



WORTHING BOROUGH
C O U N C I L

20 February 2024

**Worthing Council Meeting
20 February 2024**

Gordon Room, Worthing Town Hall

10.30 am

Agenda

12 February 2024

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

Part A

1. Apologies for Absence

2. Declarations of Interest

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

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

3. Confirmation of Minutes

To approve the minutes of the Special and Full Council Meetings held on Tuesday 12th December 2023, copies of which have been previously circulated.

4. Public Questions and Deputations

a) Questions from the Public

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

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

- a) A specific planning or licensing application

Paul Brewer
Director for Sustainability & Resources:
Adur & Worthing Councils,
Town Hall, Chapel Road,
Worthing, West Sussex, BN11 1HA

- b) A specific staffing appointment or appeal, or Standards determination

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

The deadline for submission of questions is **15th February 2024 at 12 noon**. Questions to be submitted to democratic.services@adur-worthing.gov.uk

b) Deputation to the Council regarding the conflict in Gaza

To receive a deputation from Parents for Peace Worthing.

5. Items raised under Urgency Provisions

To consider any items the Mayor has agreed are urgent.

6. Recommendations from the Cabinet and Committees to Council (Pages 7 - 14)

To consider recommendations to the Council, details of which are set out in the attached items as 6A, 6B, 6C and 6D.

Reports are available on the website as listed below:

	Cabinet / Committee	Date	Item
A	Worthing Cabinet	6th February 2024	Council Tax Premiums and Discounts for Empty Properties and Second Homes
B	Worthing Cabinet	6th February 2024	Budget Estimates 2024/25 and Setting of the 2024/25 Council Tax
C	Worthing Cabinet	6th February 2024	Investing in our Places - Capital Programme 2024/25 to 2026/27
D	Joint Strategic Committee	8th February 2024	Joint Treasury Management Strategy Statement and Annual Investment Strategy 2024/25 to 2026/27, Adur District Council and Worthing Borough Council

7. Members Questions under Council Procedure Rule 12

Members' question time will last up to 30 minutes, with questions being taken in the order of receipt and in rotation from each political group on the Council. The deadline for submission of questions is **15 February 2024 at 12 noon**.

Questions should be submitted to democratic.services@adur-worthing.gov.uk

Questions can be asked of the following:

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

Questions cannot be asked in relation to the following:

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

8. Suspension of Council Procedure Rules

The Council is asked to suspend Council Procedure Rules for consideration and determination of item 9 on the agenda, where they conflict with the Budget Procedure Rules in accordance with paragraph 7.2 of the Budget Procedure Rules.

9. Council Tax 2024/25 (Pages 15 - 158)

To consider and set the Council Tax for 2024/25.

A separate budget pack, produced by the Director for Sustainability & Resources, is attached as item 9, and the recommendations from the Cabinet, at item 6B and 6C, will also be considered as part of this item.

Part B - Not for Publication - Exempt information Reports

None.



Paul Brewer
Director for Sustainability & Resources

Recording of this meeting

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

For Democratic Services enquiries relating to this meeting please contact:

Neil Terry
Democratic Services Manager & Deputy
Monitoring Officer
01903 221073
Email: neil.terry@adur-worthing.gov.uk

For Legal Services enquiries relating to this meeting please contact:

Joanne Lee
Assistant Director Legal & Democratic
Services and Monitoring Officer
01903 221134
jo.lee@adur-worthing.gov.uk

This page is intentionally left blank



Council
20 February 2024
Item 6A

Extract from the minutes of the Worthing - Cabinet

WCAB/005/23-24 Council Tax Premiums and Discounts for Empty Properties and Second Homes

The report identified decisions to be made by Full Council and made recommendations to change the council's approach in respect of certain discretionary areas within council tax legislation. If agreed, changes to Empty Property premiums would take effect from 1 April 2024 and changes to Dwellings Occupied Periodically (Second Homes) would take place from 1st April 2025. These changes arose from the The Levelling-up and Regeneration Act 2023 which enabled councils to make further amendments to the levying of council tax premiums within the Borough.

Members were advised that the recommendations set out in the report sought to reduce the number of empty homes within the Borough in line with the Council's Empty Homes Strategy and encouraged the use of premises as main residence by local residents rather than as second homes.

Decision

That the Cabinet recommended to Worthing Borough Council

1. That from 1 April 2024 to continue to levy the maximum level of premium for empty properties as follows noting the change for empty homes after 1 year:-
 - Premium of 100% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) after 1 years up to 5 years of becoming empty;
 - Premium of 200% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) between 5 years and up to 10 years; and
 - Premium of 300% for dwellings which are unoccupied and substantially unfurnished (Empty Homes Premium) for 10 years or more.
2. From 1 April 2025 to approve the application of a premium for second homes (Second Homes Premium) of 100% for all dwellings that are no persons' sole or main residence and which are substantially furnished.

3. (Exceptions to premiums) that mindful of the current consultation by government which recommends exceptions in certain circumstances, to the second homes premium to be charged, and subject to the outcome of that consultation, it is recommended that the Section 151 Officer is given delegated authority to implement this Council's policy on premiums in line with statute and any following guidance issued by the Secretary of State.
4. Recommend no changes to existing Council Tax Discounts.

(Link to the report on the website e.g. [Worthing Cabinet - 6th February 2024](#))

Extract from the minutes of the Worthing - Cabinet

WCAB/006/23-24 Budget Estimates 2024/25 and Setting of the 2024/25 Council Tax

The report before members was the final budget report of the year, the culmination of the annual budgeting exercise, and asked members to consider: final revenue estimates, an updated outline 5-year forecast and the provisional level of Council Tax for 2024/25 prior to its submission to Council for approval.

The report outlined the Worthing Cabinet specific decisions to be made with respect to areas such as fees and charges and the setting of council tax. It also included the Worthing Cabinet decisions on the shared services which were due to be reported to the Joint Strategic Committee for review at its meeting on 8th February as part of the Joint Services Budget. The report outlined the medium term financial challenge through to 2028/29 and described the key risks and assumptions which underpin this medium term financial view. The budget estimates reflected the council's priorities for 2024/25 and its focus on three key areas which underpin the council's vision of fair, green and local for Worthing: Clean, green, fair borough, Social housing, Town centre & seafront regeneration.

The major points raised within the report included:

- A full update on the impact of the Local Government Finance Settlement.
- Indicative funding for initiatives to support the councils' ambitions.
- Proposals to invest in services, Appendix 3, alongside outlined savings.
- Considerations to be taken by the cabinet as to whether to increase council tax by 2.99% or by a lower amount (section 5.10).

The budget was analysed by Cabinet Member portfolio. In addition, the draft estimates for 2024/25 had 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).

The Sussex Police and Crime Commissioner (PCC) had been informed that the referendum criteria for this year was an increase of £13.00 per Band D property which would be equivalent to an increase of 5.42%. The proposed 2024/25 budget was due to be considered by the Sussex Police and Crime Panel (PCP) on 26th January 2024. If the proposals were vetoed by the PCP, revised proposals would be

considered by the PCP on the 19th February 2024 at which point the PCC would be in a position to confirm their precept for setting the council tax for 2024/25 in time for Full Council on the 20th February 2024.

The draft Local Government Finance Settlement allowed councils to increase core council tax by up to 2.99%. Those councils with responsibility for Adult Social Care could increase council tax by up to a further 2%. Therefore a council tax increase of 4.99% for councils with social care responsibilities was allowed for 2024/25.

The precept for West Sussex County Council had not yet been finalised and would not be confirmed until 16th February 2024. The formal detailed resolution setting the overall council tax for the following year would be presented directly to the Full Council meeting on 20th February 2024.

The Cabinet took a recorded vote on the individual recommendations before it

For: - Councillors Cooper, Walker, Baxter, Cox, Garner, Taylor Beal, Turley, Wells and Whorlow.

Against: (0)

Abstentions: (0)

Decision

That the Cabinet

- a) Approved the proposals for savings outlined in Appendix 2;
- b) Approved the proposals to invest in services outlined in Appendix 3;
- c) Recommended that Full Council approve the use of capital receipts to support the delivery of the Organisation Design Programme and the budget as set out at Appendix 4;
- d) Recommended to Full Council the draft budgets for 2024/25 at Appendix 7 (broken down by cabinet member portfolio) and the transfer to reserves leading to a net budget requirement of £15,224,580, which includes provision for the proposals in Appendix 2 and 3, subject to any agreed amendments;
- e) Recommended to Council an increase of 2.99% in Council Tax, making Band D £267.66 per annum for Worthing Borough Council's requirements in 2024/25, as set out in paragraph 4.3;
- f) Approved the council tax base of 39,330.7 for 2024/25 as set out in paragraph 11.3.

(Link to the report on the website e.g. [Worthing Cabinet - 6th February 2024](#))

Extract from the minutes of the Worthing - Cabinet

WCAB/007/23-24 Investing in our Places - Capital Programme 2024/25 to 2026/27

The report before members recommended the investment programmes for Worthing Borough Council which supported both the strategic ambition of the Council, and the vital regular investment toward the upkeep and improvement of public assets and the delivery of services.

Members were asked to approve the new schemes for 2024/25. The report recommended:

- the schemes for inclusion in the overall Capital Investment Programmes for 2024/25; and
- an indicative list of schemes for 2025/26 which would be confirmed next year.

The report informed the Cabinet of the resources available for future capital investment, and updated Members about the financing of the proposed programmes.

Decision

1. That the General Fund Capital Investment Programmes for 2024/25 and the schemes to be included as detailed in Appendix 2 and 3 be confirmed.
2. **That the full programme detailed at Appendix 3 be recommended for approval by Worthing Borough Council on the 20 February 2024.**

(Link to the report on the website e.g. [Worthing Cabinet - 6th February 2024](#))

This page is intentionally left blank

Extract from the minutes of the Joint Strategic Committee - 8th February 2024

**JSC/038/23-24 Joint Treasury Management Strategy Statement and
Annual Investment Strategy 2024/25 to 2026/27, Adur
District Council and Worthing Borough Council**

The report asked Members to approve and adopt the contents of the Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25 to 2026/27 for Adur and Worthing Councils, as required by regulations issued under the Local Government Act 2003.

Decision

- 1) That the TMSS and AIS for 2024/25 to 2026/27 be approved and adopted, incorporating the Prudential Indicators and Limits, and MRP Statements. Including the addition of State Street Global Advisors MMF as an approved counterparty, to be governed within the same limits as other Money Market Funds and proposed changes to specified investment limits as detailed in 6.1.3.
- 2) **That the Prudential Indicators and Limits, and MRP Statements of the report be forwarded for approval by Worthing Council at its meeting on 20 February 2024, and by Adur Council at its meeting on 22 February 2024.**

(Link to the report on the website e.g. [Joint Strategic Committee - 8th February 2024](#))

This page is intentionally left blank



WORTHING BOROUGH
COUNCIL

COUNCIL MEETING
20th February 2024
Agenda Item 9

Draft Revenue Budget 2024/25

If members have any queries regarding the detail behind the Revenue Budget, please contact Emma Thomas (01903 221232) or Joel Goacher (01903 221236) prior to the meeting.

CONTENTS:

1. REPORT TO THE EXECUTIVE - Budget Estimates 2024/25 and Setting of the 2024/25 Council Tax
2. APPENDIX 1 - 5 year forecast for Worthing Borough Council
3. APPENDIX 2 - Proposals for savings
4. APPENDIX 3 - Proposals for investment in services
5. APPENDIX 4 - Organisational Design Programme
6. APPENDIX 5 - Estimated reserves
7. APPENDIX 6 - Council Tax base for 2024/25
8. APPENDIX 7 - Summary of Cabinet Member Portfolios

Note: The Portfolios are analysed by directorate responsibility. This analysis has been produced using the Council's current directorate structure. Responsibility for services will change as a result of the Council's organisational design process at which point directorate responsibility for services may change.
9. REPORT TO THE EXECUTIVE - Investing in our Places - Capital Programme 2024/25 to 2026/27
 - APPENDIX - 2023/24 Capital budgets reprofiled to future years.
 - APPENDIX - New Schemes to be included in 2024/25 Capital Investment Programme.
 - APPENDIX - Full Worthing Borough Council capital investment programme 2024/25 - 2026/27
 - APPENDIX - Partnership capital investment programme 2024/25 - 2026/27
10. Summary of Recommendations from the Cabinet dated 6th February 2024
11. Prudential Indicators and MRP Policy - As recommended for approval by the Joint Strategic Committee on the 8th February 2024
12. COUNCIL TAX DETERMINATION 2024/25

Draft report (final report to be provided following West Sussex County Council decision regarding Council Tax for 2024/25)



WORTHING BOROUGH COUNCIL

Worthing Cabinet
6th February 2024

Key Decision [~~Yes~~/No]

Ward(s) Affected: All

Budget Estimates 2024/25 and setting of the 2024/25 Council Tax

Report by the Director for Sustainability & Resources

Officer Contact Details

Emma Thomas, Chief financial officer

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 2024/25 including adjustments arising from settlement.
- An updated outline 5-year forecast.
- The provisional level of council tax for 2024/25, prior to its submission to the Full Council for approval on the 20th February 2024; this will be subject to any proposals to change the draft revenue budget following consideration of the budget by the Executive.

1.2 This report outlines the Worthing Cabinet specific decisions to be made with respect to areas such as fees and charges and the setting of council tax. It also includes the Worthing Cabinet decisions on the shared services which are reported to the JSC for review at its meeting on 8th February as part of the Joint Services Budget.

1.3 The report outlines the medium term financial challenge through to 2028/29 and describes the key risks and assumptions which underpin this medium term financial view.

1.4 These budget estimates reflect the council's priorities for 2024/25 and its

focus on three key areas which underpin the council's vision of fair, green and local for Worthing:

- Clean, green, fair borough
- Social housing
- Town centre & seafront regeneration

1.5 The major points raised within the report include:

- A full update on the impact of the Local Government Finance Settlement.
- Indicative funding for initiatives to support the councils' ambitions.
- Proposals to invest in services, Appendix 3, alongside outlined savings.
- Considerations to be taken by the cabinet as to whether to increase council tax by 2.99% or by a lower amount (section 5.10).

1.6 Appendix 7 shows a breakdown of the budget by portfolio. The draft estimates for 2024/25 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).

1.7 The Sussex Police and Crime Commissioner (PCC) has been informed that the referendum criteria for this year is an increase of £13.00 per Band D property which would be equivalent to an increase of 5.42%. The proposed 2024/25 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 26th January 2024. If the proposals are vetoed by the PCP, revised proposals will be considered by the PCP on the 19th February 2024 at which point the PCC will be in a position to confirm their precept for setting the council tax for 2024/25 in time for Full Council on the 20th February 2024.

1.8 The draft Local Government Finance 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 2024/25.

1.9 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 16th February 2024. The formal detailed resolution setting the overall council tax for next year will be presented directly to the Full Council meeting on 20th February 2024.

1.10 The following appendices have been attached to this report:

Appendix 1 5 year forecast for Worthing Borough Council

Appendix 2 Proposals for savings

Appendix 3 Proposals for investment in services

Appendix 4 Organisation Design Programme

Appendix 5 Estimated Reserves

Appendix 6 Council tax base for 2024/25

Appendix 7 Portfolio budget breakdown

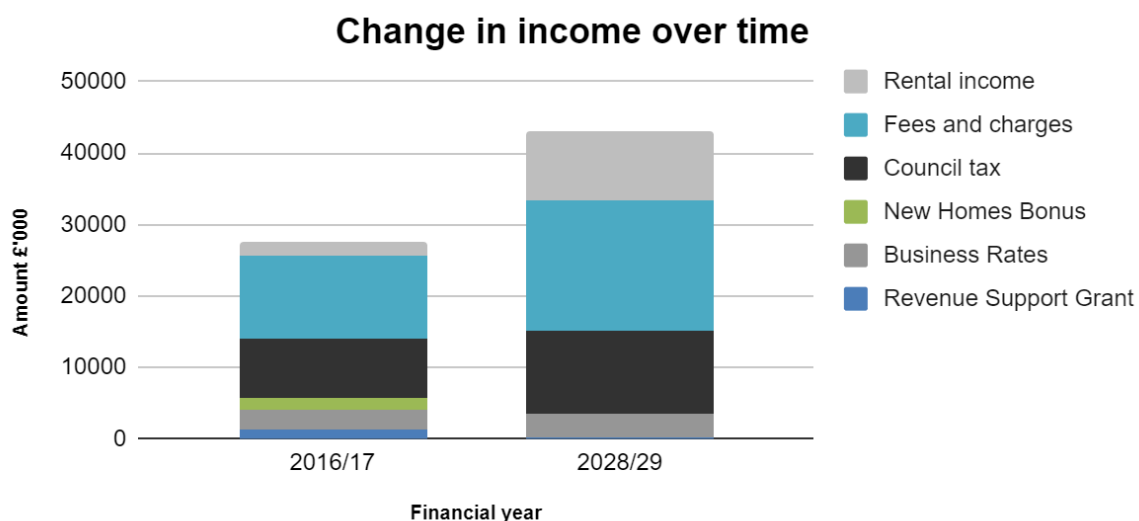
2. Recommendations

2.1 The cabinet is recommended to:

- (a) Consider and approve, if agreed, the proposals for savings outlined in Appendix 2.
- (b) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 3.
- (c) Recommend to Full Council to approve the use of capital receipts to support the delivery of the Organisation Design Programme and the budget as set out at appendix 4;
- (d) Recommend to Full Council the draft budgets for 2024/25 at Appendix 7 (broken down by cabinet member portfolio) and the transfer to reserves leading to a net budget requirement of £15,224,580, which includes provision for the proposals in Appendix 2 and 3, subject to any agreed amendments.
- (e) Consider which Band D council tax to recommend to Full Council to meet Worthing Borough Council's requirements in 2024/25 as set out in section 4.3.
- (f) Approve the council tax base of 39,330.7 for 2024/25 as set out in paragraph 11.3.

3. Introduction

- 3.1 The national picture for local government is challenging. According to research carried out by the LGA, almost one in five councils are at risk of issuing a Section 114 notice this year or next.
- 3.2 Worthing Borough Council has also faced challenges. The council has seen increased pressures of £1.5m in 2023/24. This has required the implementation of in-year spending controls which have been outlined in the Quarter 2 Revenue Monitoring Report 2023/24.
- 3.3 Despite this, the council continues to make considerable progress towards its vision of Worthing as fair, green and local. This paper outlines how it will continue to prioritise in three main areas for 2024/25:
- A clean, green, and fair borough
 - Development of social housing for Worthing
 - A focus on town centre & seafront regeneration
- 3.4 This report outlines the final set of proposals for the setting of the 2024/25 revenue budget. They have been developed to address the considerable financial pressures that Worthing Borough Council is experiencing, while continuing to deliver essential services for its residents, and in a way which reflects the key priorities of the council.
- 3.5 An essential element of how Worthing Borough Council will face these challenges is by continuing to develop its ambition to be a council for the community, developing its work to make decisions with communities, and changing how it works to properly embrace the community action which is a defining characteristic of the vibrant place that Worthing is.
- 3.6 The councils continue to focus on several strategic programmes which look at income and expenditure which are responsible for taking forward key initiatives aimed at delivering not only a balanced budget for the future but a more sustainable organisation which has financial and delivery resilience based on the resources available. These have been refreshed in light of the current challenges and also the ongoing programme of organisational design following on from the corporate adoption of Our Plan.
- 3.7 The successful delivery of our strategy has fundamentally changed how the council is funded while pursuing transformational approaches to how it delivers services and works with its partners. As a result of reduced central government funding, the council has moved increasingly 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 2028/29 income from locally controlled sources (including council tax) is expected to increase from £21.9m to £39.5m, whilst at the same time income controlled by central government (including a share of business rates) will reduce from £5.8m to £3.6m.



