



ADUR & WORTHING
COUNCILS

Joint Strategic Committee
1st October 2024

Ward(s) Affected: All

Financial Strategy and Budget Update 2025/2026

Report by the Director for Sustainability & Resources

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Executive Summary

In July 2024 the councils adopted a new financial strategy. The report both introduced the new financial strategy and highlighted the key supporting strategic reviews that are aimed at delivering better long term strategic direction in key areas and enabling more coordinated and realistic programmes of activity which deliver on the priorities of the two administrations and the statutory obligations of the councils.

The Medium Term Financial Plan and the 2025/2026 revenue budgets are currently being developed with the strategic reviews informing this work, together with other economic factors.

This report provides members with an update on the financial strategy and the medium term financial plan, including the current position on the 2025/26 revenue budgets. It also introduces the new format for the medium term financial plan, which is aligned to the supporting strategies and provides more information on the financial assumptions.

Work continues to ensure a balanced budget while acknowledging the ongoing uncertainties around future funding arrangements. This report represents the next step in the reporting process and represents 'work in progress' and a milestone in the budget process. This report represents a snapshot of the budget development in order to provide greater transparency.

The work plan for the implementation of the new financial strategy ensures that the different elements of the new strategy will be live and active in order to support the setting of the 25/26 budget and help the organisation look beyond that point with more certainty. While the financial situation continues to be challenging this budget reflects the considerable work going on to deliver greater long term financial resilience for the councils.

Purpose

- 1.1.** This report provides an update on the financial strategy and the development of the Medium Term Financial Plan and the 2025/2026 revenue budgets.
- 1.2.** To introduce the new format of the Medium Term Financial Plan

Recommendations

- 2.1** The Joint Strategic Committee is recommended to:
 - 2.1.1** Note the contents of the report including the working 5 year forecasts as at appendix 1

3.0 Context

- 3.1 The new financial strategy adopted by members has been designed to reflect what needs to be seen as the 'new normal' for Local Government finance, which looks to be challenging for some time.
- 3.2 This 'new normal' sees the ongoing pressures of inflation and interest rate rises along with considerable pressure from increasing need for emergency and temporary accommodation. The councils are also seeing considerable financial pressure from the impact of high volumes of supported accommodation in the area. The demand pressures are outlined in section 6.
- 3.3 The strategy provides a framework and connects together a number of different elements of the councils' financial management in order to create a more resilient financial foundation for the councils. The following key strategic reviews are in progress; asset and property investment strategy, commercial income strategy, procurement strategy and external funding and Investment, all incorporating the newly developed core principles:
- That organisational design work should always take us "to the future faster", maximising the use of new technologies to maximum effect and developing vital skills in the workforce such as participation, commercial and digital.
 - That financial literacy and management be supported and developed throughout the organisation, with specific focus on budget managers, to help support, develop and iterate this strategy going forward.
 - That the organisational designs help strengthen and deepen relationships with partners, businesses and communities, increasing the opportunities to work together differently to deliver outcomes.
 - That strategic programme planning and financial forecasting should be undertaken with a much longer term view, at least 10 years in key areas such as asset management and strategic property investment.

4. Medium Term Financial Plan

- 4.1 The medium term financial plan (MTFP) has been reviewed and a new format introduced at appendix 1 to clearly set out the key elements within the

forecasts:

- Alignment to key strategies
- Wider economic factors - inflation and interest rates assumptions
- Material items separately identified
- Central funding assumptions
- Funding from taxation

- 4.2 This information is intended to be visible in such a way to provide a clearer understanding of the financial impact of each element and to enable more informed decisions. The redesign of the MTFP is intended to make this critical financial information more transparent and as the new format is rolled out briefings will be provided for members to ensure that they are able to work effectively with the information.
- 4.3 The work to refresh the MTFP is ongoing as the new financial strategy requires development work in a number of the areas which have long term impacts on the organisation (see section 5)

