



WORTHING BOROUGH
COUNCIL

24 January 2023

Worthing Cabinet	
Date:	1 February 2023
Time:	6.30 pm
Venue:	Pavillion Barn, Field Place, Worthing

Committee Membership: Councillors Dr Beccy Cooper (Chairman), Martin McCabe, Helen Silman, Emma Taylor, John Turley, Carl Walker (Vice-Chair), Vicki Wells, Rosey Whorlow and Rita Garner

Agenda

Part A

1. **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.

2. **Minutes**

To approve the minutes of the Worthing Executive meeting held on 31 January 2022, copies of which have been previously circulated.

3. **Public Questions**

To receive any questions from members of the public.

Questions should be submitted by noon on Friday 27 January 2023 to Democratic Services, democratic.services@adur-worthing.gov.uk

(Note: Public Question Time will operate for a maximum of 30 minutes.)

4. Members Questions

Pre-submitted Members questions are pursuant to rule 12 of the Council & Committee Procedure Rules.

Questions should be submitted by noon on Friday 27 January 2023 to Democratic Services, democratic.services@adur-worthing.gov.uk

(Note: Member Question Time will operate for a maximum of 30 minutes.)

5. Items Raised Under Urgency Provisions

To consider any items the Chairman of the meeting considers to be urgent.

6. Investing in our Places - Capital Programme 2023/24 to 2025/26 (Pages 5 - 68)

To consider a report by the Director for Digital, Sustainability and Resources, copy attached as item 5

7. Budget Estimates 2023/24 and setting of the 2023/24 Council Tax (Pages 69 - 118)

To consider a report by the Director for Digital, Sustainability and Resources, copy attached as item 6

Recording of this meeting

Please note that this meeting is being live streamed and a recording of the meeting will be available on the Council's website. This meeting will remain on our website for one year and will be deleted after that period. 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:	For Legal Services enquiries relating to this meeting please contact:
Neil Terry	Joanne Lee

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Duration of the Meeting: Three hours after the commencement of the meeting the Chairperson will adjourn the meeting to consider if it wishes to continue. A vote will be taken and a simple majority in favour will be necessary for the meeting to continue.

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ADUR & WORTHING
COUNCILS

Worthing Cabinet
1st February 2023

Key Decision [Yes/No]

Ward(s) Affected: All

Investing in our Places - Capital Programme 2023/24 to 2025/26

Report by the Director for Digital, Sustainability and Resources

Executive Summary

1. Purpose

1.1 This report recommends the investment programmes for Worthing Borough Council which supports both the strategic ambition of the Council and the vital regular investment toward the upkeep and improvement of our public assets.

1.2 Members are now asked to approve the new schemes for 2023/24. This report recommends:

- the schemes for inclusion in the overall Capital Investment Programmes for 2023/24; and
- an indicative list of schemes for 2024/25 which will be confirmed next year.

1.3 The report also informs the Cabinet of the resources available for future capital investment, and updates Members about the financing of the proposed programmes.

1.4 The following appendices have been attached to this report:

- | | | |
|-------|-------------------|--|
| (i) | Appendix 1 | 2022/23 Budgets reprofiled to 2023/24 for scheme delivery in 2023/24; |
| (ii) | Appendix 2 | New schemes to be included in 2023/24 Capital Investment Programme including the share of the Joint Strategic Committee programme; |
| (iii) | Appendix 3 | Full Worthing Borough Council capital |

investment programme for 2022/23 - 2025/26

- (iv) **Appendix 4** Partnership capital investment programme for 2023/24 - 2025/26
- (v) **Appendix 5** Amendments and additions to the Reserve List of schemes

2. Recommendations

2.1 The Cabinet is recommended to:

- (a) Consider the General Fund Capital Investment Programmes for 2023/24 and confirm the schemes to be included as detailed in Appendix 2 and 3;
- (b) Recommend the full programme detailed at Appendix 3 for approval by Council on the 21st February 2023;
- (c) Note the amendments and additions to the reserve lists as detailed in Appendix 5

3. Context

3.1 The development of the capital programme is guided by the Capital Strategy which outlines the level of resources available and sets the framework for the approval and delivery of the programme. The Adur and Worthing Capital Strategy 2023 - 26 was updated and agreed by the Joint Strategic Committee (JSC) on 11th October 2022. The financial impact of the proposed Capital Investment Programme was set out in the outline 5 year forecast included in the "Developing a revenue budget for 2023/24 against a backdrop of high inflation" report which was agreed by Joint Strategic Committee on 5th July 2022 and subsequently refreshed in the budget update report considered in December.

3.2 The Capital and Budget Strategies set out the following:

- (a) A maximum level of funding available per year to fund new General Fund schemes was to be limited to £1.5m in 2023/24 and potentially beyond. This reflected both concerns about affordability as well as the

number of schemes which had been reprofiled to 2023/24 following the challenges of 2022/23;

- (b) The Budget Strategy highlighted concerns about affordability in the medium term. Members of the Council were made aware that the number, age and condition of Council's assets continue to be a cause for concern. The funding of the programmes is to consist of prudential borrowing, capital grants, revenue/reserve funding and capital receipts.
- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

3.3 The Capital Strategy agreed in October 2022 confirmed the approach to setting the capital investment programme. The strategy confirmed the following resource allocations for 2022/23:

- £540,000 set aside for partnership schemes principally to fund the planned vehicle replacements.
- £150,000 for essential IT replacement .
- £175,000 to be set aside for essential capital maintenance schemes.
- £240,000 set aside for the delivery of the digital strategy.
- The Strategic Property Investment Fund to remain capped at an overall investment amount of £150m of which £14m remains. This can only be used to fund projects which support: the wellbeing; affordable housing development; and economic regeneration of the area.

3.4 As the October 2022 Capital Strategy explained, the top slicing of the capital programmes in each year to ensure funding for key strategic issues such as ICT and the other partnership programmes will mean that, of the overall resources available in 2023/24, only the £395,000 of resources would remain for other schemes.

4. Supporting the delivery of the Council's priorities

4.1 The age and condition of a number of the Council's assets have meant that this year's programme has been challenging to set and remain within the reduced level of resources allocated to the programme. Contained within the proposed programme are a number of critical health and safety issues which must be addressed as well as key investments required to ensure that the Council continues to deliver on it's strategic objectives. The twin challenges of

high inflation within the building industry and higher interest rates mean that there are inevitable revenue consequences for the Council in the recommendation of a programme that is substantially higher than the planned £1.5m investment. However in recommending this programme, it is acknowledged that the Council must meet its health and safety obligations.

4.2 Included within the proposed programmes for 2023/24 - 2024/25 are a number of programmes of work which will deliver the Council's priorities as set out in 'New Priorities for Worthing'. These priorities are grouped in the structure of 'Our Plan' to facilitate delivery within the shared service framework. The paragraphs below highlight those schemes which are of significant importance in delivering our priorities over the next two years.

4.3 **Mission - Thriving People**

There are several schemes included within the programme which will support both improved housing and community facilities. Highlights include the following planned investments:

- Affordable housing (£2,672,000)
As part of the council's ongoing commitment to provide affordable housing for local residents, this funding is available as grants to social landlords to provide low cost-high quality accommodation.
- Temporary and Emergency accommodation (£3,566,000)
An unallocated budget is available to purchase land and buildings that could be used to provide high quality local temporary and emergency accommodation. Suitable sites within the Worthing area are actively reviewed to ensure suitable developments can be identified and developed.
- Public Convenience improvement (£370,000)
A prioritised programme of improvement works to our public conveniences will include the toilets at the Lido and our High Street Multi Storey Car Park. As well as enhancing these existing toilets a new Changing Places facility (a larger and accessible toilet with access equipment to support those with mobility issues) is planned near the Guildbourne Centre. The Council was successful in bidding for £100k of the government's Changing Places Fund that will contribute towards this new facility.

- Cultural Buildings refurbishments (£350,000)

There are several initiatives currently underway to improve and restore the cultural buildings for residents. Both structural and interior Investments are planned by the Council for these facilities over the next couple of years. Works are planned for the Connaught’s roof and windows, the pavilion theatre’s windows and the interior of Worthing Museum.

4.4 Mission - Thriving Places.

The following investments are planned to project and improve our local areas:

- Parks improvement programme

There are several initiatives currently underway to improve the parks and open spaces for residents. There are significant investments planned by the Council in these important local amenities over the next couple of years.

	2022/23 Approved	2023/24 Proposed	2024/25 Indicative	2025/26 Indicative
	£'000	£'000	£'000	£'000
Worthing				
Play area improvements	233	100	120	120
General parks improvements	308	30	30	30
Brooklands	2,384	0	0	0
	2,925	130	150	150

4.5 Mission - Thriving Environment

- Worthing Heat Network (£4,000,000)

The Council is in the process of supporting the delivery of a heat network in central Worthing. This network will provide low carbon heating to public buildings in the area with the potential to expand and deliver this benefit to new developments and existing housing within the area. This is subject to member approval and a report is due to be considered in March regarding progress in delivering the project.

- Vehicle replacement programme (£595,000 in 2023/24)

Smaller vehicles are being replaced with electric equivalent vehicles. At the moment a fleet strategy is being developed which will seek to

identify the most carbon and cost effective solution to fully decarbonise the Council's fleet, including refuse and recycling collection vehicles. Most of the large fleet is due for replacement in 2026/27 giving some time for the technologies to develop and be tested before the Councils make a long term commitment. In the interim, second hand or adaptable vehicles will be acquired to ensure that the Council meets the objective of decarbonisation by 2030.

- Decarbonisation schemes (£570K)
The installation of various energy efficient technologies will produce corporate energy savings whilst reducing carbon emissions. Current technologies used in previous projects have included additional glazing to windows and heat pumps.
- Cycle lane from George V Avenue to Sea Lane (£60k)
The provision of cycling infrastructure is a key priority for the Council. Funding is provided from CIL for the initial design and feasibility work for the scheme which is expected to be delivered in later years.

4.6 **Mission - Thriving Economy**

The Council plans to invest in the town centres to provide welcoming places for our residents:

- Public Space improvements (£50,000 per annum)
The council is working to enhance public space and improve facilities within both the town centre and local wards. Areas such as Broadwater, Goring and East Worthing will benefit from improvements to their shopping areas.
- Worthing Pier, South Pavillion and Seafront Amusements (£735,000)
Fire safety works are due to begin for these vital attractions. A new sprinkler system will be installed to improve safety for residents and tourists while protecting one of the town's prime assets.
- Worthing Seafront improvements (£100,000)
The Council plans to invest in the Windsor Lawns Fish Market and a new bespoke wedding venue.

4.7 **Good foundations**

Investments are planned to improve how we work across all of the services delivered by the Council:

- Hardware and infrastructure replacement programme (£87,450)
Our hardware and infrastructure will continue to be modernised to ensure resilience, reduce risks to business continuity and help mitigate against cyber security risks. The hardware budget also covers investment in our future data centre, which will have a significantly reduced footprint, and replacement equipment including laptops, PCs, and monitors used by staff.
- Commerce Way (£325,000)
Refurbishment and renewals are required at the commerce way office to ensure staff can work in safe, suitable surroundings. Improvements to the office will show the council's commitment to staff wellbeing and provide the resource required to provide services to the local community and businesses
- Digital strategy investments
The Council plans to make a series of investments to enhance the Council's digital environment and deliver improvement in service delivery. The indicative programme of investments is as follows:

	2022/23 Approved	2023/24 Proposed	2024/25 Indicative	2025/26 Indicative
	£'000	£'000	£'000	£'000
Digital Cyber Security programme	144	95	64	64
Planning and building control document management system	-	50	-	-
Cemeteries and Crematorium software	-	82	-	-
Ultrafast Broadband	304	1,221		
	448	1,448	64	64

This programme is kept under review and may change depending on any new priorities emerging in the year.

5. Resourcing the programme:

- 5.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available capital resources to fund the programmes;
- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing, lost investment income and any associated running costs can be accommodated within the revenue budget.

5.2 The financial position for Worthing Borough Council remains challenging over the next five years. The need to invest in existing assets, as well as provide for partnership working and deliver significant projects set out in 'Our Plan', means the council will need to sustain relatively modest programmes as outlined in paragraph 3.2 for the foreseeable future. However, the programmes are under pressure due to the age and condition of many of our assets. Nevertheless, the need to increase the level of investment has to be balanced against the difficult financial position of the Council.

5.3 There is little change in the method of financing the programmes planned over the next 3 years. In addition, the council has approved a 'Strategic Property Investment Fund' which is an invest-to-save provision and specific investments which meet the criteria of the fund and support our local communities will be funded through prudential borrowing.

5.4 The proposed programme assumes a phased use of the available prudential borrowing, capital receipts, and reserves. These are discussed in more detail below:

5.5 **Usable Capital Receipts derived from the sale of assets**

5.5.1 Usable capital receipts are generated through the sale of Council owned assets. The Council actively looks for opportunities to increase the available receipts. This forms part of our budget strategy as the generation of additional receipts will enable the Council to reduce the cost of financing the capital programme.

5.5.2 Whilst, the revenue implication of using any capital receipts is by no means as much as those incurred by borrowing, this is by no means a 'free' source of funding. The annual revenue costs of using £1m of capital receipts are as follows:-

	Year 1 £	Year 2 £
Interest at say 3.5% (current average return on investments)	17,500	35,000

However, the use of these resources avoids the need to use more expensive forms of financing such as borrowing.

In the past capital receipts have been a major source of funding for the Council's capital programmes. Members will be aware that the Council now has only limited access to capital receipts as:

- a) The Council does not own many large tracts of land that can be easily disposed of when capital receipts are needed. Indeed, any such tracts of land may give the Council the opportunity to either directly or indirectly improve the supply of affordable housing. However the Council is actively reviewing its asset base with a view of disposing of surplus assets to support the delivery of the capital programme and reduce the overall cost of borrowing;
- b) There are very few other options for future disposals of operational assets, owned by either council, without service provision implications;
- c) Any benefits that might accrue from the sale of non-operational assets, such as the commercial properties, will be largely negated by the loss of significant rental and lease income. Consequently, the disposal of such assets can only be undertaken when there is a clear business case to justify such an action;

5.5.3 In addition, due to the pressure on the reserves, some of the receipts generated in the period 2016 - 2023 have been set aside to fund the costs associated with delivering the savings necessary to balance the revenue budget.

5.5.4 In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the 2023/24 and 2024/25 Capital Investment Programmes will be:

		Balance at 1 st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2023/24	General	-	10	(10)	-
	Ring-fenced - General Fund	1,814	102	(115)	1801
	Total	1,814	112	(125)	1801
2024/25	General	-	10	(10)	-
	Ring-fenced - General Fund	1,801	102	(1,103)	800
	Total	1,801	112	(1,113)	800

The lack of capital receipts as a source of funding is a problem for the Council. It is inevitable that the Council will need to borrow to sustain the capital programme with inevitable higher revenue consequences as a result until additional receipts are forthcoming.

5.6 Prudential Borrowing

5.6.1 The Prudential Code generally gives an unlimited ability to borrow, provided it is 'affordable, sustainable and prudent'. In practical terms the amount of the borrowing is inhibited by the impact of the associated revenue consequences on the revenue budget and, by extension, on council tax.

5.6.2 The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

	Year 1 £	Year 2 £
Principal repayment based on the annuity method *	0	53,770
Interest at say 3.5%	17,500	35,000
Total costs	17,500	88,770

* The Council has a policy of repaying any debt over the life of the asset acquired. On average the assets funded will have a life of 15 years which is equivalent to a 8.9% revenue provision each year.

MRP= Minimum Revenue Provision – the amount of loan that has to be repaid each year, notionally this is the amount set aside to repay debts which have accumulated to finance schemes.

5.7 Revenue Contributions and Reserves

5.7.1 The Council sets aside resources both to support improvement to the Crematorium and initiatives to bring empty properties back into use.

5.8 Capital Grants and other external funding

5.8.1 The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2023/24 capital programmes:

	£
Disabled Facilities Grant (Better Care Fund)	800,000
Community Infrastructure Levy	150,000
Lawn Tennis Association	34,000

5.9.2 Disabled Facilities grants are mandatory and each Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Any unspent grant can be carried forward to future years to fund outstanding grant commitments at 31st March.

6. Draft Programmes

General Fund Programme

6.1 The 2023/24 and 2024/25 draft General Fund programmes are attached at Appendix 2 and 3 which also includes the proposed changes to the 2022/23 programme. The indicative programmes have been prepared on the basis of the agreed guidelines and the estimated resources. Each scheme has been scored using the priority scoring system devised under the Capital Strategy, producing a balanced programme in accordance with the overall available funding. At this stage, the schemes recommended for inclusion 2024/25 are indicative only and will be reassessed next year.