- 3.8 A report to the Joint Strategic Committee on 7th December 2023 updated members as to the latest budgetary information prior to the provisional settlement announcement and the forecast was presented as follows:

	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Budget shortfall	2,816	4,497	5,990	7,410	8,563
Savings identified to date	-1,117	-1,625	-2,015	-2,071	-2,126
Organisation Redesign	-1,512	-1,542	-1,573	-1,604	-1,636
Revised budget shortfall / Surplus (-)	187	1,330	2,402	3,735	4,801

- 3.9 The 2024/25 savings proposals identified within the report amounted to £2.6m and are outlined in Appendix 2. The organisational redesign programme is outlined in Appendix 4 and will be further reported at the March JSC meeting, subject to budgets being approved by both councils.
- 3.10 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. The current financial position for 2024/25 can be summarised as:

Changes in Budgetary Shortfall/Savings since report to Joint Strategic Committee on 11 th July 2023	
	£000
Original 2024/25 budget shortfall	2,754
<i>Other changes:</i>	
Final impact of 2023/24 pay award	-160
Financing costs of capital programme	-75
Investment income	-51
Increase in budget for Housing Needs	2150
Committed growth - Increase in audit fee costs	40
Addition of reduced WTAM contract costs	-23
Council tax - impact of taxbase	51
Review of additional business rates	239
Collection Fund surplus/deficit	-69
Removal of contingency budget for committed growth item	-40
Revised Budget Shortfall Reported in December	2,816
<i>Impact of settlement</i>	
Change to business rates	-11
One-off funding:	
New Homes Bonus	-15
Changes to existing grant streams	-24
Funding Guarantee Grant confirmation	-346
<i>Adjustment for final items identified</i>	
Final assessment of council tax income for 2024/25 based on a 2.99% increase	-102
Review of interest rate and profiling of the capital programme	90
Removal of contingency for committed growth	-80
Removal of budget for new investment in service proposals	-250
Reduction in inflation budget	-43
Increase to Housing Needs budget	100
	2,135
Potential savings identified to date (Appendix 2)	-2,285
Budget surplus based on a 2.99% council tax increase available to fund new initiatives (before any further action is agreed)	-150

4. Income and reserves position for 2024/25

Income for the council is split across four main areas:

- Local Government Finance Settlement
- Business rate retention
- Council tax
- Income from commercial activities

This section of the report outlines each of these income areas

4.1 2024/25 Local Government Finance Settlement

4.1.1 The Government published the provisional Local Government Finance Settlement for 2024/25 on 18th December 2023 via a written statement. Consultation on the provisional settlement closed on the 15th January 2024. This is a one-year settlement.

4.1.2 The 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.

4.1.3 Worthing Borough Council received an increase in central government funding. However in real terms the settlement still leaves a financial gap to close as it was less than the inflationary and other pressures which the council is experiencing. The government provisional settlement in December 2023 announced an increase in core spending power for local authorities of 6%, this being based on the assumption that councils would increase council tax to the maximum 2.99% as outlined below.

4.1.4 The impact of settlement can be summarised as follows:

- ***Revenue support grant***

The council will receive a Revenue Support Grant in 2024/25 of £116,325, this is due to the inclusion of Council Tax Support Administration Grant amalgamated as part of Revenue Support Grant which was introduced for the first time in 2023/24. Since 2016/17 the council has seen Revenue Support Grant fall by £1.2m and had received no grant since 2018/19 until 2023/24.

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

The small business rates multiplier will be frozen for 2024/25 at 49.9p. The standard business rates multiplier will rise by Consumer Price Index (CPI) to 54.6p.

The government will compensate local authorities for the loss of income for this decision up to the level of the September 2023 CPI. This will be part-paid via an uplift to Baseline Funding Level (BFL), with the remainder paid via section 31 grant. Taken together, the increase in the BFL and the multiplier under-indexation grant for 2024/25 provide an increase of 6.7%. BFL for 2024/25 will be £2,909,778.

- ***Funding Guarantee grant (£196m nationally)***

This grant, introduced in 2023/24, was 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%. This grant will be funded from the previous Lower Tier Services Grant and the reduced cost of New Homes Bonus.

The overall cost of the 3% Funding Guarantee will be £196m in 2024-25. Worthing Borough Council will receive £602,110. It has not been confirmed whether this funding will remain in place in 2025/26.

- ***Services Grant (£77m nationally)***

The Services Grant was created in 2022/23 to fund core services and 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 £17,135 a reduction on the £104,590 allocated in 2023/24.

- ***New Homes Bonus (£291m nationally)***

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 2024/25, 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 £291m will be made nationally. This is a one off allocation in 2024/25 and the council will receive an additional grant of only £14,840.

4.1.5 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.

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

This is not a fixed two-year settlement and so there is uncertainty around 2025/26. We do not yet know the future of NHB. This lack of certainty is at best unhelpful with respect to developing our budgets.

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.

The lack of even short term certainty around funding makes long-term planning very difficult and contributes to the challenges of the council's finances.

4.2 Business Rate Retention Scheme

4.2.1 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 £218,233.
- 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

4.2.2 The forecast for 2024/25 is currently being finalised. The 2023/24 NNDR return which underpins this forecast is due to be submitted by the 31st January 2024 and any substantial changes resulting from the final assessment of the business rate income will be managed through the business rate smoothing reserve which has been set up for this purpose.

4.2.3 The Collection Fund will have another deficit at the end of the current year, partially due to the additional reliefs granted in the year and the impact of some substantial in-year revaluations for major retailers which have been backdated to 2017.

4.2.4 Overall a deficit of £2.9m will need to be recouped in 2024/25 which can be broken down as follows:

	Total to be recovered in 2024/25
	£'000
Worthing Borough Council	1,174.9
West Sussex County Council	293.7
Government (HMT)	1,468.7
Total recovered	2,937.3

The council will receive compensation in 2023/24 for the additional reliefs granted.

4.2.5 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 and Decoy Farm.

4.2.6 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.
- 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.

4.2.7 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 2023/24 year end.

4.3 Council Tax Increases

4.3.1 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 20%, an average of 1.9% per year (in 2013/14 the Band D tax was £216.00, in 2023/24 it was £259.92). Over the equivalent period, inflation (CPI) has been 28.0%.

4.3.2 The budget forecast currently assumes that council tax will increase by 2.99% in 2024/25. The most recent inflation index was 5.3% (CPI in November 2023) and so the forecast rate is below current inflation rates.

4.3.3 A 3% uplift would only be a modest increase in the council share of the bill for 2024/25. The table below details how the council tax will change as a result of a 1%, 1.5%, 2.0% and 2.99% increase.

	2023/24	Annual increase for 2024/25			
		1%	1.5%	2.0%	2.99%
	£	£	£	£	£
Council tax Band D	259.92	262.53	263.79	265.14	267.66
Annual increase		2.61	3.87	5.22	7.74
Weekly increase		0.05	0.07	0.10	0.15
Council tax Band C	231.04	233.36	234.48	235.68	237.92
Average annual increase		2.32	3.44	4.64	6.88
Average weekly increase		0.04	0.07	0.09	0.13
Total additional council tax raised compared to 2022/23		93,840	143,400	196,490	295,610
Additional council tax raised over a 1% increase			49,460	102,650	201,770

4.3.4 Members should also be aware that the Sussex Police and Crime Commissioner has the flexibility to increase the Band D tax by £13.00 (5.42%) 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 council 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 4.8%:

	2023/24	2024/25 (Indicative only)	%
	£	£	
Worthing Borough Council	259.92	267.66	2.99%
West Sussex County Council	1,633.32	1,714.95	4.99%
Sussex Police and Crime Commissioner	239.91	252.91	5.42%
	2,133.15	2,235.52	4.80%

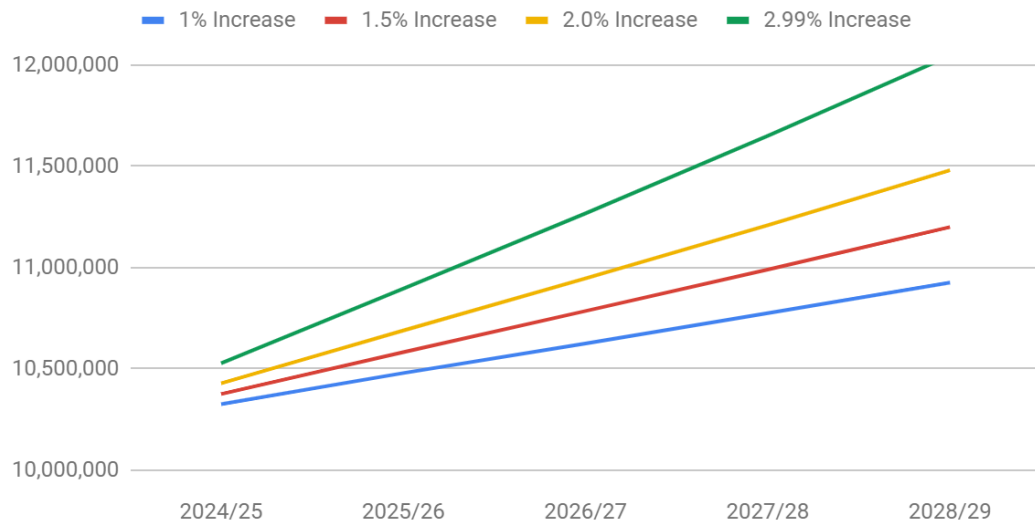
4.3.5 The decision to raise council tax influences not just the 2024/25 budget but future years and should be considered alongside the projected budget shortfalls for the next 5 years, as there are long-term consequences to setting a council tax increase lower than the maximum permitted. This is particularly 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.

4.3.6 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	10,325,490	10,478,890	10,624,370	10,774,430	10,925,540
1.5% annual increase	10,375,050	10,582,040	10,785,080	10,989,560	11,199,120
2.0% annual increase	10,428,140	10,688,750	10,945,780	11,208,280	11,479,910
2.99% annual increase	10,527,260	10,895,060	11,267,190	11,649,290	12,045,090

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

Worthing Borough Council - Long term impact of Council Tax increases



4.3.7 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 3. 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.

4.3.8 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.

4.3.9 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):

	£'000	£'000
Net budget requirement 2024/25		15,075
Less:		
Baseline Funding	-2,910	
Share of additional Business Rate income	-968	

Council tax (2.99% increase)	-10,527	
Other grants	-751	
Collection Fund Surplus	-69	-15,225
Budget surplus based on 2.99% council tax increase		-150
Maximum impact of accepting the growth items (Appendix 3)		150
Budget balanced at a 2.99% council tax increase		-

4.4 Proposals to maximise commercial income

4.4.1 Worthing Borough Council continues to drive significant benefits from fees and charges and in fact could not produce a balanced budget without this element of income. In considering the changes in these areas officers consider three main factors:

- Inflationary pressures on the cost to deliver
- Market benchmarks
- Affordability for residents and businesses

The proposed amendments to fees and charges are set out in Appendix 2.

4.4.2 Fees and charges are set by directors, assistant directors and heads of service in consultation and agreement with relevant cabinet members where deemed necessary. These charges can be amended or changed throughout the year but most follow an annual cycle, whether calendar year or financial year. It should be noted that car parking pricing must follow a statutory process.

4.4.3 In 2024/25 the council will review commercial services to ensure that charges for products and services meet criteria of profitability and public value. As with previous years, this review will be conducted over the summer and an updated strategy will be brought to the sub committee in the autumn in advance of the budget-setting process.

4.4.4 For the majority of the income lines it should be noted that the councils invest capital funding to maintain or replace equipment or infrastructure associated with these income lines, therefore this estimated additional income contributes to ongoing maintenance or replacement. For example, the councils periodically invest in waste vehicles to ensure the commercial and green waste services can be delivered.

- 4.4.5 The portfolio of commercial lines flows across a number of departments and portfolio holders, whilst it should be noted that some commercial activity is weighted to each council depending on the activity and level of activity. For example, for Worthing there is a higher volume of car parking, concessions and beach huts, whilst street markets are solely delivered in Adur.
- 4.4.6 The estimated budget impact has been modelled on a minimum inflationary increase of 3% increase, whilst some are projected to increase to match the current inflation level of 6.3% or beyond. The commercial services highlighted in the table within Appendix 2 signal those services that are estimated to rise above the minimum 3%. A number of these income lines have been reviewed and assessed to ensure the correct governance process is in place and any change in the pricing can be made ahead of the next billing cycle, whether calendar or financial year.
- 4.4.7 There are two areas where significant reset is required with respect to commercial income for the council:
- Parking
 - Bereavement
- 4.4.8 Parking income in Worthing has not recovered to the pre-pandemic levels, largely as a result of changes in working patterns, with more people working flexibly (including our own staff and Environment Agency employees as examples). The shift to cashless parking has also resulted in an increase in transaction charges which need to be reflected in the budget. In light of these issues the parking budget will be reset for 2024/25.
- 4.4.9 The council will retain free car parking in areas outside the town centre.
- 4.4.10 The bereavement service, particularly the crematorium, generates a significant net income for the council. However over the last few years the service has not met its income targets due to a number of factors including targets being set too high, a delay to the opening of the memorial garden and in recent months a lower death rate. The service also operates in a competitive commercial environment, with new crematoria opening locally and an increase in 'direct cremations'. Direct cremations are cremations without any service, with the ashes returned to

the bereaved at a later stage. It means families and funeral directors can take the deceased to any crematorium, not being bound by geography. In light of these challenges the bereavement service will be subject to an external review to inform the medium and long-term business plan for the service.

4.4.11 Alongside fees and charges, the other significant area of income is the strategic property investment funds (SPIF) for each council. Worthing Borough Council's SPIF is expected to generate £6.7m in 2023/24 exclusive of VAT and borrowing costs. This is up £2.0m on 2022/23. This is due to active management of the assets including rent reviews, securing zero voids, and through positive additions to the portfolio such as the acquisition of Southern House in November 2022. No properties were acquired in 2023/24.

4.4.12 Looking to 2024/25 and beyond, the portfolio will continue to be reviewed against its strategic objectives to ensure that it is the best use of borrowing, continues to generate revenue, and to ensure that they meet any expected government requirements such as the 2027 requirement that commercial properties hold an EPC of C or above (and a minimum of B from 2030) or they cannot be relet at lease end. Currently 11 of the 16 units in the Worthing portfolio are not compliant - an upgrade and/or disposals programme is being considered to address this. Also, in order to keep voids to a minimum, leases that are due for renewal will continue to be proactively managed.

5. Reserves position

5.1 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.

5.2 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 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). Earmarked Reserves are sums held for specific defined purposes (details are provided in Appendix 5) and to meet known or predicted liabilities. Both

categories of reserves can be used on a planned prudent basis to underpin the annual budget.

- 5.3 The council had protected and built the reserves over a number of years. The reserve levels in the past five years are shown below:

History of reserves	Year ended 31st March				
	2019	2020	2021	2022	2023
	£'000	£'000	£'000	£'000	£'000
General Earmarked Reserves (a)	2,307	2,085	2,795	2,773	1,993
Tax Smoothing Reserves	905	437	7,688	3,306	2,756
Grants and Contributions	742	806	1,437	1,067	754
Total earmarked reserves	3,954	3,328	11,920	7,146	5,503
General Fund Working Balance (b)	869	1,543	1,543	1,347	1,347
Total reserves	4,823	4,871	13,463	8,493	6,850
Available reserves for general purposes (a+b)	3,176	3,628	4,338	4,120	3,340

* 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 high level of inflation is having on the council's financial position.

- 5.4 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 2023 is £1,347,350. The balance is 9.50% of net 2023/24 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 2023/24 by around £1.6m with the result that current projections indicate the working balance reserve will reduce to approximately £242,000 by the year end.

- 5.5 The council has a provision within the budget to contribute £200,000 to the working balance over the few years as strategy to rebuild reserves. In addition it has a contingency budget for inflation costs of £150,000 which can be used ,if not utilised, to contribute to reserves on an annual basis. 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	%
31.03.2023	Balance carried forward – per Final Accounts	1,347	9.5
31.03.2024	Use of reserves expected to fund the potential 2023/24 overspend.	242	1.7
31.03.2025	Planned contribution expected	442	3.1
31.03.2026	Planned contribution expected	642	4.5
31.03.2027	Planned contribution expected	842	5.9

- 5.6 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. Continuing to mitigate the overspend in 2023/24 as far as possible to protect the current level of reserves
2. Creating underspend in the 2024/25 budget by accelerating the delivery of savings to balance the budget
3. Creating a specific 'contribution to reserves' budget from the 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.

- 5.7 The council has two other measures in place 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 current annual provision is £550,000 and this will gradually be increased by £100,000 over the next 5 years to a level of £1,050,000 per year by 2028/29.

- ii) Following the LGA peer review which was conducted in 2018, 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.

5.8 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.

5.9 The estimated balance of general fund earmarked reserves as at 31st March, 2024 is £1.1m excluding the Collection Fund 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				
	2023 Actual	2024 Est.	2025 Est.	2026 Est.	2027 Est.
General Earmarked Reserves	1,993	848	1498	2248	3098
Collection Fund Smoothing Reserves	2,756	0	0	0	0
Grants and Contributions	754	754	754	754	754
Total Earmarked Reserves	5,503	1602	2252	3002	3852
General Fund Working Balance	1,347	242	442	642	842
Total Reserves	6,850	1844	2694	3644	4694

A detailed schedule of the earmarked reserves is attached at Appendix 5. The significant risks to the overall budget and the council's reserves are detailed below.

5.10 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.

5.11 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
- managing risk to the council's budget

6. Delivering the council's priorities

6.1 In 2024/25, Worthing Borough Council will continue to work towards becoming the greenest, fairest Coastal town in the UK. The golden threads of addressing the climate emergency and improving the wellbeing of communities marry up with the continuing feedback received from residents throughout the year, including big listen events and consultations, with a focus on:

- Keeping the borough clean, green and fair and ensuring that our streets, town centre and high streets continue to be cared for and are welcoming to everyone in our community.
- Developing a mixed model of housing to address all resident needs which reflects an ambition for much greater access to social housing
- Further development of an ambitious programme of seafront and town centre regeneration.

6.2 In order to deliver these priorities Appendix 3 outlines specific investments needed, beyond organisational capacity and prioritisation, in order to achieve these goals. These investments include:

- Clean: Our waste and cleansing review and the development of our neighbourhood model.
- Green: Our ongoing commitment to projects such as Sussex Bay and the Worthing Heat Network as well as the development of a Nature Plan to drive urban greening and renaturing across the town.
- Fair: Ongoing support for the Cost of Living crisis and an redesign in our approach to community capacity and resilience to better enable us to work alongside our communities.

6.3 The councils will publish a new housing strategy in 2024/25 which will outline the council's approach to delivering housing and will include commitments to:

- An enhanced proactive approach to homelessness that is informed by an equalities impact assessment to ensure no one is left behind.
- Development of a mixed model of housing which ensures that all our citizens have access to secure high quality homes.
- A commitment to addressing the climate emergency as part of how we develop new homes in Worthing.

6.4 The commitment to seafront and town centre regeneration is underpinned by the capital programme and improved use of CIL monies but additional revenue investment has been highlighted to:

- The development of Montague Gardens
- The progress on the Grafton site and the development of plans for the lido
- The delivery of the new Worthing Integrated Care Centre
- Continued focus on Union Place and Teville Gate
- The development of active travel plans which represents a commitment to developing new infrastructure as embedding wellbeing in our regeneration approach.

6.5 The organisational redesign work will provide additional capacity for participative activity, underpinning how Worthing Borough Council is developing as a council for the community. This is also reflected in the neighbourhood model redesign outlined in Appendix 4. In developing participatory capacity and capability the council will focus:

- Developing a programme of youth engagement;
- Ensuring inclusion and diversity is designed into all aspects of our work; and
- Building a network of community hubs - codesigned with communities alongside the development of the neighbourhood model of delivery.

6.6 Financial resilience and organisational development are also key priorities for each council in the shared service arrangement:

6.6.1 The need to deliver a balanced budget is a central obligation of local government which has become increasingly difficult to achieve. As can be seen in appendix 4 and will be discussed in more detail in the subsequent JSC

report, the councils are in the process of an ambitious organisational redesign with the goal of making the organisation more resilient, participative and adaptive as outlined in Our Plan.

6.6.2 The council will prioritise the recovery of its reserve position as outlined in the previous section. The council will also continue to maintain tight spending controls throughout the 2024/25 as have been outlined in recent monitoring reports in order to ensure close tracking of the 2024/25 budget going forward.

6.7 Funding the costs of delivering the budget savings

The savings identified represent service and staff changes which will require some investment up front, details of which can be found in Appendix 4. To deliver the expected level of savings the councils will be required to fund a number of strands of work as follows:

- Delivery support to the organisational change programme which is delivering a new more resilient operating model;
- External advice for service areas where specialised knowledge is required;
- Any departure costs arising from the proposals;
- Specialist people and change support and advice over the two year programme

6.7.1 The Organisational Design programme is planned to deliver savings of £4m over 2 years for Adur and Worthing, the cost of the work required to support the delivery is expected to be £1.56m. This is set out in more detail in Appendix 4.