5. Current estimated projections for 2025/26 and beyond

- 5.1.1 These projections as yet do not reflect a complete picture and highlight where work is being done to develop the balanced budget.
- 5.1.2 The updated forecast for the Joint Strategic Committee is attached at appendix 1, this has been revised to reflect current assumptions related to inflation and interest projection together with any change to budget assumptions emerging from the key strategic reviews.
- 5.1.3 There are a number of key assumptions that have not yet been refined / updated and these are listed in the section below which will be addressed before the next budget update.
- 5.1.4 A comparison between these updated General Fund projections to those provided in July presented in the following table:

	2025/26	2026/27	2027/28	2028/29	2029/30
Joint	£'000	£'000	£'000	£'000	£'000
July 2024 projected cumulative shortfall (surplus)	(396)	692	1,544	2,379	3,229
Current projected cumulative shortfall	(531)	454	1,152	1,943	2,693

* The Adur and Worthing share of the Joint Services budget is included within the estimates for each council

	2025/26	2026/27	2027/28	2028/29	2029/30
Adur	£'000	£'000	£'000	£'000	£'000
July 2024 projected cumulative shortfall	1,164	1,352	2,097	2,639	3,134
Current projected cumulative shortfall	916	1,332	1,911	2,465	2,969

	2025/26	2026/27	2027/28	2028/29	2029/30
Worthing	£'000	£'000	£'000	£'000	£'000
July 2024 projected cumulative shortfall	2,927	4,741	6,070	7,049	7,780
Current projected cumulative shortfall	2,491	4,211	5,429	6,259	6,960

The current projections are based on the following assumptions:

5.2 Government funding and taxation

The current assumption in relation to government funding is that it will be in line with the 2024/25 allocation for each council. This is an intentional prudent assumption at this stage of the budget process as there is currently no indication of the level of funding support that will be allocated to local authorities. The future of New Homes Bonus is uncertain and the government has not indicated if the 2025/26 settlement, which will not be published in draft until late December, will provide a single or multi year funding confirmation . The medium term financial assumptions will be updated as more information becomes available over the autumn from the Treasury.

Council tax is currently projected to increase by 2.99% each year. The level of increase will be determined by the referendum limit which will be confirmed by the government later in the year. Any decision to not increase council tax up to the referendum limit would have inevitable cumulative consequences to the council which need to be balanced with the need to find savings.

5.3 Inflation

Inflation is a pressure felt across the whole economy and the assumed rates within the MTFP are shown in the table below, the Bank of England target rate is 2% and this is projected from 2026/27.

At present the assumption for commercial / fee income increases are aligned to inflation but there is further work to be done on setting these charges and this will be reflected in the next update.

Assumptions around pay will be kept under close observation but as this is subject to national negotiations it is not something that the councils have direct influence on.

In the wider sense, inflation has had the greatest impact in delivery of major projects where projects have been subject to increased development costs.

	2025/26	2026/27	2027/28	2028/29	2029/30
Pay	3.5%	2%	2%	2%	2%
Costs, commercial income and fees and charges	2.5%	2%	2%	2%	2%

5.4 Interest Rates

The Bank of England interest rates remained consistently within the range 5.00- 5.25% throughout 2023/24 and into 2024/25, although as the inflation begins to fall there is an expectation that the interest rates will reduce albeit slowly with only one further drop in rates before the end of the financial year. These rates will influence both the returns that the Council is likely to get on any cash investments and the cost of any borrowing associated with the capital programme.

Assumptions are that the rate will drop marginally in 2025/26 to between 4.5% and 4% dropping further in the years beyond. However, there is uncertainty around these assumptions as much depends on the wider national and global economic performance.

It should be noted that the councils will experience the impact of historical borrowing for some time as debts which were taken on at low rates of interest need to be refinanced as the loan period matures.

Assumptions in the medium term financial strategy are:

	2025/26	2026/27	2027/28	2028/29	2029/30
Average interest yield	4.25%	4.00%	3.90%	3.90%	3.90%

The current assumption is that the capital programme will need to be funded through prudential borrowing where external funding has not been secured either through grant or external contributions. However, the new financial strategy aligns more closely the asset management programme and the capital programme with treasury. Expectations are that this work will have a number of benefits, capital receipts from disposals will help to reduce the overall cost of borrowing and a strong asset management strategy ensures revenue resources are invested efficiently.

