Public Document Pack



Worthing Council Meeting 23 February 2021

Remote Meeting via Zoom

6.30 pm

Agenda

15 February 2021

ALL MEMBERS OF THE COUNCIL are hereby summoned to attend for the following business:

Part A

1. Apologies for Absence

2. Declarations of Interest

Members and Officers must declare any disclosable pecuniary interests in relation to any business on the agenda. Declarations should also be made at any stage such an interest becomes apparent during the meeting.

If in doubt contact the Legal or Democratic Services representative for this meeting.

3. Confirmation of Minutes

To approve the minutes of the Council Meetings held on the 15 December 2020, copy of which has been previously circulated.

A copy is available to view at <u>https://democracy.adur-</u> worthing.gov.uk/ieListDocuments.aspx?Cld=158&Mld=1504&Ver=4

> Director for Communities: Dr Catherine Howe Adur & Worthing Councils, Town Hall, Chapel Road, Worthing, West Sussex, BN11 1HA

4. Questions from the Public

To receive any questions from members of the public addressed to Members of the Executive in accordance with Council Procedure Rule 11. There is up to 5 minutes for each question, one supplementary question may be asked arising from the original question.

Questions must relate to any matter the Council has power or which affects the Borough, except no questions may be asked in relation to

- a) A specific planning or licensing application
- b) A specific staffing appointment or appeal, or Standards determination

Public question time will last up to 30 minutes; questions will be taken in the order of receipt.

5. Announcements by the Mayor, Leader of the Council, Executive Members or the Head of Paid Service

6. Items raised under Urgency Provisions

To consider any items the Mayor has agreed are urgent.

7. Recommendations from the Executive and Committees to Council (Pages 1 - 8)

To consider recommendations to the Council, details of which are set out in the attached items as 7A, 7B and 7C.

Full reports are available on the website as listed below:

	Executive / Committee	Date	Item
Α	Joint Governance Committee	26 January 2021	Scheme of Officer Delegations
В	Worthing Executive	1 February 2021	Budget Estimates 2021/22 and setting of 2021/22 Council Tax
С	Joint Strategic Committee	9 February 2021	Joint Treasury Management Strategy Statement and Annual Investment Strategy 2021/22 to 2023/24, Adur District Council and Worthing Borough Council

8. Suspension of Council Procedure Rules

The Council is asked to suspend Council Procedure Rules where they conflict with the Budget Procedure Rules in accordance with paragraph 7.2 of the Budget Procedure Rules.

9. Council Tax 2021/22 (Pages 9 - 82)

To consider and set the Council Tax for 2021/22.

A budget pack, produced by the Director for Digital, Sustainability and Resources, is included as item 9, and the recommendation from the Executive, at item 7B, will also be considered as part of this item.

10. Report of the Leader on Decisions taken by the Executive (Pages 83 - 95)

To receive a report from the Leader as item 10. The report contains decisions taken by the Executive, Executive Members and the Joint Strategic Committee since the last Council meeting.

There will be up to 15 minutes for Executive Members to make any statements on the report. There will also be up to 15 minutes for Executive Members to respond to questions on the report. These questions will not be the same as any to be asked under Item 12.

(**Note**: Papers relating to items under 7 and 10 have been previously circulated and can be viewed on the Council's website).

11. Schedule of Meetings 2021/22 (Page 96)

To receive from the Proper Officer, the Director for Communities, the schedule of meetings for the Council and other meetings in the next Municipal Year. A copy of the schedule is attached as item 11.

The Council is invited to formally approve the dates for its meetings and to note the proposed meeting dates for Committees.

12. Members Questions under Council Procedure Rule 12

Members' question time will last up to 30 minutes, with questions being taken in the order of receipt and in rotation from each political group on the Council. The deadline for submission of questions is **Friday 19 February at 12 noon**.

Questions should be submitted to <u>democratic.services@adur-worthing.gov.uk</u>

Questions can be asked of the following:

- a) The Mayor
- b) A Member of the Executive
- c) The Chairman of any Committee
- d) The Council's representative on any outside body

Questions cannot be asked in relation to the following:

- a) A specific planning or licensing application
- b) A specific staffing appointment, appeal or Standards determination

Part B - Not for Publication - Exempt information Reports

None.

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Dr Catherine Howe Director for Communities

Recording of this meeting

The Council will be live streaming this meeting, including public question time. A recording will be available on the Council's website as soon as practicable after the meeting. The Council will not be recording any discussions in Part B of the agenda (where the press and public have been excluded).).

For Democratic Services enquiries relating to this meeting please contact:

Neil Terry Democratic Services Lead 01903 221073 neil.terry@adur-worthing.gov.uk For Legal Services enquiries relating to this meeting please contact:

Maria Memoli Head of Legal Services and Monitoring Officer 01903 221119 maria.memoli@adur-worthing.gov.uk



Council 23 February 2021 Agenda Item 7A

Extract from the minutes of the Joint Governance Committee - 26 January 2021

JGC/059/20-21 Scheme of Officer Delegations

The Committee was informed that it was important that the Councils had appropriate officer delegations and committee delegations in place to ensure that decision making was made by the appropriate person or committee.

The report sought to update the Councils' Scheme of Delegation to Officers in relation to planning matters.

The Committee was asked to approve the proposed changes to the Councils' Scheme of Delegation to Officers as set out in this report and recommend their adoption to each full Council.

The Committee sought reassurance from Officers regarding the calling in of planning applications. Officers advised that it was pertinent to give a reason for calling in an application and reassured Members that Officers would accept any planning reason given.

The Committee also sought clarification regarding what constituted 'minor or non material amendments' to applications comprising major development. Officers provided examples of minor amendments to the Adur Tidal Wall Scheme including; planters, changes to fencing etc. It was noted that these changes often attract no objections and resulted in this particular scheme coming before the Adur Planning Committee on four separate occasions.

The recommendations in the report were proposed by Councillor Kevin Boram and seconded by Councillor Paul Mansfield (for Adur District Council) and proposed by Councillor Steve Waight and seconded by Councillor Steve Wills (for Worthing Borough Council). The recommendations were supported by the Committee.

Resolved

The Joint Governance Committee

1. considered the comments of the Adur Planning Committee and the proposed changes to the Scheme of Delegation to Officers and recommended their adoption as part of the Constitution to Adur District Council.

2. considered the comments of the Worthing Planning Committee and the proposed changes to the Scheme of Delegation to Officers and recommended their adoption as part of the Constitution to Worthing Borough Council.

(Link to the report on the website e.g. Joint Governance Committee - 26 January 2021)



Council 23 February 2021 Agenda Item 7B

Extract from the decision record of the Worthing Executive - 1 February 2021

W EX/004/20-21 Budget Estimates 2021/22 and setting of 2021/22 Council Tax

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 2021/22 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2021/22, prior to its submission to the Council for approval on the 23rd February 2021. 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 2025/26, discussed the impact that the pandemic was having on the Council's finances over the next year, and set out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. This had been updated to include the latest information regarding the impact of the pandemic on the Council financial position. The current budget strategy was having a significant effect on how the Council would be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remained significant for 2022/23, however the delivery of the budget strategy would ensure that this was met.

These budgets reflected the Councils' ambitions set out in *Platforms for our Places: Going Further*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updated members about the impact of the draft 2021/22 settlement.

The major points raised within the report included:

• A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government

resources for 2022/23 and beyond (paragraph 4.2);

- Creation of a Covid 19 contingency budget from resources provided by Government to fund both covid related risks and any associated recovery actions throughout 2021/22;
- Highlighted the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places: Going Further* and *And Then;*
- The proposals to invest in services outlined in Appendix 2;
- The Executive was asked to consider whether to increase Council Tax by 2.0% or by a lower amount (paragraph 5.10.6).

The budget was analysed by Executive Member portfolio. In addition, the draft estimates for 2021/22 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 did not impact either on the Budget Requirement or the Council Tax Requirement).

The Police and Crime Commissioner (PCC) had already been informed that the referendum criteria for this year was an increase of £15.00 per Band D property which would be equivalent to an increase of 7.5%. The proposed 2021/22 budget was due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2021. If the proposals were vetoed by the PCP, revised proposals would be considered by the Panel on the 15th February 2021 at which point the Commissioner would be in a position to confirm the Council Tax for 2021/22 just in time for Council on the 23rd February 2021

The draft Local Government Settlement allowed Councils to increase core Council Tax by up to 2%. Those Councils with responsibility for Adult Social Care could increase Council Tax by up to a further 3% over the next two years. Therefore, a maximum Council Tax increase of 5% for Councils with social care responsibilities was allowed for 2021/22.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 12 February 2021. The formal detailed resolution setting the overall Council Tax for next year would be presented direct to the Council Meeting on 23 February 2021.

Clarification was sought regarding the budget deficit and budget surplus figures on pages 6 and 7 of the agenda pack. Officers confirmed that it was a budget deficit following settlement which had been resolved through the identification of savings over the past couple of months.

The Executive Member for Resources thanked Officers for their work in preparing the budget, acknowledging this had been achieved in the most difficult of

circumstances. As a result of very careful and prudent financial planning, a balanced budget could be proposed for 2021/22. Support from the government was welcomed in relation to Covid pressures.

The report set out a Medium Term Financial Strategy through to 2025/26 and considered how the Council's ambitions would be funded going forward. The Platforms programme incorporated strategic direction and several priority areas including the major projects programme, delivering regeneration to the town and addressing housing need, delivery of the digital strategy through a service redesign programme, the strategic property investment programme, growing the commercial programme to drive income from these services, the affordable homes working group to improve the supply of affordable homes in the Borough and reduce costs of temporary and emergency accommodation and the corporate landlord programme to generate capital receipts from sale of surplus assets.

The Local Government Settlement confirmed that the Council would again receive no revenue support grant in the coming year, although some funding would be available in compensation for the impacts of freezing business rates. A lower tier services grant would be paid together with a small new homes bonus, however, these would be one off payments only for the next financial year.

Covid funding had also been announced in recognition of ongoing risks and pressures managed by Councils. Worthing Borough had received, to date, £1.7m from the government in respect of Covid pressures with a further £0.5m or so to come.

The government had also agreed to continue to underwrite 75% of 95% of lost income form fees and charges for the first quarter of the next financial year (until June 2021). The Council had already received £2.2m from the government in this regard and the further funding was welcomed.

The Local Government Settlement set the criteria for Council Tax increases for Local Councils. The maximum permitted under the settlement is a rise of 2% or £5 per annum. An increase in Council Tax allowed for the continued provision of statutory services to local residents and investment in the town.

An increase in Council Tax affected the budget for the next financial year as well as future budgets. The cumulative increase would enable the Council to continue to deliver its ambitious programmes against ongoing uncertainty.

It was noted that over the past 10 years, Council Tax had been increased by 12.29% in comparison to 21.64% in CPI inflation over the equivalent period.

The Executive Member for Resources proposed a Council Tax increase of 2% for the municipal year 2021/22, equating to an average Council Tax bill for a Band D property of £247.41, with a Council Tax Base of 39,131.

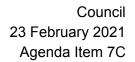
The Leader seconded the proposal.

Decision

The Executive

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2021/22 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £14,447,780;
- (c) recommended to Council an increase of 2% in Council Tax, making Band D £247.41 per annum for Worthing Borough Council's requirements in 2021/22, as set out in paragraph 5.10; and
- (d) approved the Council Tax base of 39,131 for 2021/22 as set out in paragraph 12.3.

(Link to the report on the website e.g. Worthing Executive - 1 February 2021)





Extract from Joint Strategic Committee on 9 February 2021

JSC/113/20-21 Joint Treasury Management Strategy Statement and Annual Investment Strategy 2021/22 to 2023/24, Adur District Council and Worthing Borough Council

The report asked Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2021/22 to 2023/24 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

The Committee noted the inclusion of all current counterparty ratings in the report, as had been requested by the Joint Governance Committee following its consideration of the report on the 26th January.

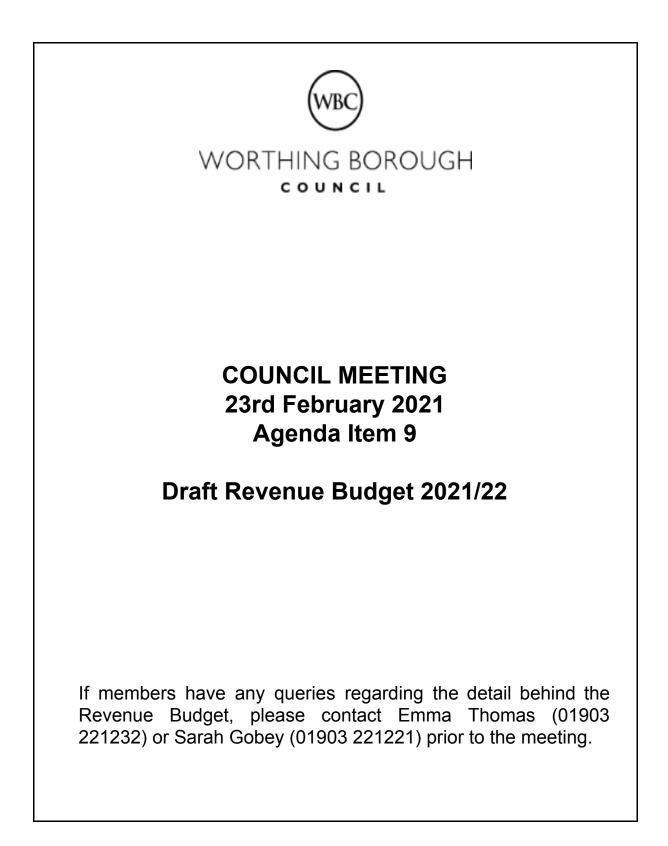
The recommendations were proposed by Councillor Daniel Humphreys, seconded by Councillor Elizabeth Sparkes and unanimously supported.

Decision

The Joint Strategic Committee

- i) approved and adopted the TMSS and AIS for 2021/22 to 2023/24, incorporating the Prudential Indicators and Limits, and MRP Statements, including the increase in the counterparty limit for the UK bank Handelsbanken from £3m to £4m for both Adur and Worthing Councils; and
- ii) forwarded the Prudential Indicators and Limits, and MRP Statements of the report for approval by Worthing Council at its meeting on 23 February 2021, and by Adur Council at its meeting on 18 February 2021.