6.2 Members are asked to consider the proposed programmes. Members can remove schemes if they consider that they should not be supported at this time or add schemes which merit support provided that the overall programme remains affordable. Additional information is provided below on the proposed invest to save schemes and other issues which members should be aware of when considering the overall programme.

6.3 **Invest to save schemes**

The Council will consider 'invest to save' capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment. The following schemes are included in the capital programme. Funding will be released on presentation of a business case to the Executive Member.

(i) **Empty Properties**

This scheme has been funded from New Homes Bonus. However, the future of the New Homes Bonus is uncertain and it may cease to be paid to the Council and is due to be fundamentally reformed. Consequently, this scheme will be funded in future from the repayment of empty property grants and loans. The effectiveness of the scheme is reviewed annually.

The Council will continue to build on the working relationship with the nominated private sector letting agent that we are currently in partnership with to manage our guaranteed rent scheme. There has been a growing number of empty home owners interested in the schemes and new approaches continue to be sought to promote the funding to Empty Property owners. Increasing the supply of private sector rental properties available at Local Housing Allowance levels remains a key objective.

Close working with our Legal Team to develop and finalise the Enforced Sales Procedure is nearing fruition which will allow us to proceed with the sale of three long term empty properties, we anticipate using this procedure on further properties in the future.

The Council will continue to focus on achieving the objectives set out in the Empty Property Strategy and working with partners in the charitable sector as well as individual empty property owners to increase the supply of affordable housing as these properties are let at social rents.

The success of this initiative will be monitored.

(ii) Strategic Property Investment Fund

The Council has committed to investing in commercial property and other income generating assets which support the Council's economic regeneration ambitions, carbon reduction initiatives or supports improvements to the supply of housing. The intention is to provide long term assets that both support the delivery of the Council's corporate strategy and produce a long term sustainable income for the Council which will fund the borrowing consequences of the investment and support the future aspirations of the Council. The investment in such property is governed by the Commercial Property Investment Strategy which was approved by the Joint Strategic Committee on the 30th March 2021.

To enable this objective to be met, as part of the Capital Strategy, the Council has set aside funding for a Strategic Property Investment Fund. Each investment should generate income which exceeds the potential borrowing costs associated with the purchase or development of the new property.

Whilst under the constitution the Head of Major Projects has the delegated authority to purchase property provided that a budget exists; given the nature of these investments, each individual development proposal is the subject of a business case which is approved by the relevant Leader and Executive Member of Resources.

(iii) Temporary accommodation

The cost of temporary and emergency accommodation has been escalating. In response to this, the Council has created a budget to purchase temporary accommodation for residents who the Council has a duty to house temporarily. Each proposal is assessed for financial and operational viability before a business case is approved by the Executive Member.

(iv) Energy Efficiency / Carbon Reduction Schemes

Both Councils currently have provision within the capital programme for energy efficiency / carbon reduction schemes which produce savings to offset any potential borrowing costs.

	2023/24	2024/25	2025/26
	£'000	£'000	£'000
Carbon reduction - invest to save scheme	570,000	239,020	400,000

A report, elsewhere on the agenda, details the expected programme of work.

6.5 Overall

The following assumptions have been used in preparing the draft programmes:

- (a) Maximise use of external funding where possible.
- (b) Continuation of Specific Grant Aided Funding for Mandatory Disabled Facilities Grants.
- (c) The proposed Capital Programme and Reserve Lists include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are included.

6.6 The following tables are a summary of total resources used to fund the new schemes included in the draft programmes for 2023/24, 2024/25 and 2025/26.

Programme Year	Revenue Contributions and Reserves £	Community Infrastructure Levy £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2023/24						
General Fund	37	-	1,019	1	2,177	3,234
2024/25						
General Fund	117	150	4,401	-	1,753	6,421
2025/26						
General Fund	117	100	906	89	5,873	7,085
TOTAL	270	250	6,326	90	9,804	16,740

6.7 Members will note that the total planned new spending for 2023/24, 2024/25 and 2025/26 is £16,740,200. The table above indicates how this proposed programme will be financed.

7. Revenue Implications

7.1 The revenue implications (excluding the revenue impact of financing the Capital Investment Programme) of all the capital projects in the draft programmes are shown in the last column of appendices 2 and 3. An assessment of the revenue implications of the planned programme has already been built into the Medium Term Financial Plan. This has already been recognised as a genuine expenditure within the overall revenue budget. There is, of course, no obligation to spend merely because resources are available. In considering the merits of any capital investment proposal, the opportunity cost of using the resources, the revenue cost associated with any borrowing and the interest earnings foregone by utilising capital receipts and reserves, require full consideration.

7.2 The full year revenue impact of financing the capital programme is shown below:-

Programme Year	Revenue Impact	Cumulative	Full-Year Impact in
	General Fund £	General Fund £	
2023/24	269,926	269,926	2024/25
2024/25	217,444	487,370	2025/26
2025/26	728,589	1,215,959	2026/27

The above figures do not include any other direct revenue implications, which could be either positive or negative, depending on the particular schemes. The draft programmes show the other ongoing annual running costs of servicing and maintaining the proposed schemes and savings generated from the capital investment which will be included within the revenue budget.

8. Prudential Indicators

8.1 The statutory framework for the Prudential System is set out in Chapter 1 of the Local Government Act 2003 and in the Local Authorities (Capital Finance

and Accounting) (England) Regulations 2003 as amended. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by MHCLG
- The Statutory Guidance on Minimum Revenue Provision prepared by DCLG

8.2 Part of the core process for the Prudential Code is for Members to set Prudential Indicators as detailed in the Prudential Code against which the performance of the Capital Investment Programme and Treasury Management can be measured and monitored throughout the year. These indicators will be calculated once the programme has been fixed and reported to the Executive and Council as part of the annual Revenue Budget report.

9.0 Engagement and Communication

9.1 The development of the programme is the subject of extensive internal consultation with Officers.

9.2 Members were consulted on the capital bids to be included in the draft programmes. Their comments are included in this report. The final recommendations for the capital programmes will be made to Worthing Borough Council on the 21st February 2023.

9.3 Individual programmes of work, for example the design of playgrounds, will be the subject of consultation with local communities where appropriate to ensure that they meet local needs.

10.0 Conclusion

10.1 Due to the overall financial position of the Council, there are only limited revenue resources with which to fund the cost of financing the capital programme. Consequently the overall increase to the core programme for 2023/24 remains relatively modest at £3.2m.

10.2 The Council has insufficient capital resources available to meet all of the identified demands for capital investment for 2023/24, 2024/25, and 2025/26. Where schemes are unable to be delayed due to pressing maintenance

requirements, these have been recommended for inclusion. However, some schemes must remain on the respective Reserve List.

- 10.3 The implication of this restriction in capital investment is that some maintenance needs are not currently being met. The Council will need to continue to critically review their asset base over the coming years with a view to retaining a sustainable level of assets to support service delivery.
- 10.4 The continuing constraints on the availability of capital resources in the medium to long term and the direct impact on the revenue budget leaves little room for manoeuvre. Work needs to commence now to ensure sufficient resources are available to the Council to provide adequate funds for financing the respective Capital Investment Programmes from 2024/25 onwards. In any event, the revenue consequences of spending scarce resources must always be borne in mind in judging the merits of any capital investment proposal.

11. Financial Implications

- 11.1 The detailed financial implications associated with the development of the budgets are detailed throughout the report.
- 11.2 The final programme is £678,770 larger than originally anticipated. The revenue consequences of the additional borrowing can be accommodated within the revenue budget as detailed elsewhere on the agenda.

12. Legal Implications

- 12.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.
- 12.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.
- 12.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.
- 12.4 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows the Council to use any capital receipts generated in 2022/23 - 2024/25 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 2nd August 2022 subject to a limitation on the type of

departure costs which can be funded. Departure costs are restricted to statutory payments only, any enhancement must be funded from within the Council's revenue resources.

12.5 There are a range of legislative safeguards in place that help to prevent local authorities overcommitting themselves financially. These include a duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirements).

Legal Officer: Joanne Lee

Dated 10/01/2023

Local Government Act 1972

Background Papers

- CIPFA Prudential Code for Capital Finance in Local Government
- Capital Estimates 2023/24 – Working papers
- Investing for our future - Capital Strategy 2023/26 – Report to Joint Strategic Committee on
- Developing a revenue budget for 2023/24 against a backdrop of high inflation – Report to Joint Strategic Committee on 5th July 2022
- 2nd Capital Investment Programme and Projects Monitoring 2022/23 – Report to Worthing Joint Strategic Sub-Committee on 5th December 2022
- Improving supply of temporary accommodation - Report to Joint Strategic Committee on 13th September 2016
- Strategic Property Investment Fund 2021 - Annual Commercial Property Investment Strategy 2021/22 - Report to Joint Strategic Committee on 30th March 2021

Officer Contact Details

Sarah Gobey, Chief Financial Officer, 01903 221221,
sarah.gobey@adur-worthing.gov.uk

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

Individual schemes within the three proposed capital programmes have been subjected to equalities impact assessment. Schemes which have a positive impact on equalities include:

- Affordable housing schemes – Schemes are targeted at the most vulnerable;
- Disability Discrimination Act - Works to improve accessibility of Council buildings;
- Disabled Facilities Grants – Improvements and adaptations to private housing to meet specific needs;
- Home Repair Assistance Grants – Grants to enable those in need to stay in their homes;
- Resurfacing of hard surfaces – Provides an improved surface for wheelchair users and other people with reduced mobility;
- Parks – Replacement of play area and outdoor fitness equipment which is designed to be more accessible and inclusive;
- ICT Hardware Replacement Programme – Provision of special keyboards and screens where required;
- Empty Property Grants – Increase the supply of affordable housing in the locality.
- Public Conveniences – Upgraded and new facilities include DDA improvements and facilities.

There will be no negative equalities and diversity outcomes arising from the proposed programmes.

SUSTAINABILITY AND RISK ASSESSMENT

2. SOCIAL

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

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
1. Schemes in Progress where the completion has been delayed beyond 31st March 2023		
Broadwater Green Pavilion - Contribution to refurbishment	89,600	Meetings in progress regarding the future lease and responsibility for undertaking the works. Budget reprofiled in line with anticipated expenditure.
Corporate Buildings - Condition Surveys	100,000	2022/23 programme of surveys to continue in 2023/24. Budget reprofiled in line with anticipated expenditure.
Corporate Buildings - Condition surveys of leased out properties	100,000	2022/23 programme of surveys to continue in 2023/24. Budget reprofiled in line with anticipated expenditure.
IT - Network Refresh Wifi Upgrade	27,380	Scheme to continue into 2023/24. Budget reprofiled in line with anticipated expenditure.
Portland House - Replacement of building management system	100,000	Scheme currently out for tender. Works anticipated in 2023/24.
Ultrafast Fibre Network Extension	1,221,440	Timescales extended, expected completion date is now Summer 2023. Budget reprofiled in line with anticipated expenditure.
Worthing Pier - Fire Safety compliance works	435,620	Discussions in progress regarding the siting of the sprinkler pump. Additional resources of £300,000 allocated.
2. Schemes due to start in 2023/24		
Affordable Housing - Grants to Registered Social Landlords for the provision of affordable housing	2,671,800	Budget reprofiled due to lead times for new developments.
Church House Ground (Tarring) Pavilion - Contribution to refurbishment	50,000	Works anticipated January 2023 with completion expected April/May 2023.
Connaught Studio - Replacement of slate roof	200,000	Budget reprofiled due to resourcing issues in Technical Services.
Connaught Theatre - Replacement windows	85,000	Budget reprofiled due to resourcing issues in Technical Services.
Corporate Buildings - Decarbonisation Schemes	570,000	Budget reprofiled to 2023/24 to match expected grant funding.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Council Buildings - Asbestos removal and management	100,000	Budget reprofiled in line with anticipated expenditure.
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	20,000	Budget reprofiled in line with anticipated expenditure.
Economic Development - Montague Street Design Works	100,000	Design works in progress with the scheme expected to be delivered by Summer 2023. Budget reprofiled in line with anticipated expenditure.
Housing Development - Acquisition and development of emergency, interim or temporary accommodation for the homeless	3,566,440	Budget reprofiled in line with anticipated lead times for new schemes.
Match Funding - Hillbarn / Rotary Recreation Ground contribution to new changing rooms / building	13,320	Contribution to Chippendale Cricket Club dependent on external funding bids.
IT - Identity Governance and Admin System	31,800	Original system is being reviewed and may be incorporated as part of Single Sign On in 2023/24.
Montague Street - Essential Capital Works	248,210	There has been a change in the managing agents and tenant, and the new tenant is responsible for repairs via a service charge. However, major water ingress works may still be the Council's responsibility.
Museum and Art Gallery - Redevelopment	69,190	£20,000 approved for structural and condition surveys. Remainder of budget reprofiled as match funding for the HLF Lottery bid.
Museum and Art Gallery - Replacement of display cases	41,400	Some display cases purchased in 2022/23, remainder to be purchased in future years as match funding for the HLF Lottery Bid.
Museum and Art Gallery - Refurbishment of roof lights	48,800	Works delayed by resourcing issues in Technical Services.
Office Equipment - Microphone System Replacement	15,900	New technical solutions under consideration. Replacement anticipated 2023/24.
Palatine Park - Replacement of Play Area	87,720	Start on site estimated April / May 2023.




WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS


Scheme	Reprofiled Budgets	Reason
Park Areas - Homefield Park Refurbishment	130,000	Installation anticipated May / June 2023.
Pavilion Theatre - Window Replacement	80,000	Budget reprofiled due to resourcing issues in Technical Services.
Planning and Building Control - Document Management System	50,370	System to be considered after corporate DMS upgrade.
Portland House - Replacement of boiler and heating upgrade	148,000	Public sector decarbonisation grants application to be submitted for works in 2023/24.
Public Conveniences - Rolling Programme of upgrades and improvements	230,000	Further refurbishments of the rolling programme are likely to be delayed to 2023/24 due to staffing shortages in Technical Services.
Splashpoint - GSHP	300,000	The scheme has been delayed whilst discussions are in progress with the original contractor of Splashpoint regarding reimbursement of original works.
Strategic Property Investments - Investments in property for regeneration or service delivery.	13,748,250	Budget reprofiled as no investments identified to date.
Street Cleansing / Refuse / Recycling Service - Replacement Vehicles	576,210	2022/23 vehicle replacements budgets reprofiled to 2023/24 due to lead in times for the delivery of new vehicles.
Teville Gate Regeneration - Provision of housing and employment opportunities	950,000	Site to be sold within 3 years. Budget reprofiled in line with anticipated expenditure.
Worthing Town Hall - Fire separation and roof insulation works	75,000	Grant application for PSDS funds is to be submitted. Works anticipated 2023/24.
Worthing Town Hall - Replacement of slate and asphalt roof coverings	20,000	Surveys to be undertaken to establish extent of works in 2023/24. Additional budget of £160,000 allocated.
3. Schemes due to start in future years		
Colonnade House - Extension of Digital hub	3,919,100	Scheme deferred to 2025/26. Budget reprofiled in line with anticipated expenditure.
Total Reprofiled Budgets:	30,220,550	27

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WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
ADUR / WORTHING PARTNERSHIP SCHEMES FUNDED FROM RING FENCED FUNDING (See full Partnership Programme in Appendix 4)						
1P Bereavement Services - Cemeteries and crematorium software (New system to replace existing paper records. Total costs £102,506. Revenue costs of £16,620 p.a. Additional revenue costs £14,037 p.a.)		KG	NB	82,050	-	82,050
2P Corporate ICT hardware and infrastructure replacement programme (ICT Hardware and Infrastructure 2023/24 Replacement programme: i) Ongoing replacement of 10% of laptop and PC estate reduced from £130k to £65k ii) Replacement of Commerce Way Monitors and Portland House Contact Centre £10k, iii) Data Centre power strips and some UPS £45k iv) Replacement of data centre servers £25k, v) Contingency £20k. Total cost £165,000)		JJ	EB	87,450	-	87,450
3P Digital Strategy Digital Cyber Security 2023/24: i) New Mobile phone and tablet antivirus and anti phishing software £30k ii) Information Security Resource £25k, iii) Software Solutions Cyber £50k, Contingency £15k. Total cost £120,000)		JJ	EB	63,600	-	63,600
4P Parks and Open Spaces - Rolling programme of large machinery / equipment replacements (Replacement of a ride on grass cutting machine £30k plus replacement of hand held powered machinery such as strimmers, hedge cutters, leaf blowers, etc. Total cost £50,000)		SM	EB	30,000	-	30,000