6.7.2 Given the level of reserves, it is planned to use the capital receipts flexibility regime which allows councils to release capital receipts to fund initiatives to generate a saving. The estimated use of receipts for Worthing of the cost of change is £936,000. As at 31st December 2023, the council held £1.846m uncommitted and available capital receipts.

6.7.3 There is a restriction on the funding of departure costs, only statutory redundancy and pension costs can be funded from capital receipts.

7. Significant risks

7.1 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; general non-pay budgets have been increased by 3%. Whilst the Bank of England inflation forecasts expect that inflation will continue to fall in 2024 and return to 2% in 2025, 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	176
Non-pay	137

- (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 2024/25: 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 provides for an annual provision for void rents which will be £450,000 in 2023/24. This will be increased annually in line with the level of investment in the property portfolio and the associated risk, the current assumption allows for a £100,000 increase on the provision per year.

- (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.
- (v) **Pace of change** - The organisational change programme outlined in Appendix 2 is ambitious and delivering this at pace will require considerable officer time as well as active engagement from the teams directly affected in order to be successful.
- (vi) **General election and political uncertainty** - In many ways the next year will be no less uncertain than recent experience - compounding the uncertainty of a lack of long term funding agreements. There is additional turbulence created by the anticipated general election as well as organisational focus needed to deliver an election which does need to be managed.
- (vii) **Lack of clarity with respect to the Environment Act** - As was highlighted in the December JSC budget update, the implementation of the Environment Act 2021 is as present a significant unknown with a likely shortfall in government funding to support the required changes.

8. Consultation

- 8.1 The council undertook a public consultation exercise this year, the outcome of which was reported to JSC in December 2023. The council received 969 responses. The survey targeted a representative set of responses from residents, council staff, businesses, and other organisations, using various engagement mechanisms such as the website, email, press releases and social media channels.
- 8.2 To ensure consistency, both Adur and Worthing included three key questions they engaged residents on last year to understand:
 - How comfortable people would be with potential spending reductions on a set of areas of focus
 - What areas people would like to prioritise for investment
 - Options on council tax
- 8.3 The consultation included the option for people to share other comments they would like on key themes that are important to them to inform the budget engagement. In addition, Worthing Borough Council included a question on

what areas it should prioritise in working differently with the residents and communities of Worthing.

- 8.4 Respondents expressed discomfort with spending reductions in key areas, notably in addressing the cost of living crisis, supporting those most in need, health and wellbeing services, homelessness prevention, street cleaning, parks, seafront maintenance and supporting high streets/small businesses.
- 8.5 Residents prioritised investment in areas such as addressing the cost of living crisis, supporting those most in need, housing, and youth-focused initiatives. However, there were varying opinions on sustainable travel infrastructure, public realm investment, and support for local businesses.
- 8.6 The potential for residents improving their communities is identified in areas like maintaining parks, addressing the cost of living crisis, supporting people most in need, health and wellbeing, and high streets/small businesses. The findings suggest residents are enthusiastic in participating in decision-making and collaborative efforts with the council.
- 8.7 Council tax preferences included a majority supporting a 3% increase for enhanced investment in services, while some preferred a 2% increase to maintain services without additional spending. There were also preferences for a 1% increase with spending reductions or freezing council tax with further spending reductions.
- 8.8 Themes emerging from free-text comments covered a range of topics, including financial responsibility, infrastructure, development and planning, housing affordability, community engagement, environmental concerns, transportation and parking, economic support for businesses, cultural services and wellbeing, education and youth services, public safety, political accountability, and health services. Residents expressed diverse opinions and called for transparency, accountability, and improvements in various aspects of local governance and services.
- 8.9 Officers and members have been consulted on the development of the budget.
- 8.10 The insights gathered from the engagement exercise will inform the development of the budget for 2024/25, with individual considerations for Worthing Borough Council.

9. Update to prudential indicators

- 9.1 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 2024/25 and future years.
- 9.2 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.
- 9.3 The Code of Practice was revised in 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.
- 9.4 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 8th February 2024 and which will be included in the council budget pack for approval.

10. Comments by the chief financial officer

- 10.1 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.
- 10.2 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.

10.3 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 2024/25.

10.4 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.

11. Council Tax Setting

11.1 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 Full Council on 20th February 2024 via a report on the council tax determination.

11.2 Once the cabinet has reached a decision on the total budget requirement it wishes to recommend to the Full Council for the 2024/25 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.

11.3 Worthing Borough Council

(a) The following table shows the net sum to be raised from local council taxpayers in 2024/25 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 2024/25 Budget *		15,074,580
Less: Aggregate External Finance		
Baseline Funding	-,2,909,780	
Additional Retained Business Rate income	-967,870	
Funding Guarantee Grant	-602,110	
New Homes Bonus	-14,840	
Revenue Support Grant	-116,320	
Services Grant	-17,130	
Contribution to the Collection Fund surplus	-69,270	
		-4,697,320
Minimum amount to be raised from council tax		10,377,260

Net additional impact of proposals identified in Appendix 3 if all approved	150,000
Amount to be raised from council tax based on 2.99% council tax	10,527,260

- * 2024/25 budget requirement after any savings proposals (Appendix 2) and contributions to or from reserves required to balance the budget.

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 2024/25 is 39,330.7 Band D equivalent properties. There is a decrease to the current year base of 39,364.6 which is due to the impact of the Council Tax Support Scheme. The full calculation of the tax base is shown in Appendix 6.

(c) Worthing Borough Council Band D council tax

In Section 4.3, the options for the council tax increase are discussed in detail. An average council tax increase of 2.99% will ensure that the council has a balanced budget, and will lever in sufficient additional resources to provide for a contribution to depleted reserves and fund the service investment proposals recommended for approval at Appendix 3 and deliver a balanced budget.

11.4 West Sussex County Council and Sussex Police and Crime Commissioner

- (a) The county council's requirements are expected to be confirmed on 16th February, 2024. The proposed Sussex Police and Crime Commissioner's 2023/24 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 26th January 2024.

	2023/24 £	2024/25 £
West Sussex County Council	1,633.41	t.b.c
Sussex Police and Crime Commissioner	239.91	t.b.c
TOTAL	1,873.32	t.b.c.

11.5 The final figures for all authorities will be incorporated into the formal council tax setting resolution to be presented to the Full Council at its meeting on 20th February 2024.

12.0 Legal implications

12.1 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.

12.2 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.

12.3 The Local Authority Finance Act 1992 provides the power for Full Council to authorise the proposals for council tax.

12.4 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.

13. Conclusion

13.1 This has once again been a difficult year financially with considerable macro-economic headwinds as well as local pressures such as housing need. This has driven considerable impacts in our communities as well as on our finances.

13.2 Despite this the council is in a position to set a balanced budget and has been able to ensure the continued delivery of important strategic projects as well as continue to meet its commitments with respect to the climate emergency. These are the projects which when delivered will help to drive the overall success of Worthing.

13.3 It is important to note however that the low level of reserves means that there is little contingency available and so tight budget control will be needed to ensure that this budget is delivered on.

13.4 Finally, the risks to this budget are outlined in this paper but will need to be closely monitored and managed. It's important to note that not all of those

risks are within the control of the council and so matters such as the funding for the implementation of the Environment Act 2021 continue to be of material concern to the council and will also be monitored carefully.

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 2024/25 in difficult economic circumstances – Report to Joint Strategic Committee on 11th July 2023
- Report to the Joint Strategic Committee 7th December 2023 - 2023/24 Budget update 2024/25
- Local Authority Finance (England) Settlement Revenue Support Grant for 2024/25 and Related Matters: MHCLG Letters and associated papers of 18th December 2023.
- 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 2022/23
- Report to Joint Strategic Committee 7th December 2023 – 2nd Revenue Budget Monitoring Report (Q2)

Contact Officer:

Emma Thomas
Chief Financial Officer
Town Hall, Worthing
01903 221221
emma.thomas@adur-worthing.gov.uk

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 OneStop and Proactive services and signposting people to further help.

2.2 Equality Issues

These proposals have been developed with regard to the Equality Act 2010. No proposals contained within the proposals would require a detailed Equalities Impact Assessment with the exception of the organisational design work where impact assessments will be completed as part of the process.

2.3 Community Safety Issues (Section 17)

We are considering how these proposals impact safety in our communities and are ensuring that where possible these reductions do not have an adverse effect. Where possible we are working to create better alignment and organisational change to strengthen this work and ensure there is much better organisational ownership for our work around community safety.

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 Worthing Heat Network scheme.

4. **GOVERNANCE**

Matter considered and no issues identified

WORTHING BOROUGH COUNCIL Revenue Budget Summary Statement 2024/25- 2028/29						
	2023/24 Base	2024/25	2025/26	2026/27	2027/28	2028/29
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	14,189	14,189	14,189	14,189	14,189	14,189
External Economic Factors						
Inflation on Pay:						
- Assumption of 4.5% increase in 24/25 and 2% in future years		1,037	1,484	2,004	2,515	3,034
- Impact of 2023/24 pay award (average of 5.8% against a budget of 4.5%)		230	235	240	245	250
					-	
Inflation on Costs:						
- Assumption of 3% in 24/25 and 2% in Future years		494	833	1,179	1,532	1,892
Inflationary increase on income (Commercial activities and Fees and Charges):						
- Assumption of 3% in 24/25 and 2% in Future years		(464)	(783)	(1,108)	(1,440)	(1,778)
Investment income		(133)	(79)	(139)	(29)	(29)
Impact of business rate revaluation 2017		12	18	50	3	3
Council Commitments to services and long term obligations						
Local Elections		-	(50)	-	-	-
Brooklands improvement programme - net costs		16	20	20	20	20
Heat Network		121	225	225	225	225
Redevelopment of Union Place - Phase 1						
Loss of income from High Street surface car park		52	52	52	52	52
Other costs		5	5	5	5	5
Teville Gate - MRP costs if not sold		-	73	75	77	79
Grafton Site - Loss of income		-	83	83	83	83
General provision for future impact of new policy commitments		-	-	200	400	400
Capital programme financing costs		420	1,044	1,402	1,626	1,834
Impact of Triennial review: Reduction in back funded contributions ¹		(163)	(358)	(358)	(358)	(358)
Impact of new insurance contract		161	161	161	161	161
Increase in Audit Fees		40	40	40	40	40
Reduction in WTAM contract		(23)	(23)	(23)	(23)	(23)
Removal of proposal to charge for free car parks		49	49	49	49	49
Other items						
Reassessment of the net cost of bereavement services		500	500	500	500	500
Removal of temporary rental income from Liverpool Gardens (for 2023/24 only)		48	48	48	48	48
Review of budgets for car parks		250	250	250	250	250
Review of clinical waste budget		18	18	18	18	18
Increase in Housing Needs budgets		250	250	250	250	250

¹ Every three years the pension fund administrators commission a review by the external actuaries to carry out a valuation of the pension fund. The main purpose is to monitor the assets of the fund against the liabilities of the pension benefits payable. The outcome of this triennial review determines the employer contribution rates the next 3 years. The review done in 2022 set out the contribution rates from 2023/24 to 2025/26 and these had been reduced since the previous valuation.

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2024/25- 2028/29

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Other items (continued)						
Removal of Inflation budget		(50)	(50)	(50)	(50)	(50)
Planned increase to the Strategic Property Management provision		100	200	300	400	500
Provision - to build reserves		200	200	200	200	200
Allowance for committed growth items		-	200	320	440	560
Provision for Investment in Services		150	270	390	510	630
Total Cabinet Member Requirements	14,189	17,509	19,104	20,572	21,938	23,034
Business Rates - Baseline funding	2,793	2,910	2,968	3,027	3,088	3,150
Add: Retained additional business rates	1,049	1,097	1,147	881	600	305
Add: Share of previous year's surplus / (deficit)	(473)	(130)				
Council Tax						
Council tax income - assumed increase 2.99% 24/25 and 2% per annum in future years	10,232	10,527	10,781	11,041	11,306	11,579
Other grants						
New Homes Bonus - One off payments	125	15				
Lower Tier Services Grant / Revenue Support Grant	109	116	116	116	116	116
Local Tax Guarantee Scheme - Council Tax	37		-	-	-	-
Services Grant	104	17				
Funding guarantee	256	602				
Collection fund surplus/deficit (-)	(43)	69	-	-	-	-
Total Income from Grants and Taxation	14,189	15,224	15,011	15,063	15,109	15,148
AMOUNT REQUIRED TO BALANCE BUDGET	-	2,285	4,093	5,509	6,829	7,886
Savings Proposed						
Asset review and rationalisation (Commercial Landlord Programme) - remaining balance of target		261	384	436	488	540
Caravan Club - additional sale value - £1.8m (after debt) (Base budget includes the assumptions that the sale of Southdownview Road and Caravan Club Site for £2m and £7m)		89	89	89	89	89
Integrated Care Centre and car park - net of debt charges		-	(143)	(140)	(136)	(132)
Commercial Initiatives (From Initiatives Tracker)						
Directorate Services Review - (from Initiatives Tracker)		408	676	1,011	1,011	1,011
Commercial Activities (from Initiatives Tracker)		160	163	166	170	173
Organisation Redesign		1,336	2,400	2,448	2,497	2,547
Total initiatives identified		2,285	3,569	4,010	4,118	4,227
Cumulative savings still to be found/ (surplus)		0	524	1,499	2,711	3,659
Annual savings still to be found		0	524	975	1,212	948

Proposed Savings 2024/25

Description	Comments	Joint (memo only)	Adur	Worthing
Contract Review				
Contract Review	Review and rationalisation of contracts	£404,600	£161,800	£259,800
Review of security provision in MSCP				£12,000
Reduction in Funding of Community Works	Further wider review pending.		£7,900	£7,800
Reduction in Funding of Community Transport Grants	Further wider review pending.		£3,000	£5,000
Base Budget Reviews				
Place and Economy		£41,200	£26,900	£129,100
Utilities	Reduction in energy budgets	£30,000	£62,000	£218,000
Health & Safety	Removal or reduction of under utilised budgets	£2,300	£900	£1,400
Commercial Income				
<u>Place and Economy</u>				
Foreshore Services	Income from Lancing Parish Council			£15,000
Beach Hut Rental	Uplift in fees by 6.27%		£4,600	£14,200
Events	Additional budget		£4,000	£5,000
Concession Income	Uplift in fees by 4.5%			£800
Colonnade House	Contribution to staff costs from trust			£7,500

Commercial Income (continued)				
<u>Parking</u>				
Increase in Parking Tariffs	Uplift in tariffs by 7%			£57,800
Increase in Season Ticket Prices	Uplift in tariffs by 7%			£8,100
Additional Season ticket income from NHS				£4,400
<u>Community Alarm</u>				
	Uplift in fees by 5%		£7,000	
<u>Waste</u>				
Commercial Waste	Uplift in fees by 8%		£42,000	£85,200
Green Waste - no uplift in fees in 2024/25	Retain £89 annual fee	-£57,500	-£23,000	-£34,500
Household Bulky Waste	Uplift fees by 7.85%	£6,800	£2,700	£4,100
Asset Rationalisation and review			£30,000	£350,000
Organisation Redesign (Further detail provided in Appendix 4)	Neighbourhoods	£504,000	£202,000	£302,000
	Resident Services	£266,000	£106,000	£160,000
	Community Capacity	£173,000	£69,000	£104,000
	Regenerative Development	£296,000	£129,000	£182,000
	Housing Redesign	£202,000	£94,000	£121,000
	Core Services	£160,000	£64,000	£96,000
	Waste and Cleansing	£97,000	£39,000	£58,000
	Place	£96,000	£38,000	£65,000
	Bereavement	£40,000	£16,000	£46,000
Total Savings from Proposals		£2,261,400	£1,086,800	£2,284,700

Investment in Services

Description		Expected cost (cumulative)					
		2024/25			2025/26		
		Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Rapid Improvement Programme	Funding of the Digital Rapid Improvement Team to support the digital transformation and organisational redesign across the councils - Lead Service Designer - uplift to core budget - Digital Applications and Innovation Manager - uplift to core budget - Lead Digital Developer - uplift to core budget - Service Designer x 2 - Business Analyst - Junior Business Analyst	250,000	100,000	150,000	250,000	100,000	150,000
Total growth identified through financial planning		250,000	100,000	150,000	250,000	100,000	150,000
Allowance in MTFS for Investment in Services			-100,000	-150,000		-100,000	-150,000
Net growth identified			0	0		0	0

Organisational design programme

1. Purpose of programme

1.1 The programme has two core objectives:

1.1.1 To implement a new organisational design based on the principles and framework outlined in Our Plan which was adopted in Autumn 2022. The goal of this is to create a sustainable organisation which is adaptive, resilient and participative.

1.1.2 To provide a mechanism for delivering outlined savings targets in a way which protects frontline service delivery to the greatest extent possible and retaining our ability to deliver the ambitions of the two councils.

1.2 The implementation plan and initial projects will be reported to the March 2024 Joint Strategic Committee meeting. Progress of the programme will be reported to that committee on a quarterly basis from March 2024.

1.3 The programme will therefore incorporate the in-year spending controls into its governance and approach in order to ensure that organisational design and spending reductions are closely aligned.

2. Scope of programme

2.1 Service redesigns look across all revenue budgets for a service, including agency and contractor spend alongside staffing, contract spend and incidentals such as print and postage. By putting more budget lines into the scope of a single exercise, the process has maximised the opportunities to reduce the total cost of delivery without continuing to remove delivery capacity which is an outcome of the 'salami slicing' approach. The programme workstreams are outlined in this section.

2.2. Governance and performance systems

Governance and performance are core functions of a well run organisation. A priority is to redesign and support the subsequent organisational design work. A new internal governance system will be implemented as an early deliverable for the programme and will be reported to the Joint Audit and Governance Committee.

2.3 Digital and design

Digital transformation is essential to the successful delivery of these redesigns. The budget proposals include the extension of the digital rapid improvement team to deliver this work.

2.4 Contracts and procurement

In order to underpin the 6% savings target (£340K) on external contracts there will be strong corporate accountability, as well as additional training and personal development for managers to improve their organisational grip of this key area. Given the corporate track record of £200K annual savings (approx) for procurement, these additional measures support this higher target.

2.5 Commercial income development

The new organisational design will consolidate the council's commercial capability and also develop the organisation's ability to secure external funding. This capability will then develop a new commercial income strategy in advance of the 2025/26 budget as well as to manage in-year targets for income generation.

3. Programme design and implementation approach

- 3.1 The programme will address all areas of the organisation by creating a pipeline of redesign projects (areas of focus) which will then be programmed into delivery based on factors such as savings profile, support needed and annual delivery rhythms for the services involved.
- 3.2 Given the continued need for vacancy control, the programme will maximise use of vacancies in order to minimise impact on staff. It should be noted that given the current vacancy levels in the organisation due to this year's budget control measures, much of the capacity impact of removing staff is already being felt. Service redesign is now needed to balance out workloads and ensure that staff are focused on the right priority areas. While redundancies cannot be avoided, this approach will minimise them.
- 3.3 By embedding the current in-year controls into the programme governance, the programme team will be able to make real time adjustments to the delivery plans of the organisation and maximise opportunities for redesign.
- 3.4 The programme will be managed by the new People and Change function, supported by a multidisciplinary team which will include representatives from finance and legal. It will also incorporate the Rapid Improvement team.
- 3.5 The lessons learned from the organisational design programme will be acted on in real time to inform improvement on the wider building blocks to make the organisation adaptable, participative and resilient.

- 3.6 The organisational design programme will have costs associated with transformation. The overall estimated cost for Adur & Worthing Councils is set out in the table below, and includes exit costs where needed which can include redundancy and pension costs, programme delivery support and external advice to support redesign.

Item	Description	Estimated cost
Staff change	Where redundancy can't be avoided some contingency is needed to fund associated exit costs	£800k
Delivery support	3 delivery managers plus additional delivery officer to support the programme over 2 years	£440k
External advice	For areas with considerable technical knowledge needed (such as waste, bereavement and others) external support will be needed to shape and test thinking	£200k
Support for managing change	1 People Specialist role to support the organisational change process over 2 years	£120k

- 3.7 Due to the reserve position, it is planned to use the capital receipts flexibility regime which allows the councils to release capital receipts to fund initiatives to generate a future saving. There is a restriction on the funding of departure costs. Only statutory redundancy and pension costs can be funded from capital receipts.