(Link to the report on the website e.g. Joint Strategic Committee - 9 February 2021)



CONTENTS:

- 1. REPORT TO THE EXECUTIVE Budget Estimates 2021/22 and Setting of the 2021/22 Council Tax
- APPENDIX 1
 5 year forecast for Worthing Borough Council
- 3. APPENDIX 2 Proposals for investment in services
- 4. APPENDIX 3 Schedule of earmarked reserves
- 5. APPENDIX 4 Council Tax base for 2021/22
- 6. Recommendation from the Executive dated 1st February 2021

7. APPENDIX 5

Summary of Executive Member requirements and portfolio budgets

- Summary of Executive Member Portfolios
- Digital and Environment
- Health and Wellbeing
- Customer Services
- Leader
- Regeneration
- Resources
- 8. APPENDIX 6

Prudential Indicators and MRP Policy - As recommended for approval by the Joint Strategic Committee on the 9th February 2021

9. COUNCIL TAX DETERMINATION 2021/22



Worthing Executive 1 February 2021 Agenda Item 4

Key Decision [No]

Ward(s) Affected: All

Budget Estimates 2021/22 and Setting of the 2021/22 Council Tax

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1 This report is the final budget report of the year, the culmination of the annual budgeting exercise, and asks members to consider:
 - The final revenue estimates for 2021/22 including any adjustments arising from settlement;
 - An updated outline 5-year forecast; and
 - The provisional level of Council Tax for 2021/22, prior to its submission to the Council for approval on the 23rd February 2021. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.
- 1.2 The report outlines the medium term financial challenge through to 2025/26, discusses the impact that the pandemic is having on our finances over the next year, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. This has been updated to include the latest information regarding the impact of the pandemic on the Council financial position. The current budget strategy is having a significant effect on how the Council will be funded in the future with increasing income generated from commercial income and rents. Following the delay to the fairer funding review, the challenge still remains significant for 2022/23, however the delivery of the budget strategy will ensure that this is met.

- 1.3 These budgets reflect the Councils' ambitions set out in *Platforms for our Places: Going Further*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updates members about the impact of the draft 2021/22 settlement.
- 1.4 The major points raised within the report include:
 - A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for 2022/23 and beyond (see section 4.2);
 - Creation of a Covid 19 contingency budget from resources provided by Government to fund both covid related risks and any associated recovery actions throughout 2021/22;
 - Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places: Going Further* and *And Then;*
 - Details the proposals to invest in services outlined in Appendix 2;
 - The Executive will need to consider whether to increase Council Tax by 2.0% or by a lower amount (paragraph 5.10.6).
- 1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2021/22 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).
- 1.6 The Police and Crime Commissioner (PCC) has already been informed that the referendum criteria for this year is an increase of £15.00 per Band D property which would be equivalent to an increase of 7.5%. The proposed 2021/22 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 28th January 2021. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 15th February 2021 at which point the Commissioner will be in a position to confirm the Council Tax for 2021/22 just in time for Council on the 23rd February 2021.
 - 1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2%. Those Councils with responsibility for Adult Social Care can increase Council Tax by up to a further 3% over the next two years. Therefore a maximum Council Tax increase of 5% for Councils with social care responsibilities is allowed for 2021/22.
- 1.8 The precept for West Sussex County Council has not yet been finalised

and will not be confirmed until 12th February 2021. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 23rd February 2021.

- 1.9 The following appendices have been attached to this report:
 - (i) Appendix 1 5 year forecast for Worthing Borough Council
 - (ii) **Appendix 2** Proposals for investment in services
 - (iii) Appendix 3 Estimated Reserves
 - (iv) Appendix 4 Council Tax base for 2021/22
 - (v) Appendix 5 Summary of Executive Member Portfolio budgets for 2021/22

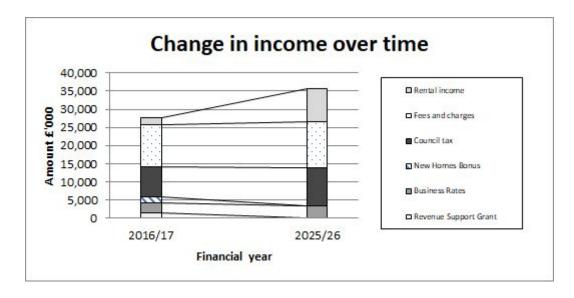
2. Recommendations

- 2.1 The Executive is recommended to:
 - (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
 - (b) Agree to recommend to Council the draft budgets for 2021/22 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £14,447,780 which includes provision for the proposals in Appendix 2, subject to any amendments agreed above; and
 - (c) Consider which Band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2021/22 as set out in paragraph 5.10
 - (d) Approve the Council Tax base of 39,131 for 2021/22 as set out in paragraph 12.3.

3. INTRODUCTION

- 3.1 The Joint Strategic Committee considered the report 'Impact of Covid 19 on the Council's finances - Update on the current financial performance and developing a revenue budget for 2021/22' on 7th July 2020. This report outlined the current financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.
- 3.2 To address the known pressures and to realise its ambitions set out in *Platforms for our Places*, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:
 - The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;
 - The Service Redesign programme leads on the delivery of the Digital Strategy and ensure that the benefits are realised from this programme of work;
 - The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Investment Fund;
 - The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience; and
 - The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.
 - The Corporate Landlord programme which seeks to rationalise accommodation use and generate capital receipts from the sale of surplus assets and thereby reducing the costs associated with funding priority projects identified in Platforms for our Place: Going Further.
- 3.3 The successful delivery of our strategy fundamentally changes how the Council is funded while pursuing transformational approaches to how we

deliver services and work with our partners. The Council is moving increasingly away from government funding towards funding from the local community via Council Tax, and will become increasingly reliant on income from commercial activities over time. Between 2016/17 and 2025/26 income from locally controlled sources (including Council Tax) is expected to increase from £21.9m to £32.2m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £5.7m to £3.3m.



3.4 The subsequent report to the Joint Strategic Committee, on 1st December 2020 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – December forecast	1,333	2,865	3,644	4,346	5,026
Savings identified in December 2020	-1,291	-2,106	-3,193	-4,053	-4,913
Revised budget shortfall/ Surplus(-) as at December 2020	42	759	751	293	113

- 3.5 The 2021/22 savings proposals identified within the report amounted to \pounds 1,291,000.
- 3.6 Since the meeting in 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 proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2021/22 can be summarised as:

		£'000
Orig	ginal 2021/22 budget shortfall	1,971
Cha	anges to income from grants and taxation:	
(a)	Improvements to the income from Council Tax	-15
(b)	Impact of current Council Tax Collection Fund deficits	-19
(C)	Changes to business rate forecast	
	 Updated assessment of deficit net of use of the business rate smoothing reserve 	-192
	- Other changes	1
Oth	er changes:	
(d)	Reduction in the cost of the temporary and emergency accommodation	-420
(e)	Adjustment to pension budgets following the Pension Fund triennial review.	7
(f)	Investment income - reduction in interest rates	18
(g)	Reprofiling of capital programme	-96
(h)	Funding for leisure provision to allow for the impact Covid 19.	-102
(i)	Net committed growth items identified by Service Heads approved in December	270
(j)	Removal of contingency budget for committed growth	-90
Rev	rised Budget Shortfall as at 1st December 2020	1,333
Imp	act of Settlement	
	Final change to business rate income following confirmation of the tariff and new multiplier	10
	One off funding:	
	New Homes Bonus	-118
	Lower Tier Grant	-203
	Council Tax losses compensation scheme (spread over three years)	-55
	Additional homelessness grants	-86
	Covid 19 funding:	
	Covid 19 grant	-550
	Council Tax support grant	-133
Buc	Iget deficit following settlement	198

		£'000
Budget Def	198	
Adjustmen	t for final items identified	
Final a 2021/2	ssessment of Council Tax base and the deficit for 2	22
Covid	Contingency budget	647
Counc resider	il Tax Support - measures to support vulnerable nts.	133
Provisi	on for increased homeless demand	86
Increa	sed costs associated with floral displays	40
Reviev	v of energy budgets following retender exercise	6
Remov	val of contingency for new service investment proposals	-100
Revised Bu	dget shortfall	1,033
Less:	Net savings agreed in December adjusted for the final confirmation of savings and the assessment of deliverability.	-1,149
•	plus based on a 2% Council Tax increase (before action is agreed)	-117

3. 2021/22 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The government published the provisional local government finance settlement for 2021-22 on 17th December 2020 via a written statement. Consultation on the provisional settlement closed on the 16th January 2021.
- 4.2 As part of this settlement, the Secretary of State announced further details on the Covid funding package for 2021/22, including:
 - Details of the allocations for £1.55 billion of unringfenced grant;
 - Details of the £670 million local council tax support grant;
 - The extension of the sales, fees and charges income support scheme to June 2021; and
 - A local tax income guarantee for 2020/2021

4.3 Key features of settlement included:

• Council Tax referendum criteria.

District councils can increase Band D by the higher of 2% or £5. A 2% council tax referendum limit was confirmed for all authorities with responsibility for Adult Social Care (ASC) with an additional 3% ASC precept which can be spread over 2021/22 and 2022/23. The Police and Crime Commissioner can increase council tax by up to £15.

• Revenue support grant and baseline funding

The Council will receive no Revenue Support Grant in 2021/22. Since 2016/17 the Council has seen Revenue Support Grant fall by £1.4m and has received no grant since 2019/20.

Whereas baseline funding (minimum amount of retained business rates) has frozen this year in line with the business rate multiplier at $\pounds 2,692,550$.

However, councils will be compensated for the impact of freezing of business rates via grants and the net overall impact of this change is a marginal loss of £10,000 in business rate income.

• Local Council Tax Support grant (£670m nationally)

This is a new grant outside core settlement which will fund authorities for the expected increase in local council tax support payments resulting from the current pandemic in 2021-22. The Council has flexibility about how this can be used, although MHCLG are encouraging Councils to review their Local Council Tax Support schemes (LCTS) in the light of this funding. It has been set aside to support initiatives to support vulnerable residents. Worthing Borough Council will receive £132,980.

• Lower tier services grant (£111m nationally)

This is a new grant which is broadly distributed on the basis of need but also includes an element that ensures "no council – either upper or lower tier – will have less funding available in 2021-22 than 2020-21". The Council will receive £202,840.

• New Homes Bonus

New Homes Bonus (NHB) will continue for another year but the government very clearly intends to phase out the current scheme by 2023-24. For 2021-22, there is no change in the operation of the scheme: the scheme works in the same way and applies the same

threshold (0.4%). The threshold means that NHB payments will only be made on an increase in the council tax base that exceeds 0.4%.

NHB allocations of \pounds 622m will be made nationally. This is a one off allocation in 2021-22 and the Council will receive an additional grant of \pounds 118,120.

However given the transitional nature of this payment, it is not proposed to use it to balance the budget. Instead it is proposed that this grant will be set aside as part of the new Covid contingency budget discussed below.

Overall the Council is expected to use the following amounts in NHB to support the budget over the next few years.

	2020/21	2021/22	2022/23	2023/24 0nwards
	£'000	£'000	£'000	£'000
NHB used to support the budget				
Historic allocations	456	222	0	0
2019/20 allocation	68	68	68	0
2021/22 allocation	0	118	0	0
Total NHB used to support the budget	524	408	68	0
One off payment in	437	0	0	0
2020/21 used to fund projects.				
Total New Homes Bonus	961	408	68	0

However, the sector as a whole needs more certainty about the future of NHB. A consultation paper is promised for Spring 2021, and it is really important that this timetable does not slip again so that we have certainty about the future to enable the Council to plan effectively.

• £1.55bn COVID funding was announced for 2021/22 in recognition of the on-going financial risk and pressures that all Councils are currently managing. The Council will receive £549,590. In addition the Government also announced that it would underwrite 75% of any losses in fees and charges in the first quarter of the financial year.

• Local tax income guarantee for 2020-21

The government intends to compensate Councils for any in-year losses in either Council Tax or Business Rates in 2020-21. This scheme will run in parallel to the requirement for billing authorities to spread the in-year 2020-21 collection fund deficit over 3 years.

Given that these losses are being funded over a three year period by the precepting bodies, this grant will be used over the same period to ensure that these losses are offset in the year in which the Council will need to fund them.

• There is further funding for **Rough Sleepers**, £750m in total next year, a 60% increase on previous spending review. The Council will benefit from an additional grant of £86,000.

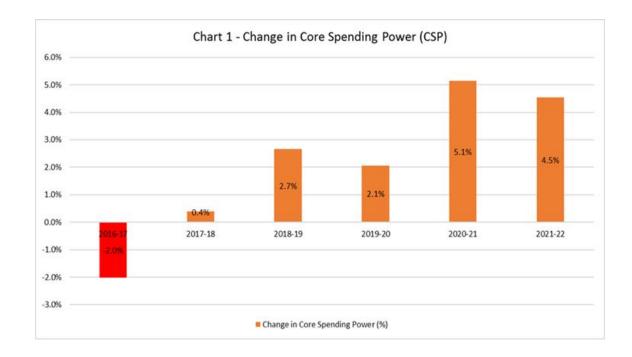
4.4 Changes to local government funding in 2022/23 and beyond:

The Fairer Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2022/23 at the earliest. However, the announcement of any significant changes in local government funding will have to wait until either the Budget (expected on 3rd March 2021) or the Spending Review 2021 (which will follow in the Summer).

Looking further into the future, the Government is undertaking a fundamental review of business rates. The Government will respond to the consultation in the Spring, and this could result in changes in the operation of business rates and (potentially) to more radical reform which in turn may influence the future shape of the business rate retention scheme.

4.4 Summary of 2021/22 Local Government Settlement

4.4.1 In overall terms, the 2021/22 settlement revealed that core spending power (council tax, business rates, and government grant) has increased by 4.5%, whilst this is lower than 2020/21, it is still higher than any other year for more than a decade. However it should be noted that 87% of the increase in CSP is from council tax increases, and is accompanied by relatively low increases in grant funding.



- 4.4.2 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 14th January 2021 with final settlement expected in February.
- 4.4.3 There were few significant changes at this late stage in previous years. If there are any significant changes arising from the final information members will be briefed before Council.

4.5 Update on current Business Rate Retention Scheme

- 4.5.1 The business rate retention scheme has now been in place for several years. There are two key features which members are reminded of:
 - There is a 'safety net' in place for any Council whose actual business rates income falls short of the target income for business rates. The safety net arrangements will be 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £201,940.
 - 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:

	Share of additional income	Additional Levy paid to treasury	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

- 4.5.2 The forecast for 2021/22 is currently being finalised. The 2021/22 NNDR return which underpins this forecast is due to be submitted by the 31st January 2021 and any substantial changes resulting from the final assessment of the business rate income will be managed through the business rate smoothing reserve which has been set up for this purpose.
- 4.5.3 The Collection Fund will have a significant deficit at the end of the current year, largely due to the additional Covid 19 (£15.3m) and other reliefs granted in the year. Overall the position is likely to be a deficit of £19.5m which will be recovered over three years as follows:

	2021/22 £	2022/23 £	2023/24 £
Worthing Borough Council	6,812,710	334,930	334,920
West Sussex County Council	2,557,250	83,730	83,740
Government	8,515,880	418,660	418,660
Total recovered	17,885,840	837,320	837,320

The Council will have received compensation in 2020/21 for the additional reliefs granted. This will be placed in the Business Rate Smoothing Reserve at the end of 2020/21 to be drawn down in 2021/22 to fund any losses. The Council currently expects to place £6.3m in the reserve at the year end. In addition, the Government has committed to funding 75% of other assessed

in year losses as part of the local tax guarantee scheme. Consequently the losses will be funded as follows:

Funded by:	2021/22	2022/23	2023/24
	£	£	£
S31 grants received in 2020/21 and placed in the business smoothing reserve	6,316,540	0	0
Income guarantee scheme	251,200	251,200	251,200
Business rate smoothing reserve	244,970	83,730	83,720
-	6,812,710	334,930	334,920

- 4.5.4 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures especially in light of the Government's commitment to return all of business rates to Local Government. Members will be aware that there are several schemes progressing which will create employment space. Examples include: Union Place, Grafton, and Teville Gate.
- 4.5.5 Finally, it should be appreciated that there are still a number of risks associated with the business rate forecast:
 - There has recently been an interim ruling on Material Changes in Circumstance (MCC) appeals. These appeals have been made by businesses affected by the COVID restrictions. The VOA has emailed local authorities to "assure" them that "as yet no decisions have been taken on reductions to rateable values as a result of the pandemic". It has been reported in the press that the VOA had awarded a 25% reduction in valuations as an interim judgement. This might not be far off an average reduction but it will vary by business type and area, depending on the impact of national and local restrictions. When reductions in valuations are confirmed by the VOA, 75% should be funded by the Tax Income Guarantee Scheme in 2020-21.
 - It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. However to date far fewer appeals have been received following the 2017 revaluation following the introduction of the new 'Check, Challenge, and Appeal' process by the VOA.

- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.
- Conversion of office blocks and retail space into accommodation will result in a permanent loss of income however, this will be mitigated to some extent by the additional Council Tax generated once the conversion is completed.
- 4.5.6 Consequently there could be significant swings in the amount of business rate income in any one year. However, any shortfall in income will be recovered in the following financial year. The Council will fully provide for any known backdated business rates appeals at the 2020/21 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve. For 2020/21 the losses are partially underwritten by the Local Tax Guarantee Scheme.

4.6 Long term implications of current government policy

4.6.1 The financing of local government has continued to change. We are moving from a grant based on need (Revenue Support Grant) to funding based on the delivery of homes (Council Tax) and the creation of employment space (Business Rate Retention Scheme). However, the proposed Fairer Funding Review and associated review of the Business Rate retention scheme will reset the position in the short term as business income will be re-distributed on the basis of need.

The income from Council Tax forms an increasingly significant proportion of the Council's overall taxation income over the next 5 years and the decision regarding the annual increase has a greater strategic importance for both the current year and future years as well.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	9,493	9,690	9,883	10,122	10,397	10,648
Business Rates **	3,342	3,409	3,119	3,180	3,239	3,307
New Homes Bonus	524	408	68	0	0	0
Total funding from taxation***	13,359	13,507	13,070	13,302	13,636	13,955

Breakdown of taxation income to the Council:

- * Includes any surplus or deficit on the collection fund
- ** Includes the surplus or deficit on the collection fund and any levy account payment
- ** Excludes one off funding related to Covid 19.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Council Tax	71.06%	71.74%	75.62%	76.09%	76.25%	76.30%
Business Rates	25.02%	25.24%	23.86%	23.91%	23.75%	23.70%
New Homes Bonus	3.92%	3.02%	0.52%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2021/22

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £14,447,780. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

5.2 Impact of the pandemic on the Council's budgets:

5.2.1 As part of settlement the Council received a number of one-off grants particularly in relation to the pandemic. These include:

	£'000
Covid 19 funding	550
Lower Tier grant	203
New Homes Bonus	118
One-off grants	871

- 5.2.2 The pandemic will continue to impact on the Councils finances throughout 2021/22. Where these impacts have been able to be quantified, provision has been included in the draft budget. Nevertheless, depending on the speed of the roll out of the vaccination and the impact of any further spread of the illness, the rate at which income recovers is difficult to quantify. Risk areas relating to the pandemic include:
 - Fees and charges income, particularly in relation to car parks. During the first quarter of 2020/21, the Council lost approximately £932,000 in

income. The Government has committed to providing 75% funding for any lost income in the first quarter of the new financial year. However any losses incurred after this time will have to be funded by the Council.

- The cost of leisure provision. The recently negotiated contract has been based on our venues opening up in January and income gradually improving over the forthcoming year. The council has already committed to providing further financial support of £198,000 in 2021/22. However, if there is an extended lockdown, the Council may have to provide further financial support to the operator.
- Impact on homelessness caseload. The Council has recently seen an upswing in cases. This has been a cost pressure throughout 2020/21 and the budgets have been increased for 2021/22 to support the service further, nevertheless there remains a risk that costs may increase further.
- Additional staffing costs. At the moment there are a number of front line staff in key services such as refuse collection who have to self isolate. Given the nature of these services, agency staff are being used to ensure that these vital services continue to be delivered. Cover costs are likely to be in the region of £20,000 per month of which Worthing will be responsible for £12,000.
- Impact on rental income from commercial tenants Whilst the Council has been successful in collecting rent (particularly on our Strategic Investments which currently stands at 93%), the pandemic will inevitably impact on our tenants who may seek support through rental holidays, reductions or deferments.
- 5.2.3 In light of these risks, a significant proportion of these one-off resources have been set aside into a Covid 19 contingency budget (£647,000) which will also be available to support initiatives for economic recovery with the remainder supporting the overall budget. This budget will fall under the Leaders portfolio to be released following the presentation of a report to either the Leader or the Joint Strategic Committee.
- 5.2.4 In addition to the Covid 19 contingency budget, the council has also centralised the provisions for pay awards (Adur £196,249 and Worthing £300,090). This is in response to the Chancellor's desire to see pay restraint in the public sector with no increase for those earning over £24,000 as announced in the Comprehensive Spending Review in November 2020. However, the Government has no formal role in the decisions regarding the annual local government pay increases which are developed through negotiations with the trade unions. The Government cannot automatically impose a pay freeze in local government unless it uses a legislative route to do so. Nevertheless the announcement will influence the pay negotiation. The Council had originally budgeted for a 2% pay award prior to the Chancellor's announcement, consequently this has been held back pending

the outcome of the pay negotiations and will provide the council's with a further contingency budget to help manage the current risks.

5.3 **Delivering the Council's priorities:**

- 5.3.1 The budget is fundamental to realising the Council's ambitions set out in 'Platforms for our Places : Going further 2020-2023' and in 'And Then'. The budget enables the Council's role to lead and work with partners to develop our communities and our economies. Attached at Appendix 2 are some proposals for investment back into services to deliver the outcomes committed to in Platforms for our Places for member consideration.
- 5.3.2 The budget includes specific funding for the commitments outlined in Platforms for our Places. Examples include:

5.3.3 **Prosperous places**

The Council recognises the importance of ongoing investment in our places to ensure that they remain vibrant locations for social, economic and culture hubs for our communities. Budgets have been created to facilitate the delivery of major projects to enable the development of Adur's town centres and provide for additional employment land.

There is also investment through the capital programme, investing in facilities to improve the local economy.

5.3.4 Thriving People and Communities

The Council continues to see an increase in demand for our Housing Service, in particular from those who are experiencing homelessness. The Council has made funding available for new investments to acquire Council-owned temporary and emergency accommodation to improve the accommodation offered to clients and reduce the costs for the Council.

The Councils are also aware of the importance of our communities to have active lives and enjoy our parks and open spaces. Funding is proposed to improve parks and play areas throughout the area to promote health and wellbeing of our communities through the capital programme.

5.3.3 Tackling Climate Change and Supporting our Natural Environment

In July 2019 the Councils declared a climate emergency and have developed a comprehensive Carbon Reduction Plan, outlining a set of ambitious and detailed actions designed to make the Councils carbon neutral by 2030.

Alongside the organisational work, the Councils have developed an area wide framework called SustainableAW which was published in December 2019. This was followed by a major community-led conference Zero2030 and a Climate Assembly process which provided a representative forum for

residents over six one day sessions to engage with the climate and ecology challenge, creating ideas for action.

As part of the 2021/22 budget there are proposals to invest in this area of the business, building capacity to take this agenda forward (see appendix 2).

5.3.4 Good Services and New Solutions

Much of the Medium-Term Financial Strategy is underpinned by new approaches to how we design and deliver our services, and develop our commercial activities and investment portfolios. These approaches are not only designed to improve the financial sustainability of the Councils, but also the services that our communities, clients and customers experience. We will continue to invest in service improvement, using research and design methods to understand what needs to change in our services, working with staff to drive a customer first ethos and using our digital platforms to deliver simple, efficient digital service channels.

- 5.4 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.
- 5.5 The key question of how the net budget requirement of £14.448m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.6 Details of all of the main changes in the base budget from 2020/21 to 2021/22 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

	£'000	£'000			
2020/21 Original Estimate		13,359			
Add: General Pay and Price Increases		468			
Add: Committed and Unavoidable Growth:					
Cost pressure relating to Covid 19	364				
One-off Covid 19 budgets funded by one-off government grants	780				
Impact of delivering Platforms	349				
Other committed growth	377				
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	1,870				
Reduced income due to Covid 19	458				
Impact of Capital Investment and Development Programme	-436	1,892			
Less: Compensatory savings and additional Income:					
Compensatory savings	-153				
Additional income	-86	-239			
2021/22 budget prior to agreed savings		15,480			
Less: Savings agreed by members					
Approved in December	-1,149				
		-1,149			
Executive Member requirements		14,331			
Potential contribution to reserves / amount available to invest in services (see Appendix 2)*		117			
Potential budget requirement before external support		14,448			
Collection fund deficit		-9			
2021/22 BUDGET REQUIREMENT		14,439			
* The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.					

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

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

5.8 The projected deficit on the Collection Fund is estimated to be £646,260, of which £52,960 is the Borough Council share. The in-year deficit must now be spread over three years and so the current deficit will be recouped as follows:

	2021/22	2022/23	2023/24
	£	£	£
Worthing BC	9,000	-30,980	-30,980
West Sussex CC	53,360	-183,740	-183,740
Sussex Police CC	7,410	-25,530	-25,530
	69,770	-240,250	-240,250

The deficit reflects the impact that the Pandemic is having on the amount of Council Tax Discounts claimed and the level of debt outstanding. The Government has committed to fund any in-year deficits through the Local Taxation Compensation Scheme. The Council expects to receive a grant of \pounds 166,160 which will be used over the three years to offset the losses incurred during the year. The final grant paid will be determined at the year end when the full extent of any in-year losses.

- 5.9 Members are now faced with two questions:
 - What level of Council Tax to set?
 - Whether to accept the growth items detailed in Appendix 2?

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

5.10 **The Council Tax increase:**

5.10.1 The decision over the level of increase to the Council Tax influences not only the current budget but future budgets as well. Over the past 10 years, the Council Tax has been increased by 12.29%, an average of 1.2% per year (in 2010/11 the Band D tax was £216.00, in 2020/21 it was £242.55). Over the equivalent period, inflation (CPI) has been 21.64%.

- 5.10.2 The budget forecast currently assumes that Council Tax will increase by 2.0% in 2021/22. The most recent inflation index was 0.3% (CPI in November 2021).
- 5.10.3 A 2% uplift would only be a modest increase in the Council share of the bill for 2021/22. The table below details how the Council Tax will change as a result of a 1%, 1.5%, 1.8%, 2% increase and the maximum increase of £5.00.

		Annual increase for 2021/22					
	2020/2 1	1%	1.5%	1.75%	2.00%	£5.00	
	£	£	£	£	£	£	
Council Tax Band D	242.55	244.98	246.15	246.78	247.41	247.55	
Annual increase		2.43	3.60	4.23	4.86	5.00	
Weekly increase		0.05	0.07	0.08	0.09	0.10	
Council Tax Band C Annual increase Weekly increase	215.60	217.76 2.16 0.04	218.80 3.20 0.06	219.36 3.76 0.07	219.92 4.32 0.08	220.00 4.44 0.09	
Total additional Council Tax raised Additional Council Tax raised over a 1%		61,490	107,280 45,790	131,930 70,440	156,580 95,090	162,060 100,570	
increase							

5.10.4 Members should also be aware that the Police and Crime Commissioner has previously consulted on a £15.00 (7.5%) increase for their share of the overall bill. Whilst the level of increase to be set by the County Council is unknown at this stage, given the financial pressures that the County is under, there are indications that the increase will be close to the maximum permitted (5%). Consequently, the total overall increase in the Council Tax bill for a Band D property based on the Council opting to set the tax at the maximum allowed could be just close to 4.88%:

	2020/21	2021/22 (Indicative only)	%
	£	£	
Worthing Borough Council	242.55	247.41	2.00%
West Sussex County Council	1,438.74	1,510.65	4.99%
Sussex Police and Crime	199.91	214.91	7.50%
Commissioner			
	1,881.20	1,972.97	4.88%

5.10.5 The decision to raise Council Tax should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the scale of the withdrawal of government funding the Council will contend with over the next 5 years and the potential impact of the County Council budget decisions. The impact of changing the Council Tax by 1%, 1.5%, 1.75% and 2% annually would be as follows:

Total income	al income 2021/22 20		2022/23 2023/24		2024/25
	£'000	£'000	£'000	£'000	£'000
1% annual increase	9,586,310	9,720,120	9,854,860	9,994,090	10,134,260
1.5% annual increase	9,632,100	9,815,590	10,003,960	10,193,680	10,388,330
1.75% annual increase	9,656,750	9,865,090	10,078,520	10,297,050	10,520,730
2% annual increase	9,681,400	9,914,590	10,153,070	10,396,840	10,645,980

Over the longer term, a higher increase will give the Council significant additional income:

5.10.6 Members are asked to consider which level of Council Tax increase that they support. An increase of 2.00% would enable the Council to set a balanced budget and fund all of the proposals for investment in services recommended for approval in Appendix 2.

5.11 Summary of budget position

Depending on the choices made regarding the Council Tax increase and the new growth items; the overall budget position will be (based on a 2% increase):

	£'000	£'000
Net budget requirement		14,331
Less:		
Baseline Funding	2,693	
Share of additional Business Rate income	716	
Council Tax (2.0% increase)	9,681	
Other grants	1,349	
Collection Fund Surplus	9	-14,448
Budget surplus based on 2.00% Council Tax increase		-117
Maximum impact of accepting the growth items (Appendix 2)		117
Budget balanced at a 2% Council Tax increase		-

6.0 IMPACT ON FUTURE YEARS

6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 2.00% tax increase for 2021/22 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

		Expected	shortfall (C	umulative)	
	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Budget shortfall prior to approving growth	1,032	3,023	3,802	4,551	5,231
Impact of accepting the growth items at appendix 2	117	117	117	117	117
Cumulative budget shortfall as per appendix 1	1,149	3,140	3,919	4,668	5,348
Less:					
Net savings identified in 2021/22 budget round	-1,149	-1,149	-1,149	-1,149	-1,149
Adjusted cumulative budget shortfall	-	1,991	2,770	3,519	4,199
Savings required each year	-	1,991	779	749	680

- 6.2 The continuation of the withdrawal of government funding has 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 Councils services. There are potentially three benefits which flow from an improving economy and which will directly improve the council's financial position:
 - Increased income from business rates which is discussed fully in section 4 above;
 - Reduced cost of Council Tax benefits from any new jobs created;
 - Additional Council Tax income from each new home;
- 6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £150k more commercial income per year, rationalise the use of assets and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service or by reducing the cost of temporary and emergency accommodation. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

	Expected shortfall per year					
	2022/23	2023/24	2024/25	2025/26		
	£'000	£'000	£'000	£'000		
Annual budget shortfall	1,991	779	749	680		
Future savings from budget strategy:						
Investment in commercial property	-140	-412	-100	-100		
Commercial activities	-450	-450	-450	-450		
Service and digital redesign	-120	-120	-120	-120		
Commercial landlord programme	-105	-105	-190	-190		
Excess savings (-) / new savings initiatives to be identified	1,176	-308	-111	-180		

6.4 With the delay to the fairer funding review, the challenge has now moved onto 2021/22 which becomes a more challenging year and the delivery of the budget strategy is essential to ensure the Council meets the challenges of the next few years.