Over the previous few months a zero based review of the current capital programme has commenced with projects being considered to determine if they should continue, be deferred or they are no longer a priority and therefore removed from the programme. In addition to this there are limited new bids for the 2025/26 capital programmes. This has had a positive impact on the financing assumptions that sees a reduction in the 2025/26 cost estimate of £170k in Worthing and £280k in Adur. However this has been offset by two factors: reduced income receivable from investments due to the projected fall in interest rates and increased interest costs associated with the refinancing of low interest loans that mature in the financial year, in Worthing this has reduced the benefit to £115k and in Adur to £176k.

Additionally the strategy sets out the intention to increase external funding to benefit both the capital and revenue budgets and help to deliver council priorities.

It should be noted that the asset management review is ongoing and there is currently no reflection in the projections for the impact of asset disposal both in terms of the capital receipts or any reduction in associated maintenance commitments within the revenue budget. Further work will be undertaken in the next couple of months to build these projections into the forecasts.

5.5 Other assumptions

Allowance for additional pressures has been made, in particular for housing pressures relating to the unusually high number of supported accommodation places provided in the area, which place an unfunded burden on the councils.

Work associated with the income generation strategy as set out in section 5.5 will inform further amendments during the autumn as review work is progressed in bereavement, commercial waste, parking and across other commercial fees & charges.

The ongoing work on the organisational design and associated savings programme is assumed as meeting its financial targets.

In addition there are cost pressures built into the MTFP to reflect the council commitments and priorities including the impact of some capital projects where revenue pressures are identified either from capital financing or loss of income. This is more applicable to Worthing where there are some assumptions associated with some key schemes including Grafton, Union Place and Worthing Integrated Care Centre.

To help build reserves there is a predicted contribution for Adur and Worthing. This is important to both rebuild reserve levels in Worthing but also ensure long term stability for both councils.

6. Strategic Reviews

6.1 There are a number of supporting strategies and activities which are in progress in order to support the development of the 25/26 budget and create greater financial resilience over the longer term.

6.2 Asset Management

The new Asset Management Strategy, which outlines a new approach to the rationalisation and improvement of the Council's assets, will bring together a number of elements:

- 6.2.1 a 'flight to quality' whereby we ensure we are holding the right assets in the right way.
- 6.2.2 A reset of the capital programme so that it better reflects the asset management approach

6.2.3 Reviewing reactive maintenance through the lens of long term asset management in order to create a more efficient and effective programme

The strategy development is looking at a number of elements and will outline how the Councils will get the basics right and fix the foundations. This involves understanding the total cost of ownership, such as lease income, borrowing costs, and maintenance spend, to leave the Councils with a more sustainable, manageable and purposeful estate.

The strategy proposes aligning the estate into new asset tiers - with each tier having its own strategic purpose, such as: income generation; community enablement and civic/cultural provision; or regenerative change. If an asset doesn't align and therefore lacks a clear purpose then disposal for best value will be considered.

As part of this strategy, the councils are also seeking to expand the scope of the estate and assets beyond buildings. There are huge ecological (and financial) opportunities in rewilding through biodiversity net gain (BNG) and with developers across the region looking for where they can spend their ecological/off-site contributions.

6.3 **New approaches to funding community outcomes**

A separate paper on the agenda sets out the opportunity for the councils to broaden their approach to external funding and investment based on the successes achieved so far across programmes such as Gigabit, Heat Network and Sussex Bay.

As part of the organisation design programme, a new team is being designed to take forward a mission-based approach to funding which emphasises the importance of working with partners and communities, joining forces to deliver long term social and environmental outcomes.

The report recommends that projects be assembled into mission-based programmes in order to engage funders more strategically, creating 'containers' for the funding of existing ideas and projects, and for new ones to be developed in pursuit of administration priorities.

The paper also points to the opportunity to seek opportunities across the councils' land estate, so that BNG stays local where possible and to support delivery of the Adur & Worthing Nature Plan (to be presented at the November

JSC).

6.4 Procurement Strategy and Contract Standing Orders

Procurement - what the councils buy and how it's bought - is a key activity both in terms of the financial wellbeing of the organisation but also in terms of delivering on the councils vision of being fair, green and local.