Year	Overall annual savings generated £	Annual saving Adur £	Use of capital receipts Adur £	Annual saving Worthing £	Use of capital receipts Worthing £	Nature of expenditure
2024/2025	2,226,700	890,800	336,100	1,335,900	504,120	HR and delivery support (to manage and support the delivery of the reorganisation design work over the 2 year programme). Associated Statutory departure costs. Expert/specialist advice on service design.
2025/2026	1,797,700	719,100	287,900	1,078,600	431,880	
Total	4,024,400	1,609,900	624,000	2,414,500	936,000	

The total capital receipts available and uncommitted as at 31st December 2023:

Adur	£3.980m
Worthing	£1.847m

Draw down from the cost of change fund will be monitored via the quarterly reports to JSC and the normal scheme of delegation will apply with respect to decision making.

4. Initial areas of focus

Each area of focus has been developing proposals based on its overall operating model - allowing savings to be made with respect to management, removing duplication with respect to support roles and addressing capacity issues by implementing digital solutions. Grant funding has also been reviewed to ensure that the councils are maximising the impact of external monies while addressing the risks of posts being underwritten by uncertain income.

Further areas of focus will be developed over the course of 2024/25 and reports will come to the JSC as they are programmed.

4.1 Neighbourhood model

4.1.1 Summary: The neighbourhood model is the most ambitious of the areas of focus. Its objective is to change how the councils work in the neighbourhoods in a way that better uses the strengths of the frontline staff, residents and partners to deliver the services citizens see and use every day.

4.1.2 The model will be implemented in phases in order to ensure that ideas can be developed and tested with communities and stakeholders and a careful transition delivered:

- The first phase of implementation will be the redesign of key frontline services in order to ensure that they work to a common physical footprint based on neighbourhoods and have shared planning and prioritisation to make sure teams are most effective on the ground.
- The next phase will look at ensuring that capabilities such as participation are embedded in the model - developing the councils' ability to work more effectively with stakeholders and its communities.
- Finally the volunteering and participation 'offer' will be developed, working alongside communities in order to support their ambitions.

4.1.3 The following areas of organisation have been identified so far for review as part of the

neighbourhood model, however this model may draw in other aspects during the long-term development and delivery of working with and throughout the neighbourhoods:

- Parks & Foreshore
- Sustainability (Nature, Circular Economy & Sustainable Transport)
- Cleansing
- Community Assets and Grants

4.2 Housing redesign

4.2.1 Summary: The housing redesign will prioritise prevention and early intervention of homelessness. It will enhance collaboration across community services and the wider council to collectively address housing challenges and opportunities.

4.2.2 This redesign has been in discussion for some time and will embed the proactive principles that have been developed by the proactive project team. This redesign will focus on addressing the costs and human impacts of the increased housing need across both councils and maximise the use of grant funding in this area. The team will also need to continue to manage and deliver the Adur Homes improvement plan.

4.2.3 The following areas of organisation have been identified for review for the housing redesign:

- Housing needs
- Adur Homes
- Health and Wellbeing teams (see below)
- Private sector housing

4.3 Resident services

4.3.1 Summary: The resident services redesign will develop a front door for residents to access the right help when they need it in a quick and easy way. This will enable residents to solve the majority of their issues online to free up staff to proactively prioritise residents most in need.

4.3.2 This work builds on the work of the rapid improvement team in 2023/24 which provides a solid foundation for further digitisation work.

4.3.3 This change will affect the following teams and services:

- Revenue (council tax and NNDR (national non-domestic rates))
- Benefits
- Customer Services
- Customer Insight

- Business Support

4.4 **Community Capacity and Resilience**

- 4.4.1 With participative being a key principle of Our Plan, communities, prevention and wellbeing will be at the centre of what the councils do. Following the departure of the head of service for community capacity and resilience, the organisation is working through proposals to integrate and align the core functions of the team.
- 4.4.2 The savings for this area of focus will be filled through deletion of the head of service post (which is vacant as of end of January 2024) to better align to the service offer above.
- Participation: Combine engagement resources and lead it from the new People and Change function. This will strengthen a coordinated approach to participation across the organisation that makes the best use of community capacity and is integrated into the strategic priorities.
 - Prevention and wellbeing: Embedding wellbeing in the housing team to develop a joined-up offer. This will provide leadership for residents around prevention, and create the opportunity to redesign the health and wellbeing offer to better develop approaches that support early intervention.
 - Community safety and safeguarding: Put the safety of residents and safeguarding right at the centre of the organisation in the People and Change function. This includes delivering statutory responsibilities and duties, and the reviewing of community safety partnership activities as part of this design work in 2024/25.
 - Business development: Key functions and activities, such as community assets, grants, commissioning, contracts, responsive activity and levered in funding. These are to be better aligned with the councils' place-based and corporate work and will be aligned to the anticipated commercial function.
- 4.4.3 This change enables these functions to operate more effectively with foundational delivery areas such as housing and increases the level of CLT focus on them - mitigating the capacity impact of removing the head of service post.
- 4.4.4 This change will affect the following teams and services
- Safeguarding
 - Safer Communities
 - Business Development
 - OneStop

- Wellbeing
- Going Local
- Grants and Commissioning
- Participation

4.5 Building the pipeline

4.5 Building the pipeline

An ongoing pipeline of service redesigns are being planned in order to continue to work towards a resilient staffing model that reflects the organisational design needed to deliver Our Plan. This pipeline has savings targets assigned which are subject to change as the proposals are developed. These further areas of focus have plans in development which will be reported on at JSC as outlined above.

4.5.1 Bereavement

Bereavement services address emotional, social, ethical and environmental needs, by facilitating meaningful farewells. It is important to recognise that bereavement services also play a vital role in the financial health of the councils. As an income generator, this service allows the councils to reinvest in the community, and support various other initiatives that uplift and empower residents. These services will be reviewed through a refresh of the service design and commercial offer.

4.5.2 Core Services

At the very heart of the organisation lies Core Services (finance, legal, procurement, HR and digital) who help ensure the seamless functioning of council operations. In a world where adaptability is the key to resilience, reviewing Core Services will help better support frontline services who directly impact the lives of communities. It will ensure teams have the tools, resources, and support needed to deliver. This review is a commitment to continuous improvement. It will reshape Core Services, ensuring they not only meet today's demands but also build a solid foundation for a resilient and thriving future.

4.5.3 Place and Economy

The Place and Economy department helps fuel inclusive economic growth and fosters skills and innovation. The organisation wants to align these services more effectively with its core values of adaptability, participation, and resilience as well as also reviewing the service offer in light of the neighbourhood model as it develops.

4.5.4 Regenerative Development

The regeneration team has been a catalyst for shaping places across Adur and Worthing. It has provided the driving force needed to breathe life into the physical infrastructure and spaces in local areas. To anticipate future challenges, it is essential to take a step back and reflect on regenerative development efforts as part of the commitment to continually being adaptive, participative and resilient.

4.5.5 Waste redesign

- 4.5.5.1 Redesign work in the waste service is anticipated once the impact of the Environment Act 2021 is understood, and preparatory work in the form of a review is already underway to support this.
- 4.5.5.2 The Environment Act 2021 will have a major impact on the organisation's waste service. This legislative milestone will undoubtedly reshape the landscape of waste management, calling for an evolution in the organisation's approach. While the full impact of the 2021 Act is yet to be unveiled, the organisation is not sitting idle. It is already preparing for the challenges and opportunities it presents, in the form of a comprehensive review. This seeks to bolster resilience and adaptability, ensuring that the waste service remains at the forefront of sustainable waste management.
- 4.5.5.3 The councils are committed to a meticulous and thorough examination of all opportunities for savings, cost-effectiveness, and sustainability. The aim is to ensure that every decision made in this area is grounded in a deep understanding of the evolving waste management ecosystem.
- 4.5.5.4 Further discovery work will be undertaken over the coming months to identify what additional opportunities can be added to this pipeline of organisational redesign work.

5. Conclusion

- 5.1 This is an ambitious programme of change which delivers both savings and improvements for the councils.
- 5.2 The pace at which this needs to be delivered is also ambitious and a detailed risk mitigation plan will be developed as part of programme governance alongside detailed monitoring of progress. A key risk is the anticipated Environment Act 2021 implementation which has the potential to derail ourselves and many other councils if the funding approach is not addressed.
- 5.3 In delivering this programme the objective is an organisation which, based on current projects and understanding of government funding, is sustainable and will be able to lift its head up from annual saving rounds in order to focus on wider ambitions. There is much to do but very good reasons to do it.

SCHEDULE OF EARMARKED RESERVES								
		Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.24	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.25
		£'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.	882		-473	409	-	-	409
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.	230			230			230
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	650	-	1100
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.	29			29	-	0	29

SCHEDULE OF EARMARKED RESERVES								
		Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.24	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.25
		£'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.	75			75			75
6	BUILDING MAINTENANCE RESERVE Purpose: This will fund re-profiled expenditure on building maintenance.	176			176	-	-	176
7	PLACE PROJECT Purpose: This will fund the Place Project.	83		-83	0	-		0
8	WELLBEING GRANTS - EXIT COST RESERVE Purpose: This reserve hold grant monies to fund the exit cost of any grant funded posts at the end of the grant funded period..	68		-4	64	-	-	64
9	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.	754			754	-	-	754

SCHEDULE OF EARMARKED RESERVES APPENDIX 3

		Balance as at 01.04.23	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.24	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.25
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	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 .	2,492		-2,492	0	-	0	0
11	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.	264		-264	0		0	0
12	CREMATORIUM IMPROVEMENT RESERVE	-			0	60	-60	0
13	GENERAL FUND WORKING BALANCE	1,347			1,347	200		1,547
14	PROJECTED OVERSPEND Reserves to be identified at outturn.			-1,690	-1690	-	-	-1690
	TOTAL	6,850	0	-5006	1,844	910	-60	2,694

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE

Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Ban	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.0	8,325.00	11,547.00	13,132.00	9,697.00	5,578.00	2,444.00	930.00	31.00	51,684.00
Less: Exemptions	0.0	-252.00	-223.00	-184.00	-146.00	-94.00	-28.00	-12.00	0.00	-939.00
	0.0	8,073.00	11,324.00	12,948.00	9,551.00	5,484.00	2,416.00	918.00	31.00	50,745.00
Disabled Relief Adjustment (net)	11.00	28.00	19.00	4.00	-1.00	-27.00	5.00	-21.00	-18.00	0.00
Chargeable Dwellings	11.00	8,101.00	11,343.00	12,952.00	9,550.00	5,457.00	2,421.00	897.00	13.00	50,745.00
Broken down as follows:										
Full Charge	5.0	2,642.00	6,151.00	8,695.00	6,877.00	4,178.00	1,936.00	727.00	11.00	31,223.00
25% Discount (Including Adj for SP dis)	6.0	5,430.00	5,159.00	4,235.00	2,651.00	1,262.00	444.00	138.00	0.00	19,325.00
50% Discount	0.0	3.00	9.00	12.00	15.00	15.00	40.00	31.00	2.00	127.00
Short Term Empty Properties - eligible for 100% discount for 1 month	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100% Premium Long Term Empty Properties	0.0	21.00	17.00	7.00	3.00	2.00	0.00	1.00	0.00	51.00
200% Premium Long Term Empty Properties	0.0	3.00	5.00	3.00	2.00	0.00	1.00	0.00	0.00	14.00
300% Premium Long Term Empty Properties	0.0	2.00	2.00	0.00	1.00	0.00	0.00	0.00	0.00	5.00
Total Equivalent Number of Dwellings	9.5	6,770.75	10,081.75	11,900.25	8,889.25	5,136.00	2,292.00	848.00	12.00	45,939.50
Family annex adjustment	0.0	-4.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4.25

Total Equivalent Number of Dwellings (after family annexe)	9.5	6,766.50	10,081.75	11,900.25	8,889.25	5,136.00	2,292.00	848.00	12.00	45,935.25
Reduction in tax base due to Council Tax Support	2.6	1,642.41	1,450.76	990.65	295.31	92.28	20.81	3.31	0.00	4,498.21
Adjusted equivalent total dwellings	6.8	5,124.09	8,630.99	10,909.60	8,593.94	5,043.72	2,271.19	844.69	12.00	41,437.04

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE

Properties	Band A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Ban	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 Equivalents	3.80	3,418.90	6,713.00	9,697.40	8,593.90	6,164.50	3,280.60	1,407.80	24.00	39,303.90
Add: Forecast new homes	0.00	46.27	59.50	27.18	29.50	28.81	2.85	1.70	1.00	196.81
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	170.00	0.00	0.00	0.00	0.00	170.00
COUNCIL TAX BASE	3.80	3,465.17	6,772.50	9,724.58	8,453.40	6,193.31	3,283.45	1,409.50	25.0	39,330.71

Cabinet Portfolio	Estimate 2023-2024	Estimate 2024-2025
The Leader	843,050	869,940
Environmental Services	3,982,990	4,181,000
Community Wellbeing	818,870	737,250
Housing & Citizen Services	4,304,920	4,604,040
Regeneration	2,605,100	1,648,460
Resources	(192,750)	281,770
Culture and Leisure	3,672,120	3,864,500
Climate Emergency	119,710	127,620
Support Services Depreciation Not Charged To Services	335,090	536,100
Net Service Expenditure	16,489,100	16,850,680
Credit Back Depreciation / Impairments	(4,804,180)	(3,845,070)
Minimum Revenue Provision	2,417,780	1,932,720
	14,102,700	14,938,330
Transfer to / from Reserves	86,250	286,250
Investment in Services to be Approved	0	0
Total Budget Requirement before External Support from Government	14,188,950	15,224,580
Baseline Funding	(2,793,310)	(2,909,780)
Additional business rate income	(575,570)	(1,097,390)
Prior Year Surplus / Deficit	0	129,520
Revenue Support Grant	(109,100)	(116,320)
Services Grant	(104,590)	(17,130)
Funding Guarantee	(256,100)	(602,110)
Appropriation from Reserves for Local Tax Guarantee Scheme	(37,000)	0
New Homes Bonus	(125,110)	(14,840)
Contribution to/ (from) Collection Fund	43,480	(69,270)
Amount required from Council Tax	(10,231,650)	(10,527,260)
Council Tax Base	39,364.6	39,330.7
Average Band D Council Tax - Worthing Borough	259.92	267.66
% increase	2.99%	2.99%

The Leader Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Chief Executive		
Communications	(3,000)	(3,000)
Director for Sustainability and Resources		
Democratic Services	495,710	508,490
Electoral Services	338,800	352,220
Director for Place		
Highways Liaison	11,540	12,230
Total The Leader Portfolio	843,050	869,940

Subjective Analysis
The Leader Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Chief Executive											
Communications	0	0	0	0	(3,000)	0	0	(3,000)	0	0	(3,000)
Director for Sustainability and Resources											
Democratic Services	315,740	183,530	0	460	8,760	0	0	508,490	0	0	508,490
Electoral Services	33,000	156,260	3,250	0	107,360	0	(40,750)	259,120	92,990	110	352,220
Director for Place											
Highways Liaison	0	0	0	0	0	0	(3,790)	(3,790)	16,020	0	12,230
Total The Leader Portfolio	348,740	339,790	3,250	460	113,120	0	(44,540)	760,820	109,010	110	869,940

Environmental Services Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Housing and Communities		
Environmental Health - Housing	107,860	113,670
Director for Sustainability and Resources		
Bereavement Services	(1,802,830)	(1,421,460)
Public Health and Regulation	1,005,200	1,030,830
Recycling	620,490	633,120
Refuse	925,510	936,460
Street Cleansing	924,110	968,620
Commercial Waste	(364,560)	(445,120)
Fleet Management	110	0
Director for Place		
Parks and Open Spaces	2,149,070	1,928,800
Allotments	26,430	25,810
Drainage	4,930	5,070
Public Conveniences	392,560	410,970
Economic Development	(6,360)	(6,560)
Total Environmental Services Portfolio	3,983,000	4,181,000

Subjective Analysis
Environmental Services Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Housing and Communities											
Environmental Health - Housing	0	169,150	0	0	13,790	0	(69,270)	113,670	0	0	113,670
Director for Sustainability and Resources											
Bereavement Services	283,830	352,260	767,550	10	251,860	0	(3,412,730)	(1,757,220)	213,010	122,750	(1,421,460)
Public Health and Regulation	0	810,690	0	0	24,460	0	(253,150)	582,000	444,460	4,370	1,030,830
Recycling	0	520,890	0	0	0	1,400	0	522,290	0	110,830	633,120
Refuse	0	609,300	0	0	0	0	0	609,300	169,180	157,980	936,460
Street Cleansing	0	1,244,600	0	0	0	0	(348,020)	896,580	0	72,040	968,620
Commercial Waste	0	497,930	0	0	901,570	0	(1,885,590)	(486,090)	0	40,970	(445,120)
Director for Place											
Parks and Open Spaces	0	190,930	1,274,810	0	68,730	0	(203,440)	1,331,030	261,930	335,840	1,928,800
Allotments	0	6,370	16,820	0	0	0	(50)	23,140	0	2,670	25,810
Drainage	0	0	5,070	0	0	0	0	5,070	0	0	5,070
Public Conveniences	0	9,440	312,150	0	0	0	(690)	320,900	8,150	81,920	410,970
Economic Development	0	0	0	0	0	0	(6,560)	(6,560)	0	0	(6,560)
Total Environmental Services Portfolio	283,830	4,411,560	2,376,400	10	1,260,410	1,400	(6,179,500)	2,154,110	1,097,520	929,370	4,181,000

Community Wellbeing Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Housing and Communities		
Community Wellbeing	437,300	400,520
Community Safety	306,120	258,820
Director for Place		
Footway Lighting	75,450	77,910
Total Community Wellbeing Portfolio	818,870	737,250

Subjective Analysis
Community Wellbeing Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Housing and Communities											
Community Wellbeing	0	89,610	27,350	0	135,680	0	0	252,640	144,790	3,090	400,520
Community Safety	0	102,130	4,220	0	19,980	0	0	126,330	132,490	0	258,820
Director for Place											
Footway Lighting	0	0	70,780	0	0	0	0	70,780	7,130	0	77,910
Total Community Wellbeing Portfolio	0	191,740	102,350	0	155,660	0	0	449,750	284,410	3,090	737,250

Housing & Citizen Services Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Housing and Communities		
Housing Needs	3,126,270	3,316,980
Environmental Health - Housing	1,680	1,680
Housing Strategy	122,170	129,430
Home Improvement Assistance	59,710	57,610
Benefits	659,460	623,610
Revenues	340,730	479,830
Director for Sustainability and Resources		
Fraud, Verification & Adjudication	(5,100)	(5,100)
Total Housing & Citizen Services Portfolio	4,304,920	4,604,040

Subjective Analysis

Housing & Citizen Services Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Housing and Communities											
Housing Needs	266,470	750,790	275,530	0	4,680,700	245,780	(3,328,050)	2,891,220	205,510	220,250	3,316,980
Environmental Health - Housing	0	0	0	0	1,680	0	0	1,680	0	0	1,680
Housing Strategy	0	0	0	0	0	0	0	0	129,430	0	129,430
Home Improvement Assistance	0	124,050	0	0	0	0	(120,230)	3,820	53,790	0	57,610
Benefits	0	508,040	0	0	26,570,370	0	(27,135,510)	(57,100)	653,340	27,370	623,610
Revenues	0	573,030	0	0	173,410	0	(556,730)	189,710	290,120	0	479,830
Director for Sustainability and Resources											
Fraud, Verification & Adjudication	0	0	0	0	0	0	(5,100)	(5,100)	0	0	(5,100)
Total Housing & Citizen Services Portfolio	266,470	1,955,910	275,530	0	31,426,160	245,780	(31,145,620)	3,024,230	1,332,190	247,620	4,604,040

Regeneration Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Sustainability and Resources		
Abandoned Vehicles	1,800	1,800
Emergency Planning	34,870	37,850
Parking Services	(697,610)	(1,378,120)
Director for Place		
Lido/Pier/Pavillion	521,480	364,150
Foreshores	487,600	410,670
Building Control	161,400	153,490
Coastal Protection	127,530	131,550
Flood Defence	21,660	22,630
Planning Policy	429,190	423,080
Major Regeneration Projects	225,750	225,750
Development Management	915,580	888,560
Street Scene inc Strategic Projects	52,710	54,460
Economic Development	323,140	312,590
Total Regeneration Portfolio	2,605,100	1,648,460

