



Worthing Cabinet
6th February 2024

WORTHING BOROUGH
COUNCIL

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

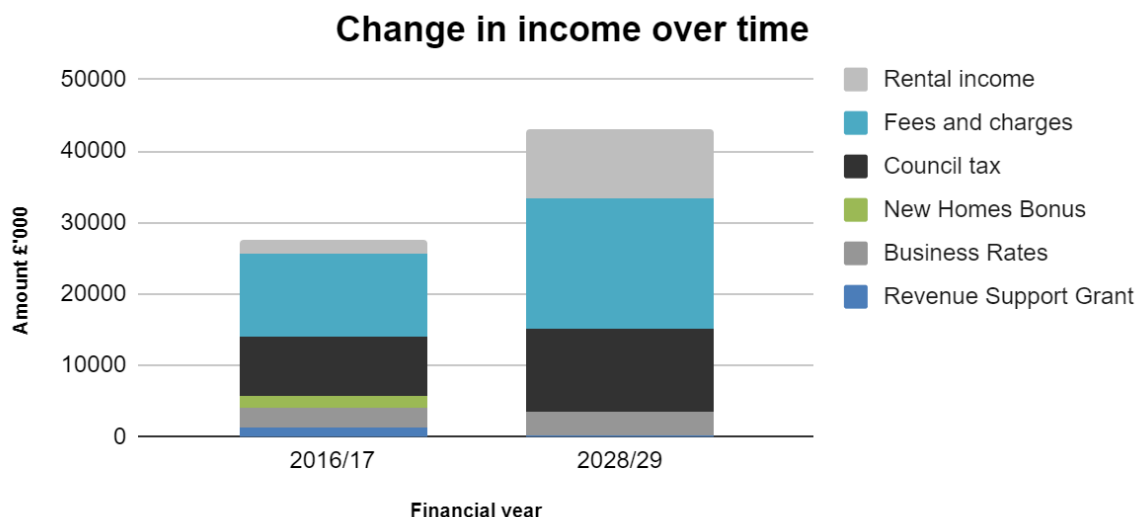
2.1 The cabinet is recommended to:

- (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 11th July 2023

	£000
Original 2024/25 budget shortfall	2,754
Other changes:	
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
Impact of settlement	
Change to business rates	-11
One-off funding:	
New Homes Bonus	-15
Changes to existing grant streams	-24
Funding Guarantee Grant confirmation	-346
Adjustment for final items identified	
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	1,714.91	4.99%
Sussex Police and Crime Commissioner	239.91	252.91	5.42%
	2,133.15	2,235.48	4.77%

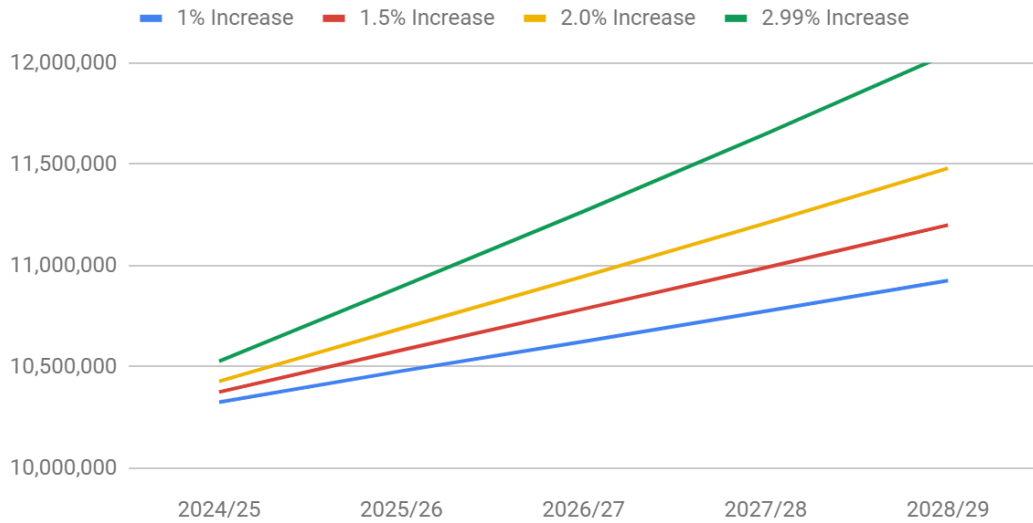
4.3.5 The decision to raise council tax influences not just the 2024/25 budget but future years and should be considered alongside the projected budget shortfalls for the next 5 years, as there are long-term consequences to setting a council tax increase lower than the maximum permitted. This is particularly 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
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation	14,189	14,189	14,189	14,189	14,189	14,189
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 Commercial Initiatives (From Initiatives Tracker)		-	(143)	(140)	(136)	(132)
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

		<i>Expected cost (cumulative)</i>					
		<i>2024/25</i>			<i>2025/26</i>		
		<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>	<i>Joint (memo only)</i>	<i>Adur</i>	<i>Worthing</i>
Description	Comment						
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

Executive 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)	131,770
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	16,700,680
Credit Back Depreciation / Impairments	(4,804,180)	(3,845,070)
Minimum Revenue Provision	2,417,780	1,932,720
	14,102,700	14,788,330
Transfer to / from Reserves	86,250	286,250
Investment in Services to be Approved	0	150,000
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	3,489,960
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)	131,770

**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	303,880	59,510	3,489,960
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)	386,360	521,980	131,770

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