will benefit from this in the following financial year (2014/15).

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.7 The preliminary forecast for business rates for 2013/14 outturn and 2014/15 is as follows:

	2013/14 Original Estimate	2013/14 Updated Estimate	2014/15 Estimate
	£'000	£'000	£'000
<b>Net Rates Payable (A)</b>	<b>32,206</b>	<b>31,963</b>	<b>32,624</b>
<b>Less Accounting Adjustments:</b>			
Movement in the bad debt provision and write-offs (B)	329	548	389
<b>Losses on Appeal</b>			
Provision for appeals in year	901	545	883
Full Provision for backdated appeal decisions	901	667	0
<b>Total losses on appeal (C)</b>	<b>1,802</b>	<b>1,212</b>	<b>883</b>
<b>Collectable Rates (D=A-B-C)</b>	<b>30,075</b>	<b>30,203</b>	<b>31,352</b>
Net Transitional Protection Payments - Paid by the government (E)	-6	-20	-21
Allowable charge for administration costs (F)	133	133	136
<b>Non Domestic Rating Income (D-E-F)</b>	<b>29,948</b>	<b>30,090</b>	<b>31,237</b>
<b>2013/14 Original Estimate</b>		<b>29,948</b>	
Change from original estimate - increase (+) / decrease (-)		137	
<b>Surplus/(Deficit): Worthing Borough Council</b>			
Business rates Baseline Target	11,973	11,973	12,207
<b>Less: Tariff/Top-Up</b>	<b>-9,621</b>	<b>-9,621</b>	<b>-9,809</b>
<b>Baseline funding Target (A)</b>	<b>2,352</b>	<b>2,352</b>	<b>2,398</b>
40% share of actual business rate income	11,979	12,036	12,495
<b>Less: Tariff/Top-Up</b>	<b>-9,621</b>	<b>-9,621</b>	<b>-9,809</b>
<b>Baseline funding Retained (B)</b>	<b>2,358</b>	<b>2,415</b>	<b>2,686</b>
<b>Surplus/(deficit) (B-A)</b>	<b>6</b>	<b>63</b>	<b>288</b>
50% Levy payable to Government in 2013/14	-3	-32	-144
Surplus to be retained by Council	3	31	144
Less: Original 2013/14 surplus retained in current year		-3	
<b>Additional surplus to benefit the Council in 2014/15</b>		<b>28</b>	

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

3.9.8 It should be appreciated that, when the 2013/14 original estimate was calculated, the Council had very little information about the outstanding level of appeals; consequently a 5% allowance for appeals was built into the estimate of business rate income (£1,802,000) together with an assumed level of write-offs of £329,000. However, since that time, the Valuation Office has improved the information supplied and the Council now receives a quarterly report on the level of outstanding appeals which has been used to update the current forecast for 2013/14. Appeals are currently expected to be at a much lower level than originally forecast which means that the position for business rates is improved for 2013/14.

3.9.9 The Council will fully provide for any known backdated business rates at the 2013/14 year end, consequently the level of provision for new and outstanding appeals will reduce in 2014/15. This will mean that the business rate income should exceed the government target set and benefit the overall revenue budget.

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

3.9.11 The forecast is currently being finalised. The government released the guidance for the 2014/15 NNDR return which underpins this forecast on the 6<sup>th</sup> January. The return is due to be submitted by the 31<sup>st</sup> January and any substantial changes resulting from the final assessment of the business rate income will be reported verbally to members at the meeting.

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

Assumed rateable value £1m

Estimated Rates income: £462,000

	<b>Additional income</b>	<b>Levy paid to Treasury</b>	<b>Kept locally</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Split as follows:			
HM Treasury	231,000		
County Council	46,200	23,100	23,100
District Council	184,800	92,400	92,400
	<b>462,000</b>	<b>115,500</b>	<b>115,500</b>

### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.9 Business Rate Retention Scheme

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

- It is difficult to establish the number of appeals which are likely to come forward in any given year. There is no time limit on when an appeal might be lodged;
- There is a specific risk associated with schools becoming academies. At the moment it is not expected that any of the schools will become academies in 2014/15. However, if a school assumes academy status then it will become eligible of mandatory rate relief which will reduce the Council's business rate income; and
- Major redevelopments will temporarily reduce business rate income whilst the site is redeveloped.

3.9.14 Consequently, there could be significant swings in the amount of business rate income in any one year. However this will be tempered by the safety net. The maximum possible swing for 2014/15 would be:

	<b>£'000</b>
Loss of share of surplus	144
Maximum loss of baseline funding due to safety net	180
	<hr/>
	324
	<hr/> <hr/>

3.9.15 To help manage this risk it is proposed that at the end of 2013/14 a reserve is created specifically to manage this risk using any underspend. This reserve could also be used to manage any timing differences between when the Council is obliged to pay the government its share of any levy and when the Council will benefit from that surplus.

#### 3.10 New Homes Bonus

3.10.1 The New Homes Bonus is assuming a greater level of importance as a source of funding. By 2015/16 the Council is expecting to receive £1.2m:

	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19
	£'000	£'000	£'000	£'000	£'000
New homes bonus (2011/12 - 2016/17)	273	273	273	0	0
New homes bonus (2012/13 - 2017/18)	172	172	172	172	0
New homes bonus (2013/14 - 2018/19)	220	220	220	220	220
New homes bonus (2014/15 - 2019/20)	169	169	169	169	169
New homes bonus (2015/16 - 2020/21)	0	389	389	389	389
<b>Total New Homes Bonus</b>	<b>834</b>	<b>1,223</b>	<b>1,223</b>	<b>950</b>	<b>778</b>

### **3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15**

#### **3.10 New Homes Bonus**

3.10.2 The final level of new homes bonus due to be received in 2014/15 is higher than expected by some £29,000. This is partially due to an increase in the amount of bonus awarded for affordable dwellings (£11,000), and partially due to a reassessment of the number of empty dwellings (£18,000). The Empty Properties Officer has identified that some properties had been wrongly identified as long-term empty and a revised return has been submitted.

3.10.3 Looking further ahead, the announcement that New Homes Bonus would no longer be top sliced has significantly benefitted the Council in 2015/16 by £374,000.

3.10.4 In addition, there are currently over 770 homes being constructed within the area. This includes:

- 265 at Bolsover Road
- 117 at the Northbrook College site
- 66 at Eirene Road
- 49 at the Beach Hotel
- 39 at Southey Road

Whilst only those dwellings completed by the end of August are likely to be counted towards the 2015/16 new homes bonus, given the pace of building in some areas, the figures assume that about 50% of these dwellings will be finished. Consequently the Council is set to benefit from an increased amount of New Homes Bonus in 2015/16 of £192,000.

3.10.5 The future of New Homes Bonus from 2016/17 onwards is uncertain. The commitment to New Homes Bonus is until 2015/16 only and so it is assumed that there will be no new bonus from 2016/17 onwards.

#### **3.11 Council Tax Referendum**

3.11.1 Finally, as part of settlement, the Minister announced the referendum criteria would be announced after Christmas. It is unclear whether this relates to the 2014/15 criteria or the 2015/16 criteria, however it is suspected that this refers to 2014/15.

3.11.2 This overturned the criteria previously announced by the Chancellor in June which stated that:

The Council Tax referendum limit will be 2% in both 14/15 and 15/16. The Government will offer a Council Tax Freeze grant in both 2014/15 and 2015/16. This is likely to be allocated as a 1% grant for two years for those that freeze in 2014/15 and separately as a 1% grant for two years for those that freeze in 2015/16.



### 3.0 THE AUTUMN STATEMENT AND LOCAL GOVERNMENT FINANCE SETTLEMENT 2014/15

#### 3.11 Council Tax Referendum

3.11.3 There has been some speculation in the press recently that the referendum limit will be reduced to 1.5%. The current budget forecast assumes a 2% increase. Clearly this 0.5% reduction would impact upon the Council's potential income from Council Tax by some £38,200. The late announcement of the referendum criteria introduces a degree of uncertainty into the budget process.

3.11.4 However, given that the original criteria announced is due to be changed, and the Secretary of State's often expressed view that Councils should accept the Council Tax Freeze grant; it seems unlikely that the limit will increase. Consequently, the budget forecast now assumes a maximum increase of 1.5%. Members will be briefed on the referendum criteria at the meeting if known.

3.11.5 Options for the Council Tax increase are discussed in detail later in the report.

#### 4.0 2013/14 BUDGET – CURRENT POSITION

4.1 The revenue monitoring report to Joint Strategic Committee on 7<sup>h</sup> November 2013 showed a forecast underspend for the year of £180,000 due to the following major factors:

	Forecast Over/(Under) spend
<b>Leisure Centre</b> Improved net income from FIT4 and Splashpoint.	£'000 -179
<b>Investment Properties</b> Lower income due to empty properties.	190
<b>Parking Services</b> Relates to budgeted share of turnover income that is not reaching the threshold and the on-going contractual dispute.	130
<b>Crematorium</b> Additional income.	-150
<b>Refuse and Recycling Collection</b> Budget not required following change in accounting for MRP & Interest	-155
<b>Grounds Maintenance</b> The target saving of £500,000 has been difficult to achieve and the budget has been partially restated for 2014/15.	300
<b>Treasury Management</b> Improved investment income due to increased cash balances and lower than anticipated borrowings costs.	-294

#### 4.0 2013/14 BUDGET – CURRENT POSITION

	Forecast Over/(Under) spend
	£'000
<b>Theatres</b> The projected shortfall results mainly from the catering activity. It is taking longer than expected to achieve the improved level of income	200
<b>Cross-Cutting savings</b> Reduction in energy costs across a variety of budgets.	-210
Net other over/(under) spends	-12
<b>Underspend as at 7<sup>th</sup> November 2013</b>	<b>-180</b>

- 4.2 The anticipated underspend of £180,000 will give the Council the much needed opportunity to place some funds into reserves to meet future needs as discussed elsewhere within this report. The ongoing trends that have been identified as part of this monitoring have been built into the 2014/15 revenue budget.
- 4.3 On past evidence, spending patterns between the November monitoring and the end of the financial year have shown there is every reason to expect that the position may continue to improve as the year progresses, which will be reported when the outturn report come before the Joint Strategic Committee in June 2014. Consequently, any final recommendations regarding this underspend must be deferred until the outturn results are known.