7.0 **RESERVES**

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The General Fund Working Balance which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services or losses in income); 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. The balance has been held at around £850,000 for some time, however in the light of the pandemic this was increased at the end of 2019/20 to support the Council in managing the associated financial risks. The balance as at 31st March 2020 was £1,543,000 which was 11.6% of net 2020/21 revenue expenditure just

above the range of 6% -10% set by the Council but reflects the risks that we are currency managing. There are no plans to draw down from the working balance and if needed this reserve will be boosted over the next few years from underspend to ensure it that it remains sufficient to manage risks.

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

		£'000	%
31.03.2021	Balance carried forward – per Final Accounts	1,543	11.6
31.03.2022	No planned drawdown or contribution expected.	1,543	10.7
31.03.2023	No planned drawdown or contribution expected.	1,543	11.8
31.03.2024	No planned drawdown or contribution expected	1,543	11.6
31.03.2025	No planned drawdown or contribution expected	1,543	11.3

- 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 factors:
 - 1. The Government has provided Covid 19 funding for 2021/22 which has been placed into a contingency budget to enable the Council to manage financial risks next year.
 - 2. The Government will underwrite 75% of any losses in sales, fees and charges in the first quarter of 2021/22.
 - 3. The Council has created specific budgets to manage any void losses related to commercial property and where there are likely to be ongoing losses these have been built into the revenue budget.
 - 4. Interest rates are extremely low at present (0.1% base rate) and this has been reflected in our budgets. A further fall in interest rates of 0.01% would cost the Council in a region of £4,000 in 2021/22 in lost investment income.
 - 5. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £157,400. That said, the

Council has budgeted for a two percent pay increase at a time when the Chancellor is advocating pay restraint.

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.

Against this background, and especially given the current economic climate and the impact of the pandemic, it is important that the Council maintains its reserves at a slightly higher amount in 2021/22.

- 7.5 However, with the planned expansion of commercial activity, especially the investment in commercial property, the council has taken two other measures to further manage risk and bolster the reserves:
 - i) As part of the initiative to invest in commercial property, an element of the additional rent raised every year is being set aside into a specific reserve to manage void periods on these properties and to set aside resources to fund future investment needs. The annual provision will be £100,000 in 2021/22. This provision will be gradually built up over the next 5 years to a level of £500,000 per year by 2025/26.
 - ii) Following the LGA peer review, there was a change in approach to the management of general inflation (excluding inflation on items such as salaries, rates, utilities, and contractual commitments). This is no longer allocated out this year but held centrally in the Corporate Management budget. This budget will be allocated out where the inflationary pressure can be demonstrated. Any unutilised budget at the year end will be transferred to the reserves and the budget offered up as a budget saving for the forthcoming year. This also provides a contingency budget for in-year pressures.
- 7.6 In the medium term, once the challenges of the next couple of years have been addressed, the council should review the position and take proactive steps to further bolster the overall reserves.
- 7.7 The estimated balance of general fund earmarked reserves as at 31st March, 2021 is £1,332,000, excluding the Business Rates Smoothing Reserve, any Section 106 sums held for future environmental improvements, grants, and any specific capital resources. Overall, the level of reserves held by the Councils is expected to improve over the forthcoming years as follows:

		Balar	nce at yea	r end	
Summary for report	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves	2,086	1,332	1,482	1,632	1,787
Business Rates Smoothing Reserve	437	6,754	192	108	25
Grants and Contributions	806	806	806	806	806
Total earmarked reserves	3,329	8,892	2,480	2,546	2,618
General Fund Working Balance	1,543	1,543	1,543	1,543	1,543
Total reserves	4,872	10,435	4,023	4,089	4,161

A detailed schedule of the earmarked reserves is attached at Appendix 3. The significant risks to the overall budget and the Council's reserves are detailed below.

- 7.8 Given the relatively low level of reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level has recovered to some extent. The Council has over the past year minimised new calls on such resources, utilising the ability to use capital receipts to fund initiatives to generate budget savings where possible.
- 7.9 In all probability, the Council will continue to have occasional opportunities to put money into earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly.
- 7.10 However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:
 - supporting one-off rather than recurring revenue expenditure;
 - dealing with short-term pressures in the revenue budget; and
 - managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

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

(i) Pandemic

The risks associated with the pandemic are set out in detail in paragraph 5.2.2. However in summary we are expecting risks in a number of areas - income, cost of housing provision, impact on cost of contracts, and additional staffing costs.

(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) Income

The Council receives income from a number of services which will be affected by demand particularly at the moment due to the impact of the pandemic. These include land charges, crematorium income, trade and green waste services, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2021/22, income may fall further than expected or new targets for commercial income may not be met.

The Council is investing in new commercial property, as leases expire there is an increased risk of loss of income from voids. To mitigate this risk the Council has introduced an annual provision for void rents which will be £100,000 in 2021/22. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

(iv) Inflation

A provision for 1% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2021/22, 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	157
Non-pay	117

8.2 To help manage these risks, the Council has created a contingency budget of £749,000. The council also has a working balance of £1,543,000 and £1.8m of other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

- 9.1 The Council ran a detailed consultation exercise which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year.
- 9.2 Officers and members have been consulted on the development of the budget.

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. The Council has a fully funded capital programme and the associated revenue costs are built into the budget for 2021/22 and future years.
- 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.
- 10.3 The Code of Practice has been revised. The freedom for local authorities to set the scope and size of their capital plans remains unrestricted, but the prudential system processes have been strengthened to set out greater consideration of prudence, with sustainability and risk reporting improved through the governance procedures. This includes a new requirement to publish an annual capital strategy, which the Council has long complied with however this document must now contain more information on risk management.
- 10.4 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 9th February 2021 and which will be included in the Council budget pack for approval.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its

budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.

- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
 - making prudent allowance in the estimates for each of the services, and in addition;
 - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient which has been considered in detail on section 7 of the report.
 - Creating contingency budgets to help manage the greater risks associated with the pandemic as set out in paragraph 5.2.2
- 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 particularly at the moment given the pandemic, e.g. car parks and development control fees.
 - External competition and declining markets, particularly during a recession. E.g. Local land charges and building control fees.
 - Changes to business rate income due to revaluations, redevelopments and increases in mandatory rate relief.
- (2) Cost pressures not identified at the time of setting the budget. This would include items such as excess inflation.
- (3) Initiatives and risks not specifically budgeted for.

It will therefore be important for members to maintain a robust budget monitoring regime during 2021/22.

11.4 The Chief Financial Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.

12.0 COUNCIL TAX SETTING

- 12.1 The Council is obliged to raise the balance of its resources, after allowing for any government grant and business rates, to finance the General Fund Revenue Budget from its local Council Taxpayers. The Council Tax for Worthing Borough Council will be added to the Precepts from West Sussex County Council and the Sussex Police and Crime Commissioner to form a combined Council Tax to levy on the taxpayers of Worthing. This will be formally approved by Council on the 23rd February 2021 via a report on the Council Tax Determination.
- 12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2021/22 Budget, the resulting Council Tax for the District can be set. This takes into account the Total Aggregate External Finance (Government grants 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 2021/22 prior to the consideration of the budget proposals. This is based on 2.0% Council Tax increase, the maximum increase permitted without triggering the requirement for a referendum:

	£	£
Net 2021/22 Budget *		14,330,780
Less: Aggregate External Finance		
Baseline Funding	-2,692,550	
Additional Retained Business Rate income	-716,440	
New Homes Bonus	-407,590	
Lower Tier Services Grant	-202,840	
Covid 19 funding	-549,590	
Council Tax Support Grant	-132,980	
Local Tax Guarantee Scheme	-55,390	
Contribution to the Collection Fund surplus (as per paragraph 5.8)	-9,000	
		-4,766,380
Minimum amount to be raised from Council Tax		9,564,400
Net additional impact of proposals identified in Appendix 2 if all approved		117,000
Amount to be raised from Council Tax based on 2.0% Council Tax		9,681,400

* 2021/22 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to Council Tax.

Within section 5 of the report, members are given the options for the Council Tax and approving the service investment proposals.

(b) Council Tax Base

The Council's Tax base for 2021/22 is 39,131.0 Band D equivalent properties. There is a decrease to the current year base of 39,269.50 which is due to an increasing level of Council Tax discounts, and a lower amount of completions on new builds that originally forecast. The full calculation of the tax base is shown in Appendix 4.

(c) Worthing Borough Council Band D Council Tax

In Section 5.10, the options for the Council Tax increase are discussed in detail. An average Council Tax increase of 0.8% will ensure that the Council has a balanced budget, an average increase of 2.00% will lever in sufficient additional resources to fund the service investment proposals recommended for approval at Appendix 2 and deliver a balanced budget.

12.4 West Sussex County Council and Sussex Police Authority

(a) The County Council requirements are expected to be confirmed on 12th February, 2021. The proposed 2021/22 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 29th January 2021.

	2020/21 £	2021/22 £
West Sussex County Council	1,438.74	t.b.c
Sussex Police Authority	199.91	t.b.c
TOTAL	1,638.65	t.b.c.

12.5 The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Council at its meeting on 23rd February 2021.

13.0 LEGAL IMPLICATIONS

13.1 The Local Government Act 2003 requires that the Council sets a balanced budget. This report demonstrates how Adur District Council will meet this requirement for 2021/22.

14.0 CONCLUSION

- 14.1 This has been a significantly challenging year in which the Council has had to address a budget shortfall of £1.15m whilst contending with a pandemic. The Government is providing more support in 2021/22 however much of this support is one-off in nature and related to the pandemic, consequently these additional resources have been set aside to support the Council in managing the risks associated with the pandemic. To meet this challenge the Council has identified £1.15m of savings and is now in the position to set a balanced budget.
- 14.2 However, with the further delay to the Fair Funding Review, the financial challenge now moves to 2022/23 which will again be difficult as the Council grapples with the impact reducing government funding and the building capacity to invest in the initiatives detailed in Platform for our Places. Consequently, the strategy of delivering commercial income growth and business efficiencies continues to play a vital role in balancing the budget.
- 14.3 Provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as government

funding reduces and we become largely funded by our community through Council Tax, retained Business Rates and income from our commercial services.

- 14.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 14.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 14.6 Finally, in preparing the strategy and forecast for 2021/22 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

Local Government Act 1972

Background Papers:

Report to Joint Strategic Committee 7th July 2020 – Impact of Covid 19 on the Council's finances - Update on current financial performance and developing a revenue budget for 2021/22

Report to the Joint Strategic Committee 1st December 2020 'Towards a sustainable financial position - Budget update '

Report to the Joint Strategic Committee 1st December 2020 'Investing for the future: Capital Investment Programme 2021/22 to 2023/24'

Local Authority Finance (England) Settlement Revenue Support Grant for 2021/22 and Related Matters: MHCLG Letters and associated papers of 17th December 2020.

2020 Spending Review – On-the-day briefing

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 2019/20

Report to Joint Strategic Committee 1st December 2020 – 2nd Revenue Budget Monitoring Report (Q2)

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

- 2.1 **Social Value** Matter considered and no issues identified
- 2.2 Equality Issues Matter considered and no issues identified
- 2.3 **Community Safety Issues (Section 17)** Matter considered and no issues identified
- 2.4 **Human Rights Issues** Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

	WORTHING BOROUGH COUNCIL						
	Revenue Budget Summary	Statement	2020/21	2025/26			
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		Base					
Net	Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
	Base budget	13,359	13,359	13,359	13,359	13,359	13,359
(a)	Annual Inflation						
	Estimated inflation		349	799	1,248	1,687	2,134
	Impact of 2020/21 pay rise		119	121	123	125	128
(b)	One -off / non-recurring items						
	Local Elections (held every other year - deferred in 2020/21 due to the pandemic)		-	-50	-	-	-
(c)	Impact of Covid 19 pandemic						
	Delay to Fairer Funding Review - Homeless funding to continue for 2021/22		-86	272	272	272	272
	Increase in demand for homelessness accommodation		166	166	166	166	166
	Final cost of support for leisure provision		198	-	-	-	-
	Reduction in commercial income						
	Car parking income		300	300	300	300	300
	Trade Waste income		53	53	53	53	53
	Council Tax Support - discretionary reliefs		133				
	Covid 19 contingency budget		647				
(d)	Impact of funding 'Platforms'						
	Grafton site: Reduction in commercial rents		142	142	142	142	142
	Gigabit Project - financing costs and public wifi		64	64	64	64	64
	Measures to reduce waste		-	128	128	128	128
	Refurbishment of High Street Car Park - Financing costs		4	50	259	259	259
	Refurbishment of Buckingham Road car park - Financing costs		60	192	192	192	192
	Worthing Integrated Care Centre - closure of Town Hall car park		59	59	59	59	59
	Brooklands improvement programme - net costs		20	27	43	43	43
	General provision for future impact of major projects			273	330	487	644

	WORTHING BOR	ROUGH CC	DUNCIL				
	Revenue Budget Summary	Statement	t 2020/21 ·	- 2025/26			
		-					
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		Base					
Net S	Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
(e)	Treasury Management						
	Financing costs - General Programme		-436	-130	-21	300	600
I	Investment income		105	62	6	-65	-153
(g)	Other items						
(3)	Fall out of SDLT pension costs.		-18	-36	-36	-36	-36
1	Triennial pension valuation - Reduction in		-135	-310	-315	-315	-315
l	contributions						
1	Building maintenance		50	100	100	100	100
	Loss of rental income from registrars		21	21	21	21	21
1	Committed growth items approved in December		260	350	440	530	620
	Increase in energy costs		6	6	6	6	6
	Floral displays		40	40	40	40	40
(h)	Approved Growth items						
	Provision for new growth items (see appendix 2).		117	207	297	387	477
Tota	I Executive Member Requirements	13,359	15,597	16,265	17,276	18,304	19,303
Inco	me from taxation:						
	Retained business rates:						
	Baseline funding	2,693	2,693	2,747	2,802	2,858	2,915
	Add: Net retained additional business rates	649	716	372	378	381	392
	Adjusted business rate income	3,342	3,409	3,119	3,180	3,239	3,307
	Council Tax income	9,524	9,681	9,914	10,153	10,397	10,648
	Other Grants and Contributions:						
	New Homes Bonus	524	408	68	-	-	-
	Lower Tier Services Grant		203				
	Local tax compensation scheme		55	55	55		
	Covid 19 Funding Allocation		550				
	Covid 19 Funding - Council Tax Support Grant		133				
	Collection fund surplus/deficit (-)	-31	9	-31	-31	-	-
	Total other grants and contributions	493	1,358	92	24	-	-
	Total Income from Toyotion	12 250	14 440	12 125	12 257	12 626	12 055
l	Total Income from Taxation	13,359	14,448	13,125	13,357	13,636	13,955