Further to this, work is ongoing to align external spend with the organisational design work, reviewing contracts to make sure that they reflect the work being done to create new operating and business models within the councils, while driving best value.

The new strategy is being developed in order to reflect this vision but also to ensure that procurement is being managed in a way which supports the long term financial resilience of the organisation.

The new strategy will update the Councils' public facing procurement priorities committing to how procurement will be delivered, reviewed and reported on.

The strategy will include updated guidance from the National Procurement Policy focusing on five areas; value for money; social value sustainability and circular economy; small/medium enterprises and local procurement; commercial and procurement delivery; skills and capabilities for procurement.

6.5 Income generation

6.5.1 The JSC report in July set out the iterative approach being taken with commercial incomes and the principles of:

- Enabling robust and accurate income projections to ensure greater resilience and avoid any surprises by using data more effectively. It's vitally important that the Councils move to assessing products less on turnover but more on profit and loss.
- To develop our commercial acumen and capability beyond price rises (set against inflation) as we need to adapt to improve customer journeys, boost our marketing presence (including cross-selling of services) and examine how technology will help drive smoother processes.

- Changing our approach in order the Councils can react to the changing market conditions and the ability to act 'in-year' rather than waiting on the cyclical budget setting process. This is an important area where the Councils will need to act differently in order to 'keep up with the market' and, more importantly, compete in the market.

6.5.2 In order to realise the above methodology, and those further detailed in the July JSC paper, there are a number of developments underway to improve the income generating approach, notably:

- Establishment of a new team: as part of organisational redesign, a team will be developed that will provide direct and indirect support to all commercial product owners across the Councils. This will provide a consistency in analysis and approach, including the opportunity to quickly replicate good practice (including the use of digital / tech) and also spot practice that can be improved. The intention is the new team will be able to advise on changes 'in year' to ensure the Councils continue to provide value for money in the market.
- Point-of-sale purchasing: aligned to the previous point, the Councils have adopted Book, Pay, Notify as a system but this needs to be developed and improved to ensure the Councils can provide a seamless customer experience. Where possible, those products that demand 'quick transactions' will be transitioned onto the new system that allows customers an easier interface but, for the Councils, an understanding of income levels and a greater depth of data to analyse and improve products. This model is now expected in day to day life, and in day to day transactions, therefore the Councils need to improve in this area to keep pace.
- Flexible pricing: as previously described in the JSC paper in July, the Councils will develop and establish a mechanism to allow for pricing changes, including those that are required 'in year'. This won't be the case for all products, however where there are changes in demand or the change in the seasons the Councils need to, at least, have the ability to make these changes.

6.5.3 In addition to the above, there are a number of independent reviews being undertaken that look to either rebalance income targets and / or are looking at the business cases associated with each product for today's and future markets. These include the following.

6.5.3.1 Fees and Charges:

This internal review has begun and looks at the rationale and costs associated with all products and services where there is a charge. It is currently assumed that 2.5% will be applied across all lines of business, which aligns with the anticipated increases in matched resources to run these products and services (whether staff, equipment or vehicles) but this assumption will be reviewed and may be updated in the next update. This exercise will assess the market demand, any competition, feedback received to date on the service, as well as benchmarking against other local authorities providing similar services (where higher increases circa 3.5% are starting to be seen), to determine percentage increases for 2025/26.

6.5.3.2 Bereavement:

As part of our change policy, a budget was set aside to undertake an independent review of this service due to its specialist and sensitive nature and the dependency on both capital and revenue investment (as part of any business case). Following an open tender exercise, the Councils have recruited an external consultant who will provide an expert view on the service to date, the opportunities for the future and, ultimately, will provide recommendations on how this service should be adapted moving forward to ensure full cost recovery or a surplus. This includes the crematorium and cemeteries. The report is expected to be completed by December 2024, and therefore influencing the strategy / delivery from 2025 onwards. At present assumptions in the MTFP do not reflect this work.