#### 5.0 DRAFT REVENUE ESTIMATES 2014/15

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £14,095,060. This includes the savings agreed at Joint Strategic Committee in December and January.
- 5.2 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.3 The key question of how the net budget requirement of £14.095m translates in to 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 2013/14 to 2014/15 are at Appendix 1. A breakdown of each Cabinet Member's summary budget is attached at Appendix 7. The changes can be summarised briefly as follows:

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

	£'000	£'000
<b>2013/14 Original Estimate</b>		14,179
<b>Add: General Pay and Price Increases</b>		358
<b>Add: Committed and Unavoidable Growth:</b>		
Increased Expenditure as per 3 year forecast (net of any proposed use of reserves)	797	
Reduced Income as per 3 year forecast	109	
Impact of Capital Investment Programme	143	1,049
		15,586
<b>Less: Compensatory savings/Additional Income:</b>		
Compensatory savings	-60	
Additional income	-	-60
		15,526
<b>Less: Savings agreed by members</b>		
Approved in 2013/14	-81	
Approved in December	-1,347	
Approved in January	-46	
Removal of 'no detriment' adjustment	-19	-1,493
		14,033
Cabinet member requirements		-90
Potential contribution from reserves*		
		13,943
Potential budget requirement before external support		
Collection fund surplus		-3
		<b>13,940</b>
<b>2014/15 BUDGET REQUIREMENT</b>		
*The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the non-committed growth items and the Council Tax increase.		

5.5 The estimates reflect the Council's share of the Joint Strategic Committee budget which was considered on 7<sup>th</sup> January 2014. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year. The swing of costs between the two Councils has changed by 0.75% between the two Councils resulting in an overall 'no detriment' adjustment of around £19,000.

5.6 The initial report to members about the creation of the partnership discussed at the Simultaneous Executive Meeting on 12<sup>th</sup> July 2007 emphasised the need for stability of costs between the Councils, and it was not proposed to take action until a firm trend has established. There were several reasons for this:

- Any of the allocations for the newly created joint services are based on broad estimates which will be confirmed as the services mature;

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

- Some of the joint services have only been in operation for a relatively short-time and so it is impossible to identify whether there is a long-term trend in the allocation of costs.
- Some of the swings in costs may be temporary in nature.

Given the small amount of overall 'no detriment' adjustment within the accounts of the two Councils, it is now proposed to remove this adjustment from the revenue budgets of both Councils. The implication for the future is that there will be an annual adjustment between the two Councils for any swing in the overall costs from the Joint Strategic Committee.

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

Further details can be provided by request from Jo-Anne Chang-Rogers (Finance Manager) or Sarah Gobey {Executive Head (Financial Services)}.

- 5.8 The current net estimated 2014/15 spend is less than previously predicted and is mainly due to the following factors:

	<b>£'000</b>
<b>Impact of settlement (see paragraph 2.5 and section 3 above)</b>	
Increase in grant arising from settlement (including the 2013/14 Council Tax Freeze Grant)	2
Expected increase in New Homes Bonus	-29
<b>Additional income from business rates (see section 3.8)</b>	-172
<b>Final adjustments in respect of inflation and salary increments</b>	67
<b>Impact of invest to save initiative contained within the capital programme</b>	-32
<b>Impact of auto enrolment on pension costs</b>	50
Under new legislation staff will be automatically enrolled in the pension fund.	
<b>Other changes identified by the Executive Heads</b>	6

- 5.9 In addition to the above, the projected surplus on the Collection Fund is now estimated to be £21,600, of which £3,080 is the Borough Council share. This is a very minor surplus in light of the overall income due which exceeds £53.6m, and is due to an improved level of income to the collection fund.

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

5.10 Members are now faced with two questions:

- What level of Council Tax to set?
- Which of the growth items at appendix 2 to accept?

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

### 5.11 The Council Tax increase:

5.11.1 The budget forecast currently assumes that Council Tax will increase by 1.5% in 2014/15. This is a reduction from previous forecast increase of 2% and reflects uncertainty about the referendum level.

5.11.2 In the recent consultation 60.9% of residents supported an increase in Council Tax and a 1.5% uplift would be a modest increase in the Borough council share of the bill for 2014/15 as follows:

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

5.11.3 Members should also be aware that the Police and Crime Commissioner has been consulting on a 3.6% increase for the Police Authority share of the overall bill. There are indications that the County Council will set a 0% increase. Consequently, the total overall increase in the Council Tax bill for a band D property would be just over 0.5%:

	<b>2013/14</b>	<b>2014/15</b>	
	<b>£</b>	<b>£</b>	
Worthing Borough Council	216.00	219.24	1.50%
West Sussex District Council	1,161.99	1,161.99	0.00%
Sussex Police and Crime Commissioner	138.42	143.37	3.60%
	<b>1,516.41</b>	<b>1,524.60</b>	<b>0.54%</b>

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

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

### 5.11 The Council Tax increase:

Worthing Borough Council	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Council Tax income if Council tax is increased by 1.5%	7,746	7,915	8,145	8,373	8,617
Council Tax income if Council tax is frozen	7,631	7,798	8,024	8,250	8,490
Net fall in Council Tax income	115	117	121	123	127
Less: 2014/15 Council Tax Freeze Grant from government	-88	-88	0	0	0
Increase in income per annum if Council Tax is increased	27	29	121	123	127

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

### 5.12 Uncommitted Growth Items:

5.12.1 Attached at Appendix 2 is a listing of the new uncommitted growth items which total £113,000. These have already been considered at the Joint Strategic Committee on 7<sup>th</sup> January 2014 and those items which had support from both Adur and Worthing members are included in the appendix. Members are now asked to confirm which of the items should be included within the revenue estimates for 2014/15.

5.13 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>
		14,033
<b>Less:</b> Government grant	-2,703	
Baseline Funding	-2,398	
Share of additional Business Rate income	-172	
Council Tax (1.5% increase)	-7,746	
2013/14 Council Tax Freeze Grant	-87	
New Homes Bonus	-834	
Collection Fund surplus	-3	-13,943
<b>Estimated budget deficit based on 1.5% Council Tax increase carried forward</b>		<b>-90</b>

## 5.0 DRAFT REVENUE ESTIMATES 2014/15

	<b>£'000</b>
Estimated budget deficit based on 1.5% Council Tax increase brought forward	-90
Estimated impact of freezing Council Tax and accepting the Council Tax freeze grant	-27
Maximum impact of accepting the growth items	-113
	-230
<b>Maximum contribution from reserves</b>	230
	-

- 5.14 The budget could support a 0% Council Tax increase and be balanced by withdrawing £230,000 from reserves. When considering this, members are reminded that the current projected underspend is £180,000 in 2013/14 and looking further ahead the current prospects for a balanced budget for 2015/16 are good:

	<b>2015/16 £'000</b>
Current forecast shortfall (based on 1.5% Council Tax increase in both 2014/15 and 2015/16)	40
Impact of accepting the Council Tax Freeze Grant	29
Impact of proposed growth items	113
<b>Revised budget shortfall</b>	<b>182</b>

Currently, the expected shortfall in 2015/16 would be relatively minor compared to some of the financial challenges seen in recent years and it is predicated on two key actions:

- Leisure Services which is due to go to trust status by 2015/16 either as a local trust or with a larger trust which will generate a saving of at least £250,000.
- The successful completion of the sale of the old Aquarena site which will reduce down debt costs by about £150,000 per year.

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

## 6.0 IMPACT ON FUTURE YEARS

- 6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1 (which includes an assumed 1.5% tax increase for 2014/15 which is to be considered as part of this report). The difficult settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

## 6.0 IMPACT ON FUTURE YEARS

	Expected shortfall (Cumulative)				
	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,502	1,715	2,991	3,692	4,353
<b>Less:</b>					
Savings agreed in December and January	-1,412	-1,675	-1,864	-1,864	-1,864
Impact of accepting the Council Tax Freeze grant	27	29	121	123	127
Impact of accepting all the growth items at appendix 2	113	113	89	89	89
<b>Less:</b>					
Potential contribution from reserves to be agreed	-230	-	-	-	-
Adjusted cumulative budget shortfall	-	182	1,337	2,040	2,705
Savings required each year	-	182	1,149	703	665

6.2 The continuation of the 'austerity measures' has had significant consequences for the Council. Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Council's services. There are potentially four benefits 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;
- New Homes bonus of £1,160 per band D home until at least 2015/16 and possibly beyond.

6.3 However, these measures are unlikely to be enough. There will need to be a continuing emphasis on efficiency and value for money in the annual savings exercise. In addition, the Council will need to focus its scarce resources on key priorities.

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



## 7.0 RESERVES

- 7.1 Section 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 the best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 77 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The **General Fund Working Balance** which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. supplementary estimates); and **Earmarked Reserves** which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31<sup>st</sup> March 2013 was £1,142,000 which is 7.9% of net revenue expenditure.

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

		£'000	%
31.03.2014	Balance carried forward – per Final Accounts	1,142	8.0
31.03.2015	No planned drawdown or contribution expected	1,142	8.2
31.03.2016	No planned drawdown or contribution expected	1,142	8.3
31.03.2017	No planned drawdown or contribution expected	1,142	8.5

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

- 7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:
1. A further fall in interest rates of 0.5% would cost the Council in a region of £60,000 in 2014/15.
  2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £169,000.

## **7.0 RESERVES**

3. Further adverse falls in income from such sources as development control income, car parks and land charges against a background of the recession which could result in falling income of over £100,000.
4. Demand is increasing for services such as homelessness 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.

7.5 Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2014/15 of £836,000 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £1,394,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level falls within these parameters.

7.6 The estimated balance of earmarked reserves as at 31<sup>st</sup> March, 2014 is £5,000,000, although this will reduce to £4,333,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 3. The key risks to the overall budget and the Council's reserves are detailed below.

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 but the size and nature of the risks to the overall budget leaves the Council with little room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

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

## **8.0 SIGNIFICANT RISKS**

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

## 8.0 SIGNIFICANT RISKS

### (i) Income

The Council receives income from a number of services which will be affected by demand. These include land charges, development control and, now, business rates and car parks. Whilst known reductions in income have been built into the proposed budgets for 2014/15, income may fall further than expected.

### (ii) Withdrawal of funding by partners

All budgets within the public sector are under scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, the council may lose funding for key priorities and be left with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

### (iii) Inflation

A provision for 2.0% inflation has been built into non-pay budgets together with an allowance for additional inflation on fuel. Pay budgets have a 1% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation to drop throughout 2014/15, 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	169
Non-pay	149

### (iv) Impact of legal disputes

The Council is in a legal dispute regarding the car parks. Whilst the outcome of this dispute will not impact on the revenue budget, it may require the Council to utilise its reserves and hamper the Council's ability to manage future risks.

8.2 To help manage these risks, the council has a working balance of £1,142,000 and other earmarked reserves are also available to the Council to help mitigate these risks.

## 9.0 CONSULTATION

9.1 This report represents the culmination of the budget process which has involved consultation with Members, staff, members of the public and the business community.