WORTHING BOP	ROUGH CO	DUNCIL				
Revenue Budget Summary	Statement	t 2020/21 ·	- 2025/26			
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,149	3,140	3,919	4,668	5,348
Savings / Initiatives identified to date:						
Strategic Property Investment Fund						
Future property purchases		200	400	600	800	1,000
Provision for future voids and repairs		-100	-200	-300	-400	-500
Wellbeing centre and car park			40	352	352	352
Affordable Housing Programme						
Approved projects		129	129	129	129	129
Commercial activities and commissioning						
Commercial and Customer Activities		279	729	1,179	1,629	2,079
Efficiency Measures						
Service and Digital redesign programme		27	147	267	387	507
Corporate Landlord Programme		260	365	470	660	850
Other efficiency savings (net of growth)		354	354	354	354	354
Total savings initiatives identified to date		1,149	1,964	3,051	3,911	4,771
Cumulative savings still to be found/ (surplus)		0	1,176	868	757	577
Annual savings still to be found		0	1,176	-308	-111	-179

		E	xpected co	st (cumula	ative)	
		2021/22	2	2022	/23 and b	eyond
Service reinvestment proposal	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
	£	£	£	£	£	£
Digital Apprentices						
With the success of our in-house digital team during COVID-19 (building several applications to support residents and businesses), we see even more opportunities to develop our digital services to better meet the needs of our communities. The move to digital channels has rapidly accelerated and this increased internal capacity will help us maximise the opportunity. Two digital apprenticeships are proposed which will provide much needed opportunities for the young or those looking to re-skill.	50,000	20,000	30,000	50,000	20,000	30,000
Quatainability 9. Environmental Initiativas						
Sustainability & Environmental Initiatives						
Our ambitious plans require us to conduct feasibility studies and project work to ensure that the Council meets its Platform commitments. Feasibility studies serve to unlock significant government grant funding and support for community projects will unlock significant voluntary capacity, following on from the recommendations expected from the Climate Assembly.	50,000	20,000	30,000	50,000	20,000	30,000

		E	cpected cos	st (cumula	tive)		
Data lead The use data of is a critical capability in a modern, digital organisation. In order to take he next step in our digital journey and build our skills and capacity in this area we want to appoint a data lead who will be able to drive forward development of our data skills and nfrastructure. A report to the Joint Strategic		2021/22		2022/23 and beyond			
Service reinvestment proposal	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing	
	£	£	£	£	£	£	
Data lead	95,000	38,000	57,000	95,000	38,000	57,000	
The use data of is a critical capability in a modern, digital organisation. In order to take the next step in our digital journey and build our skills and capacity in this area we want to appoint a data lead who will be able to drive forward development of our data skills and infrastructure. A report to the Joint Strategic Committee on the 9th February will provide further details on this area of work.							
Impact of growth proposals	195,000	78,000	117,000	195,000	78,000	117,000	

SCHEDULE OF EARMARKED RESERVES

APPENDIX 3

WORTHING BOROUGH	Balance as at 01.04.20	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.21	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.22
 CAPACITY ISSUES RESERVE Purpose: 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. 	£'000 1,361	£'000 -	£'000 (711)	£'000 650	£'000 -	£'000 -	£'000 650
 INSURANCE RESERVE Purpose: The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings. 	248	26	(30)	244	30	(30)	244
 JOINT HEALTH PROMOTION Purpose: The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects. 	1	_		1	-	-	1
 PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties 	200	-	-	200	-	-	200
 5. LEISURE LOTTERY & OTHER PARTNERSHIP Purpose: The Leisure, Lottery & Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies & other funding agencies & organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid & the Football Foundation bid. 	28 C	-	-	28	-	-	28
	C	= Capital Contrib	ution				

SCHERULE OF EARMARKED RESERVES

APPENDIX 3

WORTHING BOROUGH	Balance as at 01.04.20	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.21	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6. MUSEUM RESERVE Purpose:	106	-	-	106	-	-	106
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.							
7. THEATRE CAPITAL RESERVE Purpose:	109	TBC	TBC	109	TBC	TBC	109
Established in 2013/14 to fund refurbishment and other							
works for all of WBC's theatres.							
8. SPECIAL AND OTHER	3	-	-	3	-	-	3
EMERGENCY EXPENDITURE The Special and Other Emergency Expenditure							
Reserve was set up to fund strategic or unforeseen							
one-off expenditure, which may arise.							
9. GRANTS & CONTRIBUTIONS	806	-	-	806	-	-	806
Held in reserves*							
10. BUSINESS RATES SMOOTHING RESERVE	437	6,317	-	6,754	-	(6,562)	192
11. CREMATORIUM IMPROVEMENT RESERVE	-	60	(60)	-	60	(60)	-
12. PROJECTED UNDERSPEND		-	(9)	(9)	150	-	141
Reserves to be identified at outturn.			*see below	. ,			-
13 GENERAL FUND WORKING BALANCE	1,543			1,543			1,543
14 CAPITAL EXPENDITURE RESERVE	30	-	(30)	-	-	-	-
TOTAL	4,872	6,403	(840)	10,435	240	(6,652)	4,023
	* Contribution	n to be confirmed	at the year-end				

	PROPER	TY ANALY	SIS AND C	ALCULATIC	ON 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		11,423.00		9,601.00		2,365.00	903.00	25.00	51,052.00
Less: Exemptions	0.00	-195.00	-216.00				-23.00	-12.00	0.00	-771.00
Dischlad Daliaf Adjustment (nat)	0.00	7,915.00	,		9,479.00		2,342.00	891.00	25.00	50,281.00
Disabled Relief Adjustment (net)	8.00	32.00	21.00	-12.00	14.00	-31.00	6.00		-17.00	0.00
Chargeable Dwellings	8.00	7,947.00	11,228.00	12,958.00	9,493.00	5,421.00	2,348.00	870.00	8.00	50,281.00
Broken down as follows:										
Full Charge	4.00	2,645.00	6,126.00	8,797.00	6,912.00	4,182.00	1,893.00	706.00	5.00	31,270.00
25% Discount (Including Adj for SP dis)	4.00	5,229.00	,	· ·	,			134.00	0.00	18,722.00
50% Discount	0.00	3.00	10.00		14.00	14.00	44.00	28.00	3.00	125.00
Second Homes 0% discount	0.00	68.00	103.00		93.00	68.00	20.00	10.00	1.00	487.00
Empty receiving 0% discount 100% Discount LT Empty	0.00 0.00	246.00 39.00	179.00 25.00		66.00 5.00	25.00 3.00	16.00 0.00	10.00	0.00 0.00	660.00 87.00
0% Discount (Long Term Empty Homes)	0.00	39.00 31.00	23.00	4.00	5.00 13.00	3.00 4.00	1.00	1.00 1.00	0.00	77.00
	7.00	6,636.25	9,963.00	11,910.00	8,857.75			822.50	6.50	45,539.00
Total Equivalent Number of Dwellings	7.00	0,030.25	9,903.00	11,910.00	0,007.70	5,111.50	2,224.30	022.30	0.50	45,539.00
Total Equivalent Number of Dwellings (after family annexe)	7.00	6,631.87	9,963.00	11,910.00	8,857.75	5,111.50	2,224.50	822.50	6.50	45,534.62
Reduction in tax base due to Council Tax										
Support	1.64	1,415.23	1,304.62	920.97	312.90	109.87	25.07	4.01	0.00	4,094.31
Adjusted equivalent total dwellings	5.36	5,216.64	8,658.38	10,989.03	8,544.85	5,001.63	2,199.43	818.49	6.50	41,440.31
Band D Equivalents										
Revenue Support Settlement	3.00	3,477.80	6,734.30	9,768.00	8,544.80	6,113.10	3,177.00	1,364.20	13.00	39,195.20
Add: Forecast new homes	0.00	3,477.00 7.00	0,734.30 10.50	9,768.00 8.40	0,544.60 77.50	42.50	0.70	1,304.20 -0.80	0.00	39,195.20 145.80
Add: Second Homes	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00
Less: Adjustments for Losses on Collection,										
and Void Properties	0.00	0.00	0.00	0.00	210.00	0.00	0.00	0.00	0.00	210.00
COUNCIL TAX BASE	3.00	3,484.80	6,744.80	9,776.40	8,412.30	6,155.60	3,177.70	1,363.40	13.00	39,131.00

WORTHING BOROUGH COUNCIL:

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

Decision

The Executive:-

- (a) approved the proposals to invest in services outlined in Appendix 2;
- (b) recommended to Council the draft budgets for 2021/22 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £14,447,780;
- (c) recommended to Council an increase of 2% in Council Tax, making Band D £247.41 per annum for Worthing Borough Council's requirements in 2021/22, as set out in paragraph 5.10; and
- (d) approved the Council Tax base of 39,131 for 2021/22 as set out in paragraph 12.3.

Reason for Decision

Statutory requirement to set a budget

WORTHING BUDGET 2021/2022



Summary of Executive Member Portfolios WORTHING BOROUGH

COUNCIL

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE	ESTIMATE
	2020/2021	2021/2022
Digital and Environment Health and Wellbeing Customer Services Leader Regeneration Resources Support Services Depreciation Not Charged To Services NET SERVICE EXPENDITURE	£ 2,968,190 1,782,020 5,266,890 887,840 2,154,440 547,330 388,480 13,995,190	£ 3,379,080 1,892,810 5,634,900 1,526,670 2,650,210 618,890 359,420 16,061,980
Credit Back Depreciation / Impairments Minimum Revenue Provision	(3,195,320) 2,472,600 13,272,470	(3,804,240) 1,986,790 14,244,530
Transfer to / from Reserves Investment in Services to be Approved	86,250 -	86,250 117,000
Total budget requirement before external support from government	13,358,720	14,447,780
Baseline Funding Additional business rate income Lower Tier Services Grant Local Tax Guarantee Scheme Covid 19 Funding Allocation Covid 19 Funding - Council Tax Support Grant Other unfenced grants (New homes bonus) Contribution to/ (from) Collection Fund	(2,692,550) (648,590) - - - - (523,660) 30,920	(2,692,550) (716,440) (202,840) (55,390) (549,590) (132,980) (407,590) (9,000)
Amount required from Council Tax	9,524,840	9,681,400
Council Tax Base	39,269.5	39,131.0
Average Band D Council Tax - Worthing Borough % increase	242.55 2.00%	247.41 2.00%

DIGITAL AND ENVIRONMENT PORTFOLIO

WORTHING BOROUGH

(WBC)

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
	£	£
DIRECTOR OF THE ECONOMY Head of Business and Technical Services		
Flood Defence	18,620	21,010
Public Conveniences	373,790	374,810
	392,410	395,820
DIRECTOR FOR COMMUNITIES		
South Downs Leisure	1,092,390	1,298,750
	1,092,390	1,298,750
Head of Environment		
Allotments	15,550	26,020
Cemeteries	36,360	91,400
Crematorium	(1,804,900)	(1,843,620)
Parks	1,712,880	1,888,270
Abandoned Vehicles	1,800	1,800
Clinical Waste	(340)	(620)
Recycling	(211,060)	304,470
Refuse	1,315,380	773,370
Street Cleansing (includes Pest Control and Graffiti)	678,060	721,620
Trade Refuse Vehicle Workshop	(354,540) -	(371,480) -
	1,389,190	1,591,230
Head of Wellbeing		
Pollution Control	94,200	93,280
	94,200	93,280
TOTAL ENVIRONMENT PORTFOLIO	2,968,190	3,379,080

WORTHING - DIGITAL & ENVIRONMENT PORTFOLIO - 2021/2022 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR THE ECONOMY											
Head of Business and Technical											
Services											
Flood Defence	-	1,700	-	-	-	-	-	1,700	19,310	-	21,010
Public Conveniences	-	7,430	268,850	-	-	-	(630)	275,650	7,360	91,800	374,810
DIRECTOR FOR COMMUNITIES							、 <i>、</i> ,				
South Downs Leisure	74,400	6,620	263,920	-	107,540	-	(73,550)	378,930	43,240	876,580	1,298,750
Head of Environment	,	-,	,		- ,		(-,,	,	-, -	,	,,
Allotments	-	7,700	15,700	-	-	-	(50)	23,350	-	2,670	26,020
Cemeteries	-	199,530	136,560	-	14,960	-	(280,480)	70,570	-	20,830	91,400
Crematorium	249,220	153,000	552,200	10	197,360	-	(3,270,280)	(2,118,490)	192,240	82,630	(1,843,620)
Parks	-	124,870	1,191,200	-	157,650	-	(139,500)	1,334,220	236,380	317,670	1,888,270
Abandoned Vehicles	-	-	-	-	1,800	-	-	1,800	-	-	1,800
Clinical Waste	-	15,200	-	-	-	-	(15,820)	(620)	-	-	(620)
Recycling	-	182,730	-	-	-	1,400	-	184,130	-	120,340	304,470
Refuse	-	435,080	-	-	-	-	-	435,080	152,680	185,610	773,370
Street Cleansing Trade Refuse	-	961,100 349,510	-	-	- 738,120	-	(347,440) (1,528,750)	613,660	-	107,960 69,640	721,620
Vehicle Workshop		349,510	-	-	730,120	-	(1,520,750)	(441,120) 0	-	09,040	(371,480)
Head of Wellbeing		-	-	-	-	-	-	0	-	-	0
Pollution Control	-	94,510	-	-	-	-	(3,610)	90,900	-	2,380	93,280
	323,620	2,538,980	2,428,430	10	1,217,430	1,400	(5,660,110)	849,760	651,210	1,878,110	3,379,080
Percentage Direct Cost	5%	39%	37%	0%	19%	0%					

HEALTH AND WELLBEING PORTFOLIO

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
	£	£
DIRECTOR FOR COMMUNITIES Worthing Festival	3,580	3,610
	3,580	3,610
Head of Housing Housing Standards	160,240	163,260
	160,240	163,260
Head of Wellbeing Community Centres & Grants Community Safety Food Safety & Health & Safety Licensing Public Health & Regulation inc Dog Control	460,100 317,130 187,610 126,630 445,230	478,900 321,580 261,220 127,010 454,270
	1,536,700	1,642,980
DIRECTOR OF THE ECONOMY Head of Business and Technical Services		
Bus Shelters, Drainage, Footway Lighting	81,500	82,960
	81,500	82,960
TOTAL HEALTH AND WELLBEING PORTFOLIO	1,782,020	1,892,810