6.5.3.3 Commercial Waste:

Similar to Bereavement, a full review is due to be undertaken to assess the Council's position in the market regarding this service. There are a number of individual product lines that need to be assessed, including bulky waste, food waste and green waste, this review also needs to dovetail with the required assets that are required to run the service, as well as giving consideration to government legislative changes in this field. A commission will be released shortly with the results due by

December to help inform decision making for 2025 and beyond.

6.5.3.4 Parking:

As noted at previous JSC meetings, parking income, particularly in Worthing, continues to underperform due to the changing nature of the economy and those wishing to use multi-storey parking. The fees and charges will form part of 5.5.4 but, equally, will also align with strategic and financial considerations in terms of the change in technology and the adaptation of car parks in the future, noting the sustainability and net zero agenda. This internal review is ongoing and will continue to provide challenges and opportunities. The Council commissioned a review in 2019/20 and whilst some of the recommendations still hold, this will need to be revisited as this report was prior to Covid, and the changes in the modal habits of individuals (and the economy as a whole). At present assumptions in the MTFP do not reflect this work.

6.5.3.5 Beach Huts:

The Council continues to receive strong interest in this product and still holds a waiting list, however a full product review is planned to determine the long-term future of how the Council provides these in the future. In 2024/25, the Council will trial a 'pay as you go' model to provide a new option for residents and visitors wishing to have a 'day by the sea'. This option will be considered in line with the more traditional annual offerings and a business case will be drawn together that will likely come into effect from 2026/27 onwards. For this product there is a direct link between the quality of asset, the experience provided and the associated cost.

6.5.4 All of the reviews listed above will have a bearing on the budget for 2025/26, with some more than others, however all will assist with the medium term financial planning as the expectation is greater assurance and robustness will be built into the business cases associated with all. Equally, it should be noted that there is a dependency and alignment with some of the decision-making, such as with the asset management strategy as most products are dependent on the effectiveness of the asset and therefore the ability or level, to charge for the asset (for example parking and beach huts).

6.5.5 Finally, there are opportunities that are still untapped, whether that is better use of our land, our assets or our people or indeed the council brand as a long term and reliable public body. Examples being explored to provide additional income include further advertising space and coastal activity licences. As part of this exploration, the Councils have a number of successful examples of how initial investment has unlocked further income potential, therefore the councils will explore partnering with others in relation to income opportunities as part of generating 'new income'.

7. **Managing demand**

7.1 The councils, in common with the rest of the sector, have been working in a very difficult financial context for some time. However the combination of the rapid onset of high interest rates and the demand pressures in housing meant that in 2023 the councils had to address an in-year overspend which risked overshooting the reserves position in Worthing so that setting a balanced budget for 24/25 was a considerable challenge.

7.2 The combination of an ambitious and future-focused organisational design programme which over two years reduces costs by £4m and tight financial controls allowed the councils to set balanced budgets. The recent monitoring report shows the organisation as tracking more closely to budget than recent years, albeit while still having to absorb increasing demand pressures.

7.3 Further to this, the new financial strategy aims to address some of the longstanding issues which will take some time:

- The long-term impact of historic borrowing, which will be with Worthing for some time. This is something that will need to be mitigated through the asset management strategy over the long term.
- The drop off in commercial income in two critical areas for Worthing, parking and bereavement, needing a commercial reset which is underway.

7.4 This budget update and MTFP refresh does throw into stark relief the extent to which the organisation is having to 'run to stay still' as a result of pressures outside of our control.

- The councils are seeing sustained and growing pressure for temporary and emergency accommodation and is now forecasting to spend 26% of the Worthing and 15% of the Adur revenue budgets on this alone. The pressure from emergency and temporary accommodation brings a demand pressure at current forecast levels of £430k in Adur and £740k in Worthing this year alone.
- Adur and Worthing also have a disproportionately high allocation of supported accommodation placements (where people receive support, supervision or care), which has increased exponentially over the last 3 years, being driven in part by the commissioning decisions of other bodies as well as the underlying impact of housing benefit not matching housing charges for these placements. This number (relating to 'exempt' accommodation) brings a pressure estimated to be £761,000 for Worthing and £230,000 for Adur.