## 9.0 CONSULTATION

- 9.2 Both Councils have undertaken a follow-up consultation to last year's area wide exercise entitled 'Your Chance to be the Chancellor'. This again took the form of a leaflet sent out to each home. The focus of this year's consultation was around the potential changes to the Council Tax Reduction Scheme in 2015/16, and the level of Council Tax increase that the public would support. 1,307 residents responded to the consultation and the full outcome of the consultation is attached at appendix 4.
- 9.3 With respect to the Council Tax increase, the Council asked and received the following response from residents:

The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Worthing Borough Council.

With this in mind, would you prefer...

A small increase which will help the Councils to protect priority services	796	(60.9%)
To freeze Council Tax for the fourth year in a row and cut services	511	(39.1%)

- 9.4 The annual briefing with the business community will take place on 22<sup>nd</sup> January 2014.

## 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 including the financial impact of the acquisition of the refuse and recycling fleet and equipment which has been funded from prudential borrowing.
- 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 2014/15. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2014/15 and future years.
- 10.3 The Prudential Code of Practice requires the Council to set a series of indicators to show that the programme has due regard to affordability, sustainability and prudence.

## **10.0 UPDATE TO PRUDENTIAL INDICATORS**

- 10.4 The full set of Prudential Indicators and Treasury Management Limits is at Appendix 5. They reflect the Capital Programme approved at the Joint Strategic Committee on 3<sup>rd</sup> December 2013.
- 10.5 Members should note that the indicator for the authorised borrowing limit is a statutory indicator requiring approval by full Council under Section 3(i) of the Local Government Act 2003.

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

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

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

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

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

## 11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- 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 2014/15.

- 11.4 The Executive Head (Financial Services) and Section 151 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 the West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Worthing Borough.

- 12.2 Once the Cabinet has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2014/15 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 2014/15 prior to the consideration of the budget proposals. This is based on 1.5% Council Tax increase:

	£	£
Net 2014/15 Budget*		14,003,510
<b>Plus:</b> Contribution from the Collection Fund surplus (as per paragraph 5.9)		-3,080
Net Budget requirement carried over - (see Appendix 7)		14,000,430

## 12.0 COUNCIL TAX SETTING

### 12.3 Worthing Borough Council:

<b>Net Budget requirement brought forward - (see Appendix 7)</b>	<b>£</b>	<b>£</b>
		14,000,430
<b>Less:</b>		
Aggregate External Finance:		
Revenue Support Grant	-2,790,410	
Baseline Funding	-2,397,990	
Business Rate income	-171,560	
Council Tax Reduction Scheme	-60,000	
administration grant		
New Homes Bonus	-834,940	
		-6,254,900
<b>Balance to be raised from Council Tax</b>		<b>7,745,530</b>

\* 2014/15 budget requirement after any withdrawal from reserves required to balance the budget.

However, within section 5 of the report, members are given the option of freezing the Council Tax and approving the non-committed growth items. Any reduction in income or additional expenditure would be funded from the reserves in 2014/15.

#### (b) Council Tax Base

The Council's Tax base for 2014/15 is 35,329.00 Band D equivalent properties. There is an increase in the current year base of 35,329.00 is due to an increasing number of homes. The full calculation of the tax base is shown in Appendix 6.

	<b>2013/14 Tax Base</b>	<b>2014/15 Tax Base</b>
<b>TOTAL</b>	35,283.40	35,329.00

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

In order to raise the required sum it is recommended that the Council Tax at Band D be set either:

- £216.00 the same as that charged in 2014/15; or
- £219.24 which is an increase of 1.5%.

## 12.0 COUNCIL TAX SETTING

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

- (a) The County Council requirements are expected to be confirmed on 14<sup>th</sup> February, 2014. The Police and Crime Commissioner's proposed increase of around 3.6% is due to be considered by the Police and Crime Panel on 24<sup>th</sup> January. The latest date that any increase will be confirmed is the 21<sup>st</sup> February 2014.

	2012/13 £	2013/14 £
West Sussex County Council	1,161.99	t.b.a.
Sussex Police Authority	138.42	t.b.a.
<b>TOTAL</b>	<b>1,300.41</b>	<b>t.b.a.</b>

### 12.5 Overall Council Tax

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Borough Council at its meeting on 18<sup>th</sup> February 2014.

## 13.0 CONCLUSION

- 13.1 The past few years have been very difficult for the Council. The withdrawal of a significant amount of government grant has been challenging to address. Overall the Council has successfully identified further savings of over £1.4m to meet the current year's financial challenges. However, this has not been without pain. The council has reduced its workforce, with the inevitable pressure of additional work falling on the shoulders of the remaining staff. But we have largely to date protected the Council's front-line services, with the exception of grounds maintenance, which was been reduced as part of the 2013/14 budget.
- 13.2 Looking further ahead, 2015-16 will be equally as challenging as the Government continues to deal with the national deficit. Whilst developing both the local economy to increase employment space and local jobs together with the provision of new homes will be one of the strategic measures that the Council can take to protect its longer term financial interests, there will be inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 13.3 It is difficult to be certain what the future will hold for the Council's post the next general election, other than to plan for further reductions in funding.
- 13.4 But we must not forget that the Council is in good financial health with strong reserves, which will help us deal with this whilst the Council revisits its priorities and strives for further efficiencies.



## **13.0 CONCLUSION**

- 13.5 In preparing the strategy and forecast for 2014/15 an assessment was carried out of the significant risks and factors which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.
- 13.6 The annual preparation of the budget is a huge exercise involving the co-operation and support of countless officers in all departments of the Council. Most of the work, of course, falls on the Financial Services team and has to be completed within tight time constraints at a difficult time of year.

## **14.0 RECOMMENDATIONS**

**14.1 The Joint Overview and Scrutiny Committee is asked if it wishes to refer any comments or recommendations onto Cabinet at its meeting on 4<sup>th</sup> February 2014 regarding:**

- (a) The draft budget;**
- (b) The level of Council Tax increase supported;**
- (c) The proposed growth items**

**14.2 The Cabinet is recommended to:**

- (a) Consider which of the growth items detailed at appendix 2 should be included within the revenue budget and funded from reserves in 2014/15.**
- (b) Agree to recommend to Council the draft budgets for 2014/15 at Appendix 7 as submitted in Cabinet Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £14,003,510, subject to any amendments above; and**
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2014/15 as set out in paragraph 12.3;**

**SARAH GOBEY**  
**Executive Head**  
**(Financial Services) & Section 151 Officer**

**ANDREW GARDINER**  
**Strategic Director**

## **Local Government Act 1972**

### **Background Papers :**

Report to the Joint Strategic Committee 3<sup>rd</sup> July, 2013 Outline forecast 2014/15 to 2018/19 and Budget Strategy

Report to the Joint Strategic Committee 3<sup>rd</sup> September 2013 Update to outline forecast 2014/15 – 2018/19 following the Comprehensive Spending Review.

Report to the Joint Strategic Committee 3<sup>rd</sup> December 2013 Outline 5 year forecast and savings proposals.

Report to the Joint Strategic Committee 7<sup>th</sup> January 2014 Joint Overall Budget Estimates.

Local Authority Finance (England) Settlement Revenue Support Grant for 2014/15 and Related Matters: DCLG Letters and associated papers of 18<sup>th</sup> December 2013.

The Autumn Statement 2013. 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 2012/13

Report to Joint Strategic Committee 7<sup>th</sup> November 2013 – “2<sup>nd</sup> Capital, Revenue Budget and Performance Monitoring 2013/14

### **Contact Officer:**

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## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

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

### **2.0 SPECIFIC ACTION PLANS**

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

### **3.0 SUSTAINABILITY ISSUES**

3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

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

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

5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

6.1 Matter considered and no issues identified

### **7. REPUTATION**

7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

8.1 Consultations are detailed in Section 9 of the main report

### **9.0 RISK ASSESSMENT**

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

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

10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**

11.1 Matter considered and no issues identified

### **12.0 PARTNERSHIP WORKING**

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

**WORTHING BOROUGH COUNCIL - APPENDIX 1**  
**Revenue Budget Summary Statement 2013/14 - 2018/19**

	2013/14 Base	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Net Spending to be Financed from Taxation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Base budget</b>	<b>14,179</b>	14,179	14,179	14,179	14,179	14,179
(a) <b>Annual Inflation</b>						
Estimated inflation		358	643	1,124	1,611	2,121
(b) <b>One -off / non-recurring items</b>						
Local Elections (not held once every four years)		76	-	-	-	76
(c) <b>Committed Growth</b>						
Changes to National Insurance Contributions		-	-	458	458	458
Impact of Pension contribution increase		131	245	343	350	357
Contingency for the impact of auto enrollment on Leisure Services		50	50	50	50	50
Housing condition survey - carried out once every 3 years		9	-	-	9	-
Provision for job evaluation		12	12	12	12	12
Items identified by Executive Heads as reported in December		213	213	213	213	213
Restatement of Grounds maintenance budget		300	270	270	270	270
Other minor items		6	6	6	6	6
Contribution to Gypsy and Traveller site		-	15	15	15	15
(d) <b>Compensatory savings</b>						
Fall out of early retirement costs		(60)	(106)	(106)	(106)	(106)
(e) <b>Impact of capital programme</b>						
Financing costs		175	367	495	626	777
Saving arising from invest to save initiatives		(32)	(32)	(32)	(32)	(32)
(f) <b>Additional income</b>						
Investment income		109	29	(24)	(84)	(151)
(g) <b>Agreed Savings</b>						
Accommodation strategy (tbc)		(81)	(81)	(81)	(81)	(81)
Splashpoint - Impact of sale of Aquarena site		-	(150)	(150)	(150)	(150)
Leisure Trust (tbc)		-	(250)	(250)	(250)	(250)
<b>Total Cabinet Member Requirements</b>	<b>14,179</b>	<b>15,445</b>	<b>15,410</b>	<b>16,522</b>	<b>17,096</b>	<b>17,764</b>