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
5P Parks and Open Spaces - Street litter and dog bins replacement programme (Total annual cost £15,000 p.a.)		MQ	EB	9,300	-	9,300
6P Operational Vehicles - Replacement of 3 vehicles for the Public Convenience Service (Total cost £90,000, £63,200 c/f from 2022/23)		MQ	EB	18,760	-	18,760
7P Refuse and Recycling Service - Wheeled bin replacements (Total annual cost £96,000 p.a., £30,000 funded from green bin income)		MQ	EB	43,250	19,080	62,330
8P Trade Waste Bins - Replacement Programme (Total annual cost £76,370, £25,000 funded from green bin income)		MQ	EB	35,960	17,500	53,460
Total Adur / Worthing Partnership Schemes:				370,370	36,580	406,950
SCHEMES FUNDED FROM GENERAL FUND SCHEMES WITH HEALTH AND SAFETY ISSUES						
9 Commerce Way - Refurbishment of floor coverings (Floors contain asbestos which needs to be removed or managed. 50% contribution to Adur District Council scheme. Total cost £100,000)	N/A	KS	EB	50,000	-	50,000


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
10 Commerce Way - Refurbishment of offices (Health and Safety Issues identified from unsafe working conditions. Works required: partitioning, new kitchen, new I.T., door controls and flooring. 50% contribution to Adur District Council scheme. Total cost £75,000)	N/A	KS	NB	37,500	-	37,500
11 Commerce Way - Replacement roof covering including relocation of solar panels and thermal upgrade. (Health and Safety issues from water ingress and danger of falling ceilings. 50% contribution to Adur District Council scheme. Total cost £150,000)	N/A	KS	NB	75,000	-	75,000
12 Church House Grounds - Tennis Courts Refurbishment (Court surfaces and fencing is at end of life and one court has been closed due to health and safety issues. External funding of £34,000 from the Lawn Tennis Association)	N/A	MP	EB	209,300	34,000	243,300
13 Connaught Theatre - Replacement of metal gantry and connections to main roof (Connections are failing)	N/A	KS	NB	30,000	-	30,000
14 Beach House Park Chalets - Replacement of chalet fronts (The fronts of the chalets are now beyond repair and dangerous)	N/A	KS	NB	150,000	-	150,000


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
15 Splashpoint Leisure Centre - Replacement fire dampers and access panels (Fire dampers are failing and there is currently no access to maintain them. Total cost of works estimated at £260,000 profiled £130,000 2023/24 and £130,000 2024/25)	N/A	KS	NB	130,000	-	130,000
16 High Street MSCP - Structural repairs (Works required to low railings, corrosion and windows. Total cost of works estimated at £400,000, £300,000 profiled in 2023/24 and £100,000 profiled in 2024/25)	N/A	KS	EB/NB	300,000	-	300,000
17 Worthing Pier, Southern Pavilion and Seafront Amusements - Fire safety works installation of new sprinkler system (Total costs estimated at £735,620. A budget provision of £435,620 is included in the 2022/23 Capital Investment Programme, but additional funding is required for a new building to house the pump. Options under consideration)	N/A	KS	EB	300,000	-	300,000
18 Town Hall - Roof replacement (Health and safety issues identified from the possibility of falling slates. Works required strip and lay slates, address nail fatigue and asphalt repairs. Total cost of works estimated at £320,000, £160,000 profiled in 2022/23 and £160,000 profiled in 2024/25)	N/A	KS	EB/NB	160,000	-	160,000


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
<i>PRIORITY SCORED SCHEMES</i>						
19 Housing Renewal Assistance - Mandatory Disabled Facilities Grants (Funded from the DCLG Better Care Fund)	48	BR	EB	-	800,000	800,000
20 Worthing Seafront Improvements i) Windsor Lawns Fish Market at the site of the Windsor Lawns public seating shelter ii) A bespoke wedding venue in a beach hut / chalet sized structure subject to planning approval (Application to be made to the Community Infrastructure Levy Strategic Pot to fund these schemes)	48	AW	NB	-	100,000	100,000
21 Play Area Improvements - Replacement of play equipment, safety surfaces and perimeter fencing	41	SM	EB	100,000	-	100,000
22 Corporate Buildings - Access audits and remedial works as required under the Equalities Act (Rolling programme of works to be targeted at the most urgent works)	38	KS	EB	10,000	-	10,000

WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
23 Worthing Town Centres Public Space Improvements (Enhancing public space and improving facilities within the Town Centre, including secondary shopping areas at Goring, East Worthing and Broadwater to increase the economic viability of the Borough. Application to be made the Community Infrastructure Levy Strategic Pot for funding)	37	AW	EB	-	50,000	50,000
24 Housing Renovation Assistance Scheme - Discretionary Grants (Provision of grants and loans to owner-occupiers to carry out essential repairs or improvements and provision of grants to landlords to bring properties up to standard in return for nomination rights)	35	BR	EB	40,000	-	40,000
25 Public Conveniences - Replacement of hand washing units (Units reaching life expiry and need to be replaced)	34	KS	EB	40,000	-	40,000
26 Empty Properties - Grants and Loans used to bring empty properties back on the market (Funded from ring-fenced capital receipts and revenue)	28	BR	EB	-	35,000	35,000
27 Broadwater Cemetery - Replacement fencing (To increase the height of the fence around the cemetery to deter unauthorised entry to the cemetery after it is locked overnight)	24	KG	NB	30,000	-	30,000

WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
28 Durrington Cemetery - Replacement Dumper Truck (Required to move earth from graves around the cemetery. The existing vehicle is 12 years old and is becoming increasingly unreliable and a vehicle has to be hired when the existing vehicle is being repaired)	22	KG	NB	24,600	-	24,600
29 Contingency provision for urgent / priority schemes, inflation and unavoidable overspends	N/A	SG	EB	100,000	-	100,000
30 Contingency Provision for Project Management of Grant Funded Decarbonisation Schemes	N/A	JJ	NB	22,000	-	22,000
TOTAL 2023/24 CAPITAL SCHEMES:				2,178,770	1,055,580	3,234,350
FUNDING FOR NEW SCHEMES 2022/23 CAPITAL INVESTMENT PROGRAMME						
Capital Grants				-	800,000	800,000
Capital Contributions				-	219,000	219,000
Revenue Contributions / Reserves						
AWCS Refuse/Recycling Service				-	36,580	36,580
Capital Receipts / Prudential Borrowing (Includes £148,000 underspend c/f from 2022/23)				2,178,770	-	2,178,770
TOTAL FUNDING:				2,178,770	1,055,580	3,234,350


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2023/24 CAPITAL INVESTMENT PROGRAMME


 WORTHING BOROUGH COUNCIL Description	Priority Score	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Council Resources Funding 2023/24 £	External Funding 2023/24 £	Total Scheme Budget 2023/24 £
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Lead Officers:


AW Andy Willems
 BR Bruce Reynolds
 JJ Jan Jonker
 KG Kate Greening
 KS Kevin Smith
 MP Martyn Payne
 MQ Mark Quartly
 SM Steve McKenna


Head of Place and Economy
 Team Leader, Environmental Health
 Head of Customer and Digital Services
 Bereavement Services Manager
 Principal Building Surveyor
 Senior Engineer
 Assistant Operations Manager
 Operations Manager, Parks and Foreshore


SUMMARY							
2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME							
 WORTHING BOROUGH COUNCIL	Total Estimate £	CAPITAL ESTIMATES					
		Prior to 1.4.2022 £	2022/2023		2023/2024 Current £	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
			Original £	Current £			
Column Reference (1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
BUDGETS							
Executive Member for Citizen Service	14,852,800	-	6,631,320	2,099,560	7,113,240	2,800,000	2,840,000
Executive Member for Climate	5,704,470	2,450	1,520,000	950,000	630,000	3,722,020	400,000
Executive Member for Community Wellbeing	472,860	-	165,240	105,360	230,000	22,500	115,000
Executive Member for Culture and Leisure	2,081,880	415,960	1,395,710	422,110	1,143,810	100,000	-
Executive Member for the Environment	7,015,200	830,160	3,588,330	3,270,630	1,585,680	671,640	657,090
Executive Member for Regeneration	62,799,770	26,157,640	32,819,420	28,463,240	2,738,290	717,670	4,722,930
Executive Member for Resources	131,207,680	87,310,820	44,903,860	26,595,910	16,563,950	387,000	350,000
	224,134,660	114,717,030	91,023,880	61,906,810	30,004,970	8,420,830	9,085,020
FINANCING							
Capital Grants and Contributions							
Communities and Local Government			2,086,990	3,298,080	1,098,000	4,283,000	800,000
Environment Agency			106,430	106,430	117,670	117,670	106,430
S106 Contributions from Planning Agreements			2,084,120	479,200	2,176,840	150,000	100,000
Other Contributions			694,860	1,723,530	717,000	-	-
Prudential Borrowing			84,904,210	55,983,910	24,796,190	3,753,580	7,873,210
Revenue Contributions and Reserves							
Revenue Contributions			167,580	245,620	116,580	116,580	116,580
Revenue Reserves			61,690	20,000	41,690	-	-
Usable Capital Receipts							
General			918,000	50,040	941,000	-	88,800
			91,023,880	61,906,810	30,004,970	8,420,830	9,085,020


SUMMARY					
2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME					
 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2022/2023		2023/2024	2024/2025	2025/2026
	Original	Current	Current	Draft	Future
£	£	£	Estimate	Estimate	
£	£	£	£	£	
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
<u>DETAILED FUNDING</u>					
<i>Capital Grants and Contributions</i>					
<u>Department for Business, Energy and Industrial Strategy</u>					
Heat Network Investment Programme Grant	950,000	950,000	148,000	2,208,000	-
Heat Network Investment Programme Loan	-	-	-	1,275,000	-
<u>Department for Levelling Up Housing and Communities</u>					
Better Care Fund					
(Disabled Facilities Grants)	750,000	1,451,810	800,000	800,000	800,000
Changing Places Fund					
(High Street Public Convenience - Accessible toilet facilities)	-	50,000	50,000	-	-
Homes England					
Victoria Road Housing Development	-	440,000	-	-	-
Public Sector Decarbonisation Schemes Fund)					
(Assembly Hall - Installation of solar PV array)	-	18,350	-	-	-
(Portland House / Town Hall Carbon Reduction Schemes)	286,990	189,920	-	-	-
(Splashpoint Swimming Pool - Replacement of 2 ground source heat pumps)	100,000	-	100,000	-	-
(Worthing Town Hall - LED lighting)	-	62,000	-	-	-
(Worthing Town Hall - Heating, fabric efficiency improvements and heat monitoring)	-	136,000	-	-	-
	2,086,990	3,298,080	1,098,000	4,283,000	800,000
<u>Environment Agency</u>					
Coast Protection Grant					
(Contribution to the Strategic Monitoring Project for the South East Phase 5)	106,430	106,430	117,670	117,670	106,430
	106,430	106,430	117,670	117,670	106,430
<u>S106 and Community Infrastructure Contributions from Planning Agreements</u>					
(Grants to Registered Social Landlords for the provision of affordable Housing)	1,765,800	-	1,765,800	-	-
(Extending Ultrafast Fibre Network CIL)	-	189,980	-	-	-
(Hillbarn / Rotary Recreation Ground - Refurbishment of changing rooms S106)	13,320	-	13,320	-	-
(Montague Street Design Works CIL)	200,000	100,000	100,000	-	-
(Northbrook Recreation Ground Play Fitness Equipment)	-	129,740	-	-	-
(Outdoor Fitness Equipment - Windsor Lawns S106)	-	20,000	-	-	-
(Play Area Improvements: Bourne Close and Northbrook Recreation Ground S106)	25,000	39,480	-	-	-
(Play Area Improvements: Palatine Park S106)	80,000	-	87,720	-	-
(Worthing Seafront Improvements - Community Infrastructure Levy)	-	-	100,000	100,000	50,000
(Worthing Town Centres Public Space Improvements - Community Infrastructure Levy)	-	-	50,000	50,000	50,000
(George V to Sea Lane Cycle Lane - Community Infrastructure Levy)	-	-	60,000	-	-
	2,084,120	479,200	2,176,840	150,000	100,000


SUMMARY					
2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME					
 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2022/2023		2023/2024	2024/2025	2025/2026
	Original	Current	Current	Draft	Future
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
DETAILED FUNDING (continued)					
Capital Grants and Contributions (Continued)					
<u>Other Contributions</u>					
Adur District Council (Contribution to Digital Infrastructure and Building Refurbishments for new ways of working)	-	209,610	-	-	-
Business Rate Pool (Extending Ultrafast Fibre Network)	662,500	-	662,500	-	-
Lawn Tennis Association (Church House Grounds - Tennis courts refurbishment)	-	-	34,000	-	-
Sussex Community Foundation / Rampion Community Benefit Fund Award (Brooklands Park Redevelopment - New Café)	-	100,000	-	-	-
Tarring Bowls Club (Church House Grounds Pavilion - Refurbishment)	-	-	6,500	-	-
West Sussex County Council (Portland Road Public Realm Scheme)	-	1,410,720	-	-	-
Worthing Theatres and Museum Trust (Contribution towards Assembly Hall Public Conveniences)	15,160	-	-	-	-
(Contribution towards Museum Display Cabinets)	13,200	3,200	10,000	-	-
(Contribution towards Museum roof lights refurbishment)	4,000	-	4,000	-	-
	694,860	1,723,530	717,000	-	-
Prudential Borrowing					
<u>Invest to Save Schemes</u>					
(Acquisition and development of emergency or temporary accommodation)	3,101,520	-	3,566,440	2,000,000	2,000,000
(Purchase and installation of 32 new Beach Huts)	285,800	-	-	-	-
(Buckingham Road MSCP - Refurbishment)	1,200,000	2,069,480	-	-	-
(General Provision)	-	-	-	-	74,500
(Carbon reduction schemes)	570,000	-	570,000	239,020	400,000
(Strategic Property Investment Fund for investments in property for regeneration)	36,305,710	23,917,630	10,048,250	-	-
<u>General Fund Schemes</u>	43,441,180	29,996,800	10,611,500	1,514,560	5,398,710
	84,904,210	55,983,910	24,796,190	3,753,580	7,873,210
Revenue Contributions and Reserves					
<u>Revenue Contributions</u>					
AWCS Refuse/Recycling Service (Provision of wheeled bins and Trade Waste Bins)	36,580	36,580	36,580	36,580	36,580
Crematorium Trading Account (Crematorium Improvement Scheme repaid from additional income estimated at the rate of £80,000 p.a. over the next 5 years)	80,000	80,000	80,000	80,000	80,000
Housing Service (Empty Properties - Grants and loans to bring empty properties back into use)	36,000	114,040	-	-	-
Digital Service (Network Refresh Project)	15,000	15,000	-	-	-
	167,580	245,620	116,580	116,580	116,580


SUMMARY					
2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME					
 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2022/2023		2023/2024	2024/2025	2025/2026
	Original	Current	Current	Draft	Future
	£	£	£	Estimate	Estimate
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
Revenue Contributions and Reserves (Continued)					
<u>Revenue Reserves</u>					
Museum Reserve					
(Museum and Art Gallery - Refurbishment)	61,690	20,000	41,690	-	-
	61,690	20,000	41,690	-	-
Usable Capital Receipts					
Affordable Housing	906,000	-	906,000	-	-
Ring-Fenced:					
(Flexible Use of Capital Receipts - Adur / Worthing					
Accommodation Project)	-	27,000	-	-	-
(Grounds Maintenance replacement of equipment)	-	11,040	-	-	-
(Repayable grants and loans to bring empty properties back	12,000	12,000	35,000	-	-
into use)					
(Worthing Coast Protection Scheme)	-	-	-	-	88,800
	918,000	50,040	941,000	-	88,800


EXECUTIVE MEMBER FOR CITIZEN SERVICE 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Affordable Housing Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts, Housing Capital Receipts and S106 Receipts)	AA	2,671,800	-	2,671,800	-	2,671,800	-	-
Housing Empty property grants and loans to bring empty properties back into use (Funded from a revenue contribution and repayments of grants and loans)	BR	161,040	-	48,000	126,040	35,000	-	-
Housing Development Acquisition and development of emergency interim, temporary accommodation for the homeless (Invest to Save Schemes)	AA							
i) Victoria Road Development		440,000	-	-	440,000	-	-	-
ii) Unallocated		7,566,440	-	3,101,520	-	3,566,440	2,000,000	2,000,000
Housing Renewal Assistance <u>Discretionary Grants</u> Home Repair Assistance Grants	BR	161,710	-	60,000	81,710	40,000	-	40,000
<u>Mandatory Grants</u> Disabled Facilities Grants (Funded by DCLG Better Care Fund)	BR	3,851,810	-	750,000	1,451,810	800,000	800,000	800,000
TOTAL		14,852,800	-	6,631,320	2,099,560	7,113,240	2,800,000	2,840,000