Subjective Analysis
Regeneration Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Sustainability and Resources											
Abandoned Vehicles	0	0	0	0	1,800	0	0	1,800	0	0	1,800
Emergency Planning	0	8,380	0	0	0	0	0	8,380	29,440	30	37,850
Parking Services	0	463,530	791,260	2,880	272,080	0	(3,253,270)	(1,723,520)	312,880	32,520	(1,378,120)
Director for Place											
Lido/Pier/Pavillion	0	0	318,920	0	5,740	0	(114,140)	210,520	0	153,630	364,150
Foreshores	0	179,960	397,270	3,990	31,860	0	(560,680)	52,400	205,870	152,400	410,670
Building Control	0	364,190	0	0	4,020	0	(436,900)	(68,690)	222,180	0	153,490
Coastal Protection	0	0	102,660	0	4,580	0	(26,940)	80,300	32,610	18,630	131,540
Flood Defence	0	1,220	0	0	0	0	(6,630)	(5,410)	28,040	0	22,630
Planning Policy	(3,610)	201,030	0	0	19,790	0	0	217,210	205,870	0	423,080
Major Regeneration Projects	0	0	0	0	225,750	0	0	225,750	0	0	225,750
Development Management	0	1,052,350	0	0	45,290	5,380	(669,010)	434,010	454,550	0	888,560
Street Scene inc Strategic Projects	0	0	48,680	0	310	0	(650)	48,340	6,120	0	54,460
Economic Development	0	173,020	1,700	0	25,970	0	0	200,690	110,070	1,830	312,590
Grants - Director for Place	40,370	0	0	0	0	0	(40,370)	0	0	0	0
Total Regeneration Portfolio	36,760	2,443,680	1,660,490	6,870	637,190	5,380	(5,108,590)	(318,220)	1,607,630	359,040	1,648,450

Resources Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Sustainability and Resources		
Corporate Management	3,725,760	3,639,960
Treasury Management	2,157,860	2,893,450
Director for Place		
Land Charges	(28,000)	(26,300)
Admin Buildings	(228,090)	(133,610)
Estates	(224,890)	(362,040)
Property Investment	(5,595,390)	(5,729,690)
Total Resources Portfolio	(192,750)	281,770

Subjective Analysis
Resources Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Sustainability and Resources											
Corporate Management	1,470,670	579,090	488,140	0	733,650	0	(144,980)	3,126,570	453,880	59,510	3,639,960
Treasury Management	0	0	0	0	4,058,090	0	(1,165,580)	2,892,510	940	0	2,893,450
Director for Place											
Land Charges	0	90,120	0	0	46,710	0	(229,380)	(92,550)	66,250	0	(26,300)
Admin Buildings	29,640	29,150	303,080	0	3,390	84,080	(740,580)	(291,240)	0	157,640	(133,600)
Estates	0	26,740	470,350	0	27,340	0	(1,206,600)	(682,170)	15,290	304,830	(362,050)
Property Investment	0	0	82,110	0	0	0	(5,811,800)	(5,729,690)	0	0	(5,729,690)
Total Resources Portfolio	1,500,310	725,100	1,343,680	0	4,869,180	84,080	(9,298,920)	(776,570)	536,360	521,980	281,770

Culture and Leisure Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Place		
Leisure Strategic Support	1,014,790	1,163,640
Weddings	(17,510)	(17,510)
Concessions	(162,920)	(164,410)
Colonnade House	123,260	96,220
Culture - Client	2,421,620	2,530,650
Tourism and Events	292,880	255,910
Total Culture and Leisure Portfolio	3,672,120	3,864,500

Subjective Analysis
Culture and Leisure Portfolio

Service	Employees	Service Recharges from Joint	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget Total	Central Support Recharges from Joint	Capital Charges	TOTAL BUDGET
Director for Place											
Leisure Strategic Support	0	8,620	414,360	0	0	(90,000)	(73,550)	259,430	47,900	856,300	1,163,630
Weddings	0	0	0	0	0	0	(17,510)	(17,510)	0	0	(17,510)
Concessions	0	0	0	0	0	0	(193,320)	(193,320)	0	28,910	(164,410)
Colonadde House	98,030	0	0	0	0	0	(7,500)	90,530	0	5,690	96,220
Culture - Client	0	7,390	249,150	0	11,710	1,401,290	(3,810)	1,665,730	479,010	385,930	2,530,670
Tourism and Events	0	160,130	9,940	0	36,270	0	(10,570)	195,770	60,130	0	255,900
Total Culture and Leisure Portfolio	98,030	176,140	673,450	0	47,980	1,311,290	(306,260)	2,000,630	587,040	1,276,830	3,864,500

Climate Emergency Portfolio

Service	Estimate 2023-2024	Estimate 2024-2025
Director for Sustainability and Resources Energy & Sustainability	119,710	127,620
Total Climate Emergency Portfolio	119,710	127,620



Subjective Analysis
Climate Emergency Portfolio

Service	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
Director for Sustainability and Resources Energy & Sustainability	0	127,620	0	0	0	0	0	127,620	0	0	127,620
Total Climate Emergency Portfolio	0	127,620	0	0	0	0	0	127,620	0	0	127,620



Investing in our Places - Capital Programme 2024/25 to 2026/27

Report by the Director for 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 2024/25. This report recommends:

- the schemes for inclusion in the overall Capital Investment Programmes for 2024/25; and
- an indicative list of schemes for 2025/26 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 | 2023/24 Budgets reprofiled to 2024/25 for scheme delivery in 2024/25; |
| (ii) | Appendix 2 | New schemes to be included in 2024/25 Capital Investment Programme including the share of the Joint Strategic Committee programme; |
| (iii) | Appendix 3 | Full Worthing Borough Council capital investment programme for 2023/24 - 2026/27 |
| (iv) | Appendix 4 | Partnership capital investment programme for 2024/25 - 2026/27 |

2. Recommendations

2.1 The Cabinet is recommended to:

- (a) Consider the General Fund Capital Investment Programmes for 2024/25 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 20th February 2024.

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 2024 - 27 was updated and agreed by the Joint Strategic Committee (JSC) on 11th July 2023. 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 2024/25 in difficult economic conditions” report which was agreed by the Joint Strategic Committee on 11th July 2023.
- 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 2024/25 and potentially beyond. The amounts recommended for the General Fund reflect concerns about affordability at a difficult financial time when interest rates are significantly higher than in previous years.
 - (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 July 2023 confirmed the approach to setting the capital investment programme. The strategy confirmed the following resource allocations for 2023/24:
- £700,000 set aside for partnership schemes principally to fund the planned vehicle and equipment replacements.
 - £185,500 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 £5.9m 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 July 2023 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 2024/25, only the £614,500 of resources would remain for other schemes.

4. Supporting the delivery of the Council's priorities

4.1 In 2024/25, Worthing Council will continue to work towards becoming the greenest, fairest coastal town in the UK. The golden threads of addressing the climate emergency and improving the wellbeing of communities marry up with the continuing feedback received from residents throughout the year, including big listen events and consultations, with a focus on:

- Keeping the borough clean, green and fair and ensuring that our streets, town centre and high streets continue to be cared for and are welcoming to everyone in our community.
- Developing a mixed model of housing to address all resident needs which reflects an ambition for much greater access to social housing.
- Further development of an ambitious programme of seafront and town centre regeneration.

4.2 In order to deliver these priorities, Appendices 1-4 reflect the Council's commitment to pursuing Capital Programme priorities that are fair, green and local. As part of this approach, the programme is also designed to ensure that buildings and spaces are safe to use and that we make appropriate investments in our assets for the longer term.

4.3 It is important to remember that the Capital Programme runs 'across' financial years and projects are often phased to ensure that they can be funded and their implementation resourced over a longer time period. Accordingly, a number of projects referred to below have already begun or are scheduled to commence as a result of funding identified in the 2023/24 Capital Programme. Other projects listed (including the Heat Network and Colonnade House) are important elements of the Programme but do not require direct funding from the Capital Programme as they attract funding from other sources.

4.4 Decarbonisation and the Worthing Heat Network

4.4.1 The installation of energy efficient technologies across the Council's buildings and its wider estate will make a vital contribution to the Council's carbon reduction targets as well as delivering financial savings. The intention is that this work, which has begun with the larger buildings that form part of the corporate estate, will extend to include community buildings and assets across Worthing.

4.4.2 The Council is in the process of supporting the delivery of the Worthing Heat Network (a £9m+ project). This network will provide low carbon heating to public buildings in the area with the potential to expand and deliver within the area. The heat network will connect numerous council buildings such as the Town Hall, Portland House and the Connaught Theatre. With further external funding, it is also aiming to include Splashpoint, the Pavilion Theatre and the Museum.

4.5 Digital strategy investments and cyber-security

4.5.1 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 set out in the table below:

	2023/24 Approved	2024/25 Proposed	2025/26 Indicative	2026/27 Indicative
	£'000	£'000	£'000	£'000
Digital Cyber Security programme	41	101	60	60
Planning and building control document management system	42	80		
Cemeteries and Crematorium software		112		
Identity and Access Management	157	32		
Ultrafast Broadband Unallocated Digital Strategy Provision	53	1,325	50	50
	293	1,649	110	110

4.5.2 It is imperative that our communities are not placed at risk through an absence of up to date cyber-security. Our hardware and digital 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.

4.6 Temporary and Emergency Accommodation (EA/TA)

4.6.1 Providing temporary and emergency accommodation to meet local people's needs remains a major priority for the Council. Each new scheme is the subject of a business case to help ensure that best consideration is achieved and the most appropriate accommodation is delivered. Capital expenditure to deliver this accommodation is likely to exceed £4m, financed largely through prudential borrowing.

4.7 Seafront and Promenade

- 4.7.1 Replacement timber structures, piles and decking are planned for Worthing Pier. Over the course of the year, consideration will also be given to the potential for a sponsorship scheme to support the Pier decking and help to ensure it remains safe and in the best possible condition.
- 4.7.2 A new automated sprinkler system will be installed for each of the buildings on the pier. This work is being delivered in phases (the infrastructure for an automated provision is already built into the Southern Pavilion following the recent upgrade and is ready to receive a water supply). In addition, a similar arrangement is proposed for the Central Pavilion and Pavilion Theatre & Denton Lounge, replacing the existing manual system in the latter as funds allow. A booster pump and housing will be installed, together with the necessary supply pipework and it is anticipated this work will be carried out in 2024/25.
- 4.7.3 A priority for 2024/25 is to use the basis of work that has been undertaken to understand the condition of Worthing Lido to inform the development of design options for consideration and consultation.
- 4.7.4 A number of lighting columns on the Promenade need to be replaced during 2024/25 and the fronts of the Beach House Park chalets will also be updated.
- 4.8 Cycle lane from George V Avenue to Sea Lane**
- 4.8.1 New infrastructure to support safe cycling is high priority for the Council and this route has been identified as a high priority - it represents a vital 'missing link' in the National Cycle Network (Route 2) and has been reaffirmed as the key priority in the Local Cycling & Walking Infrastructure Plan as well as in the draft Infrastructure Investment Plan (IIP) 2023-2026 supported by the Community Infrastructure Levy (CIL). Funding from CIL Strategic Pot will be used to deliver the necessary design and feasibility work for the wider scheme cycle scheme and a delivery plan for full implementation will be worked up during the year.
- 4.9 Worthing's public realm**
- 4.9.1 A major improvement to Montague Place will transform the public realm in the town centre to provide a garden environment and a focus for community events, sustainable travel and a much improved connection to the promenade and the beach. 'Montague Gardens' will be funded using the CIL Strategic Pot.
- 4.9.2 CIL funds will also be used to support a programme of renewal in local shopping areas with a particular focus in 2024/25 on Tarring Road and Ham Road, including the installation of EV charging points. Subject to approval of the draft Infrastructure Investment Plan (IIP) 2023-2026
- 4.10 Parks, open spaces and play**
- 4.10.1 Parks and open spaces make a vital contribution to local quality of life. The stewardship and management of these spaces represents an important opportunity to partner with local communities and to make progress toward our decarbonisation targets.

4.10.2 The 2024/25 programme includes the upgrade and refurbishment of equipment and surfacing at Gull Island (East Beach), Waterwise and Victoria Park play areas. The programme also includes provision for a general parks improvement programme, together with a play area improvement programme and to help the Council plan for the renewal of equipment and investment in new facilities.

	2023/24 Approved	2024/25 Proposed	2025/26 Indicative	2026/27 Indicative
Worthing	£'000	£'000	£'000	£'000
Play area improvements	253	113	50	50
General parks improvements	209	50	0	0
Brooklands	477	0	0	0
	939	163	50	50

4.10.3 The Council has already committed to investing into a full refurbishment of Homefield Park, and preparatory work has been undertaken with a full programme planned for 2024 using those monies identified in the 2023/24 capital programme which also supported provision of the new playground at Palatine Park and new facilities at Northbrook Recreation Ground.

4.10.4 Over £42,000 of section 106 funds have been received from development and are available to be spent on 'provision or improvement of a play area at Field Place'. The Council is also in dialogue with Southern Water about a potential contribution towards our parks and open spaces

4.11 Chesswood Rainwater capture facility/ verge planting

4.11.1 Specific provision has been made to activate the existing Chesswood rainwater capture facilities after a number of years out of use to assist allotment holders in particular: and a small fund is established to support the greening and planting of verges where the Council has responsibility for their care.

4.12 Splashpoint

4.12.1 The Council intends to replace the Ground Source Heat Pump at Splashpoint in partnership with the original contractors Morgan Sindall, utilising some of the original contingency funds retained for this project. The new ground source heat pumps will provide low carbon heat generation for the centre and users and unlike the original heat pumps, will provide sufficient output to heat the Pool.

4.12.2 The Capital Programme also makes provision for the upgrade of Splashpoint's fire dampers. Dampers or shutters are commonly used in heating and ventilation, and air ducts to prevent and isolate the spread of fire inside the ductwork through fire-resistance rated walls and floors.

4.13 Cultural venues

4.13.1 There are several initiatives currently underway to improve a number of Worthing's important cultural venues. Works are planned to upgrade the Connaught Theatre's roof. The windows at the Connaught and the Pavilion Theatre are to be replaced. These improvements total £295k and were identified as part of the 2023/24 Capital Programme.

4.14 **Colonnade House**

4.14.1 Colonnade House makes a vital contribution to the local creative economy, providing important space for artists, makers, designers and innovators to collaborate and connect. A bid to the Arts Council (£464k) proposes a series of improvements designed to improve energy efficiency, including a new roof, upgraded heating and insulation and new windows.

4.15 **Multi-Storey Car Park repairs**

4.15.1 Structural repairs are required at the High Street and Grafton car parks. The Grafton works are for repairs needed to ensure that the car park is safe to use whilst it remains open. The repairs to the High Street car park will ensure that the car park remains operational and is in a good standard of repair prior to the installation of the district heat network facilities and further work to upgrade the facilities.

4.16 **Worthing Crematorium**

4.16.1 Improvements to the Memorial Garden and the Muntham Estate Walls (£250,000) will take place at the crematorium grounds to enhance the setting. The development of the memorial garden will provide additional plots whilst being sustainable and encouraging biodiversity.

4.17 **Commerce Way**

4.17.1 Refurbishment and renewal (£177k) is required at the Commerce Way to ensure a safe operational and working environment for our staff and to promote the efficient delivery of council services. Recent improvements have included upgraded shower and washroom facilities and further improvements to these facilities will be made in 2024/25. Flooring and roofing are further priorities and both are in need of repair.

4.18 **Worthing Leisure Centre**

Replacement foundations for the lighting columns (£84,400) on the all-weather pitches will be installed in the coming year to ensure access to the facilities continues throughout the year. Renewals to the pitches are expected to take place in future years, to maintain the quality of the facilities.

5. **Resourcing the programme**

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

- a) the level of available capital resources to fund the programmes;

- b) 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 and the age and condition of our existing assets often needs to be reflected in our investment decisions. Where a strong business case can be made, invest-to-save schemes and capital investments which support our local communities will be funded through prudential borrowing.

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

5.4 Usable Capital Receipts derived from the sale of assets

5.4.1 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.

5.4.2 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 4.5% (current average return on investments)	22,500	45,000

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

5.4.4 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;

5.4.5 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.

5.4.6 In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the 2024/25 and 2025/26 Capital Investment Programmes will be:

		Balance at 1 st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31 st March £'000
2024/25	General	35	20	(32)	23
	Ring-fenced - General Fund	2,891	200	(35)	3,056
	Total	2,926	220	(67)	3,079
2025/26	General	23	20	(32)	9
	Ring-fenced - General Fund	3,056	200	(89)	3,167
	Total	3,079	220	(121)	3,176

5.4.6 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.

5.5 Prudential Borrowing

5.5.1 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.

5.5.2 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 4.5%	22,500	45,000
Total costs	22,500	98,770

**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.

5.6 Revenue Contributions and Reserves

5.6.1 The Council sets aside revenue resources through revenue contributions to capital, both to support capital improvement to the Crematorium and initiatives to bring empty properties back into use.

5.7 Capital Grants and other external funding

5.7.1 The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2024/25 capital programmes:

	£
Arts Council	464,000
Disabled Facilities Grant (Better Care Fund)	800,000
Community Infrastructure Levy	50,000
Department for Business, Energy and Industrial Strategy - Heat Network	983,000
Homes England	600,000
Public Sector Decarbonisation Schemes Fund	3,851,670

- 5.7.2 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

6.1 General Fund programme

- 6.1.1 The 2024/25 and 2025/26 draft General Fund programmes are attached at Appendix 2 and 3 which also includes the proposed changes to the 2023/24 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 2025/26 are indicative only and will be reassessed next year.
- 6.1.2 Workshop sessions with portfolio holders have helped to inform the development of a capital programme that reflects the Council's priorities. 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.

6.2 Invest to save schemes

- 6.2.1 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 Assistant Director of Regenerative Development 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.

6.3 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.

6.4 The following tables are a summary of total resources used to fund the new schemes included in the draft programmes for 2024/25, 2025/26 and 2026/27.

Programme Year	Revenue Contributions and Reserves £	S106 and Community Infrastructure Levy £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2024/25						
General Fund	197	50	6,816	67	21,933	29,063
2025/26						
General Fund	175	150	906	121	6,613	7,965
2026/27						
General Fund	175	150	906	32	8,113	9,377
TOTAL	547	350	8,628	220	36,659	46,405

6.5 Members will note that the total planned spending for 2024/25, 2025/26 and 2026/27 is £46,405,000. 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 £	
2024/25	989,100	989,100	2025/26
2025/26	286,116	1,275,216	2026/27
2026/27	299,451	1,574,667	2027/28

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. 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 20th February 2024.
- 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. Conclusion

- 10.1 The overall financial position of the Council dictates that there be only limited revenue resources allocated to fund the cost of financing the capital programme. Therefore, the overall increase to the core programme for 2024/25 remains relatively modest at £1.5m.
- 10.2 Consequently, the Council has insufficient capital resources available to meet all of the identified demands for capital investment for 2024/25, 2025/26, and 2026/27. Nevertheless, there has been a concerted effort to identify and prioritise those projects where delivery reflects the Council's stated priorities. 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 An implication of the necessary restriction in capital investment will be the need for strict cost management when addressing the maintenance needs of the Council's assets. As addressed in 10.2 maintenance schemes deemed critical have been recommended. In 2024/25 and future years the Council will need to continue to critically analyse its needs both in terms of assets required to support service delivery, and its ability to meet the cost of maintenance needs across its estates.
- 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 2025/26 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.

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).

Local Government Act 1972

Background Papers

- CIPFA Prudential Code for Capital Finance in Local Government
- Investing for our future - Capital Strategy 2024/27 – Report to Joint Strategic Committee on 11th July 2023
- Developing a revenue budget for 2023/24 in difficult economic circumstances – Report to Joint Strategic Committee on 11th July 2023
- 2nd Capital Investment Programme and Projects Monitoring 2023/24 – Report to Adur Joint Strategic Sub-Committee on 7th December 2023

Officer Contact Details

Emma Thomas, Chief Financial Officer, 01903 221232,
emma.thomas@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 March 2024		
Opening Doors - Gratwicke Road	48,000	Total budget of £60,000 reprofiled from the Affordable Housing Registered Social Landlord project. Project spread over 5 year at £12,000 per annum. Budget reprofiled in line with anticipated expenditure
Beach House Park Chalets - Replacement of chalet fronts	125,000	Planning to progress this year. Works to go on site in the summer. Budget reprofiled in line with anticipated expenditure
Commerce Way - Replacement floor coverings	50,000	Some reactive work has been carried out in 2023. Technical services are focused on delivering higher priority projects and anticipate this project will begin in 2024/25
Commerce Way - Replacement roof covering	75,000	Project out to tender in February. Works to be on site in April. Budget reprofiled in line with anticipated expenditure.
Commerce Way - Upgrade of male showeres	17,500	Project out to tender in January. Works will roll into the new financial year.
Condition Surveys - Corporate Buildings	140,000	The appointed contractor has decided to leave the project. A new process is needed to deliver the surveys, either internally or externally.
Connaught Theatre - Replacement Slate Roof	150,000	Works currently scheduled to start after the winter. Budget reprofiled in line with anticipated expenditure.
Connaught Theatre - Replacement Windows	75,000	Works currently scheduled to start after the winter. Budget reprofiled in line with anticipated expenditure.