7.5 While there is considerable sectoral lobbying being undertaken on the temporary accommodation issues, the supported accommodation pressure we are facing requires more specific action and officers have been asked to raise this with MHCLG.

8. Engagement and Communication

- 8.1 The financial strategy, and the strategic reviews underway, involve a wide range of leaders and managers in a range of working groups, with the Organisational Leadership Team engaged in practical sessions, such as budget management and contract management workshops.
- 8.2 Regular all-staff briefings are provided by the Chief Executive to keep the whole workforce informed.
- 8.3 A set of cabinet member working groups are enabling ongoing input and challenge into the process, and a new Joint Overview and Scrutiny Budget Working Group is being established.
- 8.4 As our approach to external funding and proposition development is progressed, significant partnership development and community engagement will be required to maximise opportunities.
- 8.5 Our work to engage local partners, central government departments and key statutory agencies is developing well through a number of programmes and

projects, and this will continue to be key to successful development of new opportunities, and new approaches to funding and investment.

9. Financial Implications

- 9.1 There are no other financial implications other than those outlined above.

10. Legal Implications

- 10.1 The Councils are required to set a robust budget under the Local Government Act 2003. This report provides an update to the Councils in achieving this aim for the 2025/26 budget.
- 10.2 Under Section 111 of the Local Government Act 1972, the Councils have the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 10.3 s1 of the Localism Act 2011 empowers the Councils to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

Background Papers

[New Financial Strategy](#) - Joint Strategic Committee 17 July 2024

Sustainability & Risk Assessment

1. Economic

The work of the councils is vital in support of the local economy and its ability to respond to the challenges and opportunities presented in the context of post-covid recovery, cost of living, and climate. New opportunities are expected from a new government in housing, net zero and devolution which the councils must be ready to respond to.

2. Social

2.1 Social Value

The councils' new procurement strategy will reaffirm commitment to local purchasing where possible, and the delivery of social value through contracts, including the assembly of contract opportunities with local partners. The Worthing Heat Network is an example of a project creating local jobs and value through corporate social responsibility funding support.

2.2 Equality Issues

Matter considered and no issues identified with the budget strategy itself. However individual proposals arising from the budget will be the subject of an equalities impact assessment.

2.3 Community Safety Issues (Section 17)

The budget contains funding for community safety.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

The budget is being developed with regard to the councils' carbon neutral and biodiversity commitments, creating financial capacity for higher energy bills as we move off gas to low carbon heating through the heat network, and leveraging external funding for biodiversity projects.

4. Governance

Matter considered and no issues identified.

Appendix 1

Joint Committee - Medium Term Financial Plan					
	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Base Budget	26,234	26,234	26,234	26,234	26,234
External Economic Factors					
Inflation:					
Pay	1,220	2,028	2,778	3,624	4,430
Costs	127	231	337	445	555
Income	(148)	(270)	(394)	(521)	(650)
Contracts & Long term commitments					
Impact from triennial pension Review	-	230	231	231	231
Investment in Services	100	102	104	106	108
Organisation Re-design	(1,830)	(1,867)	(1,904)	(1,942)	(1,981)
	25,703	26,688	27,386	28,177	28,927
Allocation to Adur and Worthing Budgets:					
Adur District Council	10,575	10,575	10,575	10,575	10,575
Worthing Borough Council	15,659	15,659	15,659	15,659	15,659
Total Allocation	26,234	26,234	26,234	26,234	26,234
(Surplus) / Shortfall in Resources	(531)	454	1,152	1,943	2,693
Savings required in each year	(531)	(78)	698	791	750