EXECUTIVE MEMBER FOR CLIMATE EMERGENCY 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Corporate Buildings								
Decarbonisation Schemes (Invest to Save Schemes)	DG	1,211,470	2,450	570,000	-	570,000	239,020	400,000
Carbon Neutral 2030 : Worthing Heat Network (Funded by the Heat Network Investment Programme Grant and Loan)	DG	4,433,000	-	950,000	950,000	-	3,483,000	-
George V to Sea Lane cycle lane Design and feasibility work (Funded from CIL)						60,000		
TOTAL		5,644,470	2,450	1,520,000	950,000	630,000	3,722,020	400,000


EXECUTIVE MEMBER FOR COMMUNITY WELLBEING 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dog Warden Service								
Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost £45,000)	MQ	22,500	-	-	-	-	22,500	-
Equalities								
Access Audits as required under the Equalities Act	KS	70,000	-	30,000	30,000	10,000	-	30,000
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties	KS	58,460	-	30,240	13,460	20,000	-	25,000
High Street - Accessible toilet facilities (Part funded from Changing Spaces Grant)	KS	150,000	-	-	50,000	100,000	-	-
Public Health								
Asbestos removal / management in Council buildings	KS	171,900	-	105,000	11,900	100,000	-	60,000
TOTAL		472,860	-	165,240	105,360	230,000	22,500	115,000


EXECUTIVE MEMBER FOR CULTURE AND LEISURE 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Assembly Hall								
Public conveniences - Refurbishment (Scheme not proceeding. Works to be undertaken by the Worthing Theatres and Museum Trust)	KS	-	-	151,400	-	-	-	-
Installation of solar PV array (Funded from Public Sector Decarbonisation Fund)	DG	43,360	25,010	-	18,350	-	-	-
Connaught Studio (Ritz)								
Installation of ventilation system (Scheme to be reviewed and bid for in future years)	KS	-	-	10,000	-	-	-	-
Renewal of slate roof	KS	200,000	-	150,000	-	200,000	-	-
Connaught Theatre								
Main auditorium - Installation of a ventilation system (£57,850 funded from Theatres Restoration Levy)	KS	433,480	378,430	50,000	55,050	-	-	-
Replacement of metal gantry and connections to the main roof	KS	30,000	-	-	-	30,000	-	-
Replacement windows	KS	85,000	-	85,000	-	85,000	-	-
Museum and Art Gallery								
DDA compliant new passenger lift	MR	100,000	-	-	-	-	100,000	-
Redevelopment (£77,000 funded from the Museum Reserve)	MR	89,190	-	89,190	20,000	69,190	-	-
Replacement of 3 display cases and purchase of additional display cases (Worthing Theatres and Museum Trust Funding £13,200)	MR	64,400	-	64,400	23,000	41,400	-	-
Roof lights - Refurbishment and uncovering	KS	48,800	-	48,800	-	48,800	-	-
Pavilion Theatre								
Crittall window replacement	KS	80,000	-	80,000	-	80,000	-	-
Toilet Refurbishment	KS	21,120	11,120	-	10,000	-	-	-
Provision of ventilation in roof space	KS	20,000	-	20,000	20,000	-	-	-
Richmond Room								
Renewal of partition doors to Richmond Room and bar	KS	25,000	-	25,000	25,000	-	-	-
Parks Pavilions								
<i>Hillbarn / Rotary Recreation Ground Pavilion</i> Contribution to new changing rooms / building (Funded from S106 Receipts)	SM	13,320	-	13,320	-	13,320	-	-


EXECUTIVE MEMBER FOR CULTURE AND LEISURE 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Contribution towards Broadwater Green Pavilion Refurbishment	SM	89,600	-	89,600	-	89,600	-	-
Broadwater Green Pavilion - Replacement roof covering	KS	35,000	-	-	35,000	-	-	-
Church House Grounds Pavilion - Refurbishment	SM	156,500	-	150,000	100,000	56,500	-	-
Splashpoint Leisure Centre								
Replacement fire dampers and access panels	KS	130,000	-	-	-	130,000	-	-
Replacement Heat Pump	KS	300,000	-	300,000	-	300,000	-	-
Tourism								
Beach Office - Adaptation to include a Visitor Information Centre	AW	40,010	400	30,000	39,610	-	-	-
Worthing Leisure Centre								
Replacement of hammer cage	MR	77,100	1,000	39,000	76,100	-	-	-
TOTAL		2,081,880	415,960	1,395,710	422,110	1,143,810	100,000	-


EXECUTIVE MEMBER FOR THE ENVIRONMENT 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Bereavement Services								
New operational vehicles - 3 way tipper transit with towbar and trailer and mini tractor and flail (Partnership scheme with Adur District Council. Total cost £105,970)	KG	52,980	-	20,000	20,000	-	32,980	-
Replacement of grounds maintenance equipment (Partnership scheme with Adur District Council)	KG	19,200	-	19,200	19,200	-	-	-
Brooklands Park								
Additional Parking Conversion of old go-kart track to provide surface car parking	CC	69,000	-	-	69,000	-	-	-
Redevelopment of Brooklands Park as detailed in the Brooklands Master Plan (Part funded from ring-fenced capital receipts, S106 receipts, CIL receipts and external contributions)	SM	3,177,210	793,160	2,000,000	2,384,050	-	-	-
Cemeteries								
Broadwater Cemetery - Replacement fencing	KG	30,000	-	-	-	30,000	-	-
Durrington Cemetery - Improvements i) Structural works ii) Catafalque	KG	92,400	830	92,400	91,570	-	-	-
Durrington Cemetery - Replacement dumper truck	KG	24,600	-	-	-	24,600	-	-
Outdoor Fitness Equipment								
Windsor Lawns (Funded from S106 Receipts)	SM	20,000	-	-	20,000	-	-	-
Parks and Open Spaces								
Church House Grounds Bowling Green - Procurement of irrigation system	SM	12,790	10,790	-	2,000	-	-	-
Church House Grounds Tennis Courts - Reconstruction and associated fencing and paving, including the installation of an electrical access gate linked to an online booking system (External funding of £34,000 from the Lawn Tennis Association)	MP	243,300	-	-	-	243,300	-	-
Grounds Maintenance - Replacement of vehicles (Partnership scheme with Adur District Council. Total cost £522,120)	SM	108,000	-	108,000	108,000	-	-	-
Grounds Maintenance - Rolling programme of equipment replacements (Partnership scheme with Adur District Council)	SM	120,970	-	48,000	66,970	30,000	12,000	12,000


EXECUTIVE MEMBER FOR THE ENVIRONMENT 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Infrastructure improvements to the Council's Parks (Improvements to include signage, recycling features, landscape enhancements and improved community facilities to meet Green Flag Award submissions)	SM	15,000	-	15,000	15,000	-	-	-
Landscape Adaptations - A series of initiatives designed to help cope with the changing climate. Schemes to include rain gardens, wildflower planting, prairie planting, edible landscapes, artwork, rewilding and wildlife habitat creation	SM	45,000	-	45,000	45,000	-	-	-
Street litter and dog bins replacement programme (Partnership scheme with Adur District Council)	MQ	34,100	-	6,200	6,200	9,300	9,300	9,300
Replacement of trees affected by Ash Dieback (Restocking of tree cover as part of the response to Ash Dieback. Works now funded from landscaping budgets)	SM	-	-	15,000	-	-	-	-
Sustainable landscaping (Successional bulb planting of areas along major gateways into Worthing)	SM	50,000	-	50,000	50,000	-	-	-
Play Area Improvements								
Bourne Close and Northbrook Recreation Ground (Funded from S106 receipts)	SM	39,480	-	25,000	39,480	-	-	-
Northbrook Recreation Ground Play Fitness Equipment (Funded from S106 receipts)	SM	129,740	-	-	129,740	-	-	-
Palatine Park (Funded from S106 receipts)	SM	100,800	13,080	80,000	-	87,720	-	-
Play Area Improvements (Continued)								
Play area refurbishments and replacements of safety surfaces, equipment and perimeter fencing	SM	414,310	-	150,000	64,310	230,000	-	120,000
Public Conveniences								
Replacement of hand washing units	KS	40,000	-	-	-	40,000	-	-
Rolling programme of upgrades and improvements (Sites to be agreed with the Executive Member)	KS	280,000	-	230,000	-	180,000	-	100,000
Public Convenience Service - Vehicle Replacements (Partnership scheme with Adur District Council. Total cost £90,000)	MQ	63,000	-	-	-	63,000	-	-


EXECUTIVE MEMBER FOR THE ENVIRONMENT 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Refuse / Recycling Service								
Provision of trade waste bins (Partnership scheme with Adur District Council. Total annual cost £76,370, £25,000 funded from a revenue contribution)	TP	213,840	-	35,000	53,460	53,460	53,460	53,460
Provision of wheeled bins (Partnership scheme with Adur District Council. Total annual cost £96,000, £30,000 funded from green bin income)	TP	235,080	-	44,520	48,090	62,330	62,330	62,330
Refuse / Recycling / Street Cleansing Service								
Replacement vehicles (Partnership scheme with Adur District Council. Total cost £2,142,410)	MQ	1,333,540	-	576,210	-	531,970	501,570	300,000
Fleet Management System (Partnership scheme with Adur District Council. Total cost £23,840)	MQ	15,160	12,300	-	2,860	-	-	-
Transport Workshop								
Replacement of HGV Vehicle Lifts	MQ	35,700	-	28,800	35,700	-	-	-
TOTAL		7,015,200	830,160	3,588,330	3,270,630	1,585,680	671,640	657,090

EXECUTIVE MEMBER FOR REGENERATION 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Boundary Signs								
Replacement of existing boundary signs on main entry routes into Worthing and additional signs on the A27	MG	22,000	-	22,000	22,000	-	-	-
Car Parks								
Buckingham Road MSCP - Refurbishment	CC	2,146,370	76,890	1,200,000	2,069,480	-	-	-
Buckingham Road MSCP - Replacement of essential equipment, cameras and entry / exit barriers	JJ	33,920	23,270	-	10,650	-	-	-
Grafton MSCP - Structural works required to keep the building operational (Concrete works are required to correct carbonisation and corrosion of the steel reinforcement)	KS	120,000	-	120,000	120,000	-	-	-
High Street MSCP - Major refurbishment scheme deferred and structural repairs to be undertaken in 2023/24 and 2024/25	JJ	-	-	2,700,000	-	-	-	-
High Street MSCP - Structural repairs	KS	400,000	-	-	-	300,000	100,000	-
High Street and Buckingham Road MSCPs Replacement of payment equipment and entry / exit barriers with automatic number plate recognition	JJ	350,000	-	-	-	-	350,000	-
Coast Protection								
Strategic Monitoring Project for the South East Phase 5 (Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment Agency)	MP	520,460	72,260	106,430	106,430	117,670	117,670	106,430
Worthing Coast Protection Scheme (Contribution to Environmental Agency Scheme. £88,800 funded from ring-fenced capital receipts)	MP	200,000	-	-	-	-	-	200,000
Economic Development								
Colonnade House Digital Hub (Acquisition of site to create a digital hub to provide additional flexible workspace for small and start up digital / tech companies)	CC	4,100,980	171,560	3,930,980	10,320	-	-	3,919,100
Decoy Farm - Development of site to provide office space (Remediation works funded by Local Enterprise Grant)	CC	5,444,440	4,853,990	600,000	590,450	-	-	-
Teville Gate Development - Acquisition of site for redevelopment to deliver new homes and employment opportunities	CC	8,910,850	7,750,820	635,900	210,030	950,000	-	-
Worthing Integrated Care Centre Development on Worthing Town Hall Car Park	CC	33,971,000	11,333,830	21,278,110	22,637,170	-	-	-

EXECUTIVE MEMBER FOR REGENERATION 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Union Place Site - Development (Funded by external funding)	CC	600,000	17,790	560,000	582,210	-	-	-
Beach House Park Chalets - Replacement of chalet fronts	KS	150,000	-	-	-	150,000	-	-
Parade lighting columns - structural works	MP	12,290	-	10,000	12,290	-	-	-
Promenade - Replacement of festoon lighting with LED units	KS	235,000	-	235,000	-	235,000	-	-
Purchase and installation of new beach huts (Invest to Save Scheme. No sites available; scheme removed from Capital Investment Programme)	KS	-	-	285,800	-	-	-	-
Splashpoint Rainbow Misting Fountain - Replacement of the failed lighting	MP	32,600	-	32,600	32,600	-	-	-
Worthing Pier - Phased replacements of timber structures and piles to the Landing Stage (Total cost £1,170,000, phased at £234,000 p.a.)	MP	491,400	-	234,000	234,000	-	-	257,400
Worthing Pier - Replacement of timber decking and timber structures to the landing stage	MP	229,600	1,000	88,600	88,600	-	-	140,000
Public Realm Improvements								
Montague Street Improvements - Design works (Funded from the Community Infrastructure Levy)	AW	200,000	-	200,000	100,000	100,000	-	-
Portland Road Improvements (£3m funded by WSCC, £697,000 funded by Governments Growth Deal)	AW	2,712,710	1,301,990	-	1,410,720	-	-	-
Worthing Seafront Improvements i) Windsor Lawns Fish Market ii) Bespoke wedding venue (Funded from the Community Infrastructure Levy)	AW	250,000	-	-	-	100,000	100,000	50,000
Worthing Pier, Southern Pavilion and Seafront Amusements								
Fire safety compliance works Southern Pavilion Sprinkler System	KS	1,366,150	500,530	500,000	130,000	735,620	-	-
Worthing Town Centre								
Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary shopping areas (2023/24 - 2025/26 works funded from the Community Infrastructure Levy)	JM	300,000	53,710	80,000	96,290	50,000	50,000	50,000
		62,799,770	26,157,640	32,819,420	28,463,240	2,738,290	717,670	4,722,930

EXECUTIVE MEMBER FOR RESOURCES 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Admin Buildings								
Commercer Way								
External door replacements (50% contribution to Adur District Council Scheme)	KS	25,000	-	-	-	-	25,000	
Provision of female facilities (50% contribution to Adur District Council Scheme)	KS	27,500	-	-	27,500	-	-	-
Refurbishment of floor coverings (50% contribution to Adur District Council Scheme)	KS	100,000	-	-	-	50,000	50,000	-
Refurbishment of offices, new kitchen, door controls and flooring (50% contribution to Adur District Council Scheme)	KS	37,500	-	-	-	37,500	-	-
Replacement roof covering including relocation of solar panels and thermal upgrade (50% contribution to Adur District Council Scheme)	KS	75,000	-	-	-	75,000	-	-
Replacement of vehicle workshop roof (50% contribution to Adur District Council Scheme)	KS	126,500	-	-	-	-	126,500	-
Upgrade of male showers (50% contribution to Adur District Council Scheme)	KS	35,000	-	-	35,000	-	-	-
Portland House - Replacement of boiler and heating upgrade (Funded from Public Sector Decarbonisation Grant)	KS	148,000	-	148,000	-	148,000	-	-
Portland House - Replacement of building management system	KS	175,000	-	175,000	75,000	100,000	-	-
Portland House - Replacement of windows, balconies and ancillary works (Works include new soffit, fascia boards, rainwater goods, localised rebuilding of balcony walls and replacement copings)	KS	716,000	99,130	636,990	616,870	-	-	-
Portland House - Asbestos removal and fire safety works	KS	300,000	-	-	300,000	-	-	-
Town Hall - Installation of fire separation and roof insulation (Works identified from Fire Risk Assessment)	KS	75,000	-	75,000	-	75,000	-	-

EXECUTIVE MEMBER FOR RESOURCES 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025	2025/2026
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Town Hall - Refurbishment for new ways of working (Partnership scheme with Adur District Council. 40% contribution from Adur District Council)	KS	1,817,280	1,290,450	34,760	526,830	-	-	-
Town Hall - Replacement of slate roof covering and sectional replacement of asphalt coverings	KS	180,000	-	70,000	-	180,000	-	-
Corporate Buildings								
Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a programme of planned maintenance works)	KS	264,570	72,930	158,790	56,640	100,000	-	35,000
Fire Risk Assessment Works (Remedial works identified from Fire Risk Assessment Surveys)	KS	25,000	-	25,000	25,000	-	-	-
Leased Out Properties - Condition Surveys (To provide an assessment of the current condition of the Council's leased out properties to inform a programme of planned maintenance works)	CC	190,000	-	135,000	35,000	100,000	-	55,000
Montague Street Site - Essential repairs (Funded from set aside funding)	KS	259,470	11,260	248,210	-	248,210	-	-
Information and Communications Technology								
Cemeteries and Crematorium Software (Partnership scheme with Adur District Council. Total cost £102,560)	KG	82,050	-	-	-	82,050	-	-
Corporate ICT hardware and infrastructure replacement programme (Replacement PCs, laptops, servers, network infrastructure, firewalls, wifi and essential on premise server replacements for services that are not suitable for cloud hosting. Partnership scheme with Adur District Council. Total cost £878,370)	JJ	465,540	-	116,600	134,290	87,450	121,900	121,900
COSHH Management Software (To support Risk Management and Health and Safety Issues. Partnership scheme with Worthing Borough Council. Total cost £13,500)	JJ	7,160	-	-	7,160	-	-	-
Network Refresh Project Wifi upgrade across all sites, improvements to remote working, network resilience and robustness (Partnership scheme with Worthing Borough Council. Total cost £879,890)	JJ	511,020	368,890	15,000	114,750	27,380	-	-