WORTHING BOROUGH
COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Corporate Hardware and Infrastructure	31,800	Fewer equipment replacements have been requested this year. Budget reprofiled in line with replacement equipment schedule.
Cemeteries and Crematorium Software	112,130	Budget profiled in line with anticipated expenditure.
Cyber Security	22,520	Mobile phone security software will go live from April 2024.
Cycle Lane - George V to Sea Lane	700,000	CIL funds have been allocated to support feasibility on the revenue budgets. Once feasibility is complete, this capital budget is the current estimate to be required. Budget profiled in line with potential funding agreement.
Digital Strategy - General Provision	31,800	Identity and Access Management System being reviewed. It is expected this will include other systems to produce a Single Sign On solution. Implementation now expected in 2024/25.
Durrington Cemetery Chapel Improvements	91,570	Technical services are focused on delivering higher priority projects. Improvement works are expected to begin in 2024/25
Equalities Act - Access Audits	40,000	Future audits are expected to take place in 2024/25
Extension of Ultrafast Fibre Network	1,325,000	Scheme in partnership with Adur District Council. Payment to Cityfibre for dark fibre connections to our council sites will only be made once 90% of the sites has been delivered, a point we have not yet reached. This funding is in place ready for when the payment can be released. Budget profiled in line with expected expenditure.



WORTHING BOROUGH COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Fire Door Replacements to Council properties	40,000	No replacements have been identified for the current year. Budget reprofiled for future demand.
Fire Risk Assessment Remedial Works	20,000	No improvements have been identified in the current year. Budget reprofiled for future demand.
Housing Development - Acquisition and development of emergency, interim or temporary accommodation for the homeless	1,397,120	Budget reprofiled due to lead times for new schemes.
Multi Storey Car Park - High Street	250,000	Multi-storey's to be tendered together in January. Estimated site commencement is in March and rolling into the new year.
Multi Storey Car Park - Grafton Road	65,000	Multi-storey's to be tendered together in January. Estimated site commencement is in March and rolling into the new year.
Office Equipment - Microphone system replacement	15,900	The systems at the Shoreham Centre and Worthing Town Hall require replacing. This is now expected to take place in 2024/25.
Pavilion Theatre - Crittall Window Replacement	70,000	Works currently scheduled to start after the winter. Budget reprofiled in line with anticipated expenditure.
Planning and Building Control - Document Management System	79,800	IDOX delivery to begin in Dec 23 and will be complete by Dec 24. Budget reprofiled in line with anticipated expenditure.
Refuse/Recycling - Trade Waste Bins	70,000	Demand led. Budget reprofiled for future demand.
Refuse/Recycling - Wheeled Bins	31,800	No further purchases expected in the current year. Budget reprofiled to 24/25 for future demand
Splashpoint Leisure Centre - Fire Dampers	130,000	The project will go out to tender following the approval of additional funding which has been requested as part of the 24/25 capital programme.



WORTHING BOROUGH COUNCIL

WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Splashpoint Leisure Centre - Ground Source Heat Pumps	310,000	Discussions with third party stakeholders are nearing a conclusion. Works will be expected to begin in the next financial year.
Strategic Property Investments	5,896,030	Investments in property for regeneration or service delivery. Currently no suitable properties have been identified that meet the council's strategic needs.
Street Cleansing Vehicles - EV charging points	31,800	Charging points to be installed in 24/25
Street Litter and Dog Bins	12,090	No further purchases expected in the current year. Budget reprofiled to 24/25 for future demand
Town Hall - Fire separation and roof insulation	65,000	Plans for the project are currently underway and works are expected to begin in 24/25.
Worthing Crematorium - Memorial Garden and Muntham Estate Walls Repair	250,000	Construction is due to begin in April and will be completed by August 2024. Budget reprofiled in line with anticipated expenditure.
Worthing Integrated Care Centre	1,000,000	Following a report submitted to JSC in June 2023, additional funds were granted and an update scheduled completion date of May 2024. Budget reprofiled in line with anticipated expenditure.
Worthing Pier - Fire Safety compliance works	700,000	Plans for the sprinkler systems are under discussion. Budget reprofiled in line with anticipated expenditure.
Worthing Pier - Replacement Timber Decking	84,000	Returned tenders were too high for the budget. Plans need to be reassessed and a new tender requested. Budget reprofiled in line with anticipated expenditure.
Worthing Pier - Replacement Timber Structure and pile to the Landing Stage	218,900	New maintenance contractors due to start in April 2024. Budget reprofiled in line with anticipated expenditure.
2. Schemes in Progress where the project schedule has changed		
Worthing Heat Network	-2,616,610	Spend expected in 23/24 rather than initial estimate of 24/25. Budget reprofiled in line with anticipated expenditure.
Total Reprofiled Budgets:	11,156,150	




WORTHING BOROUGH
COUNCIL


WORTHING BOROUGH COUNCIL - CAPITAL BUDGETS REPROFILED TO FUTURE YEARS

Scheme	Reprofiled Budgets	Reason
Grants / Contributions Anticipated towards above schemes:		
Cemeteries Software - Crematorium Trading Account Revenue contribution	80,000	
Cycle Lane - CIL/S106	700,000	
Opening Doors - Gratwicke Road - Capital Receipts	48,000	
Splashpoint GSHP - PSDS Grant	100,000	
Worthing Heatwork - Public Sector Decarbonisation fund	2,616,610	
Council Prudential Borrowing Budgets Reprofiled:	12,844,760	


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2024/25 CAPITAL INVESTMENT PROGRAMME

<div></div> <div>WORTHING BOROUGH COUNCIL</div> <div>Description</div>	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amend- ments to Council Resources 2023/24 £	Council Resources Funding 2024/25 £	External Funding 2024/25 £	Total Scheme Budget 2024/25 £
ADUR / WORTHING PARTNERSHIP SCHEMES FUNDED FROM RING FENCED FUNDING (See full Partnership Programme in Appendix 4)						
1P Bereavement Services - Mini Tractor and Flail (Purchase of all-round equipment to assist with required maintenance in cemeteries. Total Cost £70,000.)	KG	NB	-	35,000	-	35,000
2P Building Alarm Systems - Digital Upgrade (New system to replace analogue systems which are no longer supported. Total costs £85,000.)	KS	NB	-	51,000	-	51,000
3P Commerce Way - Floor Covering Replacement (Floors contain asbestos which needs to be removed or managed. Additional funding is required to complete the project. There is currently £166,030 in the 2023/24 capital budget. Total Cost £186,030)	KS	EB	-	10,000	-	10,000
4P Commerce Way - Roof Replacement (Health and Safety issues from water ingress and danger of falling ceilings. Additional funding is required to complete the project. There is currently £100,000 in the 2023/24 capital budget. Total Cost £150,000)	KS	EB	-	25,000	-	25,000
5P Corporate ICT hardware and infrastructure replacement programme (ICT Hardware and Infrastructure 2023/24 Replacement programme: i) Tablet Devices £13,000 ii) Phones £16,000 iii) PCs £16,000 iv) Laptops £75,000. Total Cost £120,000)	AS	EB	-	63,600	-	63,600
6P Cyber Security (Resources and software to minimise risks of cyber attacks to the council's infrastructure. i) Information Security Resource £30,000. ii) 3rd Line Technical Support £60,000. iii) Appguard Software £40,000. Total Cost £130,000.)	AS	EB	-	68,900	-	68,900
7P Dog Warden - Replacement Van (Replacement of the dog control van. Total Cost £25,000.)	NS	EB	-	15,000	-	15,000


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2024/25 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amend-ments to Council Resources 2023/24 £	Council Resources Funding 2024/25 £	External Funding 2024/25 £	Total Scheme Budget 2024/25 £
8P Finance - Asset Management System (Upgrade the financial management system to include an asset feature for financial accounting purposes. Total Cost £35,000.)	ET	NB	-	17,500	-	17,500
9P Housing Needs System (Replacement system for managing statutory function of homelessness casework and choice	AE	NB	-	84,000		84,000
10P Waste Services - Forklift (Replacement forklift for the Commerce Way waste services depot. Total Cost £10,000.)	MQ	NB	-	6,360	-	6,360
Total Adur / Worthing Partnership Schemes:				376,360	0	376,360


WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2024/25 CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Description	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2023/24 £	Council Resources Funding 2024/25 £	External Funding 2024/25 £	Total Scheme Budget 2024/25 £
SCHEMES FUNDED FROM GENERAL FUND						
11 Beach Hut - Replacements (Redevelop beach huts to be operated by the council and rented out on a shorter term basis.)	AW	NB		20,000		20,000
12 Chesswood Allotments - Sustainable Water Facilities (Installation of rainwater capture facilities to the allotments.)	SM	NB		20,000		20,000
13 Colonnade House - Improvement (Improvements to the creative space. Arts Council grant funded.)	RM	NB			464,000	464,000
14 Corporate Buildings - Access Improvements (Improvement works where ever identified in annual surveys.)	KS	EB		12,000		12,000
15 Corporate Buildings - Asbestos Remediation Works (Remedial works where ever identified in annual surveys.)	KS	EB	-	35,000	-	35,000
16 Grafton Road Multi-Storey Car Park - Structural Repairs (Repairs to the concrete structure of the car park. Additional funds requested. There is currently £115,000 in the 2023/24 capital budget. Total Cost £227,000.)	KS	EB	-	112,000	-	112,000
17 High Street Multi-Storey Car Park - Structural Repairs (Remedial works where ever identified in annual surveys.)	KS	EB	-	130,000	-	130,000
18 Housing Renewal Assistance - Mandatory Disabled Facilities Grants (Funded from the DCLG Better Care Fund)	BR	EB	-	-	800,000	800,000
19 Lido - Improvement Works (Planning and Design works for improvements.)	PG	NB		75,000		75,000

WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2024/25 CAPITAL INVESTMENT PROGRAMME


 WORTHING BOROUGH COUNCIL	Description	Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2023/24 £	Council Resources Funding 2024/25 £	External Funding 2024/25 £	Total Scheme Budget 2024/25 £
20 Parks and Asset Improvements (Improvements to park's buildings and pavilions)		SM/KS	NB	-	50,000	-	50,000
21 Play Area Improvements - Replacement of play equipment, safety surfaces and perimeter fencing (Plants and greenery to be planted in the town centre.)		SM	EB	-	70,000	-	70,000
22 Promenade Lighting - Replacement Columns (Replacement of 5 cast iron lighting columns.)		MP	NB		92,000		92,000
23 Public Conveniences - Rolling programme of refurbishments (Priority sites to be identified by executive member. £9,000 is currently ring-fenced in the 2023/24 capital programme.)		KS	EB	-	50,000	-	50,000
24 Splashpoint - Filter Socks (Replacement socks for the filtration system.)		KS	NB		30,000		30,000
25 Splashpoint Fire Dampers (Phased works to improve fire safety as agreed with the Fire Safety Advisor. £130,000 currently held in the 23/24 capital programme.)		KS	EB	-	65,000	-	65,000
26 Town Hall - Roof Replacement (Replacement roofing is required. Replacement slates, nails and asphalt repairs are included. Additional funds are requested. There is currently £180,000 in the 2023/24 capital budget. Total Cost £340,000.)		KS	EB	-	160,000	-	160,000
27 Worthing Heat Network - Connections and Enabling Works (Phase to connect Splashpoint, Pavilion Theatre and Museum to the heat network. To be funded by the grants from the Public Sector Decarbonisation Scheme.)		DG	NB			2,500,000	2,500,000

WORTHING BOROUGH COUNCIL NEW SCHEMES TO BE INCLUDED IN THE 2024/25 CAPITAL INVESTMENT PROGRAMME


 WORTHING BOROUGH COUNCIL Description		Lead Officer	Bids Submitted Last Year (EB) New Bids (NB)	Amendments to Council Resources 2023/24 £	Council Resources Funding 2024/25 £	External Funding 2024/25 £	Total Scheme Budget 2024/25 £
28	Worthing Leisure Centre - Lighting columns (Replacement foundations and bolts for the lighting columns on the 3G Pitch.)	MP	NB		84,400		84,400
29	Worthing Town Centre - Greening and Verges (Plants and greenery to be planted in the town centre.)	FB	NB		20,000		20,000
30	Worthing Town Centre and Parades - Public Space Improvements (Public space and landscaping improvements to enhance the town's shopping areas. Funded by Community Infrastructure Levy)	JM	EB	-	-	50,000	50,000
31	Contingency provision for urgent / priority schemes, inflation and unavoidable overspends	ET	EB	-	118,240	-	118,240
TOTAL 2024/25 CAPITAL SCHEMES:					1,520,000	3,814,000	5,334,000
FUNDING FOR PROPOSED CAPITAL INVESTMENT PROGRAMME							
Capital Grants						3,764,000	3,764,000
Capital Contributions Community Infrastructure Levy						50,000	50,000
Capital Receipts					20,000		20,000
Prudential Borrowing					1,500,000	-	1,500,000
TOTAL FUNDING:					1,520,000	3,814,000	5,334,000


Lead Officers:

AS	Adam Saunders	Head of Technology & Design
AW	Andy Willems	Assistant Director, Place & Economy
AE	Amanda Eremie	Housing Needs Manager
BR	Bruce Reynolds	Private Sector Housing Manager
DG	Dan Goodchild	Carbon Reduction Manager
ET	Emma Thomas	Assistant Director, Finance
FB	Fiona Burn	Head of Place
JM	Joanna Malandain	Place Activation Officer
KG	Kate Greening	Bereavement Services Manager
KS	Kevin Smith	Principal Building Surveyor
MP	Martyn Payne	Senior Engineer
MQ	Mark Quartly	Waste Cleansing and Fleet Manager
NS	Nadeem Shad	Team Leader Environmental Protection
PG	Phil Graham	Project Manager, Major Projects and Investment
RM	Richard Manders	Creative Hub Manager
SM	Steve McKenna	Parks and Foreshore Manager


SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME							
 WORTHING BOROUGH COUNCIL	Total Estimate £	CAPITAL ESTIMATES					
		Prior to 1.4.2023 £	2023/24		2024/25	2025-26 Draft Estimate £	2026/27 Future Estimate £
			Original £	Current £	Current £		
Column Reference (1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
BUDGETS							
Executive Member for Citizen Services	19,680,740	139,230	7,113,240	9,868,610	5,344,820	1,481,080	2,847,000
Executive Member for Climate Emergency	16,825,960	617,840	592,000	5,945,810	9,862,310	400,000	-
Executive Member for Community Wellbeing	1,219,690	28,290	230,000	816,400	87,000	144,000	144,000
Executive Member for Culture and Leisure	2,559,280	441,690	1,380,610	953,190	914,400	125,000	125,000
Executive Member for the Environment	11,360,537	2,713,740	1,342,380	1,957,720	526,477	855,300	5,307,300
Executive Member for Regeneration	66,800,715	47,138,685	3,518,290	10,473,220	4,009,570	4,592,810	586,430
Executive Member for Resources	94,483,050	84,062,330	16,656,050	1,016,800	8,436,720	483,600	483,600
	212,929,972	135,141,805	30,832,570	31,031,750	29,181,297	8,081,790	9,493,330
FINANCING							
Capital Grants and Contributions							
Communities and Local Government			2,884,320	7,466,070	6,234,670	800,000	800,000
Environment Agency			117,670	117,670	117,670	106,430	106,430
S106 Contributions from Planning Agreements and CIL Levy			3,023,860	5,265,870	792,857	150,000	150,000
Other Contributions			1,589,720	981,510	1,101,500	-	-
Prudential Borrowing			22,383,900	16,038,970	20,946,870	6,729,560	8,229,900
Revenue Contributions and Reserves							
Revenue Contributions			135,660	143,200	170,730	175,000	175,000
Revenue Reserves			41,690	60,710	-	-	-
Usable Capital Receipts							
General			970,750	957,750	67,000	120,800	32,000
			31,147,570	31,031,750	29,431,297	8,081,790	9,493,330


**FINANCING SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2023/2024		2024/2025	2025/2026 Draft Estimate	2026/2027 Future Estimate
	Original £	Current £	Current £	£	£
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	148,000	2,764,610	983,000		-
Heat Network Investment Programme Loan	1,275,000	1,275,000			-
<u>Department for Levelling Up Housing and Communities</u>					
Better Care Fund					
(Disabled Facilities Grants)	800,000	1,006,470	800,000	800,000	800,000
Changing Places Fund					
(High Street Public Convenience - Accessible toilet facilities)	89,900	89,900		-	-
Homes England					
5&7 High Street			600,000		
Victoria Road Housing Development	323,420	323,420	-	-	-
Local Authority Housing Fund					
(LAHF Programme)		809,080			
Public Sector Decarbonisation Schemes Fund)					
(Portland House / Town Hall Carbon Reduction Schemes)	148,000		-	-	-
(Splashpoint Swimming Pool - Replacement of 2 ground source heat pumps)	100,000	-	100,000	-	-
(Worthing Heat Network Enabling Works)		1,197,590	1,251,670		
(Worthing Heat Network Connections and Enabling)			2,500,000		
	2,884,320	7,466,070	6,234,670	800,000	800,000
<u>Environment Agency</u>					
Coast Protection Grant					
(Contribution to the Strategic Monitoring Project for the South East Phase 5)	117,670	117,670	117,670	106,430	106,430
	117,670	117,670	117,670	106,430	106,430


FINANCING SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME					
 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2023/2024		2024/2025	2025/2026	2026/2027
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
<u>S106 and Community Infrastructure Contributions from Planning Agreements</u>					
(CIL Local community group grants)		337,010		100,000	100,000
(Cycle Lane - George V to Sea Lane. Subject to CIL/S106 funding being available)	700,000		700,000	-	-
(Grants to Registered Social Landlords for the provision of affordable Housing S106)	1,765,800	1,765,800		-	-
(Extending Ultrafast Fibre Network CIL)	43,380	43,380	-	-	-
(Field Place)			42,857		
(Hillbarn / Rotary Recreation Ground - Refurbishment of changing rooms S106)	13,320	13,320		-	-
(Homefield Park CIL)		10,000			
(Montague Street Design Works CIL)	137,200	137,200		-	-
(Montague Street Works CIL)		2,700,000			
(Northbrook and Durrington Ward - Community Park Facilities S106)	126,440	126,440	-	-	-
(Play Area Improvements: Palatine Park S106)	87,720	82,720		-	-
(Worthing Seafront Improvements)	100,000				
(Worthing Town Centres Public Space Improvements - CIL)	50,000	50,000	50,000	50,000	50,000
	3,023,860	5,265,870	792,857	150,000	150,000


**FINANCING SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2023/2024		2024/2025	2025/2026	2026/2027
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
DETAILED FUNDING (continued)					
Capital Grants and Contributions (Continued)					
<u>Other Contributions</u>					
Adur District Council		21,680			
Town Hall/Portland House Refurb			464,000		
Arts Council					
(Colonnade House Improvements)					
Business Rate Pool					
(Extending Ultrafast Fibre Network)	662,500	25,000	637,500	-	-
Lawn Tennis Association					
(Church House Grounds - Tennis courts refurbishment)	34,000	31,080		-	-
Sussex Police					
(CCTV Infrastructure)		10,530			
West Sussex County Council					
(Portland Road Public Realm Scheme)	878,270	878,270	-	-	-
Worthing Theatres and Museum Trust					
(Contribution towards Museum Display Cabinets)	10,950	10,950		-	-
(Contribution towards Museum roof lights refurbishment)	4,000	4,000		-	-
	1,589,720	981,510	1,101,500	-	-