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2021/2022 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES Worthing Festival			3,130		480			3,610			3,610
3	-	-	3,130	-	480	-	-	3,010	-	-	3,010
Head of Housing Housing Standards	-	161,680	-	-	1,680	-	(100)	163,260	-	-	163,260
Head of Wellbeing											
Community Centres & Grants	-	155,170	19,000	-	173,410	-	-	347,580	128,890	2,430	478,900
Community Safety	-	178,090	3,940	-	19,980	-	-	202,010	119,570	-	321,580
Food Safety & Health & Safety	-	177,520	-	-	650	-	(60)	178,110	83,110	-	261,220
Licensing	-	241,140	-	-	3,930	-	(231,740)	13,330	113,680	-	127,010
Public Health & Regulation inc Dog Control	-	213,940	-	-	35,170	-	(5,080)	244,030	203,220	7,020	454,270
DIRECTOR FOR THE ECONOMY Head of Business and Technical Services											
Bus Shelters, Drainage, Footway Lighting	-	-	75,990	-	-		-	75,990	6,970	-	82,960
	0	1,127,540	102,060	0	235,300	0	(236,980)	1,227,920	655,440	9,450	1,892,810
Percentage Direct Cost	0%	77%	7%	0%	16%	0%					

CUSTOMER SERVICES PORTFOLIO

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
DIRECTOR FOR COMMUNITIES Head of Housing	£	£
Housing including Homelessness Housing Strategy Housing Improvement Assistance	2,002,080 115,040 100,390	2,053,490 116,820 121,850
	2,217,510	2,292,160
Head of Wellbeing Community Centres	2,920	2,960
	2,920	2,960
DIRECTOR OF THE ECONOMY Culture client	2,329,230	2,465,020
	2,329,230	2,465,020
Head of Business & Technical Services Wedding venue	(13,860)	(13,860)
	(13,860)	(13,860)
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES Chief Finance Officer		
Fraud, Verification & Adjudication	33,900	165,900
	33,900	165,900
Head of Revenues and Benefits Revenues Includes Non Domestic Rates Benefits	239,470 457,720	260,040 462,680
	697,190	722,720
TOTAL CUSTOMER SERVICES PORTFOLIO	5,266,890	5,634,900

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2021/2022 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR COMMUNITIES	£	£	£	£	£	£	£	£	£	£	£
Head of Housing											
Housing including Homelessness	104,450	729,330	232,420	-	2,699,920	275,840	(2,172,920)	1,869,040	184,450	-	2,053,490
Housing Strategy	-	-	-	-	-	-	-	0	116,820	-	116,820
Housing Improvement Assistance	-	118,360	-	-	-	-	(44,880)	73,480	48,370	-	121,850
Head of Wellbeing											
Community Centres	-	-	2,790	-	-	-	-	2,790	-	170	2,960
DIRECTOR FOR THE ECONOMY											
Director for the Economy											
Culture client	37,460	5,680	163,140	-	1,489,610	-	-	1,695,890	432,290	336,840	2,465,020
Head of Business & Technical											
Wedding venue	-	-	-	-	-	-	(13,860)	(13,860)	-	-	(13,860)
DIRECTOR FOR DIGITAL,											
SUSTAINABILITY AND RESOURCES											
Chief Finance Officer											
Fraud, Verification & Adjudication	-	-	-	-	225,900	-	(60,000)	165,900	-	-	165,900
Head of Revenues and Benefits											
Revenues	-	463,110	-	-	93,820	-	(557,670)	(740)	260,780	-	260,040
Benefits	-	535,080	-	-	30,739,380	-	(31,529,170)	(254,710)	717,390	-	462,680
	141,910	1,851,560	398,350	0	35,248,630	275,840	(34,378,500)	3,537,790	1,760,100	337,010	5,634,900
Percentage Direct Cost	0%	5%	1%	0%	93%	1%					

THE LEADER PORTFOLIO

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
	£	£
CHIEF EXECUTIVE OFFICE Performance and Scrutiny & Covid budget	210	644,210
	210	644,210
DIRECTOR FOR COMMUNITIES Head of Wellbeing		
Democratic Services - Members & Mayoral	453,380	444,270
	453,380	444,270
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES Sustainability		
Energy and Sustainability	77,550	82,080
	77,550	82,080
Head of Customer & Digital Services Elections	356,700	356,110
	356,700	356,110
TOTAL LEADER PORTFOLIO	887,840	1,526,670

WORTHING - THE LEADER PORTFOLIO - 2021/2022 - SUBJECTIVE ANALYSIS

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WORTHING BOROUC

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE Head of Communications											
Performance and Scrutiny inc Covid Budget	-	-	-	-	644,210	-	-	644,210	-	-	644,210
DIRECTOR OF COMMUNITIES											
Head of Wellbeing											
Democratic Services	285,800	142,300	-	1,210	14,960	-	-	444,270	-	-	444,270
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES											
Sustainability											
Energy & Sustainability	-	82,080	-	-	-	-	-	82,080	-	-	82,080
Head of Customer & Digital											
Elections	33,000	133,250	3,030	-	106,830	-	(5,550)	270,560	83,640	1,910	356,110
	318,800	357,630	3,030	1,210	766,000	0	(5,550)	1,441,120	83,640	1,910	1,526,670
Percentage Direct Cost	22%	25%	0%	0%	53%	0%					

REGENERATION PORTFOLIO

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES Head of Customer & Digital Services	£	£
Parking	(855,290)	(711,720)
	(855,290)	(711,720)
DIRECTOR FOR COMMUNITIES Head of Environment Lido/Pier/Southern Pavillion	170.060	194 220
Foreshores	179,960 643,240	184,230 678,210
	823,200	862,440
DIRECTOR OF THE ECONOMY Head of Business and Technical Services		
Emergency Planning & Business Continuity Coastal Protection, Street Nameplates, Pedestrian Precincts Seats & Public Clock	34,640 129,360 13,780	34,640 151,600 13,920
	177,780	200,160
Grants Commit to Culture	89,330	96,000
	89,330	96,000
Head of Planning & Development Planning Policy Development Control	410,120 837,980	403,720 871,370
Building Control	145,200	152,030
Head of Place & Economy	1,393,300	1,427,120
Economic Development (including Tourism)	472,370	500,460
	472,370	500,460
Head of Major Projects & Investment Major Projects	53,750	275,750
	53,750	275,750
TOTAL REGENERATION PORTFOLIO	2,154,440	2,650,210

WORTHING - REGENERATION PORTFOLIO - 2021/2022 - SUBJECTIVE ANALYSIS

WBC

WORTHING BOROUGH

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES	£	£	£	£	£	£	£	£	£	£	£
Head of Customer & Digital Services Parking		440.000	744 450	4.400	400.000		(2.040.000)	(4.005.070)	202.200	044 500	(744,700)
	-	440,620	741,450	4,100	188,360	-	(3,010,200)	(1,635,670)	282,390	641,560	(711,720)
Head of Environment											
Lido/Pier/Southern Pavillion	-	-	267,860	-	5,740	-	(114,040)	159,560	-	24,670	184,230
Foreshores	-	225,540	411,810	3,720	31,720	-	(458,430)	214,360	185,780	278,070	678,210
DIRECTOR OF ECONOMY											
Head of Business and Technical											
Services Emergency Planning & Business											
Continuity	-	8,380	-	-	-	-	-	8,380	25,700	560	34,640
Coastal Protection, Street Nameplates,	-	-	107,330	-	4,890	-	(25,260)	86,960	45,990	18,650	151,600
Pedestrian Precincts Seats & Public Clock			13,920		· · ·			13,920			13,920
Grants			10,320	_	_		_	10,320	_	_	10,020
Commit to Culture	89,020	-	-	-	-	-	-	89,020	-	6,980	96,000
Head of Planning & Development											
Planning Policy	-	198,140	-	-	19,790	-	-	217,930	185,790	-	403,720
Development Control	-	957,570	-	-	50,190	5,380	(552,020)	461,120	410,220	30	871,370
Building Control Head of Place & Economy	-	347,190	-	-	4,020	-	(399,700)	(48,490)	200,520	-	152,030
Economic Development (including											
Tourism)	-	295,160	8,970	-	135,230	-	(116,550)	322,810	153,610	24,040	500,460
Head of Major Projects & Investment											
Major Projects	-	-	-	-	275,750	-	-	275,750	-	-	275,750
	89,020	2,472,600	1,551,340	7,820	715,690	5,380	(4,676,200)	165,650	1,490,000	994,560	2,650,210
Percentage Direct Cost	2%	51%	32%	0%	15%	0%					

RESOURCES PORTFOLIO

WBC WORTHING BOROUGH

SERVICE	ESTIMATE 2020/2021	ESTIMATE 2021/2022
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES Chief Financal Officer	£	£
Corporate Management Treasury Management	3,143,900 2,282,270	3,020,360 2,271,650
	5,426,170	5,292,010
DIRECTOR OF THE ECONOMY Head of Business and Technical Services Administrative Buildings Meadow Road Depot	(780) 80	(790) 180
	(700)	(610)
Head of Major Projects & Investment Estates - Core Estate & New Investments	(4,885,320) (4,885,320)	(4,659,210) (4,659,210)
Head of Planning & Development Land Charges	7,180	(13,300)
	7,180	(13,300)
TOTAL RESOURCES PORTFOLIO	547,330	618,890

WORTHING - RESOURCES PORTFOLIO -2021/2022 - SUBJECTIVE ANALYSIS

WBC

WORTHING BOROUC

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR DIGITAL, SUSTAINABILITY AND RESOURCES Chief Finance Officer	£	£	£	£	£	£	£	£	£	£
Corporate Management	1,787,100	643,170	(50,270)	347,460	-	(144,810)	2,582,650	437,710	-	3,020,360
Treasury Management	-	-	-	2,847,250	-	(576,250)	2,271,000	650	-	2,271,650
DIRECTOR OF ECONOMY										
Head of Business and Technical Services										
Administrative Buildings	-	-	-	-	-	(790)	(790)	-	-	(790)
Meadow Road Depot	-	19,970	60,800	3,390	80	(103,340)	(19,100)	-	19,280	180
Head of Major Projects & Investment										
Estates - Core Estate & New Investments	-	24,600	483,760	27,340	-	(5,444,700)	(4,909,000)	13,800	235,990	(4,659,210)
Head of Planning & Development										
Land Charges	-	71,760	-	46,710	-	(191,550)	(73,080)	59,780	-	(13,300)
	1,787,100	759,500	494,290	3,272,150	80	(6,461,440)	(148,320)	511,940	255,270	618,890
Percentage Direct Cost	28%	12%	8%	52%	0%					

PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY

1. THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2023/24

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans. The approval of the indicators is a statutory requirement by regulations issued under the Local Government Act 2003.

1.1 **Capital expenditure**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts.

The tables below summarise the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a financing or borrowing need.

Capital expenditure	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	£m	£m	£m	£m	£m
Non-HRA Loan to GB Met Strategic property purchases	14.439 5.000 45.047	19.944 0.000 47.428	16.550 0.000 0.000	9.842 0.000 0.000	5.271 0.000 0.000
TOTAL	64.486	67.372	16.550	9.842	5.271
Financed by: Capital receipts Capital grants and contributions Revenue Reserves & contributions	2.247 2.471 1.654	1.842 7.971 2.609	0.000 5.468 3.201	0.012 1.433 3.538	0.000 0.750 3.796
Net financing need for the year	58.114	54.950	7.881	4.859	0.725

WORTHING BOROUGH COUNCIL

1.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Councils' Capital Financing Requirement (CFR). The CFR is simply the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Councils' indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used. The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Councils' borrowing requirement, these types of scheme include a borrowing facility and so the Councils are not required to separately borrow for these schemes. The Councils currently do not have any such schemes within the CFR. The Councils are asked to approve the CFR projections below:

Capital Financing Requirement (£m)	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
CFR – non-HRA CFR - strategic	57.436 71.352	66.016 117.722	75.856 115.763	82.716 113.762	85.482 111.721
Total CFR	128.788	183.738	191.619	196.478	197.203
Movement in CFR	58.114	54.950	7.881	4.859	0.725
Movement in CFR represented by Net financing need for the year (above)	59.571	57.160	10.869	8.251	4.437
Less: MRP/VRP and other financing movements	(1.457)	(2.210)	(2.988)	(3.392)	(3.712)
Movement in CFR	58.114	54.950	7.881	4.859	0.725

WORTHING BOROUGH COUNCIL

1.3 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that the gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the

estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Financial Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Worthing BC External Debt £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt at 1 April	(67.250)	(128.071)	(183.021)	(190.902)	(195.761)
Expected change in Debt Other long-term liabilities (OLTL)	(60.821) 0.000	(54.950) 0.000	(7.881) 0.000	(4.859) 0.000	(0.725) 0.000
Actual gross debt at 31 March	(128.071)	(183.021)	(190.902)	(195.761)	(196.486)
The Capital Financing Requirement	128.788	183.738	191.619	196.478	197.203
Under/(over) borrowing	0.717	0.717	0.717	0.717	0.717

1.4 **Treasury Indicators: limits to borrowing activity**

The operational boundary - This is the limit which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

WORTHING BOROUGH COUNCIL

Operational boundary £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	5.0	4.7	4.5
Other Debt	169.0	177.0	182.3	182.5
Other long term liabilities	1.0	1.0	1.0	1.0
Total	185.0	193.0	198.0	198.0

The authorised limit for external debt - A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- 1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
- 2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	5.0	4.7	4.5
Other Debt	174.0	182.0	187.3	187.5
Other long term liabilities	1.0	1.0	1.0	1.0
Total	190.0	198.0	203.0	203.0

WORTHING BOROUGH COUNCIL

1.5 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicators and limits:

WORTHING BOROUGH COUNCIL

MAXIMUM PROPORTION OF PRINCIPAL SUMS INVESTED > 365 DAYS							
	2021/22 2022/23 20						
Principal sums invested > 365 days	50%	50%	50%				

1.6 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Worthing	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	%	%	%	%	%
Non-HRA	6.91	10.02	8.66	10.85	11.25
Commercial activities	(10.42)	(11.69)	(12.16)	(14.17)	(16.10)
TOTAL	(3.51)	(1.67)	(3.50)	(3.32)	(4.85)

WORTHING BOROUGH COUNCIL

1.7 Maturity structure of borrowing

These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits. The Council does not have any variable rate borrowing.

The Council is asked to approve the following treasury indicators and limits:

Limits to maturity structure of fixed interest rate borrowing 2021/22								
	Lower Limit Upper Limit							
Under 12 months	0%	35%						
12 months to 2 years	0%	40%						
2 years to 5 years	0%	75%						
5 years to 10 years	0%	75%						
10 years to 20 years	0%	75%						
20 years to 30 years	0%	75%						
30 years to 40 years	0%	75%						
40 years to 50 years	0%	75%						

2. MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

2.1 The Council is required to set aside funds to repay the accumulated General Fund debt associated with the capital investment programme each year (the CFR) through a revenue charge to the General Fund budget (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

MHCLG regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

For Worthing Borough Council, the MRP relating to built assets under construction will be set aside once the asset is completed. If any finance leases are entered into, the repayments are applied as MRP.