**WORTHING BOROUGH COUNCIL - APPENDIX 1**  
**Revenue Budget Summary Statement 2013/14 - 2018/19**

	2013/14 Base	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Total Cabinet Member Requirements</b>	<b>14,179</b>	<b>15,445</b>	<b>15,410</b>	<b>16,522</b>	<b>17,096</b>	<b>17,764</b>
<b>Baseline funding</b>	2,352	2,398	2,464	2,526	2,589	2,653
<b>Less: Safety net payment/business rate sh'fall</b>	-	-	-	-	-	-
<b>Add: Retained additional business rates</b>		144	148	151	155	159
<b>Add: Share of 2013/14 surplus</b>		28				
<b>Adusted Baseline funding</b>	2,352	2,570	2,612	2,677	2,744	2,812
<b>Revenue Support Grant</b>	3,536	2,703	1,858	1,486	1,337	1,203
<b>Council tax income</b>						
Adjusted Council Tax income	7,620	7,746	7,915	8,145	8,373	8,617
Council Tax Freeze grant 2013/14	87	87	87	-	-	-
New homes bonus (2011/12 - 2016/17)	273	273	273	273	-	-
New homes bonus (2012/13 - 2017/18)	172	172	172	172	172	-
New homes bonus (2013/14 - 2018/19)	220	220	220	220	220	220
New homes bonus (2014/15 - 2019/20)	-	169	169	169	169	169
New homes bonus (2015/16 - 2020/21)	-	-	389	389	389	389
Collection fund surplus/deficit (-)	(31)	3	-	-	-	-
Total other grants and contributions	721	924	1,310	1,223	950	778
<b>Total Income from Taxation</b>	<b>14,229</b>	<b>13,943</b>	<b>13,695</b>	<b>13,531</b>	<b>13,404</b>	<b>13,411</b>
<b>(Surplus) / Shortfall in Resources</b>	<b>(50)</b>	<b>1,502</b>	<b>1,715</b>	<b>2,991</b>	<b>3,692</b>	<b>4,353</b>
<b>Use of / (contribution to) Reserves to Balance Budget</b>						
Capacity issues reserve	(50)	-	-	-	-	-
<b>Total Income from Reserves</b>	<b>(50)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>1,502</b>	<b>1,715</b>	<b>2,991</b>	<b>3,692</b>	<b>4,353</b>
<b>Savings agreed in December</b>		1,341	1,604	1,793	1,793	1,793
<b>Savings agreed in January</b>		46	46	46	46	46
Final adjustments to the allocation of the December savings between the two Councils		6	6	6	6	6
Removal of no detriment		19	19	19	19	19
<b>Total savings identified</b>		1,412	1,675	1,864	1,864	1,864
<b>Savings still to be found/ (surplus)</b>		90	40	1,127	1,828	2,489
<b>Council Tax increase</b>		1.50%	1.50%	2.50%	2.50%	2.50%

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p><b>Corporate and Cultural Services</b></p> <p><i>Legal Services:</i></p> <p>Increase in hours of Senior Information Officer</p> <p>In 2008 the Census Partnership highlighted the lack of information security standards, procedures and practice to the Census Joint Steering Group who agreed for a Project Team to develop a suite of Information Security Policies. The policy was agreed by Joint Strategic Committee on 27<sup>th</sup> March 2012 and a suite of 12 policies have been developed and adopted by Management Team which set out the role and responsibilities of the Information Security Manager. These roles and responsibilities are new areas of work arising from the policies adopted by the Council. The work has been allocated to the Council's Senior Information Officer, who does not have the capacity to absorb this work into her current post.</p> <p>The duties of the role are to take day-to-day responsibility for developing, monitoring and overseeing the implementation of the Corporate Information and Records Management Policies, procedures and guidelines and proving the mechanisms for supporting Access to Information compliance.</p>	23.5	23.5	23.5	9.4	0.0	14.1	23.5

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p>The policy approved by Joint Strategic Committee commits the Councils to putting in place policies, procedures, guidelines and mechanisms for improving good information management, information security and record keeping. The role and responsibilities assigned to the Information Security Manager are essential to the successful implementation and continued commitment to the laudable aims and objectives of the policy.</p> <p><b>Benefit/deliverables (outputs, impact on financial savings)</b></p> <p>i) Safeguarding the Councils and avoiding breaches of statutory data protection rules.</p> <p><b>Implication of unsuccessful bid</b></p> <p>There will be insufficient resources to carry out the role of Information Security Manager</p> <p><i>Human Resources</i></p> <p>Computerisation of recruitment process</p> <p>Part of an on-going project to improve the efficiency of HR and Payroll processes through the use of IT. In 2013/14, the continued investment in this project levered in a annual saving of £8,000 in payroll administration costs.</p>							
	6.0	6.0	6.0	2.4	0.0	3.6	6.0

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<p><b>Benefit/deliverables (outputs, impact on financial savings)</b>                      i) Non cashable efficiency savings as staff have less direct involvement in an on-line process. This is part of a Council wide initiative to reduce administration burden.</p> <p><b>Implication of unsuccessful bid</b>                      Unable to implement this system and progress the “channel shift” in recruitment</p> <p><i>Museum and art gallery</i></p> <p>Annual valuation of Museum Collection                      The Council is now required to regularly value it's collection for audit purposes. This will also have the benefit of making sure that this is not undervalued for insurance purposes.</p> <p><b>Benefit/deliverables (outputs, impact on financial savings)</b>                      The revaluation of the collection is a requirement for the statement of accounts. Museum curatorial team will not have to withdraw from income generating activities to carry out this task</p> <p><b>Implication of unsuccessful bid</b>                      The museum collections may be under insured and the assessment of heritage assets may not be accurate if a full valuation is not carried out.</p>	21.3	21.3	21.3	0.0	0.0	21.3	21.3



Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Technical Services</b>							
<i>Estates</i> Additional Senior Estates Surveyor for two years to move forward the large number of simultaneous major sales being expected at the moment.	40.0	40.0	0.0	16.0	0.0	24.0	40.0
<b>Benefit/deliverables (outputs, impact on financial savings)</b> i) Lever in capital receipts to the benefit of both Councils as part of major projects such as NWoW and the new swimming pool.							
<b>Implication of unsuccessful bid</b> Unable to progress sales of sites as quickly as expected							
<i>Engineers</i> Additional engineer to support a variety of revenue projects including the Adur River Walls project, and Brooklands lake options.	40.0	40.0	40.0	16.0	0.0	24.0	40.0
<b>Implication of unsuccessful bid</b> Unable to progress a number of projects as quickly as expected							

Non-Committed growth	When / Value?			2014/15			
	2014/15	2015/16	Beyond	Adur	Adur - HRA	Worthing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Planning Regeneration and Wellbeing</b>							
<i>Economic Regeneration</i>							
Events Coorodinator	43.4	43.4	43.4	17.4	0.0	26.0	43.4
Lack of co-ordinated approach to the delivery of events across the council. The responsibility is divided across several departments which lead to inefficiency and confusion internally and externally.							
Final release of this funding is subject to a report to the Joint Strategic Committee outlining the remit of the role and cofirming the salary level.							
	174.2	174.2	134.2	61.2	0.0	113.0	174.2

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. <b>CAPACITY ISSUES RESERVE</b> <b>Purpose:</b> The Capacity Issues Reserve was set up in 2005/06 to give the Council scope to deal with a range of cost pressures expected to arise from 2006/07 onwards.	2,702	50	(1,533)	1,219		(520)	699
2. <b>CREMATOR ABATEMENT</b> <b>Purpose:</b> The Cremator Abatement Reserve and Crematorium Improvement Reserve were established in 2005 and consist of funds set aside from increases in fees and charges. They are designed to provide funds towards the cost of mercury emission abatement measures and crematorium infrastructure improvements respectively.	60		(60) C	-			-
3. <b>CREMATORIUM IMPROVEMENT</b> <b>Purpose:</b> See Cremator Abatement above.	-	51	(51) C	-	51	(51) C	-
<b>C = Capital Contribution</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4. <b>INSURANCE RESERVE</b> <b>Purpose:</b> The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.	492	31	(30)	493	-	-	493
5. <b>JOINT HEALTH PROMOTION</b> <b>Purpose:</b> The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.	30	-	-	30	-	-	30
<b>C = Capital Contribution</b>							

**SCHEDULE OF EARMARKED RESERVES**

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>6. LEISURE LOTTERY AND OTHER PARTNERSHIP</b> <b>Purpose:</b> The Leisure, Lottery and Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies and other funding agencies and organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid and the Football Foundation bid.	78	-	-	78	-	-	78
	C						
<b>C = Capital Contribution</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
7. <b>MUSEUM RESERVE</b> <b>Purpose:</b> The Museum Reserve was established in 1993/94 to support the overall service aims of the Museum and Art Gallery on occasions where annual budgets do not allow the work of the Museum and Art Gallery to progress in a manner which will contribute to achieving these aims.	110	-	-	110	-	-	110
8. <b>THEATRE TICKET LEVY</b> <b>Purpose:</b> Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	0	50	(40)	10	80	(46)	44
9. <b>PLANNING DELIVERY GRANT RESERVE</b> <b>Purpose:</b> The Planning Delivery Grant was set up in 2006/07 to carry forward grant received in previous years, which has been approved by Cabinet to be spent on specific planning initiatives.	134	-	(10)	124	-	(10)	114
<b>C = Capital Contribution</b>							

## SCHEDULE OF EARMARKED RESERVES

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10. <b>SPECIAL AND OTHER EMERGENCY EXPENDITURE</b> <b>Purpose:</b> The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise.	642	-	-	642	-	-	642
11. <b>VAT EXEMPTIONS LIABILITY</b> <b>Purpose:</b> The VAT Exemption Liability Reserve was set up in 2002 to meet potential VAT liabilities.	212	-	-	212	-	-	212
12. <b>VEHICLE REPAIRS &amp; RENEWAL</b> <b>Purpose:</b> The Vehicle Repairs and Renewal Fund was set up in 2008 to meet future maintenance costs of the Adur and Worthing Council Services Fleet.	97	-	-	97	-	-	97
13. <b>CAPITAL EXPENDITURE RESERVE</b>	73	-	-	73	-	-	73
<b>C = Capital Contribution</b>							

**SCHEDULE OF EARMARKED RESERVES**

Reserve	Balance as at 01.04.13 per note 8 12/13 SoA	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.14	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.15
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
14. <b>GRANTS &amp; CONTRIBUTIONS</b> Held in reserves	590	-	-	590	-	-	590
15. <b>PROJECTED UNDERSPEND</b> Reserves to be identified at outturn.	-	180 *	-	180	-	-	180
16. <b>GENERAL FUND WORKING BALANCE</b>	1,143	-	-	1,143	-	-	1,143
<b>TOTAL</b>	<b>6,362</b>	<b>362</b>	<b>(1,724)</b>	<b>5,000</b>	<b>131</b>	<b>(627)</b>	<b>4,504</b>
<b>C = Capital Contribution - * = Contribution to be confirmed at the year-end</b>							



**WORTHING BOROUGH COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

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

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

**ABOUT YOU:**

**1. Do you live in:**

Worthing Borough Council	1,307	(100.0%)
Adur District Council	0	(0.0%)

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

Yes	126	(9.6%)
No	1,181	(90.4%)