FINANCING SUMMARY THREE YEAR CAPITAL INVESTMENT PROGRAMME					
 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2023/2024		2024/2025	2025/2026	2026/2027
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
<u>DETAILED FUNDING (continued)</u>					
<i>Prudential Borrowing</i>					
<i><u>Worthing Heat Network</u></i>					
Worthing Heat Network Enabling Works			5,005,230		
<i><u>Invest to Save Schemes</u></i>					
(Acquisition and development of emergency or temporary accommodation)	3,566,440	4,216,040	4,448,820	634,080	2,000,000
(Buckingham Road MSCP - Refurbishment)	244,460	244,460	-	-	-
(General Provision)	-	-	-		
(Carbon reduction schemes)	570,000	570,000	239,020	400,000	
(Strategic Property Investment Fund for investments in property for regeneration)	13,748,250		5,896,030	-	-
(Memorial Garden and Muntham Estate Wall repairs)	315,000	65,000	250,000		
<i><u>General Fund Schemes</u></i>	3,939,750	10,943,470	5,107,770	5,695,480	6,229,900
	22,383,900	16,038,970	20,946,870	6,729,560	8,229,900
<i>Revenue Contributions and Reserves</i>					
<i><u>Revenue Contributions</u></i>					
AWCS Refuse/Recycling Service					
(Provision of Trade Waste Bins)	36,580	32,730	10,730	40,000	40,000
(Provision of wheeled bins)	19,080	19,080		20,000	20,000
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	-	160,000	80,000	80,000


**FINANCING SUMMARY
THREE YEAR CAPITAL INVESTMENT PROGRAMME**


 WORTHING BOROUGH COUNCIL	CAPITAL ESTIMATES				
	2023/2024		2024/2025	2025/2026	2026/2027
	Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(5)	(6)	(7)	(8)	(9)
<u>DETAILED FUNDING (continued)</u>					
<i>Revenue Contributions and Reserves (Continued)</i>					
<i>Revenue Contributions (Continued)</i>					
Housing Service (Empty Properties - Grants and loans to bring empty properties back into use)	-	91,390	-	35,000	35,000
	135,660	143,200	170,730	175,000	175,000
<i>Revenue Reserves</i>					
Museum Reserve (Museum and Art Gallery - Refurbishment)	41,690	60,710		-	-
	41,690	60,710	-	-	-
<i>Usable Capital Receipts</i>					
Affordable Housing	906,000	846,000		-	-
AH - LRGA Gratwicke Road		12,000	12,000	12,000	12,000
Beach Hut Replacements			20,000	20,000	20,000
Ring-Fenced:					
Empty Properties grants	35,000	47,000			
(Grounds Maintenance replacement of equipment)	17,750	17,750	-	-	-
(Repayable grants and loans to bring empty properties back into use)	12,000	35,000	35,000	-	-
(Worthing Coast Protection Scheme)	-	-	-	88,800	
	970,750	957,750	67,000	120,800	32,000


EXECUTIVE MEMBER FOR CITIZEN SERVICE THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 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)	AE	2,611,800	-	2,671,800	2,611,800	-	-	
Opening Doors - Gratwicke Rd (£60,000. £12,000 pa 23/24-27/28)		48,000			12,000	12,000	12,000	12,000
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	231,040	22,650	35,000	138,390	-	35,000	35,000
* Housing Needs System (Replacement system for managing statutory function of homelessness casework and choice based lettings. Partnership with Adur District Council. Total Cost £150,000.)	AE	84,000				84,000		
Shelley Road and Heene Road Acquisition	AE	1,800,000			1,800,000			

**EXECUTIVE MEMBER FOR CITIZEN SERVICE
THREE YEAR CAPITAL INVESTMENT PROGRAMME**


 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Housing Development</i> Acquisition and development of emergency, interim, temporary accommodation for the homeless (Invest to Save Schemes) i) Victoria Road Development ii) 24 Marine Place III) Shelley Road iv) Heene Road v) LAHF Programme vi) 5&7 High Steet VII) Unallocated	AE							
		3,402,840	116,580	-	1,692,240	1,594,020	-	
		1,143,000			633,500	509,500		
		137,000			137,000			
		30,000			30,000			
		1,723,300			1,723,300			
		2,345,300				2,345,300		
		2,634,080	-	3,566,440	-	-	634,080	2,000,000
<i>Housing Renewal Assistance</i> <u>Discretionary Grants</u> Home Repair Assistance Grants	BR	83,910		40,000	83,910			
<u>Mandatory Grants</u> Disabled Facilities Grants * (Funded by DCLG Better Care Fund)	BR	3,406,470		800,000	1,006,470	800,000	800,000	800,000
TOTAL		19,680,740	139,230	7,113,240	9,868,610	5,344,820	1,481,080	2,847,000


EXECUTIVE MEMBER FOR CLIMATE EMERGENCY THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
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	5,638,000	615,390	-	4,156,220	866,390	-	-
Worthing Heat Network Enabling Works for corporate buildings (Part-Funded by £2.47m PSDS grant)	DG	7,454,490			1,197,590	6,256,900		
* Worthing Heat Network - Splashpoint, Pavilion Theatre and Musuem Connections/Enabling Works (Subject to full funding from PSDS)	DG	2,500,000				2,500,000		
Contingency Provision for Project Management of Grant Funded Decarbonisation Schemes	DG	22,000		22,000	22,000			
TOTAL		16,825,960	617,840	592,000	5,945,810	9,862,310	400,000	-

EXECUTIVE MEMBER FOR COMMUNITY WELLBEING THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026	2026/2027
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
CCTV Replacement of CCTV infrastructure	RF			-	35,130			
Community Infrastructure Levy Grants Capital grants to local community groups	DA	537,010			337,010		100,000	100,000
Equalities Access Audits as required under the Equalities Act	KS	64,000		10,000	-	40,000	12,000	12,000
* Disability Discrimination Act Improvements - Provision of access alterations and improvements to Council properties	KS	36,000		20,000	-	12,000	12,000	12,000
High Street - Accessible toilet facilities (Part funded from Changing Spaces Grant)	KS	435,450	10,100	100,000	425,350		-	
Public Health * Asbestos removal / management in Council buildings	KS	112,100	18,190	100,000	18,910	35,000	20,000	20,000
TOTAL		1,184,560	28,290	230,000	816,400	87,000	144,000	144,000


EXECUTIVE MEMBER FOR CULTURE AND LEISURE THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Colonnade House * Improvements to the creative space. (Funded by Arts Council grant)	RM	464,000				464,000		
Connaught Studio (Ritz) Renewal of slate roof	KS	200,000	-	200,000	50,000	150,000	-	-
Connaught Theatre Main auditorium - Installation of a ventilation system	KS	483,480	384,360	-	99,120	-	-	-
Replacement of metal gantry and connections to the main roof	KS	30,000	-	30,000	30,000	-	-	-
Replacement windows	KS	85,000		85,000	10,000	75,000	-	-
Museum and Art Gallery DDA compliant new passenger lift	MR	-	-	-	-			-
Redevelopment (£69,190 funded from the Museum Reserve)	MR	89,190	10,940	69,190	78,250	-	-	-
Replacement of 3 display cases and purchase of additional display cases (Worthing Theatres and Museum Trust Funding £13,200)	MR	64,400	22,820	41,400	41,580	-	-	-
Roof lights - Refurbishment and uncovering	KS	48,800	-	48,800	48,800	-	-	-
Pavilion Theatre Crittall window replacement	KS	80,000	-	80,000	10,000	70,000	-	-


**EXECUTIVE MEMBER FOR CULTURE AND LEISURE
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Parks Pavilions</i>								
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	243,300	-		
Church House Grounds Pavilion -	SM	250,000	12,780	50,000	237,220	-	-	-
Contribution to new changing rooms / building (Funded from S106 Receipts)	SM	13,320	-	13,320	13,320	-	-	-
Contribution towards Broadwater Green Pavilion Refurbishment	SM	89,600	-	89,600	89,600	-	-	-
<i>Splashpoint Leisure Centre</i>								
* Replacement Filter Socks for filtration system	KS	30,000				30,000		
* Replacement fire dampers and access panels	KS	195,000	-	130,000	-	195,000	-	-
Replacement Heat Pump	KS	310,000	-	300,000	-	310,000	-	-
<i>Worthing Leisure Centre</i>								
Renewal of all weather football pitches	MP	250,000					125,000	125,000
* Replacement foundations and bolts for the lighting columns on the 3G pitch	MP	84,400				84,400		
TOTAL		2,559,280	441,690	1,380,610	953,190	914,400	125,000	125,000


EXECUTIVE MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Beach Huts								
Improvements to Beach Huts to let on a Pay-as-you-go model	AW	22,000			22,000			
* Replacement Beach Huts (Funded by Capital Receipts)	AW	60,000				20,000	20,000	20,000
Car Parks								
Buckingham Road MSCP - Refurbishment	CC	2,333,005	2,088,535	-	244,470	-	-	
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 (Due to exposure to the marine environment the building has suffered from carbonisation of the concrete and corrosion of the steel reinforcement which has led to spalling of the concrete Concrete works are now required to keep the car park open)	KS	232,000	4,810	-	50,190	177,000	-	
* High Street MSCP - Structural repairs	KS	430,000	-	300,000	50,000	380,000	-	
Coast Protection								
Strategic Monitoring Project for the South East Phase 5 (Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment Agency)	MP	541,300	93,100	117,670	117,670	117,670	106,430	106,430


**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Worthing Coast Protection Scheme (Contribution to Environmental Agency Scheme. £88,800 funded from ring-fenced capital receipts)	MP	88,800	-	-	-	-	88,800	
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)	KS	4,100,980	183,400	-	-	-	3,917,580	
Teville Gate Development - Acquisition of site for redevelopment to deliver new homes and employment opportunities	KS	8,910,850	7,955,310	950,000	955,540	-	-	
Worthing Integrated Care Centre Development on Worthing Town Hall Car Park	KS	39,601,000	34,146,580	-	4,454,420	1,000,000	-	
Union Place Site - Development	KS	600,000	17,790	-	582,210	-	-	
Foreshore Management								
Beach House Park Chalets - Replacement of chalet fronts	KS	150,000	-	150,000	25,000	125,000	-	
Cycle Lane - George V to Sea Lane (Subject to funding being available from Community Infrastructure Levy / S106	MR	700,000	-	700,000		700,000	-	
* Parade lighting columns - structural works	MP	298,400	10,110	-	12,290	92,000	92,000	92,000


EXECUTIVE MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026	2026/2027
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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	702,000	15,100	-	-	218,900	234,000	234,000
Worthing Pier - Replacement of timber decking and timber structures to the landing stage	MP	257,600	5,600	-	-	84,000	84,000	84,000
Lido * Improvement works - Planning and Design	PG	75,000				75,000		
Public Realm Improvements Montague Place Improvements - Design works (Funded from the Community Infrastructure Levy)	AW	2,900,000	62,800	100,000	2,837,200	-	-	
Portland Road Improvements (£3m funded by WSCC, £697,000 funded by Governments Growth Deal)	AW	2,712,710	1,834,440	-	878,270	-	-	
Worthing Pier, Southern Pavilion and Seafront Amusements Fire safety compliance works Southern Pavilion Sprinkler System	KS	1,366,150	644,130	735,620	22,020	700,000	-	


**EXECUTIVE MEMBER FOR REGENERATION
THREE YEAR CAPITAL INVESTMENT PROGRAMME**

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Worthing Crematorium Memorial Garden and Muntham Estate Walls	KG	315,000		315,000	65,000	250,000		
Worthing Town Centre * Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary shopping areas	JM	203,710	53,710	50,000	-	50,000	50,000	50,000
Electric Vehicle Charging Points					96,290			
Ham Road and Tarring Road parade (Part funded from CIL)					50,000			
* Greening of the Town Centre and verges	FB	20,000				20,000		
		66,654,425	47,138,685	3,518,290	10,473,220	4,009,570	4,592,810	586,430


EXECUTIVE MEMBER FOR THE ENVIRONMENT THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Allotments * Chesswood Allotments - Installation of rainwater capture facilities	SM	20,000				20,000		
Bereavement Services * New operational vehicles - Mini tractor and flail (Partnership scheme with Adur District Council. Total cost £70,000)	KG	35,000		-	-	35,000	-	
Brooklands Park 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	3,077,210	2,599,960		477,250	-	-	
Cemeteries Broadwater Cemetery - Replacement fencing	KG	30,000	-	30,000	30,000	-	-	
Durrington Cemetery - Improvements i) Structural works ii) Catafalque	KG	92,400	830	-	-	91,570	-	
Durrington Cemetery - Replacement dumper truck	KG	24,600	-	24,600	24,600	-	-	

**EXECUTIVE MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**


 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Dog Warden Service</i> * Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total cost £25,000)	NS	15,000	-	-	-	15,000	-	-
<i>Parks and Open Spaces</i> Grounds Maintenance - Replacement of vehicles (Partnership scheme with Adur District Council.)	SM	57,560			57,560	-	-	
Grounds Maintenance - Rolling programme of equipment replacements (Partnership scheme with Adur District Council)	SM	114,670		30,000	54,670		30,000	30,000
Infrastructure improvements to the Council's Parks (Improvements to include signage, recycling features, landscape enhancements and improved community facilities)	SM	15,000	2,770	-	12,230	-	-	

EXECUTIVE MEMBER FOR THE ENVIRONMENT THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026	2026/2027
				Original £	Current £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
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	85,000		-	45,000	-	20,000	20,000
Northbrook and Durrington Wards - Community Park Facilities (Funded from S106 receipts)	SM	129,740	3,300	-	126,440	-	-	
* Parks Assets - Building and Pavilion improvement	SM/KS					50,000		
Street litter and dog bins replacement programme (Partnership scheme with Adur District Council)	MQ	34,100		9,300	3,410	12,090	9,300	9,300
Play Area Improvements <i>Homefield Park</i> (£10K CIL contribution to basketball court)	SM	230,000		230,000	230,000			
<i>Field Place</i> (Funded from S106 receipts)	SM	42,857				42,857		
Palatine Park (Funded from S106 receipts)	SM	100,800	18,080	87,720	82,720	-	-	


**EXECUTIVE MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME**


<div></div> <div>WORTHING BOROUGH COUNCIL</div> <div>Scheme</div>	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
* Play area refurbishments and replacements of safety surfaces, equipment and perimeter fencing	SM	234,310	40,710	-	23,600	70,000	50,000	50,000
Public Conveniences								
Replacement of hand washing units	KS	18,740	-	40,000	18,740	-	-	
* Rolling programme of upgrades and improvements (Sites to be agreed with the Executive Member)	KS	159,000	-	180,000	9,000	50,000	50,000	50,000
Public Convenience Service - Vehicle Replacements (Partnership scheme with Adur District Council. Total cost £90,000)	MQ	63,000	-	63,000	63,000	-	-	
Refuse / Recycling Service								
Provision of trade waste bins (Partnership scheme with Adur District Council.)	MQ	182,730		53,460	32,730	70,000	40,000	40,000
Provision of wheeled bins (Partnership scheme with Adur District Council.)	MQ	159,640	48,090	62,330	39,750	31,800	20,000	20,000
Refuse / Recycling / Street Cleansing Service								
Replacement vehicles (Partnership scheme with Adur District Council.)	MQ	6,319,570	-	531,970	563,770	31,800	636,000	5,088,000

EXECUTIVE MEMBER FOR THE ENVIRONMENT
THREE YEAR CAPITAL INVESTMENT PROGRAMME


 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Commerce Way - Removal of oil tanker. Installation of ventilation and brake tester	MQ	33,250			33,250			
Meadow Road - removal of hazardous oil tanker	MQ	30,000			30,000			
Forklift Replacement * (Partnership scheme with Worthing Borough Council. Total cost £10,000)	MQ	6,360				6,360		
TOTAL		11,310,537	2,713,740	1,342,380	1,957,720	526,477	855,300	5,307,300


EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Admin Buildings								
Commerce Way								
Provision of female facilities (50% contribution to Adur District Council scheme)	KS	27,500	23,540	-	3,960	-	-	
* Refurbishment of floor coverings (50% contribution to Adur District Council scheme)	KS	60,000	-	50,000	-	60,000		
* Replacement roof covering including relocation of solar panels and thermal upgrade (50% contribution to Adur District Council scheme)	KS	108,010	-	75,000	8,010	100,000	-	
Upgrade of male showers (50% contribution to Adur District Council scheme)	KS	35,000		35,000	17,500	17,500	-	
Portland House - Replacement of building management system	KS	175,000	12,550	100,000	162,450	-	-	
Portland House - Asbestos removal and fire safety works	KS	300,000	250,510	-	49,490	-	-	


EXECUTIVE MEMBER FOR RESOURCES THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Town Hall - Installation of fire separation and roof insulation (Works identified from Fire Risk Assessment)	KS	75,000	-	75,000	10,000	65,000	-	
* Town Hall - Replacement of slate roof covering and sectional replacement of asphalt coverings	KS	340,000	-	180,000	180,000	160,000	-	
Corporate Buildings								
* Building Alarm Systems (Digital upgrade to the current alarm systems)	KS	51,000				51,000		
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	256,640	12,000	100,000	4,640	140,000	50,000	50,000
Fire Doors replacements	MW	133,000		53,000	13,000	40,000	40,000	40,000
Fire Risk Assessment Works (Remedial works identified from Fire Risk Assessment Surveys)	KS	65,000	1,000	-	4,000	20,000	20,000	20,000
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)	KS	235,000		100,000	135,000	-	50,000	50,000

EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Finance * Asset Financial Management System (Upgrade the financial management system to include an asset feature for financial accounting purposes. Partnership with Worthing Borough Council. Total Cost £35,000.)	ET	17,500				17,500		
Information and Communications Technology Cemeteries and Crematorium Software (Partnership scheme with Adur District Council. Total cost £140,200)	KG	112,130	-	82,050	-	112,130	-	
* 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.)	AS	403,840	132,730	87,450	48,510	95,400	63,600	63,600
COSHH Management Software To support Risk Management and Health and Safety Issues (Partnership scheme with Worthing Borough Council. Total cost £13,500)	AS	7,160	-	-	7,160	-	-	

EXECUTIVE MEMBER FOR RESOURCES THREE YEAR CAPITAL INVESTMENT PROGRAMME								
 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
* Digital Cyber Security Antivirus and anti phishing software, Information Security Resource and Cyber Software Solutions. In Partnership with Adur District Council	AS	252,500		63,600	41,080	91,420	60,000	60,000
Network Refresh Project Wifi upgrade across all sites, improvements to remote working, network resilience and robustness (Partnership scheme with (Partnership scheme with Adur District Council. Total costs £879,690)	AS	511,020	477,620	27,380	33,400	-	-	
Digital Strategy General Provision (Partnership scheme with Adur District Council.)	AS	397,240	108,730	95,400	156,710	31,800	50,000	50,000
Extension of Ultrafast Fibre Network Additional fibre connections and equipment (£662,500 funded by the Business Rate Pool)	AS	1,978,730	600,370	1,221,440	53,360	1,325,000	-	
Planning and Building Control Document Management Solution (Partnership scheme with Adur District Council. Total cost £214,670)	JA	122,150	-	50,370	42,350	79,800	-	

EXECUTIVE MEMBER FOR RESOURCES
THREE YEAR CAPITAL INVESTMENT PROGRAMME

 WORTHING BOROUGH COUNCIL Scheme	Lead Officer	Total Estimate £	CAPITAL ESTIMATES					
			Prior to 1.4.2023 £	2023/2024		2024/2025	2025/2026 Draft Estimate £	2026/2027 Future Estimate £
				Original £	Current £	Current £		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Payroll System - Bespoke solution	ET	7,700		-	7,700			
Office Equipment Microphone system - Replacement (Partnership scheme with Adur District Council. Total cost £30,000)	NT	15,900	-	15,900	-	15,900	-	
Strategic Property Investment Investments in property for regeneration or to increase service provision		88,328,050	82,432,020	13,748,250	-	5,896,030	-	
* Contingency: Inflation, Fluctuations and Urgent Schemes	ET	456,720		100,000	38,480	118,240	150,000	150,000
TOTAL		94,483,050	84,062,330	16,656,050	1,016,800	8,436,720	483,600	483,600



ADUR & WORTHING
COUNCILS

ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2023/24 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2024/25 - 2026/27