EXECUTIVE MEMBER FOR RESOURCES 2022/23 - 2025/26 CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2022 £	2022/2023		2023/2024	2024/2025 Draft Estimate £	2025/2026 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Digital Strategy General Provision (Partnership scheme with Adur District Council. Total cost £646,890)	JJ	366,490	-	109,790	143,890	95,400	63,600	63,600
Extension of Ultrafast Fibre Network Additional fibre connections and equipment (£358,550 funded by the Local Enterprise Partnership)	JJ	1,978,740	453,770	1,474,990	303,530	1,221,440	-	-
Planning and Building Control Document Management Solution (Partnership scheme with Adur District Council. Total cost £95,040)	JA	50,370	-	50,370	-	50,370	-	-
Invest to Save Schemes General Provision	SG	74,500	-	-	-	-	-	74,500
Office Equipment Microphone system - Replacement (Partnership scheme with Adur District Council. Total cost £30,000)	SS	15,900	-	15,900	-	15,900	-	-
Strategic Property Investment Investments in property for regeneration or to increase service provision	CC	96,180,270	82,432,020	37,398,250	-	13,748,250	-	-
Cannon House Refurbishment (To refit the building for office space)		750,000	517,530	-	232,470	-	-	-
Southdown View Road Development (Acquisition and sale for future development)	CC	2,100,000	2,064,840	3,737,730	35,160	-	-	-
Southern House (Acquisition for development)	CC	23,650,000	-	-	23,650,000	-	-	-
Contingency: Inflation, Fluctuations and Urgent Schemes	SG	398,820	-	278,480	276,820	122,000	-	-
TOTAL		131,207,680	87,310,820	44,903,860	26,595,910	16,563,950	387,000	350,000

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ADUR & WORTHING
COUNCILS

ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26

	Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £	
					2023/24	2024/25	2025/26		
					£	£	£		
1	Bereavement Services	Bereavement Services - Cemeteries and Crematorium Software	Kate Greening	20 / 80	£ -	£ 102,560	£ -	£ -	£ 102,560
2	Bereavement Services	Bereavement Services - New operational vehicle; mini tractor and flail	Kate Greening	50 / 50	£ -	£ -	£ 65,970	£ -	£ 65,970
3	Dog Warden Service	Replacement of one operational vehicle	Mark Quartly	50 / 50	£ -	£ -	£ 45,000	£ -	£ 45,000
4	Information and Communications Technology	Replacement of Microphone System	Neil Terry	47 / 53	£ 30,000	£ -	£ -	£ -	£ 30,000
5	Information and Communications Technology	Corporate ICT hardware and infrastructure replacement programme	Jan Jonker	47 / 53	£ -	£ 165,000	£ 230,000	£ 230,000	£ 625,000
6	Information and Communications Technology	Digital Strategy - Identity and Access Management (Single Sign On)	Jan Jonker	47 / 53	£ 60,000	£ -	£ -		£ 60,000
7	Information and Communications Technology	Digital Strategy - Digital Cyber Security	Jan Jonker	47 / 53	£ -	£ 120,000	£ 120,000	£ 120,000	£ 360,000



ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26

	Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £	
					2023/24	2024/25	2025/26		
					£	£	£		
8	Information and Communications Technology	Gigabit Project / Extension of Ultrafast Fibre Network	Jan Jonker	47 / 53	£ 2,304,600	£ -	£ -	£ -	£ 2,304,600
9	Information and Communications	Network Refresh Project	Jan Jonker	47 / 53	£ 51,660	£ -	£ -	£ -	£ 51,660
10	Information and Communications Technology	Planning and Building Control Document Management Solution	Jan Jonker	47 / 53	£ 95,040	£ -	£ -	£ -	£ 95,040
11	Parks and Open Spaces	Street litter and dog bins replacement programme	Mark Quartly	38 / 62	£ -	£ 15,000	£ 15,000	£ 15,000	£ 45,000
12	Parks and Open Spaces	Replacements of equipment used in parks and open spaces	Steve McKenna	40 / 60	£ -	£ 50,000	£ 20,000	£ 20,000	£ 90,000
13	Parks and Open Spaces	Replacement of vehicles used in parks and open spaces	Steve McKenna	40 / 60		£ -	£ -	£ -	£ -
14	Public Conveniences	Replacement of 3 essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	30 / 70	£ 63,200	£ 26,800	£ -	£ -	£ 90,000
15	Refuse / Recycling / Street Cleansing	Replacement of essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	36.4 / 63.6 (Refuse/Recycling) 39.4 / 60.6 (Street Cleansing)	£ 858,610	£ -	£ 783,800	£ 500,000	£ 2,142,410

ADUR & WORTHING
COUNCILS

ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2022/23 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2023/24 - 2025/26

	Scheme	Requesting Officer	Split of Costs ADC / WBC	Budgets c/f from 2022/23 to 2023/24 £	BUDGETS PROPOSED			TOTAL BUDGET £	
					2023/24	2024/25	2025/26		
					£	£	£		
16	Refuse and Recycling Service	Wheeled Bin Replacements	Mark Quartly	36.4 / 63.6	£ -	£ 96,000	£ 96,000	£ 96,000	£ 288,000
17	Trade Waste Service	Trade Waste Bins Replacements	Mark Quartly	30 / 70	£ -	£ 76,370	£ 76,370	£ 76,370	£ 229,110
BUDGET PROPOSED:					£ 3,463,110	£ 651,730	£ 1,452,140	£ 1,057,370	£6,624,350
FUNDING FROM ICT RING FENCED PROVISION:						£ 165,000	£ 230,000	£ 230,000	£ 625,000
FUNDING FROM DIGITAL STRATEGY PROVISION:						£ 120,000	£ 120,000	£ 120,000	£ 360,000
FUNDING FROM PARTNERSHIP RING FENCED PROVISION:						£ 366,730	£ 1,102,140	£ 707,370	£2,176,240

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WORTHING BOROUGH COUNCIL - CITIZEN SERVICES

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
<p>HOUSING Empty Properties - Provision of grants and loans to bring empty properties back into use (Annual provision)</p> <p>Housing Renovation Assistance - Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)</p> <p>Disabled Facilities Grants Mandatory grants for adaptations to private housing (Annual provision)</p>	<p>35,000</p> <p>40,000</p> <p>800,000</p>	<p>Estimate revised in line with the demand for grants and loans</p> <p>Estimate revised in line with the demand for grants</p> <p>Estimate revised in line with the demand for grants</p>	<p>Amend Reserve List</p> <p>Amend Reserve List</p> <p>Amend Reserve List</p>

WORTHING BOROUGH COUNCIL - CULTURE AND LEISURE

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
CONNAUGHT THEATRE Ventilation - Improvements	190,000	To improve the ventilation of the Theatre during the Summer months	Add to Reserve List
Dressing Rooms - Refurbishment	65,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
LIDO Major substructure repairs	N/C	Major review being undertaken and costs not know at this time	Amend Reserve List
PAVILION THEATRE Public Convenience - Refurbishment	65,000	Works are the responsibility of the Worthing Theatres and Museum Trust	Remove from Reserve List
SPLASHPOINT LEISURE CENTRE External cladding replacement	21,500	Works included in the 2023/24 Capital Investment Programme	Remove from Reserve List
WORTHING LEISURE CENTRE Athletics Track - Replacement	N/C		Amend Reserve List
Building - Renew external cladding	N/C	Estimates being obtained for major refurbishment of the Worthing Leisure Centre to include all these works	Amend Reserve List
Building - Rewire whole complex	N/C		Amend Reserve List
New ceilings, boilers and ventilation	N/C		Amend Reserve List
Roof areas - Renewal of flat roof areas	Not Costed	New estimates being obtained	Amend Reserve List



WORTHING BOROUGH COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
BEACH HOUSE GROUNDS Chalets - Replacement of front elevations	114,000	Scheme included in proposed 2023/24 Capital Investment Programme	Remove from Reserve List
BEACH HOUSE PARK Reconstruction of western access road	300,000	Works undertaken from Revenue Budget	Remove from Reserve List
CEMETERIES Durrington Cemetery - Signage replacements	18,500	A recent audit of the cemeteries signage showed that some key signs are missing and their replacement needs to be scheduled	Add to Reserve List
CREMATORIUM CCTV upgrade and installation of new cameras	11,000	Estimate revised	Amend Reserve List
Replacement of gas cremators with electric cremators	N/C	Replacement options under review as electric cremators are not cost effective	Amend Reserve List
GROUND MAINTENANCE Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total annual provision £20,000)	12,000	Estimate revised	Amend Reserve List

WORTHING BOROUGH COUNCIL - ENVIRONMENT

RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
<p>PARKS AND OPEN SPACES Brooklands Lake - Aeration Foundation (Power supply and water spout fountain)</p>	60,000	Algae and other organisms deplete oxygen and at times the current two windmill aerators are not able to provide enough oxygen. Testing and Investigation works to be undertaken in 2023/24 to inform works required	Add to Reserve List
<p>Play Areas - Rolling programme of replacements, upgrades and improvements to include outdoor fitness equipment (Annual provision)</p>	120,000	Estimate revised	Amend Reserve List
<p>Rolling programme of replacement signage (Annual provision)</p>	20,000	Works included in the 2022/23 and 2024/25 Capital Investment Programme	Amend Reserve List
<p>REFUSE/RECYCLING/STREET CLEANSING SERVICE Wheeled bins replacement programme (Partnership scheme with Adur District Council. Total joint annual provision £96,000)</p>	43,250	Estimate revised	Amend Reserve List


WORTHING BOROUGH COUNCIL - COMMUNITY WELLBEING
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
COMMUNITY DEVELOPMENT			
West Durrington community leisure facility	N/C	Schemes being undertaken by the Consortium delivering the West Durrington Housing Development	Remove from Reserve List
West Durrington sports changing rooms/ pavilion	300,000		Remove from Reserve List
EQUALITIES			
Corporate Buildings Access Audits and remedial works as required under the Equalities Act (Annual provision)	30,000	To ensure corporate buildings are DDA compliant	Add to Reserve List
Durrington Cemetery Public Conveniences - Disability Discrimination Act improvements	65,000	To improve DDA facilities	Add to Reserve List
HEALTH PROTECTION			
Asbestos removal from Council offices	60,000	Estimate Revised	Amend Reserve List


WORTHING BOROUGH COUNCIL - REGENERATION
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
CAR PARKS Buckingham Road MSCP - Replacement fire doors	50,000	Interim repairs being undertaken but the replacement of the doors requires to be scheduled in future years	Add to Reserve List
COAST PROTECTION WORKS Strategic Monitoring Project for the South East Phase 5. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency) Worthing Beach Management Plan Delivery	106,430 N/C	Continuation of works, final year Future works still be assessed and new estimates will be obtained	Amend Reserve List Amend Reserve List
FORESHORE Chalets and Kiosks - Renewal of fronts	114,000	Included in 2023/24 proposed Capital Investment Programme	Remove from Reserve List
WORTHING PIER Phased replacement of timber structures and piles to the Landing Stage (Continuation of works commenced in 2022/23 @ £257,400 p.a.) Replacement of timber decking (Continuation of works commenced in 2022/23 @ £140,000 p.a.)	1,029,600 240,000	The timber piles are in a very poor condition and need to be replaced within the next 5 years. The landing stage acts as a breakwater to dissipate wave energy. The loss of one or more of the timber piles may have catastrophic effects on the remainder of the pier Estimate revised.	Add to Reserve List Amend Reserve List


WORTHING BOROUGH COUNCIL - REGENERATION
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
WORTHING PIER AND NORTHERN PAVILION Corrosion management	1,300,000	Reinforcement of the concrete soffits and beam encasements needs to be programmed in the future Capital Investment Programme	Add to Reserve List

WORTHING BOROUGH COUNCIL - RESOURCES
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
ADMIN BUILDINGS Commerce Way Contribution to improvements to south car park area	N/C	Scheme to be reviewed and specific works to be bid for in future years if required	Remove from Reserve List
Vehicle Workshop - Contribution to the replacement of the roof (Total cost £253,000)	126,500	Scheme included in the proposed 2024/25 Capital Investment Programme	Remove from Reserve List
CORPORATE BUILDINGS Condition surveys of commercial leased out properties (Annual provision)	55,000	Estimate revised	Amend Reserve List
INFORMATION AND COMMUNICATIONS TECHNOLOGY Desktop equipment, software and infrastructure replacements (Partnership scheme with Adur District Council. Total annual provision £230,000)	121,900	Estimate revised	Amend Reserve List
PROPERTY MANAGEMENT Meadow Road Depot External wall cladding and downpipe replacement Toilet Refurbishment	25,000 14,500	Estimate Revised Estimate Revised	Amend Reserve List Amend Reserve List


WORTHING BOROUGH COUNCIL - RESOURCES
RESERVE LIST : FUTURE CAPITAL INVESTMENT PROGRAMME : ADDITIONS, AMENDMENTS AND DELETIONS

Scheme	Estimates £	Reason	Officer's Recommendations
TOWN HALL Roofing - Renewal of slate roof coverings	520,000	Phase 1 works included in the proposed 2023/24 Capital Investment Programme. Estimate revised	Amend Reserve List

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WORTHING BOROUGH
COUNCIL

Worthing Cabinet
1 February 2023

Key Decision [Yes/No]

Ward(s) Affected: All

Budget Estimates 2023/24 and setting of the 2023/24 Council Tax

Report by the Director for Digital, Sustainability & Resources

Officer Contact Details

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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 2023/24 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2023/24, prior to its submission to the Council for approval on the 21st February 2023. 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 2027/28, discusses the impact the current high inflation is having on the budget over the next year, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic asset management. This has been updated to include the latest information regarding the impact of the inflation on the Council's 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 2024/25, however the delivery of the budget strategy will ensure that this is met.

1.3 These budgets reflect the Council's ambitions set out in the JSC Sub-Committee report 'New Priorities for Worthing', supported by 'Our Plan' and agreed savings proposals contributing to the financial sustainability of the Councils.

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 2023/24 and beyond (see section 4);
- Highlights the proposed funding for initiatives to support the Councils' ambitions;
- Details the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by 2.99% or by a lower amount (section 5.10).

1.5 The budget is analysed by Cabinet Member portfolio. In addition, the draft estimates for 2023/24 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 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 6.67% and a further £10.00 in 2024/25. The proposed 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 27th January 2023. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 20th February 2023 at which point the Commissioner will be in a position to confirm the Council Tax for 2023/34 in time for Council on the 21st February 2023.

1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2.99%. Those Councils with responsibility for Adult Social Care can increase Council Tax by up to a further

2%. Therefore a Council Tax increase of 4.99% for Councils with social care responsibilities is allowed for 2023/24.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 17th February 2023. The formal detailed resolution setting the overall Council Tax for next year will be presented directly to the Council Meeting on 21st February 2023.

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 2023/24
- (v) **Appendix 5** Outcome of consultation exercise

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 2023/24 and the transfer to Reserves leading to a net budget requirement of £14,188,940 which includes provision for the proposals in Appendix 2, subject to any agreed amendments; and
- (c) Consider which Band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2023/24 as set out in section 5.10
- (d) Approve the Council Tax base of 39,364.6 for 2023/24 as set out in paragraph 12.3.