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

**IDEA 1**

**3. All working age claimants should pay something?**

Strongly Agree	615	(47.1%)
Agree	490	(37.5%)
Disagree	128	(9.8%)
Strongly Disagree	74	(5.7%)

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

Nothing	184	(14.1%)
At least £2.50 per week	391	(29.9%)
At least £5.00 per week	449	(34.4%)
More than £5.00 per week	284	(21.7%)

**IDEA 2**

**5. Working age claimants living in larger properties should pay proportionately more than claimants living in smaller properties?**

Strongly Agree	486	(37.2%)
Agree	538	(41.2%)
Disagree	189	(14.5%)
Strongly Disagree	94	(7.2%)

**WORTHING BOROUGH COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 2**

6. **Do you think the maximum support a claimant is entitled to should be higher or lower than the average Council Tax Band C (equivalent to £1,404.32 per year)?**

More than Band C	86	(6.6%)
Same as Band C	645	(49.3%)
Less than Band C	576	(44.1%)

**IDEA 3**

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

Strongly Agree	640	(49.0%)
Agree	476	(36.4%)
Disagree	124	(9.5%)
Strongly Disagree	67	(5.1%)

**IDEA 4**

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

Strongly Agree	270	(20.7%)
Agree	387	(29.6%)
Disagree	371	(28.4%)
Strongly Disagree	279	(21.3%)

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

None	249	(19.1%)
£6,000	333	(25.5%)
£10,000	335	(25.6%)
More than £10,000	390	(29.8%)

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

High Impact	52	(4.0%)
Medium Impact	120	(9.2%)
Low Impact	260	(19.9%)
No Impact	688	(52.6%)
I don't know	187	(14.3%)

**WORTHING BOROUGH COUNCIL SURVEY  
YOUR CHANCE TO BE THE CHANCELLOR –  
BUDGET CONSULTATION 2013 – CHANGES TO THE BENEFIT SYSTEM**

**IDEA 5**

**11. Before someone of working age is allowed to claim for Council Tax support do you think they should have lived in the area for a certain length of time?**

0 Years	233	(17.8%)
2 Years	614	(47.0%)
5 Years	460	(36.3%)

**COUNCIL TAX FOR NEXT YEAR**

**The Councils have managed to freeze Council Tax for the past three years, despite a reduction in government grant of over 32%. Both Councils expect a further reduction in a grant for 2014-15 of around 18% which is equivalent to £520,000 for Adur District Council and £790,000 for Worthing Borough Council.**

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

A small increase which will help the Councils to protect priority services	796	(60.9%)
To freeze Council Tax for the fourth year in a row and cut services	511	(39.1%)

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 1 BACKGROUND

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. Under the prudential system, individual authorities are responsible for deciding their own level of borrowing, having regard to CIPFA's Code. The essence of the code is that borrowing for capital investment purposes should be affordable, sustainable and prudent.

### 2. NET BORROWING AND THE CAPITAL FINANCING REQUIREMENT

- 2.1 This is a key indicator of prudence. Net external borrowing is the difference between gross investments and borrowing. The capital financing requirement (CFR) is a separate estimate of the underlying need to borrow, and is shown at Paragraph 5 below.
- 2.2 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional (CFR) for the current and next two financial years.
- 2.3 The Executive Head (Financial Services) reports that the Council had no difficulty meeting this requirement in 2012/13, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. ESTIMATES OF CAPITAL EXPENDITURE

- 3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax – and in the case of the Housing Revenue Account (HRA), housing rent levels.

No. 1	Capital Expenditure	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	NON-HRA*	6.770	6.683	5.026	2.596	3.924

- \* Worthing does not have a Housing Revenue Account (HRA) and is, therefore, not required to produce an indicator for housing rent levels.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 3. ESTIMATES OF CAPITAL EXPENDITURE

3.2 Capital expenditure will be financed as follows:

Capital Financing	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital receipts	0.302	0.050	0.397	0.500	0.500
Government Grants	0.536	0.519	0.454	0.454	0.454
Revenue contributions	0.132	0.130	0.114	0.634	0.092
Revenue reserves	0.100	0.188	0.046	0.060	0.080
Unsupported borrowing*	5.607	5.547	3.848	0.948	2.798
Other Contributions	0.093	0.249	0.167	-	-
<b>TOTAL</b>	<b>6.770</b>	<b>6.683</b>	<b>5.026</b>	<b>2.596</b>	<b>3.924</b>

*\*Note: the element to be financed from unsupported borrowing impacts on the movement in the Capital Financing Requirement (CFR).*

### 4. RATIO OF FINANCING COSTS TO NET REVENUE STREAM

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the Council's net revenue streams required to meet borrowing costs. The definition of financing costs is set out at paragraph 69 of the Prudential Code (2011) and mainly comprises interest payable and revenue provisions for repayment of debt.

4.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	<b>TOTAL</b>	<b>5.32</b>	<b>6.87</b>	<b>7.08</b>	<b>7.83</b>	<b>7.31</b>

The ratio is positive as the cost of borrowing exceeds interest receipts from investment income.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 5. CAPITAL FINANCING REQUIREMENT

- 5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for capital purposes. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing. It is an aggregation of the amounts shown for non-Current Assets, Long-term debtors for capital transactions, the Revaluation Reserve, the Capital Adjustment Account, Donated Assets Reserve and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
	<b>TOTAL CFR</b>	<b>26.405</b>	<b>25.216</b>	<b>27.880</b>	<b>27.430</b>	<b>28.778</b>

- 5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2013/14 Approved £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
<b>BALANCE B/F</b>	23.194	20.552	25.216	27.880	27.430
Capital expenditure financed from unsupported borrowing (per 3.2)	4.091	5.548	3.848	0.948	2.798
Revenue provision for debt Redemption.	(0.880)	(0.884)	(1.184)	(1.398)	(1.450)
Supported Borrowing	-	-	-	-	-
<b>BALANCE C/F</b>	<b>26.405</b>	<b>25.216</b>	<b>27.880</b>	<b>27.430</b>	<b>28.778</b>

### 6. ACTUAL EXTERNAL DEBT

- 6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/2013	£m
	Borrowing	15.720
	Other Long-term Liabilities	-
	<b>TOTAL</b>	<b>15.720</b>

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 7. INCREMENTAL IMPACT OF CAPITAL INVESTMENT DECISIONS

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Increase / (Decrease) in Band D Council Tax	8.32	10.28	5.23	5.75	1.38

- 7.2 The increase in 2013/14 reflects higher than normal borrowing in 2012/13 to fund the capital programme, and that MRP is applied in the year following the drawdown of borrowing.

### 8. AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

- 8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 8. AUTHORISED LIMIT AND OPERATIONAL BOUNDARY FOR EXTERNAL DEBT

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Borrowing	24.0	24.0	24.0	24.0	24.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

The **Operational Boundary** links directly to the Council's estimates of the CFR and other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.5 The Executive Head (Financial Services) has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet at the earliest opportunity.

No. 7	Operational Boundary for External Debt	2013/14 Approved £	2013/14 Revised £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
	Borrowing	19.0	19.0	19.0	19.0	19.0
	Other Long-term Liabilities	1.0	1.0	1.0	1.0	1.0
	<b>TOTAL</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>



## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 9. ADOPTION OF THE CIPFA TREASURY MANAGEMENT CODE

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

<b>No. 8</b>	<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
	Worthing Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 20 March 2003.

### 10. UPPER LIMITS FOR FIXED INTEREST RATE EXPOSURE AND VARIABLE INTEREST RATE EXPOSURE

10.1 These indicators allow the Council to manage the extent to which there is exposure to changes in interest rates. The Council calculates these limits on net principal outstanding sums, (i.e. total debt net of total investments).

10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget.

No. 9	Upper Limit for Fixed Interest Rate Exposure:	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Investments only	-75	-100	-100	-100	-100
	Borrowing only	100	100	100	100	100
	Limit Based on Net Debt	100	100	100	100	100

No. 10	Upper Limit for Variable Interest Rate Exposure:	2013/14 Approved %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
	Investments only	-100	-100	-100	-100	-100
	Borrowing only	25	25	25	25	25
	Limit Based on Net Debt	-100	-100	-100	-100	-100

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 11. MATURITY STRUCTURE OF FIXED RATE BORROWING

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No. 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	99	100
	12 months and within 24 months	1	100
	24 months and within 5 years	1	100
	5 years and within 10 years	0	100
	10 years and within 20 years	0	100
	20 years and within 30 years	0	100
	30 years and within 40 years	0	100
	40 years and within 50 years	0	100
	50 years and above	0	100

### 12. UPPER LIMIT FOR TOTAL PRINCIPAL SUMS INVESTED OVER 364 DAYS

- 12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Councils having to seek early repayment of the sums invested.

No. 12	Upper Limit for total principal sums invested over 364 days	2013/14 Approve d %	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
		50.0	50.0	50.0	50.0	50.0

## PRUDENTIAL INDICATORS – ESTIMATES 2014/15 TO 2016/2017

### 13. GROSS DEBT AND THE CAPITAL FINANCING REQUIREMENT (CFR)

13.1 This indicator was introduced by CIPFA in December 2012. It requires the comparison of actual Gross Debt with CFR (the underlying need to borrow), as it is a requirement to keep Gross Debt below CFR, except for short term variations. For this purpose CFR is taken as the amount in the preceding year, plus estimates of any additional CFR for the current and next two financial years

No. 13	Gross Debt and CFR	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000
	Actual Gross Debt	(14.713)	(10.476)	(6.385)	(7.617)
	CFR	25.216	27.880	27.430	28.778
	<b>Under Borrowing</b>	<b>10.503</b>	<b>17.404</b>	<b>21.045</b>	<b>21.161</b>

13.2 This comparison is a key indicator of prudence, and is aimed to ensure that debt is only entered into for capital expenditure. Where the comparison highlights variations, the reasons are to be explained.

13.3 For all years the Council is under borrowed. This is due to the debt being of short-term durations of 1-5 years, while the CFR takes longer to write down as the MRP is provided (i.e. the debt financed) for over a longer duration - and in the case of borrowing for the Splashpoint Swimming pool is over 60 years.

