

Worthing Borough Council

Record of the Decisions taken by the Executive at its meeting held at the Town Hall, Chapel Road Worthing on

**4 February 2019
at 6.30pm**

Councillor Daniel Humphreys (Leader)
Councillor Kevin Jenkins (Deputy Leader)

Councillor Heather Mercer
Councillor Elizabeth Sparkes

Councillor Edward Crouch
*Councillor Val Turner

*= absent

Councillors R Cooper and J Deen were also in attendance.

W EX/001/18-19 Declarations of interest

There were no declarations of interest made.

W EX/002/18-19 Public Questions

Mr Aire, a Worthing resident, asked a question regarding public access to the register of electors and the legality surrounding it. The Leader of the Council agreed to provide a written response to the question in accordance with Council Procedure Rule 11.2.1.

W EX/003/18-19 Items raised under Urgency Provisions

There were no urgent items.

W EX/004/18-19 Worthing Overall Budget Estimates 2019/20 and Setting of 2019/20 Council Tax

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

The report was the final budget report of the year, the culmination of the annual budgeting exercise, and asked members to consider:

- The final revenue estimates for 2019/20 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2019/20, prior to its submission to the Council for approval on the 26 February 2019. This would be subject to any

proposals to change the draft revenue budget following the consideration of the budget by the Executive.

The report outlined the medium term financial challenge through to 2023/24, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The current budget strategy was having a significant effect on how the Councils would be funded in the future with increasing income generated from commercial income and rents. However, the challenge still remained significant for 2020/21, with the earlier identification of initiatives to bridge the emerging budget gap a priority.

These budgets reflected the Councils' ambitions set out in *Platforms for our Places*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updated members about the impact of the draft 2019/20 settlement.

The key points raised within the report included:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for 2020/21 and beyond (paragraph 4.2);
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places*;
- The impact of recent County Council decisions upon the Council;
- The proposals to invest in services outlined in Appendix 2;
- The Executive was asked to consider whether to increase Council Tax by the maximum level possible 3% or by a lower amount (paragraph 5.11).

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2019/20 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

The Police and Crime Commissioner had consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget was considered by the Sussex Police and Crime Panel (PCP) on 1 February 2019 and an increase for 2019/20 of £24 or 14.5% had been proposed.

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 3% in addition to the 2% Council Tax increase permitted specifically to support adult social care services (subject to a maximum increase for social care of 6% in the period 2017/18 to 2019/20). Therefore a maximum Council Tax increase of 5% for Councils with social care responsibilities was allowed.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 15 February 2019. The formal detailed resolution setting the overall Council Tax for next year would be presented direct to the Council Meeting on 26 February 2019.

The Director for Digital and Resources introduced the report highlighting the changing nature of Council funding. The change in income over time from 2016/17 to 2023/24, was highlighted on page 7 of the report. The Council's strategy for local income generation had been reasonably successful to date but there were still significant changes ahead. The report set out plans for a balanced budget in 2019/20. Looking ahead, government funding would continue to reduce and the Council would become more reliant on council tax and business rates, along with its strategies to invest in property, boost commercial income and drive digital efficiency.

The Head of Financial Services explained that the Settlement had now been confirmed and the details within the draft settlement had not changed for the Council. The Council had just received notification from the Police and Crime Commissioner of their precept. The PCC was proposing to put up a band D by £24 which was equivalent to a 14.5% increase. Members were informed that in order to invest in services, as per the proposals outlined in Appendix 2, the Council would need to raise Council Tax by at least 2.8%. It was noted that the Council had the flexibility to set a higher increase in order to increase reserves.

The Executive Member for Resources advised that the challenges of the portfolio were many, not least the eradication of the Revenue Support Grant. Members had to acknowledge that government resources would continue to reduce and therefore the Council must plan ahead for 2020/21 and beyond.

It was crucial to keep delivering against the Council's financial strategy of property investment, commercial income and digital efficiency. In order to achieve this, it was essential that the Council continued to invest as per the proposals set out in Appendix 2. It was also important to have a gradual Council Tax increase, in order to achieve a balanced prudent strategy.

The budget forecast presented, assumed that Council Tax would increase by 2% in 2019/20 in order to achieve a balanced budget for which the Council had a statutory duty. The referendum criteria, announced just before Christmas, gave the Council flexibility to raise Council Tax by up to 3% and the consumer price index was currently 2.3%. A higher increase would enable the Council to invest in priority services. A 3% uplift would represent only a small increase in the Council's share of the Council Tax Bill. However, the Executive Member was mindful of the financial pressures facing Worthing residents and therefore did not wish to recommend that the full amount be taken

Therefore, it was recommended that the Worthing Borough Council share of Council Tax be increased by 2.8% which represented a weekly increase on a band D of 12p. This would increase the annual cost of a band D to £237.78 which would allow for further reinvestment in services and the benefit of the cumulative increase over the next 5 years to address future budget shortfalls.

The Leader of Worthing Borough Council seconded the proposal.

The Deputy Leader highlighted the pressures arising from anticipated increases by West Sussex County Council and the Police and Crime Commissioner imposing a 14.5% increase. He stated that it would be wrong to purely set the Council Tax in Worthing based

on what others were doing. Members were responsible for ensuring the delivery of services for the people of Worthing, services which the Council was statutorily obliged to deliver in an efficient way. The Council's ambitious plan, set out in Platforms for Places, needed to be moved forwards in order to bring projects to fruition and the regeneration of the town. Therefore, on that basis, he supported the proposed increase of 2.8%.

Decision

The Executive

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) **recommended** to Council the draft budgets for 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,633,430, subject to any amendments agreed above; and
- (c) **recommended** to Council an increase of 2.8% making Band D for Worthing Borough Council's requirements in 2019/20 as set out in paragraph 5.10 of £237.78 per annum.

Reason for Decision

Statutory requirement to set a budget

Alternative Options considered

As detailed in the report.

Call-in

There is no call-in for this decision as it is a recommendation to Council.

The meeting ended at 6.48pm having commenced at 6.30pm.

Leader