3. INTRODUCTION

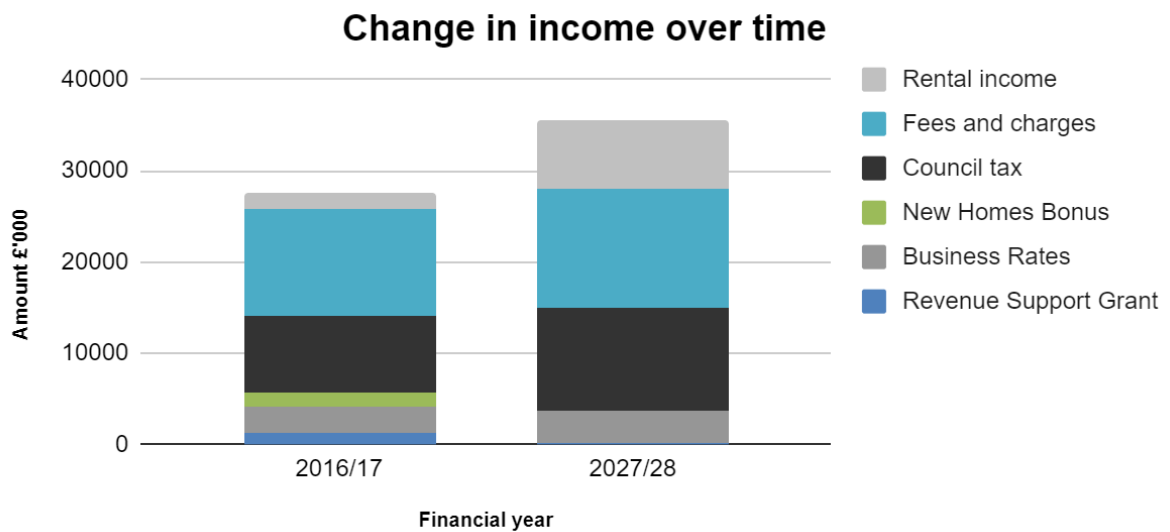
3.1 The Joint Strategic Committee considered the outline 5-year forecast for 2023/24 to 2027/28 and the Budget Strategy on 5th July 2022, which was subsequently adopted by each full Council. At this stage in the budget cycle, the report identified the following cumulative shortfalls in funding for the General Fund:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Budget shortfall	2,702	4,341	5,209	5,933	6,381

3.2 The Councils had already set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering savings for the future. These are now in the process of being reviewed in the context of Our Plan and new political priorities but the overarching structure is sound and we continue to organise our work in these programmes:

1. The Major Projects programme leads on delivering regeneration projects to increase employment space and additional housing;
2. The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments;
3. The Commercial programme is developing initiatives for income growth from commercial services and seeks to improve the customer experience;
4. 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;
5. 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 the Council strategic plans; and
6. The Service and Digital Redesign Programme which continues to deliver new digital services and improvements to existing systems, including through a new 'rapid improvement' model.

3.3 The successful delivery of our strategy has fundamentally changed how the Council is funded while pursuing transformational approaches to how we deliver services and work with our partners. The Council has moved 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 2027/28 income from locally controlled sources (including Council Tax) is expected to increase from £21.9m to £32.6m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £5.8m to £3.7m.



3.4 The subsequent report to the Worthing Joint Strategic Sub-Committee, on 5th December 2022 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – December forecast	3,390	5,344	5,866	6,586	6,930
Savings identified in December 2022	-3,203	-4,303	-5,078	-5,938	-6,798
Revised budget shortfall/ Surplus(-) as at December 2022	187	1,041	788	648	132

3.5 The 2023/24 savings proposals identified within the report amounted to £3.2m.

- 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 2023/24 can be summarised as:

	£'000
Original 2023/24 budget deficit	2,702
<i>Changes to income from grants and taxation:</i>	
(a) Changes to the income from Council Tax	25
(b) Impact of current forecast Council Tax Collection Fund deficit	3
(c) Review of the impact of the introduction of the new Council Tax Support Scheme	-86
<i>Other changes:</i>	
(d) Review of inflationary provisions including energy costs	393
(e) Impact of interest rates:	
Increased investment income	-120
Increase in costs associated with the capital investment programme	658
(f) Impact of triennial review of the pension fund	-237
(g) Impact of removal of 1.25% National Insurance payments	-111
(h) Changed assessment of impact of the Environment Act	-96
(i) Final impact of 2022/23 pay award and the settlement of the dispute	236
(j) Net committed growth items identified by Service Heads approved in December	113
(k) Removal of contingency budget for committed growth	-90
Revised budget deficit as at 5th December 2022	3,390
<i>Impact of Settlement</i>	
Final change to business rate income and expenditure following confirmation of the new rateable values, the tariff and new multiplier and review of current income levels	250
One off funding:	
New Homes Bonus	-125
Changes to existing grant streams	12
Funding guarantee grant	-256
Budget deficit following settlement	3,271

	£'000
Budget Surplus following settlement	3,271
<i>Adjustment for final items identified</i>	
Final assessment of Council Tax income and the collection fund deficit for 2023/24 based on a 2.99% Council Tax increase	-109
Impact of increased demand for homelessness	600
Review of interest rate and profiling of the capital programme	-523
Review of inflation on diesel	-36
Removal of contingency for new service investment proposals.	-90
Revised Budget shortfall	3,113
Less: Net savings agreed in December	-3,203
Budget surplus based on a 2.99% Council Tax increase available to fund new initiatives (before any further action is agreed)	-90

4. 2023/24 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 The government published the provisional local government finance settlement for 2023/24 on 19th December 2022 via a written statement. Consultation on the provisional settlement closed on the 16th January 2023. This is a one-year settlement but contains some details for 2024/25.
- 4.2 Settlement confirmed the referendum principles set out above. The Council will be able to increase Council Tax by up to 3% or £5.00 whichever is the higher.
- 4.3 Local Government as a whole was a major beneficiary of the Autumn Statement 2022, with larger increases in funding than any other part of the public sector. Whilst a significant proportion of the increase was directed towards social care, even authorities without social care responsibilities have received an increase in funding. However, whilst the year's settlement was better in cash terms than any for over a decade; in real terms, the settlement will still leave many local authorities with a significant financial

gap to close as it was less than the inflationary pressures currently being experienced across the sector.

4.4 The impact of settlement can be summarised as follows:

- ***Revenue support grant***

The Council will receive some Revenue Support Grant in 2023/24 (£109,100), this is due to the inclusion of Council Tax Support Administration Grant as part of Revenue Support Grant for the first time. Since 2016/17 the Council has seen Revenue Support Grant fall by £1.4m and had received no grant since 2018/19 until 2023/24.

- ***Business grant income and baseline funding***

The business rate system has been reset this year following the national revaluation which resulted in an overall increase nationally in rateable values.

The government's decision to freeze the business rates multiplier will be fully funded, and, from 2023-24 onwards, compensation to authorities for under-indexation would be paid based on Consumer Price Index (CPI) (10.1%).

Compensation to authorities will be part-paid via an uplift to Baseline Funding Level (BFL) (3.74%), with the remainder paid via section 31 grant. Baseline funding for 2023/24 will be £2,793,310.

Overall, councils will be compensated for the impact of freezing of business rates via grants and the net overall impact of all of these changes is an increase of £304,000 in income from the business rate system.

- ***Funding Guarantee grant (£111m nationally)***

A new grant has been created to ensure every authority has an increase in Core Spending Power (the total funding received from Council Tax, Business Rates, and Government Grant) of at least 3% in 2023/24. This new guarantee will be funded from the previous Lower Tier Services Grant (LTSG) and the reduced cost of New Homes Bonus (NHB).

The cost of the 3% Funding Guarantee will be £136m in 2023-24. Worthing Borough Council will receive £256,100. It is expected that this funding will remain in place in 2024/25.

- **Services Grant (£464m nationally)**

The Services Grant was created in 2022/23 to fund core services which was distributed using the 2013/14 Settlement Funding Assessment methodology. This has been subsequently reduced to reflect the estimated benefit from the changes to National Insurance. Worthing Borough Council will receive £104,590.

This funding will be excluded from any proposed baseline for transitional support as a result of any proposed system changes.

- **New Homes Bonus**

New Homes Bonus (NHB) will continue for another year but the government very clearly intends to phase out the current scheme although the timing of this is unclear. For 2023/24, 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 £290m will be made nationally. This is a one off allocation in 2023/24 and the Council will receive an additional grant of £125,110.

4.5 **Changes to local government funding in 2024/25 and beyond:**

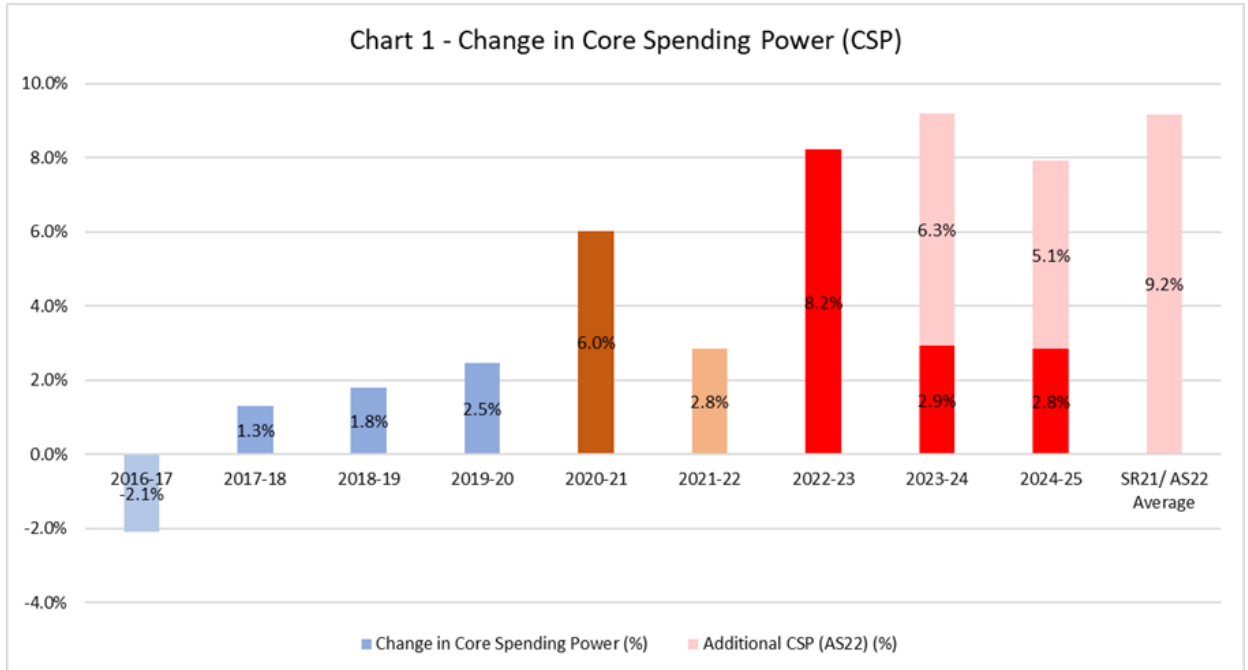
This is not a fixed two-year settlement and so there is uncertainty around 2024/25. We do not yet know the future of NHB. However, the policy statement made earlier in December, was clear that “the core settlement will continue in a similar manner for 2024-25. The major grants will continue as set out for 2023-24.”

The Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2025/26 at the earliest, effectively delayed until after the next election.

4.6 **Summary of 2024/25 Local Government Settlement**

4.6.1 In overall terms, the settlement announced for 2023-24 and 2024-25 represent the largest increases in Core Spending Power (CSP) that local

government has received for more than a decade. Assuming authorities increase their Band D by the maximum allowed, CSP will increase by 9.2% in 2023-24 and 7.9% in 2024-25. These increases follow a pattern of strong increases in CSP since 2020-21.



* Source - Pixel Financial Management
 2022/23 to 2024/25: Red = change in core spending power (CSP) from the Spending Review 2021 and Pink = additional CSP from the Autumn Statement 2022.

4.6.2 However, for District Councils the increases are much lower at around 3% which is well below actual inflationary pressures. District Councils have the lowest amount of flexibility for Council Tax increase when compared to other types of authority; the £5 rather than the 3% uplift on Council Tax will only benefit a handful of authorities and even then only minimally. Consequently, whilst the settlement is to be welcomed, it does not address the pressures that District Councils are experiencing.

4.6.3 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 16th January 2023 with final settlement expected in February.

4.6.3 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.

4.7 **Update on current Business Rate Retention Scheme**

4.7.1 The business rate retention scheme has now been in place for several years. There are two key features which members are reminded of:

- 1) 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.
- 2) 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

4.7.2 The forecast for 2023/24 is currently being finalised. The 2023/24 NNDR return which underpins this forecast is due to be submitted by the 31st January 2023 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. This is a particularly complex year for forecasting business rates due to the national revaluation.

4.7.3 The Collection Fund will have another deficit at the end of the current year, partially due to the additional reliefs (£3.1m) granted in the year; together with a share of the losses incurred in 2020/21 which are now being recovered over a three year period; and the impact of some substantial

in-year revaluations for major retailers which have been backdated to 2010.

4.7.4 Overall a deficit of £6.4m will need to be recouped in 2023/24 which can be broken down as follows:

	2022/23	Share of 2020/21 loss	Total to be recovered in 2023/24
	£'000	£'000	£'000
Worthing Borough Council	2,309.9	256.2	2,566.1
West Sussex County Council	577.4	64.1	641.5
Government (HMT)	2,887.4	320.3	3,207.7
Total recovered	5,774.7	640.6	6,415.3

The Council will receive compensation in 2022/23 for the additional reliefs granted. The losses are supported by the business rate smoothing reserve in 2023/24 which has been set up to address timing differences in the business rate system. Nevertheless, the Council will still have losses of £473,290 to fund in 2023/24.

4.7.5 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures. Members will be aware that there are several schemes progressing which will create employment space. Examples include: Union Place, Grafton, Decoy Farm and Teville Gate.

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

- It is difficult to establish the number of appeals which are likely to come forward. 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.

4.7.7 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 provide for any known backdated business rates appeals at the 2022/23 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve.

4.8 **Long term implications of current government policy**

4.8.1 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).

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

Breakdown of taxation income to the Council:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/26
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	9,920	10,188	10,477	10,729	10,987	11,252
Business Rates **	3,366	3,369	3,959	3,470	3,535	3,609
New Homes Bonus	156	125	0	0	0	0
Government grants	343	507	365	109	109	109
Total funding from taxation	13,785	14,189	14,801	14,308	14,631	14,970

* Includes any surplus or deficit on the collection fund

** Includes the surplus or deficit on the collection fund and any levy account payment

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/26
Council Tax	71.96%	71.81%	70.78%	74.99%	75.08%	75.16%
Business Rates	24.42%	23.74%	26.75%	24.25%	24.16%	24.11%
Government grants (incl New Homes Bonus)	3.62%	4.45%	2.47%	0.76%	0.74%	0.73%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2023/24

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £14,189,000. This includes the savings and committed growth proposals agreed in December.

5.2 *Impact of the current high inflation on the Council's budgets:*

5.2.1 As part of settlement the Council received a number of additional grants. These include:

	£'000
Services Grant	105
Funding Guarantee	256
New Homes Bonus	125
Total allocated to support the budget	486

5.2.2 The current challenges due to inflation will continue to impact on the Council's finances throughout 2023/24. Where these impacts have been able to be quantified, provision has been included in the draft budget. Nevertheless, the rate at which income recovers is difficult to quantify with any certainty. Additional risk areas relating to the economic climate include:

- Fees and charges income, particularly in relation to car parks and bereavement services.
- Impact on homelessness caseload. There remains a risk that demand and associated costs may increase further over the coming year.
- Additional staffing costs. Currently there are a number of areas where it is proving difficult to recruit new staff, consequently there is increasing pressure on staffing budgets.

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

5.3.1 The budget is fundamental to realising the Council's ambitions set out in the Council administration's strategic priorities and in 'Our Plan'. 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 for member consideration.

5.3.2 The budget is designed around the structure of Our Plan in order to facilitate the shared delivery model with Adur. The Council's priorities will be delivered within this structure and examples include:

5.3.3 **Thriving Economy**

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 Worthing town centres and provide for additional employment land.

The foundation of our thriving economy has been laid out in our Economic Principles paper. Moving forward, we will orient our resources to promote and develop Community Wealth Building across the Borough, prioritising green and sustainable investment that allows the resources of our Borough to benefit all, reducing inequalities and improving quality of life for all our residents

5.3.4 **Thriving People**

As part of the development of the 2023/24 budget, the Council has revised the Council Tax Support Scheme, removing the £5.00 restriction to support those on the lowest income during the cost of living crisis.

The Council continues to see an increase in demand for our Housing Service, in particular from those who are experiencing homelessness. The Council has increased its investment in this service as part of the 2023/24 budget. The Council has also 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.

In the longer term, our Housing Strategy will focus resources on developing sustainable social housing options for residents who are currently unable to

afford a home of their own in Worthing. Emergency and Temporary accommodation has a heavy social and economic cost and a longer term investment approach will bring benefits to both areas.

5.3.5 **Thriving Places**

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. These improvements will be done in partnership with our Communities and will benefit people of all ages as well as contributing to biodiversity across the town.