The Council is recommended to approve the following MRP Statement:

2.2 General Fund

For capital expenditure after 1st April 2008 the MRP will be calculated as the annual amount required to repay borrowing based on the annuity method: equal annual payments of principal and interest are calculated, with the interest element reducing and the principal element increasing over the life of the asset as the principal is repaid. The interest is based on the rate available to the Council at the beginning of the year in which payments start and the MRP is calculated as the amount of principal, so that by the end of the asset's estimated life the principal is fully repaid (the Asset Life Method). The option remains to use additional revenue contributions or capital receipts to repay debt earlier.

An exception was agreed in the 2015/16 Treasury Management Strategy Statement: the Chief Financial Officer has discretion to defer MRP relating to debt arising from loans to Registered Social Landlords (RSLs) to match the profile of debt repayments from the RSL and other public bodies. RSLs normally prefer a maturity type loan as it matches the onset of income streams emanating from capital investment with the timing of the principal debt repayment. The deferral of MRP to the maturity date would therefore mean that MRP is matched at the same point as the debt is repaid, and is therefore cash (and revenue cost) neutral to the Council.

If concerns arise about the ability of the borrower to repay the loan, the Chief Financial Officer will use the approved discretion to make MRP as a "prudent provision" from the earliest point to ensure that sufficient funds are set aside from revenue to repay the debt at maturity if the RSL defaults.



Council 23rd February 2021 Agenda Item 9 Ward: All

2021/22 COUNCIL TAX RESOLUTION

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

1.1 The purpose of this report is to enable the Council to calculate and approve the Council Tax requirement for 2021/22.

2.0 BACKGROUND

- 2.1 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and requires the billing authority to calculate a council tax requirement for the year.
- 2.2 The Chancellor introduced a new social care precept which allowed those Councils with responsibility for Adult Social Care an additional annual increase in Council Tax. This flexibility is available to West Sussex County Council and for 2021/22 is capped at an additional 2%.
- 2.3 Since the meeting of the Executive the precept levels of other precepting bodies have been received. These are detailed in the paragraphs below.

3.0 PROPOSALS

3.1 Worthing Borough Council

The Worthing Borough Council Precept for 2021/22 is detailed in the Appendix A and totals **£9,681,400**. The increase in the average Band D Council Tax for Worthing Borough Council is **2.0%** and results in a Band D Council Tax figure of **£247.41** for 2021/22.

- 3.1.1. Section 30(1) of the Local Government Finance Act 1992 requires the Council to set an amount of Council Tax each financial year for each category of dwelling in its area. Worthing Borough Council, as a billing authority for the purposes of Council Tax, is required to set its Council Tax before 11th March in the financial year preceding that for which the Council Tax is set.
- 3.1.2 These amounts are based on the Council's own budget, plus shares of the budget for West Sussex County Council and The Police and Crime Commissioner for Sussex, all divided by the tax base. At its meeting on 1st February 2021, the Executive approved the tax base for the Worthing Borough Council for 2021/22 totalling **39,131.0** Band D equivalents.

3.0 PROPOSALS

3.1 Worthing Borough Council

- 3.1.3 For the purpose of calculating council tax, dwellings are allocated to valuation bands and the amount of Council Tax paid for dwellings in each band is calculated using nationally set weightings for each band.
- 3.1.4 Since the meeting of the Executive on 1st February 2021, the precept levels of the other precepting bodies have been received. These are detailed as follows:

West Sussex County Council

West Sussex County Council met on 12th February 2021 and set their precept at **£59,109,723.36**. This results in a Band D Council Tax of **£1,510.56**. This includes an amount for the new social care precept, which has been set at **£169.69** per Band D property.

The Police and Crime Commissioner for Sussex

The Police and Crime Commissioner for Sussex met with the Police and Crime Panel who approved the Commission proposal on 29th January 2021. The Council has now received the precept notification of **£8,409,643.21**. This results in a Band D Council Tax of **£214.91**.

3.2 **Explanatory Note**

- 3.2.1 The Act specifies the calculations required and the resolution is structured to meet those requirements. The resolution is divided into the following sections:
 - a) <u>Council Tax Base (Resolution 1)</u>

This resolution stipulates the Council Tax Base for the forthcoming financial year, as agreed by the Executive at its meeting on 1st February 2021.

b) <u>Council Tax Requirement (Resolution 2)</u>

This resolution sets the Council's own Council Tax Requirement for the purpose of setting council tax. It represents the amount of council tax that the Council must collect from the council tax payers in its area to fund the budget for its own activities for the forthcoming year.

The Council Tax Requirement is calculated by taking the Council's Net Revenue Budget for 2021/22 of **£9,681,400**, and deducting the aggregate of the amount of support the Council receives from the government in the form of Baseline Funding and Additional Business Rate income, and transfers to or from the Collection Fund, and other government funding.

3.0 PROPOSALS

c) Basic Amount of Council Tax (Resolution 3)

This resolution sets the Basic Amount of Council Tax for the Council's area.

d) Precepts of Major Precepting Authorities (Resolution 4)

As a billing authority, the Council also collects council tax in its area on behalf of West Sussex County Council and The Police and Crime Commissioner for Sussex. The amount that they precept is based on their Council Tax Requirement, divided between West Sussex districts and boroughs in proportion to the number of Band D equivalent dwellings in each district/borough area.

e) <u>Setting of Council Tax (Resolution 5)</u>

This resolution sets out the total amount of council tax payable for each category of dwelling, including the basic amount for the Council's area plus the amounts precepted by West Sussex County Council and The Police and Crime Commissioner for Sussex.

4.0 CONCLUSIONS

- 4.1 The recommendations of the Executive are set out in the formal Council Tax Resolution in Appendix A.
- 4.2 If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2019/20 £	2020/21 £	Increase %
Worthing BC West Sussex County Council total split	242.55 1,438.74	247.41 1,510.56	2.00 4.99
as below: West Sussex County Council – Core Precept	1,312.21	1,340.87	
West Sussex County Council - Adult Social Care Precept	126.53	169.69	
Sussex Police and Crime Commissioner	199.91	214.91	7.50
TOTAL	1,881.20	1,972.88	4.87

5.0 RECOMMENDATION

5.1 Council is recommended to approve the formal Council Tax resolution for Worthing Borough Council at Appendix A including the Council's specific Council Tax for 2021/22 which is to be **£247.41** for a Band D equivalent property.

Background Papers

Budget Estimates 2021/22 and the setting of 2021/22 Council Tax Report submitted to the Executive on 1st February 2021;

Local Government Finance Act 1992; http://www.legislation.gov.uk/ukpga/1992/14/contents

Localism Act 2011 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/18965 34.pdf

Local Authority Finance (England) Settlement Revenue Support Grant for 2020/21 and Related Matters: DCLG Letters and associated papers of 23rd December 2019. https://www.gov.uk/government/speeches/provisional-local-government-finance-settlement -2020-to-2021-statement

Council Tax (Demand Notices) (England) (Amendment) Regulations 2020 <u>https://www.gov.uk/government/publications/council-tax-information-letter-14-january-2020</u>

WORTHING BOROUGH COUNCIL - COUNCIL TAX RESOLUTION

The council is recommended to resolve as follows:

- 1. It be noted that on 1st February 2021, the Executive calculated the Council Tax Base 2021/22 as **39,131.0** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")];
- 2. That the Council Tax requirement for the Council's own purposes for 2021/22 is £9,681,400.
- 3. That the following amounts be calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Act:

(a)	£79,535,819	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£69,584,419	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£9,681,400	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).
(d)	£247.41	being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
(e)	£0.00	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
(f)	£247.41	being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.

WORTHING BOROUGH COUNCIL – COUNCIL TAX RESOLUTION

4. That it be noted that for the year 2021/22 the West Sussex County Council and The Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below:-

All of the Council's Area	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2021/22	£	£	£	£	£	£	£	£
Worthing Borough Council	164.94	192.43	219.92	247.41	302.39	357.37	412.35	494.82
West Sussex County Council Total as split below:	1,007.04	1,174.88	1.342.72	1,510.56	1,846.24	2,181.92	2,517.60	3,021.12
West Sussex Council – Core	893.91	1,042.90	1,191.88	1,340.87	1,638.84	1,936.81	2,234.78	2,681.74
West Sussex County Council – Adults Social Care element	113.13	131.98	150.84	169.69	204.40	245.11	282.82	339.38
The Police and Crime Commissioner for Sussex	143.27	167.15	191.03	214.91	262.67	310.43	358.18	429.82

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in table shown above, as the amounts of Council Tax for the year 2021/22 for each part of its area and for each of the categories of dwellings.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
All of the Council's Area	1,315.25	1,534.46	1,753.67	1,972.88	2,411.30	2,849.72	3,288.13	3,945.76

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Agenda Item 10



Council 23 February 2021 Agenda Item 10

Updated Report of the Leader on Decisions taken by Executive Members and the Joint Strategic Committee since the last meeting of Council

A Decisions Taken by Individual Executive Members

Listed below is a summary of decisions taken by the individual Executive Members since the dispatch of the agenda for the last Ordinary Council Meeting. Full details can be found on the Executive Members Decisions webpage

Leader

Executive Member for Regeneration

W/REG/002/20-21Planning and Climate Change Interim Checklist (June 2020)W/REG/007/20-21Release of s106 Funds to help deliver a new footpath through
Northbrook Recreation Ground linking to Titnore LaneW/REG/008/20-21S106 Monitoring FeeW/REG/009/20-21Local Development Scheme

Executive Member for Resources

JAW/017/20-21	Cannon House Refurbishment
JAW/018/20-21	2020/21 Local Schemes for Business Rates Discretionary Relief

Executive Member for Customer Services

JAW/024/20-21 Purchase of Land at North Road Lancing

*The Worthing Executive Member for Customer Services agreed to abstain from the decision as it was an Adur matter.

Executive Member for Digital and Environmental Services

JAW/016/20-21 Award of Contract - Revenues & Benefits system JAW/020/20-21 External Funding Award for development of OpenCommunity

Executive Member for Health and Wellbeing

JAW/019/20-21 Food Service Delivery Plan for 2020-21

B. Decisions taken by the Joint Strategic Committee on 12 January 2021

Items related to Adur District Council are not reproduced on this agenda.

Full details can be found by clicking on this link

The matters not appearing elsewhere on the agenda:-

JSC/099/20-21 Adur & Worthing Climate Assembly: recommendations and next steps of the journey

The report updated the Joint Strategic Committee on the highly successful and innovative online *Adur and Worthing Climate Assembly* which, following approval by Joint Strategic Committee in January 2020, engaged local residents on the community response to climate change.

The Adur & Worthing Climate Assembly Recommendations Report produced by DemSoc and Adur & Worthing Councils was appended to the report and the recommendations were presented by Climate Assembly member Mary Frankland.

Assembly Members had considered the question: How can we in Adur and Worthing collectively tackle climate change and support our places to thrive? What does this mean for the way we live and for our local environment?

At the end of the process, members put forward 18 recommendations they felt necessary for communities, organisations and the councils to take forward. These were presented to Committee members.

The report outlined the deliberative process and proposed a series of next steps to follow through on the Assembly recommendations.

Forty Three Assembly members from a variety of backgrounds and ages representing all communities of Adur and Worthing took part in the Assembly. They went through an exacting process over three months, learning about climate challenges and opportunities from expert speakers drawn from national and local organisations.

A Survey of Assembly Members confirmed the Assembly had been a positive experience and would have positive ongoing impact:

- 97% felt inspired by what was achieved by working together
- 83% feel they have more knowledge about climate change
- 89.5% felt the Climate Assembly will lead to positive changes and will support our places to thrive
- 67% want to now get involved in actions to help tackle climate change
- 97% were happy they took part

During consideration of the item, Members discussed the ACOM report, the

continued promotion of cycling and walking, publication of the Councils' Carbon Audits and availability of resources in future to fund the delivery of this work.

Members thanked all of the Climate Assembly Members for their participation and welcomed the ambitious recommendations.

The recommendations were proposed by Councillor Daniel Humphreys, seconded by Councillor Angus Dunn and unanimously supported by the Committee.

Decision:

That the Joint Strategic Committee

- I. noted the success of the Climate Assembly and recognised the extraordinary commitment shown by Assembly Members during the 3 month Assembly process;
- II. formally received the Assembly recommendations, in particular those which fell within the remit of the councils to take forward; and
- III. approved the proposed next steps (Appendix 5) to start working up the response to the recommendations.

JSC/100/20-21 JOSC Review of Climate Change

The report provided a response and recommendations to the Joint Strategic Committee to the recommendations contained within the Joint Overview and Scrutiny working group review of Climate Change initially presented to this committee in November 2020.

The report by the Joint Overview and Scrutiny Working Group produced 10 recommendations. The very fast moving nature of work on the climate and sustainability agenda through *Platforms for our Places* and *SustainableAW* had seen several of the recommendations implemented since the Working Group concluded.

The recommendations already actioned include:

- 1.1.1. The publication of the annual report on council carbon reduction;
- 1.1.2. Learning from best practice at other councils through the *UK100 Cities* network, the vanguard group local authorities leading on climate best practice;
- 1.1.3. The development of the *Sustainable Procurement Strategy* and *Sustainability Code of Practice*;
- 1.1.4. The development of a Sustainability Checklist for Planning;
- 1.1.5. A new Sustainable Energy Supplementary Planning Document requiring submission of the energy and carbon strategy of new development;

- 1.1.6. The draft *Worthing Local Plan* has developed energy and carbon standards in advance of national standards; and
- 1.1.7. The allocation of funding for active travel to the County Council, Adur District Council and Worthing Borough Council to enable greater promotion of active travel to the community.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Carson Albury and unanimously supported by the Committee.

Decision:

That the Joint Strategic Committee

- 1. In relation to Recommendation One agreed that officers add the Fairtrade Directory once updated to the council website under SustainableAW pages;
- 2. In relation to Recommendation Three on Adur Homes agreed that officers ensured decarbonisation and energy efficiency opportunities were considered in future Adur Homes capital investment plans.

JSC/101/20-21 Sustainable Procurement Strategy - driving local, social and environmental value through procurement

The procurement strategy was last approved in 2017 with an intended life of three years. The report introduced a new Sustainable Procurement Strategy which highlighted the need to continue to transform the Councils approach to procurement in order to deliver the aspirations in *Platforms for our Places:Going further* and greater environmental impact and social value. The Strategy illustrated how improved procurement activity would help deliver the Councils corporate ambitions for *Platforms.*

The Committee gave consideration to the forms of measurement proposed, the Action Plan and Benchmarking against other authorities. Benchmarking was already proposed with Brighton & Hove City Council and members suggested that further benchmarking should also take place with other District / Borough Councils. Members also discussed the make up of the Procurement Working Group and method of implementation.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Val Turner and unanimously supported by the Committee.

Decision:

That the Joint Strategic Committee

i. approved the Sustainable Procurement Strategy;

- ii. noted the action plan; and
- iii. approved the sustainability code of practice

JSC/102/20-21 An overview of the Adur and Worthing Public Health Strategy

The report provided a high level overview of the progress that had been made on the Councils Public Health Strategy, which was due to come to an end March 2021; discussion of the significant work that had been underway in relation to Covid and the challenges the Councils faced to build back in a post-pandemic world, especially around tackling inequalities and being more inclusive; and a starting point for the development of a new strategy during 2021 which would engage partners and communities.