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.00	7,531.00	10,819.00	12,729.00	8,941.00	5,237.00	2,256.00	883.00	25.00	48,421.00
Less: Exemptions	0.00	-172.00	-181.00	-132.00	-77.00	-54.00	-17.00	-6.00	0.00	-639.00
	0.00	7,359.00	10,638.00	12,597.00	8,864.00	5,183.00	2,239.00	877.00	25.00	47,782.00
Disabled Relief Adjustment (net)	10.00	32.00	19.00	-5.00	-10.00	-15.00	4.00	-17.00	-18.00	0.00
Chargeable Dwellings	<b>10.00</b>	<b>7,391.00</b>	<b>10,657.00</b>	<b>12,592.00</b>	<b>8,854.00</b>	<b>5,168.00</b>	<b>2,243.00</b>	<b>860.00</b>	<b>7.00</b>	<b>47,782.00</b>
Broken down as follows:										
Full Charge	3.00	2,216.00	5,427.00	8,254.00	6,210.00	3,879.00	1,814.00	688.00	4.00	28,495.00
25% Discount (Including Adj for SP dis)	7.00	4,785.00	4,882.00	4,046.00	2,463.00	1,180.00	350.00	121.00	0.00	17,834.00
50% Discount	0.00	80.00	114.00	134.00	117.00	69.00	60.00	38.00	3.00	615.00
0% Discount (Long Term Empty Homes)	0.00	310.00	234.00	158.00	64.00	40.00	19.00	13.00	0.00	838.00
Total Equivalent Number of Dwellings	8.25	5,844.75	9,145.50	11,355.50	8,115.75	4,798.50	2,106.50	797.75	5.50	42,178.00
Reduction in tax base due to Council Tax Support	25.25	1,850.52	1,914.65	1,385.80	469.74	155.60	27.22	8.08	0.00	5,836.86
Adjusted equivalent total dwellings	<b>-17.00</b>	<b>3,994.23</b>	<b>7,230.85</b>	<b>9,969.70</b>	<b>7,646.01</b>	<b>4,642.90</b>	<b>2,079.28</b>	<b>789.67</b>	<b>5.50</b>	<b>36,341.14</b>
<u>Band D Equivalents</u>										
Revenue Support Settlement	-9.40	2,662.80	5,624.10	8,862.00	7,646.00	5,674.70	3,003.40	1,316.10	11.00	34,790.70
Add: Forecast new homes	0.00	20.50	203.00	182.00	55.50	20.20	21.70	-1.30	0.00	501.60
Add: Second Homes	0.00	26.00	43.10	55.50	50.00	31.10	15.10	5.90	0.00	226.70
Less: Adjustments for Losses on Collection, and Void Properties	0.00	0.00	0.00	0.00	190.00	0.00	0.00	0.00	0.00	190.00
<b>COUNCIL TAX BASE</b>	<b>-9.40</b>	<b>2,709.30</b>	<b>5,870.20</b>	<b>9,099.50</b>	<b>7,561.50</b>	<b>5,726.00</b>	<b>3,040.20</b>	<b>1,320.70</b>	<b>11.00</b>	<b>35,329.00</b>
<b>ADJUSTED COUNCIL TAX BASE</b>										<b>35,329.00</b>

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**APPENDIX 7**  
**CIVIC BUDGET TABLE 2014/2015**  
**Summary of Cabinet Member Requirements**

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

# WORTHING BUDGET 2014/15

## Summary of Cabinet Member Portfolios



### APPENDIX 7

CABINET PORTFOLIO	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
Environment	4,109,260	3,503,140
Health and Wellbeing	1,399,200	1,325,400
Customer Services	3,844,960	3,792,090
Leader	903,110	1,008,200
Regeneration	2,575,880	2,494,550
Resources	2,890,680	3,161,020
Support Services Depreciation Not Charged To Services	616,730	767,730
<b>NET SERVICE EXPENDITURE</b>	<b>16,339,820</b>	<b>16,052,130</b>
Credit Back Depreciation / Impairments	(2,877,240)	(3,178,370)
Minimum Revenue Provision	732,240	1,207,040
	<b>14,194,820</b>	<b>14,080,800</b>
Transfer to / from Reserves	(15,740)	14,260
Balance Available to Transfer To / (From) Reserves	50,350	(91,550)
<b>Total budget requirement before external support from government</b>	<b>14,229,430</b>	<b>14,003,510</b>
Baseline Funding	(2,352,240)	(2,397,990)
Additional business rate income		(171,560)
Revenue Support Grant	(3,535,750)	(2,790,410)
Council Tax Reduction Scheme Grant		(60,000)
Council Tax Freeze Grant	(86,320)	-
Other unfenced grants (New homes bonus & Ctax Transition)	(665,400)	(834,940)
Contribution to/ (from) Collection Fund	31,490	(3,080)
<b>Amount required from Council Tax</b>	<b>7,621,210</b>	<b>7,745,530</b>
Council Tax Base	<b>35,283.4</b>	<b>35,329.0</b>
<b>Average Band D Council Tax - Worthing Borough</b>	<b>216.00</b>	<b>219.24</b>
% increase	-	1.50%

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CHIEF EXECUTIVE</b>		
Corporate Management	<b>28,200</b>	<b>28,560</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Elections	194,040	268,670
Democratic Representation and Management	680,870	710,970
	<b>874,910</b>	<b>979,640</b>
<b>TOTAL LEADER PORTFOLIO</b>	<b>903,110</b>	<b>1,008,200</b>

LEADER SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2012/13	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
	£	£	£	£	£	£	£	£	£	£	£
<b>Chief Executive</b> Corporate Management	28,200	100	-	-	-	-	-	-	-	260	28,560
<b>Corporate and Cultural Services</b>											
Elections	194,040	1,280	76,000	-	-	-	-	-	-	(2,650)	268,670
Democratic Representation and Management	680,870	5,850	-	-	-	-	-	-	(5,500)	29,750	710,970
	<b>874,910</b>	<b>7,130</b>	<b>76,000</b>	-	-	-	-	-	<b>(5,500)</b>	<b>27,100</b>	<b>979,640</b>
<b>APPROVED ESTIMATE 2013/2014</b>	<b>903,110</b>	<b>7,230</b>	<b>76,000</b>	-	-	-	-	-	<b>(5,500)</b>	<b>27,360</b>	<b>1,008,200</b>



**WORTHING LEADER PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Chief Executive</b> Corporate Management	-	9,840	-	-	200	-	-	10,040	18,520	-	28,560
<b>Corporate and Cultural Services</b> Elections	-	110,660	1,230	-	141,550	-	(5,250)	248,190	19,050	1,430	268,670
Democratic Representation and Management	249,850	260,060	-	2,630	40,210	-	-	552,750	158,220	-	710,970
	249,850	380,560	1,230	2,630	181,960	-	(5,250)	810,980	195,790	1,430	1,008,200
<b>Percentage of Direct Costs</b>	31%	47%	0%	0%	22%						

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CUSTOMER SERVICES</b>		
Environmental Projects	32,630	27,690
Environmental Health - Fixed Penalty Notices	(1,640)	(1,670)
Crematorium	(990,990)	(1,205,640)
Street Cleansing	936,580	829,500
Waste Collection	1,482,880	999,270
	<b>1,459,460</b>	<b>649,150</b>
<b>CORPORATE &amp; CULTURAL SERVICES</b>		
Indoor Sports & Recreation	1,253,590	1,164,780
	<b>1,253,590</b>	<b>1,164,780</b>
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health	301,270	291,270
	<b>301,270</b>	<b>291,270</b>
<b>PLANNING, REGENERATION &amp; WELLBEING</b>		
Sports Development & Recreation	102,780	116,590
	<b>102,780</b>	<b>116,590</b>
<b>TECHNICAL SERVICES</b>		
Flood Defence and Land Drainage	10,490	33,080
Highways/Roads (Routine)	34,590	34,100
Parking Services	(945,560)	(945,450)
Premises Development	3,640	4,280
Public Conveniences	369,340	363,990
Allotments	68,030	29,570
Community Parks & Open Spaces	1,299,730	1,703,260
Outdoor Sports & Recreation	(7,140)	(94,000)
Cemeteries	123,830	118,100
Public Transport	35,210	34,420
	<b>992,160</b>	<b>1,281,350</b>
<b>TOTAL CABINET MEMBER FOR ENVIRONMENT</b>	<b>4,109,260</b>	<b>3,503,140</b>

## ENVIRONMENT SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14

SERVICE BLOCK	Original Estimate 2012/13	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
	£	£	£	£	£	£	£	£	£	£	£
<b>Customer Services</b>											
Environmental Projects	32,630	-	-	-	-	-	-	-	-	(4,940)	27,690
Environmental Health - FPN's	(1,640)	(30)	-	-	-	-	-	-	-	-	(1,670)
Crematorium	(990,990)	(19,800)	-	-	-	-	-	-	(177,000)	(17,850)	(1,205,640)
Street Cleansing	936,580	(3,410)	-	-	-	-	-	-	-	(103,670)	829,500
Waste Collection	1,482,880	(11,160)	-	-	-	-	-	-	(30,000)	(442,450)	999,270
	<b>1,459,460</b>	<b>(34,400)</b>							<b>(207,000)</b>	<b>(568,910)</b>	<b>649,150</b>
<b>Corporate &amp; Cultural Services</b>											
Indoor Sports & Recreation	1,253,590	(5,280)	-	6,200	-	-	(32,500)	-	(292,260)	235,030	1,164,780
	<b>1,253,590</b>	<b>(5,280)</b>							<b>(292,260)</b>	<b>235,030</b>	<b>1,164,780</b>
<b>Housing Health &amp; Community Safety</b>											
Environmental Health	301,270	(60)	-	-	-	-	-	-	-	(9,940)	291,270
	<b>301,270</b>	<b>(60)</b>								<b>(9,940)</b>	<b>291,270</b>
<b>Planning, Regeneratin &amp; Wellbeing</b>											
Sports Development & Recreation	102,780	-	-	-	-	-	-	-	-	13,810	116,590
	<b>102,780</b>									<b>13,810</b>	<b>116,590</b>
<b>Technical Services</b>											
Flood Defence and Land Drainage	10,490	-	-	-	-	-	-	-	-	22,590	33,080
Highways/Roads (Routine)	34,590	310	-	-	-	-	-	-	-	(800)	34,100
Parking Services	(945,560)	-	-	-	-	-	-	-	-	110	(945,450)
Premises Development	3,640	60	-	-	-	-	-	-	-	580	4,280
Public Conveniences	369,340	5,510	-	-	-	-	-	-	(2,740)	(8,120)	363,990
Allotments	68,030	(480)	-	-	-	-	-	-	-	(37,980)	29,570
Community Parks & Open Spaces	1,299,730	13,000	-	322,900	-	-	-	-	(700)	68,330	1,703,260
Outdoor Sport & Recreation	(7,140)	(2,000)	-	-	-	-	-	-	-	(84,860)	(94,000)
Cemeteries	123,830	(560)	-	-	-	-	-	-	-	(5,170)	118,100
Public Transport	35,210	450	-	-	-	-	-	-	-	(1,240)	34,420
	<b>992,160</b>	<b>16,290</b>		<b>322,900</b>					<b>(3,440)</b>	<b>(46,560)</b>	<b>1,281,350</b>
<b>APPROVED ESTIMATE 2013/2014</b>	<b>4,109,260</b>	<b>(23,450)</b>		<b>322,900</b>					<b>(502,700)</b>	<b>(376,570)</b>	<b>3,503,140</b>