5.3.6 **Thriving Environment**

The Council has a strong commitment to tackling the climate crisis as part of the Fair, Green and Local agenda. The economic principles presented to Committee in December and forthcoming climate principles to be published in March, underpin the strategic commitment to the environment across all Council operations and its work with partners and communities more widely. The Council intends to focus on carbon emissions reduction across all its operations and the built environment, moving away from fossil fuels and reaching net zero by 2030.

The Council is working to tackle the ecological crisis through developing a nature recovery strategy with the Sussex Local Nature Partnership, greening the public realm, increasing biodiversity and creating a network of green corridors to support and enhance flora and fauna throughout the borough, connecting parks and open spaces and through larger strategic projects such as restoring chalk grassland at Cissbury Fields and Sussex Bay kelp restoration, in conjunction with external partners including Sussex wildlife Trusts, RSPB and other conservation organisations and local community groups.

5.3.7 **Good Foundations**

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 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 2022/23 to 2023/24 are at Appendix 1. The changes can be summarised briefly as follows:

	£'000	£'000
2022/23 Original Estimate		13,785
Add: General Pay and Price Increases		2,200
Add: Committed and Unavoidable Growth:		
Impact of high inflation on demand for services	690	
Impact of delivering Council's priorities	224	
Other committed growth	602	
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	1,516	
Reduced income	105	
Impact of Capital Investment Programme	436	2,057
Less: Compensatory savings and additional Income:		
Compensatory savings	-410	
Additional income	-330	-740
2023/24 budget prior to agreed savings		17,302

	£'000	£'000
2023/24 budget prior to agreed savings		17,302
Less: Savings agreed by members		
Approved in December	-3,203	-3,203
Executive Member requirements		14,099
Potential contribution to reserves / amount available to invest in services (see Appendix 2)*		90
Potential budget requirement before external support		14,189
Collection fund deficit		43
2023/24 BUDGET REQUIREMENT		14,232
<p>* 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.</p>		

- 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 Council Tax element of the Collection Fund is estimated to be £321,450, of which £43,480 is the Borough Council share. A large proportion of the deficit relates to 2020/21 which has been recouped over the three years 2021/22 - 2023/24 in line with the Covid regulations. Consequently, current deficit will be recouped as follows:

	Deficit re 2020/21	In year deficit	Total
	£	£	£
Split of deficit (-)			
Worthing Borough Council	-40,310	-3,170	-43,480
West Sussex County Council	-246,120	-21,930	-268,050
Sussex Police and Crime Commissioner	-35,020	-3,730	-38,750
Total deficit	-321,450	-28,830	-350,280

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 16.8%, an average of 1.5% per year (in 2012/13 the Band D tax was £216.00, in 2022/23 it was £252.36). Over the equivalent period, inflation (CPI) has been 25.0%.

5.10.2 The budget forecast currently assumes that Council Tax will increase by 2.99% in 2023/24. The most recent inflation index was 10.7% (CPI in November 2022) and so the forecast rate is significantly below current inflation rates.

5.10.3 A 3% uplift would only be a modest increase in the Council share of the bill for 2023/24. The table below details how the Council Tax will change as a result of a 1%, 1.5%, 2.0% and 2.99% increase.

	2022/23	Annual increase for 2023/24			
		1%	1.5%	2.0%	2.99%
	£	£	£	£	£
Council Tax Band D	252.36	254.88	256.14	257.4	259.92
Annual increase		2.52	3.78	5.04	7.56
Weekly increase		0.05	0.07	0.10	0.15
Council Tax Band C	224.32	226.56	227.68	228.8	231.04
Average annual increase		2.24	3.36	4.48	6.72
Average weekly increase		0.04	0.06	0.09	0.13
Total additional Council Tax raised compare to 2022/23		37,140	86,740	136,340	235,540
Additional Council Tax raised over a 1% increase			49,600	99,200	198,400

5.10.4 Members should also be aware that the Police and Crime Commissioner has the flexibility to increase the Band D tax by £15.00 (6.67%) 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 (4.99%). 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 close to 5%:

	2022/23	2023/24 (Indicative only)	%
	£	£	
Worthing Borough Council	252.36	259.92	2.99%
West Sussex County Council	1,555.74	1,633.32	4.99%
Sussex Police and Crime Commissioner	224.91	239.91	6.67%
	2,033.01	2,133.15	4.93%

5.10.5 The decision to raise Council Tax influences not just the 2023/24 budget but future years and 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 lower than the maximum permitted. This is particularly significant at the moment given the scale of the financial challenge faced by the Council. Potentially the next few years are financially challenging with significant savings required in each financial year of:

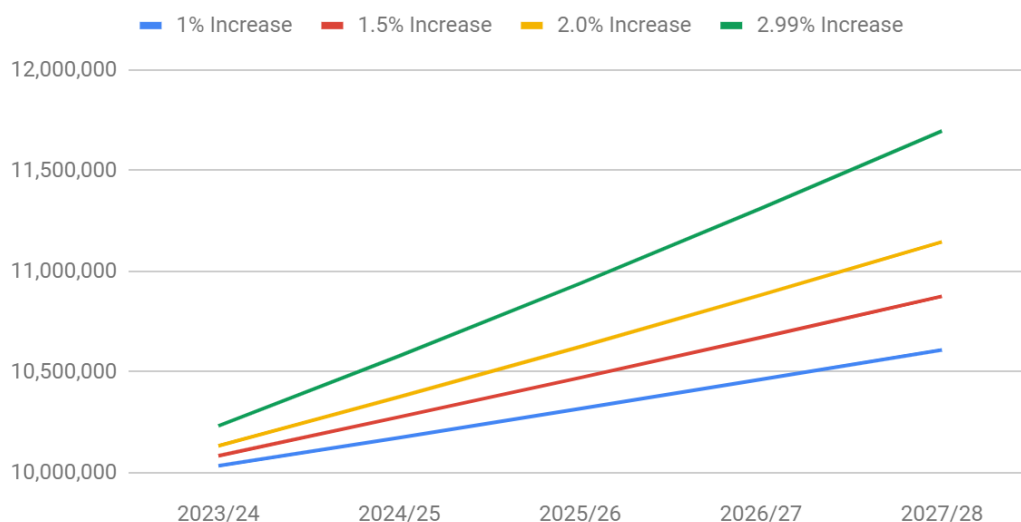
Estimated budget shortfall	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Annual saving	1,651	1,947	843	443
Cumulative Savings	1,651	3,598	4,441	4,763

5.10.6 The impact of changing the Council Tax by 1%, 1.5%, 2.0% and 2.99% annually would be as follows:

Total income	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
1% annual increase	10,033,250	10,172,990	10,317,250	10,462,490	10,608,750
1.5% annual increase	10,082,850	10,276,140	10,470,810	10,670,450	10,875,140
2.0% annual increase	10,132,450	10,375,740	10,624,370	10,882,000	11,145,130
2.99% annual increase	10,231,650	10,578,490	10,938,640	11,312,260	11,695,900

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

Worthing Borough Council - Long term impact of Council Tax increases



5.10.6 Members are asked to consider which level of Council Tax increase that they support. An increase of 2.99% 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. However, if a lower rate is set, then additional savings will have to be identified to fund the financial consequences as it would be inappropriate to use the reserves to balance the budget.

5.10.7 At this late stage in the budget process, it would be difficult to make any decisions that result in service reductions as these should be the subject of consultation, however the option remains to defer projects or the proposed investments into services to generate an in-year saving and fund the desired level of Council Tax increase.

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 2.99% increase):

Net budget requirement	£'000	£'000
		14,099
Less:		
Baseline Funding	-2,793	
Share of additional Business Rate income	-576	
Council Tax (2.99% increase)	-10,231	
Other grants	-632	
Collection Fund Deficit	43	-14,189
Budget surplus based on 2.99% Council Tax increase		-90
Maximum impact of accepting the growth items (Appendix 2)		90
Budget balanced at a 2.99% 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 2.99% tax increase for 2023/24 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 (Cumulative)				
	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Budget shortfall prior to approving growth	3,113	4,698	6,645	7,488	7,931
Impact of accepting the growth items at appendix 2	90	121	121	121	121
Cumulative budget shortfall as per appendix 1	3,203	4,819	6,766	7,609	8,052
Less:					
Net savings identified in 2023/24 budget round	-3,203	-3,168	-3,168	-3,168	-3,168
Adjusted cumulative budget shortfall	-	1,651	3,598	4,441	4,763
Savings required each year	-	1,651	1,947	843	443

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 Council's 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 has previously approved a budget strategy to:

- Generate £100k more commercial income per year;
- Rationalise the use of assets to reduce running costs and generate opportunities for disposal;
- Invest in new assets where these provide the opportunity to improve the local economy, the supply of housing or to reduce our carbon footprint;
- Promote efficiency whether this is through the digital strategy or by improving customer service; and
- 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			
	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000
Annual budget shortfall	1,692	1,561	843	443
Future savings from budget strategy:				
Annual increase to set-aside into commercial property reserve	100	100	100	100
Commercial activities	-450	-450	-450	-450
Service and digital redesign	-120	-120	-120	-120
Asset rationalisation and disposal programme	-78	-105	-190	-190
Excess savings (-) / new savings initiatives to be identified	1,144	986	183	-217

6.4 With the delay to the fairer funding review, the challenge has now moved onto 2024/25 which becomes a more challenging year. Given the scale of savings that the Council needs to deliver from 2024/25 onwards, it is intended to do a full refresh of the strategy to ensure the Council meets the challenges of the next few years and continues to set a budget without reliance on reserves.

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 (details are provided in Appendix 3) 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 has successfully protected and built the reserves over a number of years. In the past five years the reserves have generally increased as follows:

History of reserves	Year ended 31st March				
	2018	2019	2020	2021	2022
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves (a)	2,124	2,307	2,085	2,795	2,773
Tax Smoothing Reserves	425	905	437	7,688	* 3,306
Grants and Contributions	542	742	806	1,437	1,067
Total earmarked reserves	3,091	3,954	3,328	11,920	7,146
General Fund Working Balance (b)	844	869	1,543	1,543	1,347
Total reserves	3,935	4,823	4,871	13,463	8,494
Available reserves for general purposes (a+b)	2,968	3,176	3,628	4,338	4,120

* In 2020/21, and to some extent in 2021/22, the government funded significant additional business rate reliefs to support business during the Covid pandemic. Due to timing differences within the business rate system, the Council actually funded the impact of these additional reliefs in the following years which was financed by the grant provided by the Government and which had been placed into reserves for this purpose.

However the past three years have been very difficult, firstly due to the impact of the pandemic on the Council's finances and more recently the significant impact that the current historically high level of inflation is having on the Council's financial position.

7.4 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. The current balance as at 31st March 2022 is £1,347,350. The working balance was increased in 2019/20 to mitigate the additional risks that the Council is carrying in the light of the pandemic. The balance is 9.80% of net 2022/23 revenue expenditure and is in the upper part of the range of 6% -10% set by the Council. However as a result of the current financial challenges that the Council is experiencing, it is expected that the Council will have to significantly reduce its reserves in 2022/23 by around £2.2m with the result that current projections indicate the working balance reserve will reduce to approximately £300,000 by the year end.

7.5 The Council has a contingency budget for inflation costs of £150,000 which can be used to contribute to the working balance on an annual basis for the next few years to rebuild the balance. Any underspend can also be used to contribute towards the reserves.

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

		£'000	%
31.03.2022	Balance carried forward – per Final Accounts	1,347	9.8
31.03.2023	Use of reserves expected to fund the potential 2022/23 overspend.	300	2.1
31.03.2024	No planned drawdown or contribution expected	450	3.0
31.03.2025	No planned drawdown or contribution expected	800	5.6
31.03.2026	No planned drawdown or contribution expected	1,150	7.9

7.6 The working balance is currently projected to be too low at the year end. Whilst there are obviously plans to rebuild this reserve, these should be accelerated where possible by:

1. Mitigating the overspend in 2022/23 as far as possible to protect the current level of reserves;
2. Creating underspend in the 2023/24 budget by accelerating the delivery of savings to balance the budget;
3. Creating a specific 'contribution to reserves' budget from 2024/25 budget to further repair the Council's financial health at a faster pace. An amount of £200,000 per year has been allowed for from 2024/25 onwards

It is extremely important that the Council maintains its residual reserves at the planned amount for the foreseeable future.

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 £550,000 in 2023/24. This provision will be gradually built up over the next 5 years to a level of £950,000 per year by 2027/28.

- 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, 2023 is £300,000 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 change over the forthcoming years as follows:

	Balance as at 31st March				
	2022	2023	2024	2025	2026
	Actual	Est.	Est.	Est.	Est.
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves	2,773	336	791	1,441	2,191
Business Rates Smoothing Reserve	3,306	1,972	-	-	-
Grants and Contributions	1,067	1,067	1,067	1,067	-
Total earmarked reserves	7,146	3,375	1,858	2,508	2,191
General Fund Working Balance	1,347	300	450	1,100	1,450
Total reserves	8,494	3,675	2,308	3,608	3,641

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 low level of reserves, it is now even more 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 However the size and nature of the risks to the overall budget leaves the Council with little room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:

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

8.0 SIGNIFICANT RISKS

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

- (i) **Inflation** - A provision for 4.5% inflation has been built into pay budgets; with significantly higher amounts built in for energy costs and business rates; general non-pay budgets have been increased by 2%. Whilst the Bank of England inflation forecasts expect that inflation will begin to fall in 2023 and return to 2% in two years time, 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	162
Non-pay	135

- (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. This is a particular issue for such services wellbeing and sustainability which receive considerable funding from external sources.

- (iii) **Income** - The Council receives income from a number of services which will be affected by demand particularly at the moment due to the continuing impact of the pandemic and the cost of living crisis. These include land charges, crematorium income, trade and green waste services, development control and now business rates. Whilst known further reductions in income have been built into the proposed budgets for 2022/23: the pace of recovery may be slower than anticipated; 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 £450,000 in 2022/23. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

- (iv) **Demand for housing services** -

Demand has been increasing for housing services at a significantly higher rate than in previous years. Whilst this may be a temporary pressure, the Council has increased investment in this service to manage these costs. There remains a risk that demand for the service will continue to escalate.

9.0 CONSULTATION

- 9.1 The Council has undertaken a public consultation exercise this year. The council received 925 responses. The outcome of the consultation is included at Appendix 5.
- 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 2023/24 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 with a new code due to be introduced for 2023/24. 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. There is also stronger guidance on commerciality which effectively prohibits solely commercial investment and requires the Council to regularly review current commercial investments. However this change was pressaged by the new rules surrounding borrowing from the PWLB and the Council has long since adapted its property investment criteria.
- 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 7th February 2023 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.

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 cost of living crisis and the continuing impact of 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 2023/24.

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 21st February 2023 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 2023/24 Budget, the resulting Council Tax for the Borough 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 2023/24 prior to the consideration of the budget proposals. This is based on 2.99% Council Tax increase which is the maximum increase permitted without triggering the requirement for a referendum:

	£	£
Net 2023/24 Budget *		14,098,940
Less: Aggregate External Finance		
Baseline Funding	-,2,793,310	
Additional Retained Business Rate income	-575,570	
Funding Guarantee Grant	-256,100	
New Homes Bonus	-125,110	
Revenue Support Grant	-109,100	
Services Grant	-104,580	
Local Tax Guarantee Scheme - use of set aside grant	-37,000	
Contribution to the Collection Fund surplus (as per paragraph 5.8)	43,480	
		-3,957,290
Minimum amount to be raised from Council Tax		10,141,650
Net additional impact of proposals identified in Appendix 2 if all approved		90,000
Amount to be raised from Council Tax based on 2.99% Council Tax		10,231,650

- * 2023/24 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 2023/24 is 39,364.6 Band D equivalent properties. There is a decrease to the current year base of 39,610.5 which is due to the impact of the Council Tax Support Scheme. 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 2.09% will ensure that the Council has a balanced budget, an average increase of 2.99% 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 17th February, 2023. The proposed Police and Crime 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 27th January 2023.

	2022/23 £	2023/24 £
West Sussex County Council	1,555.74	t.b.c
Sussex Police Authority	224.91	t.b.c
TOTAL	1,780.65	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 21st February 2023.

