

Worthing Borough Council

Record of the Decisions taken by the Executive at its Remote Meeting via Zoom on

**1 February
2021 at
6.30pm**

Councillor Daniel Humphreys (Chairman)
Councillor Kevin Jenkins (Vice-Chairman)

Councillor Edward Crouch
Councillor Dr Heather Mercer

Councillor Elizabeth Sparkes
Councillor Val Turner

***=Absent**

W EX/1/20-21 Declarations of Interest

There were no declarations of interest made.

W EX/2/20-21 Public Questions

There were no questions received from the public.

W EX/3/20-21 Items Raised under Urgency Provisions

There were no urgent items raised.

W EX/4/20-21 Budget Estimates 2021/22 and Setting of 2021/22 Council Tax

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

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

- The final revenue estimates for 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 from 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.

Reason for Decision

Statutory requirement to set a budget

Alternative Options considered

As detailed in the report.

Call-in

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

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

Leader