Members welcomed the report acknowledging the impressive range of work that was being undertaken.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Val Turner and unanimously supported by the Committee.

Decision:

The Joint Strategic Committee noted the contents of the report and strategically supported the proposal to develop a 'place based' approach to tackling health inequalities to meet local needs.

JSC/103/20-21 Partnership Working - National Network of Strategic Coastal Monitoring Programme (2021 to 2027)

The report brought Members up to date with the actions of the officers to secure continuance of the Southeast Strategic Regional Coastal Monitoring Programme (SSRCMP) through the National Network of Regional Monitoring Programmes (National Programme). Both Adur District Council and Worthing Borough Council delivered this service on behalf of partner organisations.

As part of the SSCRMP the Coastal Monitoring Survey Team within Technical Services had successfully executed the monitoring programme for the coastal frontage between Selsey Bill and Beachy Head (Coastal Cell 4d) since 2002. The current National Programme tranche was due to end on 31st March 2021.

The National Programme led by New Forest District Council (NFDC) sought continuance funding through the Environment Agency as a Flood and Coastal Erosion Risk Management (FCERM) project. If successful, the full cost of the monitoring programme would continue to be met via a Service Level Agreement with NFDC. Confirmation of funding was expected in January/February 2021.

The monitoring programme provided freely available data for the justification, design, performance and impact monitoring of any coastal intervention (defence and protection works), monitoring of coastal change (flood and erosion risk) and the wider benefit of an increased understanding of the effects of climate change.

Members welcomed the report, recognising the added benefits of this long lasting partnership. Consideration was given to the options outlined in paragraph 6.3 of the report and the recommendations put forward.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Brian Boggis and unanimously supported by the Committee.

Decision:

That the Joint Strategic Committee

- confirmed its continued support of the National Programme subject to the confirmation of grant funding; and
- delegated authority to the Head of Facilities & Technical Services to continue to deliver the programme within the limits of the Service Level Agreement and funding stream referred to at Clause 3.9.

JSC/104/20-21 Review of decision making in relation to staffing matters

The report requested that Members consider existing governance arrangements surrounding staffing matters and recent practice.

The Committee was advised that this situation had been remedied with Heads of Service being reminded of the correct procedure.

The recommendations in the report were unanimously supported by the Committee.

Decision:

The Joint Strategic Committee noted the contents of the report.

C. Decisions taken by the Joint Strategic Committee on 9 February 2021

Items related to Adur District Council are not reproduced on this agenda.

Full details can be found by clicking on this link

The matters not appearing elsewhere on the agenda:-

JSC/112/20-21 Final Revenue Budget Estimates for 2021/22

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 2021/22 including any adjustments arising from Settlement; and
- An updated outline 5-year forecast

The budgets reflected the decisions taken by members to date in relation to agreed savings proposals and any committed growth. The budgets were still to be adjusted for the proposals to invest in services detailed in Appendix 2 which were considered by Adur and Worthing Executives last week.

The budget was analysed by the Executive Member portfolios. In addition, the draft estimates for 2021/22 had been prepared, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension cost adjustments that did not impact either on the Budget Requirement or the Council Tax Requirement).

The respective Adur and Worthing 2021/22 Estimates and Council Tax setting reports had already been considered by the Worthing Executive on 1st February 2021 and the Adur Executive on 2nd February 2021. Both the estimates for Adur District Council and Worthing Borough Council included their respective share of the cost of the Joint Strategic Committee.

A Member questioned the level of reserves currently held and sought clarification regarding the quantifying of risks. Officers advised that the Council would not need to use reserves to support either the current or next year's budgets. It was noted that reserves had been successfully built over the past couple of years and that contingency budgets had been set aside to manage risks.

The recommendations were proposed by Councillor Daniel Humphreys, seconded by Councillor Angus Dunn and unanimously supported.

Decision

The Joint Strategic Committee

- A. noted the proposals to invest in services outlined in Appendix 2 which were considered at the Executive meetings in early February;
- B. agreed to the proposed 2021/22 budget detailed in Appendix 3 which would be adjusted by any growth proposals approved by the Executives.

JSC/114/20-21 Covid Benefit Measures impact on Vulnerable Residents

Whilst the Councils could not completely avoid the financial impact of the Covid pandemic on more financially vulnerable residents, they could, through proactive use of data, mitigate and help manage that impact. The works reflected the ambitions of 'And then....' in terms of understanding what has been uncovered and illuminated by the Covd-19 pandemic.

The purpose of this work was therefore:

- To provide an overview of the research carried out on behalf of Adur & Worthing Councils by Policy in Practice to look at the impact of benefit and Covid support measure changes on our residents
- To outline the implications and impact of what we have learnt from this research
- To outline planned interventions and next steps.

Members welcomed the report and expressed their support of the approach outlined.

The recommendations were proposed by Councillor Daniel Humphreys, seconded by Councillor Val Turner and unanimously supported.

Decision

The Joint Strategic Committee received and acknowledged the report presented and requested that the Director for Communities report back in 6 months as to the efficacy of the interventions planned to respond to this insight.

JSC/115/20-21 Carbon Neutral 2030 - Reporting on the success of funding applications to the Public Sector Decarbonisation Scheme

The JSC adopted the councils' Carbon Neutral Plan on 3 December 2019. The paper updated members on key progress that had been made in the delivery of the Carbon Neutral Plan, in particular:

 successful bids made to the Government's Public Sector Decarbonisation Scheme (PSDS) totalling in excess of £1.7m; and • the development of a larger pipeline of projects through feasibility studies funded by the Government's Low Carbon Skills Fund (LCSF)

Projects funded through both external funding and from within the existing capital programme were detailed in Appendix 1.

Proposed next steps were set out in Section 6 of the report and approval was sought to create budgets to allow the programme to be delivered expediently and to procure contractors that enabled project delivery.

Additionally, the Committee had approved the joining of UK100, a network of ambitious local authorities tackling climate change on 6 November 2018.

Reflecting the increased ambition of central government, UK100 had since created a new Pledge. The paper recommended formally making this pledge, which reaffirmed the Councils' ambitions to tackle climate change through the Carbon Neutral Plan and Platforms for Our Places .

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Carson Albury and unanimously supported by the Committee.

Decision:

The Joint Strategic Committee

- noted the successful funding applications to the Public Sector Decarbonisation Scheme and Low Carbon Skills Fund;
- approved an amendment to the General Fund capital programme budgets as follows:
 - Adur: £466,000 funded by external funding of £364,970 and a contribution from the contingency budget £101,030;
 - Worthing: £103,850 funded by external funding;
- approved the amendment of the Adur Homes Capital Programme to include schemes of £1.697m funded from external funding of £1,329,200 and by £367,950 from within the 2021/22 Housing Investment Capital Programme;
- delegated to the Director of Digital, Sustainability & Resources the negotiation and letting of any contracts associated with this programme of works in consultation with the Executive Members for Resources providing the same were within the approved budget;

- noted the delivery timescales, consultation proposals and works involved in delivering the carbon reduction projects that formed part of the successful bid and that further bids had been made to the Public Sector Decarbonisation Scheme, as set out in paragraph 4.2 and Appendix 1; and
- agreed that the Councils adopt the new UK100 Pledge, as outlined in Section 8, along with other leading councils and in line with the enhanced ambition shown by central government, as part of its recognition of the responsibility to tackle the climate emergency and protect the environment.

JSC/116/20-21 City Region Bikeshare - transforming travel through collaborating on a pedal and e-bike rental scheme

The report presented members with a significant strategic opportunity for Adur District and Worthing Borough Councils to introduce a large scale bike and e-bike rental scheme to Adur and Worthing through Brighton & Hove City Council's new BTN Bikeshare Procurement Framework.

It confirmed that a full options appraisal, business case and funding strategy would be presented to the Joint Strategic Committee in the coming months, with the current stage being limited to approval to join the BHCC procurement framework thereby securing the option to participate.

The Committee was recommended to consider the benefits of the scheme in the context of expected post COVID commuter and transport patterns and the opportunity to lead and promote sustainable and active travel through a significant, large scale and impactful initiative that would widen access to cycling to a broader range of users through the provision of electric bikes.

The Committee was also recommended to consider the benefits of joining an existing, highly successful bike rental scheme in Brighton & Hove that could transform the way local people travel; open cycling to a wider audience; help reduce congestion, air pollution and

carbon emissions; improve the health of local communities; benefit the visitor economy and increase connectivity across our places.

Members welcomed the opportunity to engage with the wider scheme, acknowledging the need to provide an offer that was beneficial to all.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Angus Dunn and unanimously supported by the Committee.

Decision:

The Joint Strategic Committee

- approved Adur District and Worthing Borough Council becoming party to the BTN Bikeshare Operator Procurement Framework to investigate the delivery of a new Bikeshare scheme under that Framework;
- noted that officers would undertake a full appraisal of all options for delivery; and explore opportunities to secure funding to support the operation of a scheme; bringing proposals to JSC in Autumn 2021 for approval.

JSC/117/20-21 Building the Organisational Data Capability & Capacity

The Committee was recommended to introduce plans to build the councils' data capability and capacity and to outline the resource requirements to support this ambition.

A member questioned whether there was an opportunity to build capacity in house. Officers advised that the internal skill set had been assessed in regards to where the Councils were and where they needed to get to. It was acknowledged that the skills required took a while to learn and therefore the proposal was to appoint a strong lead to upskill the wider workforce.

The Committee expressed support for the appointment of a Senior Data Analyst.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Heather Mercer and unanimously supported by the Committee.

Decision:

The Joint Strategic Committee

- approved the approach outlined in the report;
- approved the appointment of a Data Lead in order to further develop the data capability, subject to confirmation of the budget at the February Council meetings.

JSC/118/20-21 Working in Partnership to reduce Anti Social Behaviour -Extending theCommunity Protection Powers for Worthing Homes

The Committee was recommended to share a review of the one year pilot of Worthing Homes' use of the delegated power to issue Community Protection Warnings and Notices to their tenants causing anti-social behaviour and to agree the extension of the delegated authority to issue Community Protection Warnings and Notices to Worthing Homes for a further 12 months.

Members expressed support for the proposals having noted the benefits of doing this 12 months ago whilst acknowledging that that past 12 months had not been ideal for trialling the approach.

The recommendations in the report were proposed by Councillor Daniel Humphreys, seconded by Councillor Val Turner and unanimously supported by the Committee.

Decision:

The Joint Strategic Committee agreed to extend the power delegated to Worthing Homes for a further 12 months and receive a report on the impact of the extended delegation in 12 months time.

JSC/119/20-21 Motion referred from Worthing Borough Council

The report set out a motion referred from the meeting of Worthing Borough Council on the 15th December 2020 which was presented to the Committee by Councillor Carl Walker.

The Joint Strategic committee was asked to consider and determine the Motion and could either support the motion and ask for further work to be carried out in this regard, or reject the motion.

Members debated the motion, acknowledging the pressures caused by the pandemic, the effect this was having on young people's mental health and the ongoing work of the Councils with young people including mentoring schemes for children. Members thanked Councillor Walker for raising this serious matter with the Joint Strategic Committee but did not support the approach set out in the motion to tackle these issues.

It was proposed by Councillor Kevin Jenkins that the motion be rejected, the proposal was seconded by Councillor Heather Mercer and supported by the Committee.

Decision:

That the Joint Strategic Committee rejected the motion.

Local Government Act 1972 Background papers

(Reports and decisions are available on the Council's website or as indicated in each of the paragraphs above. Some of the reports contain exempt information and therefore are not fully published on the website)

Councillor Daniel Humphreys Leader of the Council

	М	Т	W	Th	F	М	Т	w	Th	F	М	Т	w	Th	F	М	Т	w	Th	F	М	Т	w	Th	F
May	3 B/H	4	5	6 E	7 C	10	11	12	13	14	17	18	19		21 C(A)	24	25	26 PC	27 JGC	28	31 <mark>B/H</mark>				1
June		1	2	3	4	7 PC	8 *JSC	9	10 JOSC	11	14	15	16	17	18	21 LC	22	23 PC	24	25	28 LCC	29	30		
July				1	2	5 PC	6 LGA	-	8 LGA	9	12	13 *JSC	14	15 JOSC	16	19	20 C	21 PC	22 C	23	26	27	28	29 JGC	30
Aug	2	3	4	5	6	9 PC	10	11	12	13	16	17	18	19	20	23	24	25 PC	26	27	30 <mark>B/H</mark>	31			
Sept			1	2	3	6 PC	7 *JSC	8	9	10	13 LC	14	15	16 JOSC	17	20	21	22 PC	23	24	27 LCC	28 JGC	29	30	
Oct					1	4 PC	5 *JSC	6	7	8	11	12	13	14 JOSC	15	18	19 C	20 PC	21	22	25	26	27	28 C	29
Nov	1	2	3	4	5	8 PC	9 JSC	10	11	12	15	16	17	18	19	22		24 PC	25 *JOSC	26	29	30			
Dec			1	2	3	6 PC	7 JSC	8	9	10	13	14 C	15 PC	16 C	17	20	21	22	23	24	27 <mark>B/H</mark>	28 <mark>B/H</mark>	29	30	31
Jan 2022	3 B/H	4	5	6	7	10 PC	11 JSC	12	13	14	17 LC	18	19 PC	20	21	24 LCC	25 *JGC	26	27 *JOSC	28	31 Exec				
Feb		1 Exec	2	3	4	7 PC	8 JSC	9	10	11	14	15	16 PC		18 WS	21	22 C(TS)	23	24 C(TS)	25	28				
March		1 JSC	2	3	4	7 PC	8	9	10	11	14 LCC	15	16	17 *JOSC	18	21		23 PC	24	25	28 LC	29 JSC	30	31	
April					1	4 PC	5 C	6	7 C	8	11	12	13		15 <mark>B/H</mark>	18 <mark>B/H</mark>	19	20 PC	21	22	25	26	27	28	29
May	2 B/H	3	4	5 E	6 C	9	10	11	12	13	16	17	18		20 C(A)	23	24	25	26	27	30 B/H	31 JGC			\square

Adur D	Adur District Council Meetings (7.00pm)		g Borough Council Meetings (6.30pm)	Joint Meetings (6.30pm)					
С	Council (A = Annual, TS = Tax Setting)	С	Council (A = Annual, TS = Tax Setting)	Adur District and Worthing Borough Councils:					
Exec	Executive	Exec	Executive	JOSC	Joint Overview and Scrutiny Committee				
PC	Planning Committee	PC	Planning Committee	JSC	Joint Strategic Committee				
LC	Licensing Committee	LCC	Licensing Control Committee	JGC	Joint Governance Committee				
				JSfC	Joint Staff Committee				
				JSSC	Joint Senior Staff Committee				
PCCP	Police Crime & Commissioner Panel (tbc)	E&C	Elections - Polling Day / Count						
WS	West Sussex Tax Setting Meeting	B/H	Bank Holiday		LGA Annual Conference, ACC Liverpool				
					School Holidays				

* = Joint Meetings Held at Worthing Borough Council

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