		Scheme	Requesting Officer	Split of Costs ADC/WBC	Budgets c/f from 2023/24 to 2024/25 £	BUDGETS PROPOSED			TOTAL BUDGET £
						2024/25	2025/26	2026/27	
						£	£	£	
1	Bereavement Services	Bereavement Services - Cemeteries and Crematorium Software	Kate Greening	20 / 80	£ 140,200				£ 140,200
2	Bereavement Services	Bereavement Services - New operational vehicle; mini tractor and flail	Kate Greening	50 / 50		£ 70,000			£ 70,000
3	Dog Warden Service	Replacement of one operational vehicle	Mark Quartly	40 / 60		£ 25,000			£ 25,000
4	Finance	Financial Management System - Asset Management solution	Emma Thomas	50 / 50		£ 35,000			£ 35,000
5	Housing	Housing Needs and Choice Lettings System	Amanda Eremie	44 / 56		£ 150,000			£ 150,000
6	Information and Communications Technology	Replacement of Microphone System	Neil Terry	47 / 53	£ 30,000				£ 30,000
7	Information and Communications Technology	Corporate ICT hardware and infrastructure replacement programme	Adam Saunders	47 / 53	£ 60,000	£ 120,000	£ 120,000	£ 120,000	£ 420,000
8	Information and Communications Technology	Digital Strategy - Identity and Access Management (Single Sign On)	Adam Saunders	47 / 53	£ 60,000				£ 60,000
9	Information and Communications Technology	Digital Strategy - Digital Cyber Security	Adam Saunders	47 / 53	£ 42,500	£ 130,000	£ 113,200	£ 113,200	£ 398,900
10	Information and Communications Technology	Gigabit Project / Extension of Ultrafast Fibre Network	Adam Saunders	47 / 53	£ 2,500,000				£ 2,500,000
11	Information and Communications Technology	Planning and Building Control Document Management Solution	saunders/ James	47 / 53	£ 140,000				£ 140,000
12	Parks and Open Spaces	Street litter and dog bins replacement programme	Mark Quartly	36.4 / 63.6	£ 19,010				£ 19,010



ADUR & WORTHING
COUNCILS

ADUR AND WORTHING PARTNERSHIP SCHEMES C/F FROM 2023/24 AND PROPOSED ADUR AND WORTHING CAPITAL INVESTMENT PROGRAMMES 2024/25 - 2026/27

		Scheme	Requesting Officer	Split of Costs ADC/WBC	Budgets c/f from 2023/24 to 2024/25 £	BUDGETS PROPOSED			TOTAL BUDGET £
						2024/25	2025/26	2026/27	
						£	£	£	
13	Refuse / Recycling / Street Cleansing	Replacement of essential operational vehicles with electric or low emission vehicles where available	Mark Quartly	36.4 / 63.6	£ 50,000				£ 50,000
14	Refuse / Recycling / Street Cleansing	Replacement of forklift	Mark Quartly	36.4 / 63.6		£ 10,000			£ 10,000
15	Refuse and Recycling Service	Wheeled Bin Replacements	Mark Quartly	36.4 / 63.6	£ 50,000				£ 50,000
16	Technical Services	BT Redcare Line	Kevin Smith	40 / 60		£ 85,000			£ 85,000
17	Technical Services	Commerce Way Improvements	Kevin Smith	50 / 50	£ 285,000	£ 70,000			£ 355,000
18	Trade Waste Service	Trade Waste Bins Replacements	Mark Quartly	30 / 70	£ 100,000				£ 100,000
BUDGET PROPOSED:					£ 3,476,710	£ 695,000	£ 233,200	£ 233,200	£ 4,638,110

WORTHING BOROUGH COUNCIL: Recommendations from the Executive as laid out in the Record of Decisions.

WCAB/13/23-24 Budget Estimates 2024/25 and setting of the 2024/25 Council Tax

Decision The Cabinet:-

That the Cabinet

- a) That the proposals for savings outlined in Appendix 2 be approved.
- b) the proposals to invest in services outlined in Appendix 3 be approved
- c) That it be recommended to Full Council to approve the use of capital receipts to support the delivery of the Organisation Design Programme and the budget as set out at appendix 4;
- d) That it be recommended to Full Council the draft budgets for 2024/25 at Appendix 7 (broken down by cabinet member portfolio) and the transfer to reserves leading to a net budget requirement of £15,224,580, which includes provision for the proposals in Appendix 2 and 3, subject to any agreed amendments.
- e) That it be recommended to Council an increase of 2.99% in Council Tax, making Band D £267.66 per annum for Worthing Borough Council's requirements in 2024/25, as set out in paragraph 4.3
- f) That the council tax base of 39,330.7 for 2024/25 as set out in paragraph 11.3. be approved

Reason for Decision

Statutory requirement to set a budget.

WCAB/14/23-24 Investing in our Places - Capital Programme 2024/25 to 2026/27

Decision The Cabinet:

- a) Considered the General Fund Capital Investment Programmes for 2024/25 the schemes to be included as detailed in Appendix 2 and 3 to be confirmed;
- b) That the full programme detailed at Appendix 3 be recommended for approval by Worthing Bororugh Council on the 20th February 2024;

Reason for Decision

To protect and maintain the council Assets

PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY

The Joint Treasury Management Strategy Statement and the Annual Investment Strategy 2024/25 to 2026/27 was approved by the Joint Strategic Committee on 8th February 2024. Included within this report were the prudential indicators which provide the parameter within which the Council's capital investment programme and treasury management activity operates. These indicators also provide a link between the capital programme and the revenue budget.

1. THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2026/27

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital expenditure and financing

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

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

WORTHING BOROUGH COUNCIL

Capital expenditure	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£m	£m	£m	£m	£m
Non-HRA	57.559	31.032	29.063	7.965	9.377
TOTAL	57.559	31.032	29.063	7.965	9.377
Financed by:					
Capital receipts	0.531	0.958	0.067	0.121	0.032
Capital grants and contributions	3.442	15.169	6.866	1.056	1.056
Revenue Reserves & contributions	0.101	0.215	0.197	0.175	0.175
Net financing need for the year	53.485	14.690	21.933	6.613	8.114

1.2 The Councils' borrowing need (the Capital Financing Requirement)

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

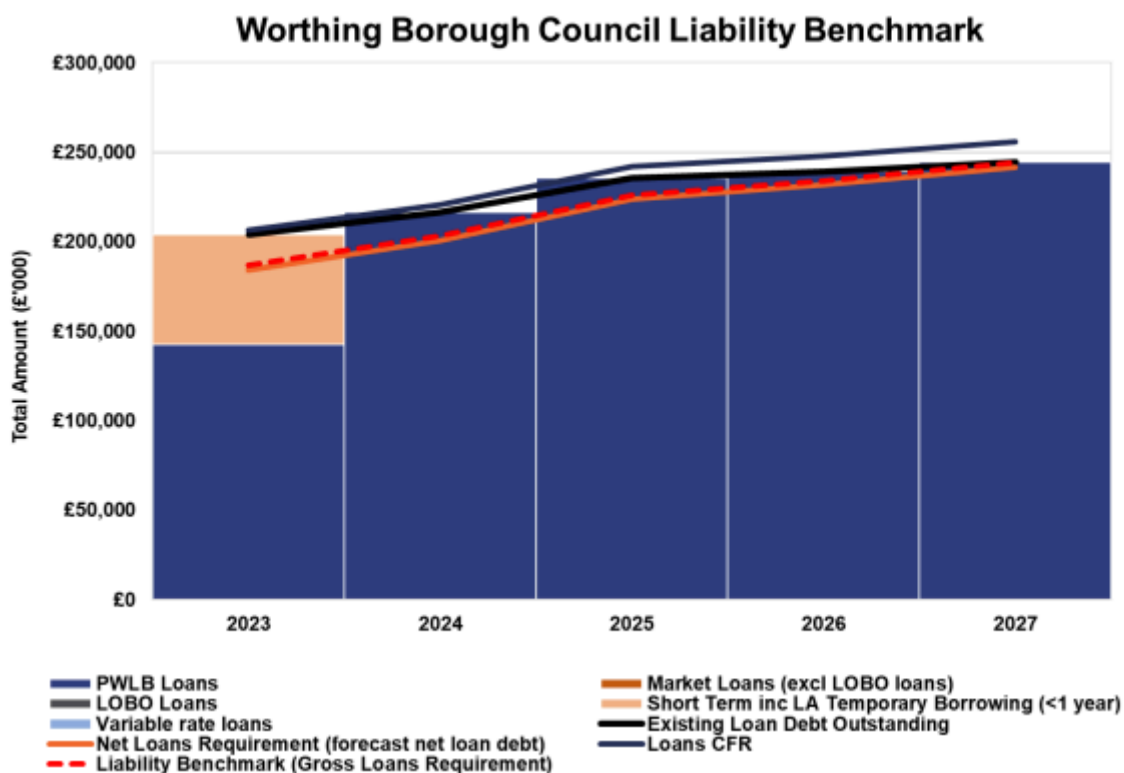
The CFR includes any other long term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Councils' borrowing requirement, these types of schemes include a borrowing facility and so the Councils are not required to separately borrow for these schemes. The Councils currently do not have any such schemes within the CFR. The Councils are asked to approve the CFR projections below:

WORTHING BOROUGH COUNCIL

Capital Financing Requirement (£m)	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
CFR – non-HRA	137.606	151.073	171.258	175.901	181.934
CFR - strategic	68.791	68.010	67.209	66.387	65.544
Total CFR	206.397	219.083	238.467	242.288	247.478
Movement in CFR	51.792	12.686	19.384	3.821	5.190
Movement in CFR represented by					
Financing need for the year	53.485	14.690	21.933	6.613	8.114
Less: MRP/VRP and other financing movements	(1.693)	(2.004)	(2.549)	(2.792)	(2.924)
Movement in CFR	51.792	12.686	19.384	3.821	5.190

1.3 Liability Benchmark

The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.



There are four components to the LB: -

1. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The above chart shows the liability benchmark for Worthing Borough Council for the year ended 2023 through to the year ended March 2027. An analysis of what is shown is given below:

- The black line represents existing loan debt outstanding which tracks the existing debt balance closely as repayments are made on the opening debt position as at the year ended March 2023.

- The red dashed line and Orange line represent the additional borrowing requirement which is driven by the amount of the Council's forecast capital expenditure which will be funded through prudential borrowing.
- The Blue line sitting at the top of the graph represents the Loans CFR, the gap between this and the liability benchmark line represents in part the treasury management investments held by the council which are required for management of liquidity and cash flow.

Though further periods of forecast are possible, as there is no capital programme set for years beyond 2027 the models data beyond that point is not indicative of the likely movement and has therefore not been included in this report.

2.0 **MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT**

The Council is required to provide for the repayment of an element of the accumulated debt associated with the General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although they are also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

DLUHC regulations have been issued which require the full Councils to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

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

The Councils are recommended to approve the following MRP Statement:

WORTHING BOROUGH COUNCIL

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

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

If concerns arise about the ability of the borrower to repay the loan, the Chief Financial Officer will use the approved discretion to make MRP as a "prudent provision" from the earliest point

to ensure that sufficient funds are set aside from revenue to repay the debt at maturity if the RSL defaults.

- 2.2 In addition to the above policy, it is also recommended that where the Council purchases a property to facilitate a development whether via a Compulsory Purchase Order or via a negotiated arrangement with the intention of disposing of the property to a development partner, no MRP shall be provided for the first three years. Any capital receipt received for the land shall be used to repay the associated debt. This change to the policy was initially approved by Council in July 2021.
- 2.3 It is proposed to retain this policy for 2024/25.

VOLUNTARY REVENUE PROVISION

- 2.4 **MRP Overpayments** – A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory MRP, which are designated as voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayments made each year. Up until the 31st March 2023 Worthing has a cumulative net £310k VRP overpayment which will be reclaimed over the five years following each voluntary overpayment.

3. BORROWING PRUDENTIAL INDICATORS

- 3.1 The Councils' forward projections for borrowing are summarised below. The tables show the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Worthing Borough Council

Worthing BC External Debt £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt at 1 April	(153.751)	(203.948)	(216.634)	(235.669)	(239.120)
Expected change in Debt	(50.197)	(12.686)	(19.065)	(3.421)	(5.190)
Other long-term liabilities (OLTL)	0.000	0.000	0.000	0.000	0.000
Actual gross debt at 31 March	(203.948)	(216.634)	(235.669)	(239.120)	(244.310)
The Capital Financing Requirement	206.397	219.083	238.148	241.569	246.759
Under/(over) borrowing	2.449	2.449	2.449	2.449	2.449

Within the above figures the level of debt relating to commercial property is:

Worthing BC	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt for commercial activities / non-financial investments					
Actual debt at 31 March £m	(68.791)	(68.010)	(67.209)	(66.387)	(65.544)
Percentage of total external debt %	45%	34%	30%	30%	29%

Within the range of prudential indicators there are a number of key indicators to ensure that the Councils operate their activities within well-defined limits. One of these is that the Councils need to ensure that their gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

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

3.2 Treasury Indicators: limits to borrowing activity

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

WORTHING BOROUGH COUNCIL

Operational boundary £m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	5.0	4.5	4.3	4.0
Other Debt	229.5	239.5	243.5	247.5
Other long term liabilities	1.0	1.0	1.0	1.0
Total	245.5	255.0	258.8	262.5

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

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

Authorised limit £m	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt re Worthing Homes	10.0	10.0	10.0	10.0
Debt re GB Met	4.5	4.3	4.0	4.0
Other Debt	233.0	233.0	233.0	233.0
Other long term liabilities	1.0	1.0	1.0	1.0
Total	248.5	248.3	248.0	248.0

4.0 PRUDENTIAL INDICATORS RELATING TO INVESTMENTS

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

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

WORTHING BOROUGH COUNCIL

MAXIMUM PROPORTION OF PRINCIPAL SUMS INVESTED > 365 DAYS			
	2024/25	2025/26	2026/27
Principal sums invested > 365 days	50%	50%	50%



WORTHING BOROUGH
COUNCIL

Council
20th February 2024

Agenda Item 8(a)
Ward: All

2024/25 COUNCIL TAX RESOLUTION

REPORT BY DIRECTOR FOR DIGITAL AND RESOURCES

1.0 SUMMARY

- 1.1 The purpose of this report is to enable the Council to calculate and approve the Council Tax requirement for 2024/25.

2.0 BACKGROUND

- 2.1 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and requires the billing authority to calculate a council tax requirement for the year.
- 2.2 The Chancellor introduced a new social care precept which allowed those Councils with responsibility for Adult Social Care an additional annual increase in Council Tax. This flexibility is available to West Sussex County Council and for 2024/25 is capped at an additional 2%.
- 2.3 Since the meeting of the Cabinet the precept levels of other precepting bodies have been received. These are detailed in the paragraphs below.

3.0 PROPOSALS

3.1 Worthing Borough Council

The Worthing Borough Council Precept for 2024/25 is detailed in the Appendix A and totals **£10,527,260**. The increase in the average Band D Council Tax for Worthing Borough Council is **2.99%** and results in an average Band D Council Tax figure of **£267.66** for 2024/25.

- 3.1.1. Section 30(1) of the Local Government Finance Act 1992 requires the Council to set an amount of Council Tax each financial year for each category of dwelling in its area. Worthing Borough Council, as a billing authority for the purposes of Council Tax, is required to set its Council Tax before 11th March in the financial year preceding that for which the Council Tax is set.
- 3.1.2 These amounts are based on the Council's own budget, plus shares of the budget for West Sussex County Council and The Police and Crime Commissioner for Sussex, all divided by the tax base. At its meeting on 6th February 2024, the Executive approved the tax base for the Worthing Borough Council for 2024/25 totalling **39,330.7** Band D equivalents.
- 3.1.3 For the purpose of calculating council tax, dwellings are allocated to valuation bands and the amount of Council Tax paid for dwellings in each band is calculated using nationally set weightings for each band.
- 3.2 Since the meeting of the Executive on 6th February 2024, the precept levels of the other precepting bodies have been received:

West Sussex County Council

West Sussex County Council met on 16th February 2024 and set their precept at **£67,450,201.11** This results in a Band D Council Tax of **£1,714.95**. This includes an amount for the social care precept of **£248.58** per Band D property.

The Police and Crime Commissioner for Sussex

The Police and Crime Commissioner for Sussex met with the Police and Crime Panel who approved the Commission proposal on 6th February 2024. The Council has now received the precept notification of **£9,947,127.34**. This results in a Band D Council Tax of **£252.91**.

3.3 Explanatory Note

3.3.1 The Act specifies the calculations required and the resolution is structured to meet those requirements. The resolution is divided into the following sections:

a) Council Tax Base (Resolution 1)

This resolution stipulates the Council Tax Base for the forthcoming financial year, as agreed by the Executive at its meeting on 6th February 2024.

b) Council Tax Requirement (Resolution 2)

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

The Council Tax Requirement is calculated by taking the Council's Net Revenue Budget for 2024/25 of **£15,224,580**, and deducting the aggregate of the amount of support the Council receives from the government in the form of Baseline Funding and Additional Business Rate income, and transfers to or from the Collection Fund, and other government funding.

c) Basic Amount of Council Tax (Resolution 3)

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

d) Precepts of Major Precepting Authorities (Resolution 4)

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

e) Setting of Council Tax (Resolution 5)

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

4.0 CONCLUSIONS

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

	2023/24 £	2024/25 £	Increase %
Worthing BC	259.92	267.66	2.98
West Sussex County Council (to be confirmed) total split as below:	1,633.41	1,714.95	4.99
West Sussex County Council – Core Precept	1,417.50	1,466.36	
Social Care precept	215.91	248.59	
Sussex Police and Crime Commissioner	239.91	252.91	5.42
TOTAL	2,133.24	2,235.52	4.79

5.0 RECOMMENDATION

- 5.1 Council is recommended to approve the detailed revenue budget as set out in Appendix 7 leading to a precept figure of **£10,527,260**.
- 5.2 Council is recommended to approve the capital programme as set out in Section 9.
- 5.3 The Council is recommended to approve the formal Council Tax resolution (Resolution 1, 2 and 3) for Worthing Borough Council at Appendix A including the Council's specific Council Tax for 2024/25 which is to be **£267.66** for a Band D equivalent property.
- 5.4 The Council is recommended to approve the precept for each authority and the overall Council Tax to be charged as set out in Appendix B (resolution 4 and 5).

Background Papers

Budget Estimates 2024/25 and the setting of 2024/25 Council Tax Report submitted to the Executive on 6th February 2024;

Local Government Finance Act 1992;

<http://www.legislation.gov.uk/ukpga/1992/14/contents>

Localism Act 2011

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf

Local Authority Finance (England) Settlement Revenue Support Grant for

2020/21 and Related Matters: DCLG Letters and associated papers of 23rd

December 2019.

<https://www.gov.uk/government/speeches/provisional-local-government-finance-settlement-2020-to-2021-statement>

Council Tax (Demand Notices) (England) (Amendment) Regulations 2020

<https://www.gov.uk/government/publications/council-tax-information-letter-14-january-2020>

WORTHING BOROUGH COUNCIL – COUNCIL TAX RESOLUTION

The Council is recommended to resolve as follows:

1. It be noted that on 6th February 2024, the Executive calculated the Council Tax Base 2024/25 as **39,330.7** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)];
2. The Council Tax requirement for the Council’s own purposes for 2024/25 is **£10,527,260**.
3. That the following amounts be calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Act:
 - (a) **£71,118,506** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) **£60,591,246** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) **£10,527,260** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).
 - (d) **£267.66** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
 - (e) **£0.00** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
 - (f) **£267.66** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.

APPENDIX B

WORTHING BOROUGH COUNCIL – COUNCIL TAX RESOLUTION

4. That it be noted that for the year 2024/25 the West Sussex County Council and The Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below:-

All of the Council's Area 2024/25	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Worthing Borough Council	178.44	208.18	237.92	267.66	327.14	386.62	446.10	535.32
West Sussex County Council	1,143.30	1,333.85	1,524.40	1,714.95	2,096.05	2,477.15	2,858.25	3,429.90
Total as split below:								
West Sussex Council – Core	977.57	1,140.50	1,303.43	1,466.36	1,792.22	2,118.08	2,443.93	2,932.72
West Sussex County Council – Adults Social Care element	165.73	193.35	220.97	248.59	303.83	359.07	414.32	497.18
The Police and Crime Commissioner for Sussex	168.61	196.71	224.81	252.91	309.11	365.31	421.52	505.82

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in table shown above, as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwellings.

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
All of the Council's Area	1,490.35	1,738.74	1,987.13	2,235.52	2,732.30	3,229.08	3,725.87	4,471.04