**WORTHING ENVIRONMENT PORTFOLIO 2014/2015 SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Customer Services</b>											
Environmental Projects	-	25,180	-	-	-	-	-	25,180	2,510	-	27,690
Environmental Health	-	-	-	-	-	-	(1,670)	(1,670)	-	-	(1,670)
Street Cleansing	-	932,350	-	-	2,120	-	(305,120)	629,350	110,080	90,070	829,500
Waste Collection	-	897,520	14,330	-	359,920	1,400	(974,070)	299,100	339,960	360,210	999,270
Cremation	305,550	-	428,670	4,310	142,520	-	(2,239,480)	(1,358,430)	81,110	71,680	(1,205,640)
<b>Corporate &amp; Cultural Services</b>											
Indoor Sports & Recreation	2,853,190	-	1,399,290	29,470	913,780	-	(5,250,450)	(54,720)	571,320	648,180	1,164,780
<b>Housing Health &amp; Community Safety</b>											
Environmental Health	-	96,790	-	-	-	-	(3,120)	93,670	194,170	3,430	291,270
<b>Planning, Regen. &amp; W'being</b>											
Sports Development & Recreation	-	102,860	-	-	-	-	-	102,860	13,730	-	116,590
<b>Technical Services</b>											
Flood Defence and Land Drainage	-	-	-	-	-	-	-	-	33,080	-	33,080
Highways/Roads (Routine)	-	-	16,000	-	-	-	-	16,000	18,100	-	34,100
Parking Services	270,850	55,680	598,440	10,000	134,330	-	(2,212,850)	(1,143,550)	43,840	154,260	(945,450)
Premises Development	-	-	4,280	-	-	-	-	4,280	-	-	4,280
Public Conveniences	-	-	280,920	-	60	-	(550)	280,430	36,860	46,700	363,990
Allotments	-	-	8,820	-	-	-	(35,310)	(26,490)	51,710	4,350	29,570
Cemetery	-	80,910	180,850	-	23,070	-	(229,640)	55,190	55,190	7,720	118,100
Community Parks & Open Spaces	-	210,750	1,016,660	-	148,030	-	(204,200)	1,171,240	332,760	199,260	1,703,260
Outdoor Sports & Recreation	-	-	-	-	-	-	(94,000)	(94,000)	-	-	(94,000)
Public Transport	-	-	23,090	-	-	-	-	23,090	11,330	-	34,420
	3,429,590	2,402,040	3,971,350	43,780	1,723,830	1,400	(11,550,460)	21,530	1,895,750	1,585,860	3,503,140
<b>Percentage of Direct Costs</b>	30%	21%	34%	0%	15%	0%					

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>CUSTOMER SERVICES</b>		
Rate Relief	59,330	60,520
	<b>59,330</b>	<b>60,520</b>
<b>CORPORATE &amp; CULTURAL SERVICES</b>		
Arts Development	25,630	34,160
	<b>25,630</b>	<b>34,160</b>
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health	673,900	624,210
Community Safety	173,290	166,130
	<b>847,190</b>	<b>790,340</b>
<b>PLANNING, REGENERATION AND WELLBEING</b>		
Sports Development & Recreation	153,910	121,920
General Grants, Bequests and Donations	259,730	264,570
	<b>413,640</b>	<b>386,490</b>
<b>TECHNICAL SERVICES</b>		
Environmental Health	50,240	50,660
Worthing Festival	3,170	3,230
	<b>53,410</b>	<b>53,890</b>
<b>TOTAL HEALTH AND WELLBEING PORTFOLIO</b>	<b>1,399,200</b>	<b>1,325,400</b>

## HEALTH & WELLBEING SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
	£	£	£	£	£	£	£	£	£	£	£
<b>Customer Services</b>											
Rate Relief	59,330	1,190	-	-	-	-	-	-	-	-	60,520
	59,330	1,190	-	-	-	-	-	-	-	-	60,520
<b>Corporate &amp; Cultural Services</b>											
Arts Development	25,630	460	-	-	-	-	-	-	-	8,070	34,160
	25,630	460	-	-	-	-	-	-	-	8,070	34,160
<b>Housing Health &amp; Community Safety</b>											
Environmental Health	673,900	(2,760)	-	-	-	-	-	-	(18,490)	(28,440)	624,210
Community Safety	173,290	680	-	-	-	-	-	-	-	(7,840)	166,130
	847,190	(2,080)	-	-	-	-	-	-	(18,490)	(36,280)	790,340
<b>Planning Regeneration &amp; Wellbeing</b>											
Sports Development & Recreation	153,910	-	-	-	-	-	-	-	-	(31,990)	121,920
General Grants, Bequests and Donations	259,730	4,820	-	-	-	-	-	-	(5,000)	5,020	264,570
	413,640	4,820	-	-	-	-	-	-	(5,000)	(26,970)	386,490
<b>Technical Services</b>											
Environmental Health	50,240	890	-	-	-	-	-	-	-	(470)	50,660
Worthing Festival	3,170	60	-	-	-	-	-	-	-	-	3,230
	53,410	950	-	-	-	-	-	-	-	(470)	53,890
<b>APPROVED ESTIMATE 2013/2014</b>	<b>1,399,200</b>	<b>5,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,490)</b>	<b>(55,650)</b>	<b>1,325,400</b>

## HEALTH & WELLBEING PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Customer Services</b>											
Rate Relief	-	-	-	-	60,520	-	-	60,520	-	-	60,520
<b>Corporate &amp; Cultural Services</b>											
Arts Development	-	-	-	-	-	-	(24,860)	(24,860)	59,020	-	34,160
<b>Housing Health &amp; Community Safety</b>											
Environmental Health	-	485,960	1,090	-	65,280	-	(226,140)	326,190	297,360	660	624,210
Community Safety	-	80,540	3,470	-	31,200	-	-	115,210	44,230	6,690	166,130
<b>Planning Regeneration &amp; Wellbeing</b>											
Sports Development & Recreation	-	109,340	-	-	-	-	-	109,340	12,580	-	121,920
General Grants, Bequests and Donations	-	23,720	-	-	239,800	-	-	263,520	1,050	-	264,570
<b>Technical Services</b>											
Environmental Health	-	-	45,260	-	-	-	-	45,260	5,400	-	50,660
Worthing Festival	-	-	-	-	3,230	-	-	3,230	-	-	3,230
	-	699,560	49,820	-	400,030	-	(251,000)	898,410	419,640	7,350	1,325,400
<b>Percentage of Direct Costs</b>	0%	61%	4%	0%	35%	0%					

# CUSTOMER SERVICES PORTFOLIO

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>FINANCIAL SERVICES</b>		
Council Tax Benefit	(9,320)	45,480
Housing Benefit Payments	(269,270)	(234,990)
	<b>(278,590)</b>	<b>(189,510)</b>
<b>CUSTOMER SERVICES</b>		
Local Tax Collection	367,280	219,010
Housing Benefit Administration	705,150	685,160
	<b>1,072,430</b>	<b>904,170</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Museum and Art Gallery	437,150	456,370
Theatres & Public Entertainment	1,226,900	1,191,390
	<b>1,664,050</b>	<b>1,647,760</b>
<b>HOUSING, HEALTH &amp; COMMUNITY SAFETY</b>		
Environmental Health - Housing Standards	70,700	92,590
Homelessness	541,430	502,690
Housing Advances	7,160	6,130
Housing Advice	197,300	211,110
Housing Strategy	70,370	76,270
Private Sector Housing Renewal	86,850	86,650
Elderly People	56,710	88,770
	<b>1,030,520</b>	<b>1,064,210</b>
<b>PLANNING, REGENERATION AND WELLBEING</b>		
Community Centres	<b>188,110</b>	<b>176,980</b>
<b>TECHNICAL SERVICES</b>		
Community Parks & Open Spaces - Brooklands	-	(5,100)
Pier, Southern Pavilion & Amusement Hall	168,440	193,580
	<b>168,440</b>	<b>188,480</b>
<b>TOTAL CUSTOMER SERVICES PORTFOLIO</b>	<b>3,844,960</b>	<b>3,792,090</b>



**CUSTOMER SERVICES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
<b>Financial Services</b>	£										£
Local Tax Collection	(9,320)	-	-	25,000	-	-	-	-	-	29,800	45,480
Housing Benefit Payments	(269,270)	590	-	-	-	-	-	-	-	33,690	(234,990)
	(278,590)	590	-	25,000	-	-	-	-	-	63,490	(189,510)
<b>Customer Services</b>											
Local Tax Collection	367,280	400	-	(19,190)	-	-	-	-	(17,100)	(112,380)	219,010
Housing Benefit Administration	705,150	10,910	-	50,220	-	-	-	-	(3,000)	(78,120)	685,160
	1,072,430	11,310	-	31,030	-	-	-	-	(20,100)	(190,500)	904,170
<b>Corporate &amp; Cultural Services</b>											
Museum and Art Gallery	437,150	3,970	-	-	-	-	-	-	(1,500)	16,750	456,370
Theatres & Public Entertainment	1,226,900	(1,220)	-	-	-	-	-	-	-	(34,290)	1,191,390
	1,664,050	2,750	-	-	-	-	-	-	(1,500)	(17,540)	1,647,760
<b>Hsg Health &amp; Community Safety</b>											
Environmental Health - Housing Standards	70,700	-	-	-	-	-	-	-	-	21,890	92,590
Homelessness	541,430	(380)	-	-	-	-	-	-	-	(38,360)	502,690
Housing Advances	7,160	90	-	-	-	-	-	-	-	(1,120)	6,130
Housing Advice	197,300	320	-	-	-	-	-	-	-	13,490	211,110
Housing Strategy	70,370	-	-	9,000	-	-	-	-	-	(3,100)	76,270
Private Sector Housing Renewal	86,850	-	-	-	-	-	-	-	-	(200)	86,650
Elderly People	56,710	(1,280)	-	33,750	-	-	-	-	(7,500)	7,090	88,770
	1,030,520	(1,250)	-	42,750	-	-	-	-	(7,500)	(310)	1,064,210
<b>Planning Reg. &amp; W'being</b>											
Community Centres	188,110	630	-	-	-	-	-	-	-	(11,760)	176,980
<b>Technical Services</b>											
Community Parks & Open Spaces	-	(100)	-	-	-	-	-	-	-	(5,000)	(5,100)
Pier, Southern Pavilion & Amusement Hall	168,440	2,550	-	14,200	-	-	-	-	-	8,390	193,580
	168,440	2,450	-	14,200	-	-	-	-	-	3,390	188,480
<b>APPROVED ESTIMATE 2013/2014</b>	<b>3,844,960</b>	<b>16,480</b>	<b>-</b>	<b>112,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,100)</b>	<b>(153,230)</b>	<b>3,792,090</b>