13.0 LEGAL IMPLICATIONS

- 13.1 The Local Government Act 2003 places an obligation on the Chief Finance Officer to set prudential indicators and report to the Council on the robustness of the estimates and the adequacy of reserves which are addressed within the body of this report.
- 13.2 The Local Government Act 2003 requires that the Council sets a balanced budget. The purpose of this Report is to demonstrate how Worthing Borough Council intends to meet this legal requirement for 2023/24.
- 13.3 The Local Authority Finance Act 1992 provides the power for Full Council to authorise the proposals for Council Tax.
- 13.4 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

14.0 CONCLUSION

- 14.1 This has been an exceptionally difficult year in which the Council has had to address a budget shortfall of £3.2m whilst contending with the impact of high inflation and the current economic climate. The Government is providing more support in 2023/24 however much of this support is time limited in nature and there is a lack of clarity about the future of local government funding reform. To meet this challenge the Council has identified significant savings of £3.203m of savings and is now in the position to set a balanced budget.
- 14.2 The financial challenges in the current financial year will significantly impact on the Council's financial sustainability. Consequently we must prepare the Council to both rebuild the reserves and face another challenging budget for 2024/25. Our overall financial position will inevitably impact on our ability to deliver our priorities, but despite this the Council will have delivered on some key commitments, not least the approved change to the Council Tax Support Scheme. Consequently, the strategy of delivering commercial income growth and business efficiencies continues to play a vital role in balancing the budget. Nevertheless, given the scale of the potential challenges ahead, a refreshed budget strategy will be presented in July next year which will bring forward new savings initiatives.

- 14.3 Provided we continue to deliver on our agreed budget 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 strategic aims of the Council 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 and rebuild our financial health.
- 14.6 Finally, in preparing the strategy and forecast for 2023/24 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:

- New Priorities for Worthing Borough Council - report to JSC Worthing Sub Committee 5th July 2022
- New Economic Principles for Worthing - report to JSC Worthing Sub Committee 5th December 2022
- Our Plan - The new corporate plan for Adur & Worthing Councils - report to JSC 11th October 2022
- Developing a revenue budget for 2023/24 against a backdrop of high inflation – Report to Joint Strategic Committee on 5th July 2022
- Report to the Worthing Joint Strategic Sub-Committee 5th December 2022 - 2023/24 Budget update
- Local Authority Finance (England) Settlement Revenue Support Grant for 2023/24 and Related Matters: MHCLG Letters and associated papers of 19th December 2022.
- 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 2021/22
- Report to Worthing Joint Strategic Sub-Committee 5th December 2022 – 2nd Revenue Budget Monitoring Report (Q2)

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Through its strategies and operations, the Council has an important role to play in the economic development of Worthing. The development of major regeneration projects, public realm and active transport initiatives support the development of a thriving economy, and the Council's strategy to direct procurement and contracts towards local companies are key levers.

2. SOCIAL

2.1 Social Value

The Council's housing strategy is key to supporting local residents and communities, as are the range of initiatives to help tackle the cost of living crisis. The Council's use of data is helping target those most in need, offering support through our One Stop and proactive services and signposting people to further help.

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

The Council's budget is supporting the delivery of a range of carbon emissions reduction and biodiversity initiatives that is helping it meet its net zero 2030 commitments while also providing leadership for others across the area, such as Worthing Hospital through the Heat Network scheme.

4. GOVERNANCE

Matter considered and no issues identified

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2022/23 - 2027/28

	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	13,785	13,785	13,785	13,785	13,785	13,785
(a) Annual Inflation						
Estimated inflation (with 4.5% allowance in 2023/34)		258	743	1,215	1,682	2,160
Impact of 2022/23 pay award (Assume 5.82% budget contains 2%)		646	659	672	685	699
Reduction in employers national insurance by 1.25%		(111)	(113)	(115)	(117)	(119)
(b) One -off / non-recurring items						
Local Elections (held three out of four years)		50	50	-	50	50
(c) Impact of Cost of Living crisis						
Additional pay award - Usually budget for 2% assume 4.5%		420	424	439	450	459
Gas and electricity (380% gas, 190% electricity)		914	914	914	914	914
Diesel (50% increase)		120	120	120	120	120
Leisure Contract		90	90	90	90	90
Additional cost of housing service due to increasing demand including prevention work		748	767	767	767	767
Additional grant funding for homelessness prevention		(148)	(167)	(167)	(167)	(167)
Removal of inflation contingency budget		(158)	(158)	(158)	(158)	(158)
(d) Impact of funding the existing Council's priorities						
Measures to reduce waste - Impact of the Environment bill		32	32	32	32	32
Refurbishment of High Street Car Park - Financing costs		148	148	148	148	148
Brooklands improvement programme - net costs		7	23	43	43	43
Bike share scheme (£52k already included in the 2022/23 budget)		37	37	37	37	37
Heat Network		-	121	121	121	121
General provision for future impact of major projects		-	284	484	684	684
(e) Treasury Management						
Financing costs - General Programme		436	1,517	1,938	2,158	2,282
Investment income		(330)	(330)	(353)	(375)	(398)
(g) Other items						
Impact of waste dispute:						
Impact of negotiation on salaries costs		260	260	260	260	260
Impact of dispute on net income		48	48	48	48	48

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2022/23 - 2027/28

	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
(g) Other items (continued)						
Impact of Triennial review:						
Reduction in pension rates		(33)	(34)	(35)	(36)	(37)
Reduction in back funded contributions		(227)	(423)	(618)	(618)	(618)
Building maintenance - scale up budget		50	50	50	50	50
Removal of hardship funding following introduction of new Council Tax Support Scheme		(39)	(39)	(39)	(39)	(39)
Delay to Fairer Funding Review - Homeless funding in current form to continue for 2023/24		-	-	386	386	386
Impact of rate revaluation 2017		81	93	111	161	164
Consolidation of Council Tax Support grant into RSG		105	105	105	105	105
Provision to rebuild reserves		-	200	200	200	200
Allowance for committed growth items		113	203	293	383	473
(h) Approved Growth items						
Provision for new growth items (see appendix 2).		90	211	301	391	481
Total Cabinet Member Requirements	13,785	17,392	19,620	21,074	22,240	23,022
Baseline funding	2,693	2,793	2,849	2,906	2,964	3,023
Add: Net retained additional business rates	867	1,049	1,110	564	571	586
Add: Share of surplus /deficit (-) net of use of reserves	(194)	(473)				
Adjusted Baseline funding	3,366	3,369	3,959	3,470	3,535	3,609
Council Tax income	9,996	10,321	10,569	10,823	11,083	11,350
Impact of removal of Council Tax Support		(90)	(92)	(94)	(96)	(98)
New homes bonus (2019/20 - 2022/23)	68	-	-	-	-	-
New homes bonus - One off payments	88	125	-	-	-	-
Total New Homes Bonus	156	125	-	-	-	-
Lower Tier Services/ Revenue Support Grant	121	109	109	109	109	109
Local tax compensation scheme	37	37	-	-	-	-
Funding guarantee		256	256			
Services Grant	185	105				
Collection fund surplus/deficit (-)	(76)	(43)	-	-	-	-
Total other grants and contributions	423	589	365	109	109	109
Total Income from Taxation	13,785	14,189	14,801	14,308	14,631	14,970
AMOUNT REQUIRED TO BALANCE BUDGET	-	3,203	4,819	6,766	7,609	8,052

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2022/23 - 2027/28

	2022/23 Base	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET		3,203	4,819	6,766	7,609	8,052
Savings / Initiatives identified to date:						
Strategic Property Investment Fund						
Future property developments		113	113	113	113	113
Provision for future voids and repairs		(100)	(200)	(300)	(400)	(500)
Wellbeing centre and car park - net of debt charges		-	-	-	-	-
Commercial and Customer Activities		606	1,056	1,506	1,956	2,406
Service and Digital redesign programme		131	251	371	491	611
Corporate Landlord Programme		78	156	261	451	641
Corporate initiatives		1,241	1,241	1,241	1,241	1,241
Departmental proposals		1,134	1,099	1,099	1,099	1,099
Total savings initiatives identified to date		3,203	3,716	4,291	4,951	5,611
Cumulative savings still to be found/ (surplus)		-	1,103	2,475	2,658	2,441
Annual savings still to be found		-	1,103	1,372	183	(217)

Description	Comments	Expected cost (cumulative)								
		2023/24			2024/25			2025/26		
		Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Delivery manager	New post to build our programme management capability as outlined in Our Plan and manage our budget challenge programme	55,310	22,120	33,190	60,340	22,120	33,190	60,340	22,120	33,190
Increase to capital programme	The capital programme for Worthing had been set at £1.5m, however to meet all of the emerging health and safety requirements a further amount of £678,000 borrowing is required.			16,950			48,110			48,110
ASB Officer	Mainstreaming of one post to reflect that this remains an important service for the Councils despite the fact that external funding has now ceased for this role	41,000	16,400	24,600	41,000	16,400	24,600	41,000	16,400	24,600
Broadcasting of council meetings - Software licencing	Mainstreaming our prototype approach to broadcasting council meetings as this saves considerable staff time and resource compared to the temporary solution developed during the pandemic	4,000	1,600	2,400	4,000	1,600	2,400	4,000	1,600	2,400

Description	<i>Proposed text for paper</i>	<i>Expected cost (cumulative)</i>								
		<i>2023/24</i>			<i>2024/25</i>			<i>2025/26</i>		
		<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Participation software platform	Planned investment in a new digital platform to increase our participation and community engagement infrastructure	15,000	6,000	9,000	15,000	6,000	9,000	15,000	6,000	9,000
Asana licences	Software which will enable the development of an enhanced programme management capability and reporting	6,170	2,470	3,700	6,170	2,470	3,700	6,170	2,470	3,700
Total growth identified through financial planning		121,480	48,590	89,840	126,510	48,590	121,000	126,510	48,590	121,000
		-100,000	-70,000	-90,000	-100,000	-70,000	-90,000	-100,000	-70,000	-90,000
Net growth identified		21,480	-21,410	-160	26,510	-21,410	31,000	26,510	-21,410	31,000

SCHEDULE OF EARMARKED RESERVES

APPENDIX 3

		Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.24
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	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.	1,308	-	-861	447	-	-	447
2	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.	252	31	-35	248	30	-30	248
3	PROPERTY INVESTMENT RISK RESERVE Purpose: To offset future void rental periods in investment properties and to provide for future maintenance of the commercial property portfolio.	450	-	-	450	550	-	1,000
4	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	-	-	28	-	-28	0

SCHEDULE OF EARMARKED RESERVES		APPENDIX 3						
		Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.24
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	MUSEUM RESERVE Purpose: 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.	106		-20	86			86
6	BUILDING MAINTENANCE RESERVE Purpose: This will fund re-profiled expenditure on building maintenance.	326	-	-150	176	-	-	176
7	GRANTS & CONTRIBUTIONS Purpose: The reserve is used to hold grants or contributions which have been recognised as income in the Comprehensive Income and Expenditure Statement, but the expenditure to be financed from that grant or contribution has not been incurred at the Balance Sheet date.	1,067	-	-	1,067	-	-	1,067
8	BUSINESS RATES SMOOTHING RESERVE Purpose: This reserve is intended to smooth the impact of timing differences in the business rate system largely due to in-year changes to business rate reliefs .	3,307		-1,336	1,971	-	-1,971	0
9	LOCAL TAX INCOME GUARANTEE Purpose: The council received grant funding in 2020/21 towards the impact of council tax and business rates losses from the pandemic. However, due to the regulations governing the Collection Fund, the 2020/21 losses are due to be funded by the general fund over the next three years (2021/22- 2023/24). This reserve will be used to offset losses over that period.	302		-234	68		-68	0

SCHEDULE OF EARMARKED RESERVES




APPENDIX 3

		Balance as at 01.04.22	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.24
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	CREMATORIUM IMPROVEMENT RESERVE	-	60	-60	0	60	-60	0
11	GENERAL FUND WORKING BALANCE	1,348			1,348	150		1,498
12	PROJECTED OVERSPEND		-	-2,214	-2,214	-	-	-2,214
	Reserves to be identified at outturn.							
	TOTAL	8494	91	-4,890	3,675	790	-2,157	2,308

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Band D Equivalentents	3.40	3,526.70	6,743.90	9,727.80	8,546.00	6,153.70	3,289.70	1,396.20	28.00	39,415.40
Add: Forecast new homes	0.00	43.30	46.66	15.53	33.50	42.78	1.46	0.00	1.00	184.23
Add: Second Homes	0.00	0.00	0.00	0.00	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	235.00	0.00	0.00	0.00	0.00	235.00
COUNCIL TAX BASE	3.40	3,570.00	6,790.56	9,743.33	8,344.50	6,196.48	3,291.16	1,396.20	29.00	39,364.63

Worthing Budget Consultation Survey 2023

1. Firstly, do you live, work or study in the Worthing area? Please tick all that apply (if you have a connection to Adur by living, working or studying there, you can also complete the Adur survey).

Answer Choices			Response Percent	Response Total
1	I live in Worthing		93.41%	864
2	I work in Worthing		39.35%	364
3	I study in Worthing		1.41%	13
			answered	925
			skipped	0

2. Imagine you are in charge of setting the Council's budget. Consider the following service areas – for each of the twelve areas of work below, please tell us whether you would be comfortable or not with a reduction in spending.

Answer Choices	Very comfortable	Partly comfortable	Not comfortable	Don't know/no opinion	Response Total
Parks and open spaces	8.76% 81	35.68% 330	54.38% 503	1.19% 11	925
Seafront	9.62% 89	29.41% 272	59.68% 552	1.30% 12	925
Leisure services through our partner South Downs Leisure	18.27% 169	42.16% 390	35.89% 332	3.68% 34	925
Supporting our high streets	10.38% 96	33.51% 310	52.97% 490	3.14% 29	925
The Cost of Living emergency and supporting the most vulnerable	9.84% 91	19.24% 178	67.46% 624	3.46% 32	925
Health and wellbeing services	10.05% 93	18.92% 175	68.86% 637	2.16% 20	925
Waste and recycling services	7.35% 68	22.16% 205	69.62% 644	0.86% 8	925
Keeping our streets clean	7.24% 67	24.54% 227	67.14% 621	1.08% 10	925
Housing and homelessness prevention	9.19% 85	19.78% 183	67.78% 627	3.24% 30	925




2. Imagine you are in charge of setting the Council's budget. Consider the following service areas – for each of the twelve areas of work below, please tell us whether you would be comfortable or not with a reduction in spending.

Planning	20.65% 191	45.95% 425	26.49% 245	6.92% 64	925
Supporting business growth in our area	12.97% 120	44.43% 411	37.30% 345	5.30% 49	925
Culture	20.65% 191	44.65% 413	30.49% 282	4.22% 39	925
				answered	925
				skipped	0

3. Reduction in spending is intended to help us balance the books while we are continuing to invest in the areas which are most important to residents. For each area of work in the following list, how much of a priority do you feel they should be for Worthing? (Please note, some of the areas listed below are not our direct responsibility but we will use this information to work more effectively with partners such as West Sussex County Council.)

Answer Choices	Low priority	Medium priority	High priority	Don't know/no opinion	Response Total
Do more to support vulnerable people with our Cost of Living action plan	11.58% 101	37.04% 323	49.31% 430	2.06% 18	872
Increase our fees and charges in order to fund other services	34.06% 297	45.30% 395	16.28% 142	4.36% 38	872
Invest more in our public realm. Example: development of Montague Place or investment in the lido	35.21% 307	42.78% 373	21.56% 188	0.46% 4	872
Invest more in young people / children. Example: investing in play areas and services for young people	12.39% 108	40.25% 351	46.90% 409	0.46% 4	872
Invest in more sustainable travel infrastructure. Example: creating more cycling infrastructure	49.08% 428	28.33% 247	22.25% 194	0.34% 3	872
Do more to protect / develop more green spaces. Example: doing more to increase the biodiversity of our parks and green spaces	22.13% 193	43.69% 381	33.60% 293	0.57% 5	872
Do more to address the cost and availability of housing. Example: accelerating our ambition to build council housing	21.67% 189	29.59% 258	47.82% 417	0.92% 8	872
Do more to support independent shops / businesses / more diversity in shops. Example: doing more promotion and marketing to bring people into our town	23.62% 206	45.53% 397	30.28% 264	0.57% 5	872
Do more to invest in facilities in parks such as pavilions or public toilets	19.38% 169	50.23% 438	29.93% 261	0.46% 4	872
				answered	872
				skipped	53

4. In February we will need to set our Council Tax. Money that we collect is split between West Sussex County Council (WSSC), the Office of the Sussex Police & Crime Commissioner (OSPCC) and us. Last year, of the total of £1807.12 paid by a Worthing Band C household, £1382.88 went to WSSC, £199.92 went to the OSPCC and just £224.32 went to us to fund all the services we provide. Which of the following options do you think is most appropriate:

Answer Choices			Response Percent	Response Total
1	Increase Council Tax by 2% - this would make a significant contribution to balancing the budget		36.62%	316
2	Increase Council Tax to 3% - we could prioritise this additional funding for key services or to support the most vulnerable in our communities		34.88%	301
3	None of the above / don't know / no opinion		28.51%	246
			answered	863
			skipped	62