WORTHING CUSTOMER SERVICES PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Financial Services</b>											
Local Tax Collection	-	-	-	-	-	-	(54,660)	(54,660)	100,140	-	45,480
Housing Benefit Payments	-	-	-	-	30,290	35,886,240	(36,202,530)	(286,000)	51,010	-	(234,990)
<b>Customer Services</b>											
Local Tax Collection	279,120	-	-	3,160	95,710	-	(638,440)	(260,450)	479,460	-	219,010
Housing Benefit Admin'n	421,420	-	-	270	38,330	-	(293,620)	166,400	518,760	-	685,160
Public Transport	-	-	-	-	-	-	-	-	-	-	-
<b>Corporate &amp; Cultural Services</b>											
Museum and Art Gallery	191,890	-	111,460	2,180	41,440	-	(38,190)	308,780	75,810	71,780	456,370
Theatres	1,334,690	-	423,110	3,170	2,031,250	-	(3,226,540)	565,680	281,520	344,190	1,191,390
<b>Housing Health &amp; Community Safety</b>											
Environmental Health - Housing Standards	-	38,560	-	-	-	-	(80)	38,480	54,110	-	92,590
Homelessness	-	199,870	-	-	381,810	136,680	(269,740)	448,620	54,070	-	502,690
Housing Advances	-	-	-	-	4,640	-	(150)	4,490	1,640	-	6,130
Housing Advice	-	94,440	-	-	16,310	-	-	110,750	97,110	3,250	211,110
Housing Strategy	-	32,740	-	-	9,290	-	-	42,030	34,240	-	76,270
Private Sector Housing Renewal	-	-	-	-	-	-	-	-	86,650	-	86,650
Registered Social L'lords Elderly People	-	-	-	-	-	-	-	-	-	-	-
	-	118,980	-	-	-	-	(38,780)	80,200	8,570	-	88,770
<b>Planning Regeneration &amp; Community Centres</b>											
Community Centres	-	-	36,140	600	-	-	-	36,740	10,930	129,310	176,980
<b>Technical Services</b>											
Comm Parks & Open Spaces	-	-	(5,100)	-	-	-	-	(5,100)	-	-	(5,100)
Pier, Sthn Pav & Amusement	-	-	243,850	8,510	-	-	(104,460)	147,900	45,680	-	193,580
	2,227,120	484,590	809,460	17,890	2,649,070	36,022,920	(40,867,190)	1,343,860	1,899,700	548,530	3,792,090
<b>Percentage of Direct Costs</b>	5%	1%	2%	0%	6%	85%					

# REGENERATION PORTFOLIO

SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>PLANNING, REGENERATION AND WELLBEING</b>		
Tourism	262,690	267,490
Building Control	216,380	146,270
Development Control	549,240	514,910
Economic Development	335,380	349,840
Planning Policy	343,860	340,890
Day Centres - Elderly People	2,200	-
	<b>1,709,750</b>	<b>1,619,400</b>
<b>TECHNICAL SERVICES</b>		
Flood Defence & Land Drainage	21,850	16,410
Highways/Roads (Routine)	104,550	73,320
Emergency Planning	56,940	57,220
Coast Protection	151,220	148,820
Foreshore	492,710	535,550
Sustainable Development	38,860	43,830
	<b>866,130</b>	<b>875,150</b>
<b>TOTAL REGENERATION PORTFOLIO</b>	<b>2,575,880</b>	<b>2,494,550</b>

**REGENERATION SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14**



SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
	£	£	£	£	£	£	£	£	£	£	£
<b>Planning Regeneration &amp; Wellbeing</b>											
Tourism	262,690	2,230	-	-	-	-	-	-	-	2,570	267,490
Building Control	216,380	(4,960)	-	-	-	-	-	-	-	(65,150)	146,270
Development Control	549,240	(7,370)	-	-	-	-	-	-	-	(26,960)	514,910
Economic Development	335,380	1,120	-	-	-	-	-	-	(1,200)	14,540	349,840
Planning Policy	343,860	1,740	-	-	-	-	-	-	(3,520)	(1,190)	340,890
Day Centres - Elderly People	2,200	-	-	-	-	-	-	-	-	(2,200)	-
	1,709,750	(7,240)	-	-	-	-	-	-	(4,720)	(78,390)	1,619,400
<b>Technical Services</b>											
Flood Defence & Land Drainage	21,850	170	-	-	-	-	-	-	(4,590)	(1,020)	16,410
Highways/Roads (Routine)	104,550	250	-	-	-	-	-	-	(3,000)	(28,480)	73,320
Emergency Planning	56,940	-	-	-	-	-	-	-	-	280	57,220
Coast Protection	151,220	1,400	-	-	-	-	-	-	-	(3,800)	148,820
Foreshore	492,710	2,670	-	-	-	-	-	-	-	40,170	535,550
Sustainable Development	38,860	-	-	-	-	-	-	-	-	4,970	43,830
	866,130	4,490	-	-	-	-	-	-	(7,590)	12,120	875,150
<b>APPROVED ESTIMATE 2013/2014</b>	<b>2,575,880</b>	<b>(2,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,310)</b>	<b>(66,270)</b>	<b>2,494,550</b>

**WORTHING REGENERATION PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Planning Regeneration &amp; Wellbeing</b>											
Tourism	-	140,290	40,260	80	86,020	-	(11,870)	254,780	10,370	2,340	267,490
Building Control	-	375,240	-	-	3,720	-	(256,880)	122,080	24,190	-	146,270
Development Control	-	750,060	-	-	76,780	-	(452,360)	374,480	138,510	1,920	514,910
Economic Development	-	232,950	1,390	-	54,390	-	-	288,730	46,120	14,990	349,840
Planning Policy	-	14,870	-	-	84,650	-	-	99,520	241,370	-	340,890
Day Centres - Elderly People	-	-	-	-	-	-	-	-	-	-	-
<b>Technical Services</b>											
Flood Defence & Land Drainage	-	-	4,170	-	-	-	-	4,170	12,240	-	16,410
Highways/Roads (Routine)	-	-	8,970	-	1,260	-	(530)	9,700	63,620	-	73,320
Emergency Planning	-	42,940	-	-	-	-	-	42,940	12,510	1,770	57,220
Coast Protection	-	-	86,370	-	6,640	-	(21,300)	71,710	58,470	18,640	148,820
Foreshore	-	181,660	425,800	3,410	33,580	-	(314,320)	330,130	126,000	79,420	535,550
Sustainable Development	-	32,930	-	-	-	-	-	32,930	10,900	-	43,830
	-	1,770,940	566,960	3,490	347,040	-	(1,057,260)	1,631,170	744,300	119,080	2,494,550
<b>Percentage of Direct Costs</b>	0%	66%	21%	0%	13%	0%					

# RESOURCES PORTFOLIO



SERVICE	ESTIMATE 2013/14	ESTIMATE 2014/15
	£	£
<b>FINANCIAL SERVICES</b>		
Corporate Management	420,960	492,300
Non-Distributed Cost	2,310,520	2,634,410
Interest Payable & Interest Income	521,330	398,830
	<b>3,252,810</b>	<b>3,525,540</b>
<b>CORPORATE AND CULTURAL SERVICES</b>		
Local Land Charges	<b>(60,240)</b>	<b>(28,730)</b>
<b>TECHNICAL SERVICES</b>		
Property Investment Income	<b>(301,890)</b>	<b>(335,790)</b>
<b>TOTAL RESOURCES PORTFOLIO</b>	<b>2,890,680</b>	<b>3,161,020</b>

## RESOURCES SUMMARY OF CHANGES SINCE THE ORIGINAL BUDGET 2013/14

SERVICE BLOCK	Original Estimate 2013/14	Inflation	One off-items	Committed growth	Compensatory Savings	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other changes	TOTAL 2013/14
	£	£	£	£	£	£	£	£	£	£	£
<b>Financial Services</b>											
Corporate Management	420,960	(4,440)	-	50,000	-	-	-	-	(81,000)	106,780	492,300
Non-Distributed Cost	2,310,520	2,090	-	141,000	(60,000)	-	-	-	(33,000)	273,800	2,634,410
Interest Payable & Interest Income	521,330	-	-	-	-	-	80,800	109,000	18,100	(330,400)	398,830
	3,252,810	(2,350)	-	191,000	(60,000)	-	80,800	109,000	(95,900)	50,180	3,525,540
<b>Corporate &amp; Cultural Services</b>											
Local Land Charges	(60,240)	(2,630)	-	-	-	-	-	-	-	34,140	(28,730)
<b>Technical Services</b>											
Property Investment Income	(301,890)	(16,320)	-	-	-	-	-	-	(6,040)	(11,540)	(335,790)
<b>APPROVED ESTIMATE 2013/2014</b>	<b>2,890,680</b>	<b>(21,300)</b>	<b>-</b>	<b>191,000</b>	<b>(60,000)</b>	<b>-</b>	<b>80,800</b>	<b>109,000</b>	<b>(101,940)</b>	<b>72,780</b>	<b>3,161,020</b>

**WORTHING RESOURCES PORTFOLIO 2014/2015 - SUBJECTIVE ANALYSIS**



SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Recharges	Capital Charges	Total Budget
<b>Financial Services</b>											
Corporate Management	(528,370)	499,060	7,850	-	191,680	-	(177,070)	(6,850)	499,150	-	492,300
Non-Distributed Cost	2,392,850	-	10,000	-	-	-	(42,820)	2,360,030	-	274,380	2,634,410
Interest Payable & Interest Income	-	-	-	-	-	-	(86,730)	(86,730)	-	485,560	398,830
<b>Corporate &amp; Cultural Services</b>											
Local Land Charges	-	82,800	-	-	37,300	-	(171,860)	(51,760)	23,030	-	(28,730)
<b>Technical Services</b>											
Property Investment Income	110	6,080	164,430	-	22,000	3,760	(1,002,160)	(805,780)	437,260	32,730	(335,790)
	1,864,590	587,940	182,280	-	250,980	3,760	(1,480,640)	1,408,910	959,440	792,670	3,161,020
<b>Percentage of Direct Costs</b>	65%	20%	6%	0%	9%	0%					