Adur District Council - Medium Term Financial Plan

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Base Budget	11,102	11,102	11,102	11,102	11,102
External Economic Factors					
Inflation					
Pay	516	857	1,198	1,568	1,950
Costs	172	313	457	604	754
Income	(153)	(278)	(406)	(536)	(669)
Interest from Investments	61	119	34	(62)	(162)
Commercial Income Strategy					
Additional Income from existing product lines	-	-	-	-	-
New product initiatives	-	-	-	-	-
Review of Planning income	50	100	100	100	100
External funding development					
Natural Capital	-	-	-	-	-
Decarbonisation	-	-	-	-	-
Capital Strategy					
Financing of Capital programme:					
Interest on borrowing	284	348	383	409	431
Minimum Revenue Provision (debt repayment)	(242)	(119)	(19)	77	183
Fleet strategy					
Interest on borrowing	24	71	113	139	149
Minimum Revenue Provision (debt repayment)	-	106	218	329	386
Digital strategy					
Interest on borrowing	30	38	40	41	41
Minimum Revenue Provision (debt repayment)	45	28	62	46	4
Asset Strategy					
Revenue impact - capital receipt on asset rationalisation	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Commercial Property	-	-	-	-	-
Impact of council commitments and long term obligations					

Housing Strategy					
Cost pressures from Housing (including Supported Accommodation)	300	300	300	300	300
Contracts & Long term commitments					
Impact from pension Review	(95)	83	84	84	84
Allowance for Committed Growth items	106	87	106	86	106
Removal of contingency budgets	(300)	(300)	(300)	(300)	(300)
Organisation Re-design	(732)	(747)	(762)	(777)	(792)
Reserves					
Increase to the Strategic Property Management provision	100	150	200	300	400
Provision to build reserves	150	200	300	400	500
Provision for investment in services	100	123	146	200	250
Budget requirement before central funding	11,518	12,581	13,356	14,110	14,816
Funding					
Business Rates	2,356	2,831	2,852	2,872	2,891
Council Tax	7,709	7,881	8,056	8,236	8,419
Other Grants:					
New homes bonus - One off payments					
Lower Tier Services Grant / Revenue Support Grant	79	79	79	79	79
Local Tax Guarantee Scheme - Council Tax					
Services Grant	11	11	11	11	11
Funding guarantee	447	447	447	447	447
Collection fund surplus/deficit (-)					
Total income from grants and taxation	10,602	11,249	11,445	11,645	11,847
Amount required to balance the budget	916	1,332	1,911	2,465	2,969
Annual Savings to be found	916	417	578	554	504

Worthing Borough Council - Medium Term Financial Plan

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000	£000
Base Budget	15,225	15,225	15,225	15,225	15,225
External Economic Factors					
Inflation					
Pay	878	1,278	1,817	2,343	2,867
Costs	448	815	1,190	1,572	1,962
Income	(375)	(682)	(995)	(1,315)	(1,641)
Interest from Investments	118	203	84	(54)	(198)
Commercial Income Strategy					
Additional Income from existing product lines	-	-	-	-	-
New product initiatives	-	-	-	-	-
Fees and charges	-	-	-	-	-
(Parking)	-	-	-	-	-
Planning Income reset	75	150	150	150	150
Impact of council commitments and long term obligations	-	-	-	-	-
External funding development					
Natural Capital	-	-	-	-	-
Decarbonisation	-	-	-	-	-
Capital Strategy					
Financing of Capital programme:					
Interest on borrowing	218	428	463	489	529
Minimum Revenue Provision (debt repayment)	413	626	777	933	1,039
Fleet strategy					
Interest on borrowing	42	127	201	246	265
Minimum Revenue Provision (debt repayment)	-	188	388	584	687
Digital strategy					
Interest on borrowing	3	12	18	24	28
Minimum Revenue Provision (debt repayment)	37	70	100	80	47
Asset Strategy					
Revenue impact - capital receipt on asset rationalisation	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Commercial Property	-	-	-	-	-
Impact of council commitments and long term obligations	890	978	976	724	722

Housing Strategy					
Cost pressures from Housing (including Supported Accommodation)	500	500	500	500	500
Contracts & Long term commitments					
Worthing Heat Network	141	141	141	141	141
Culture and leisure contracts	(70)	(70)	(70)	(70)	(70)
Impact from pension Review	(195)	137	138	138	138
Allowance for Committed Growth items	160	160	360	560	560
Removal of contingency budgets	(150)	(150)	(150)	(150)	(150)
Organisation Re-design	(1,098)	(1,120)	(1,142)	(1,165)	(1,189)
Reserves					
Increase to the Strategic Property Management provision	150	200	300	400	500
Provision to build reserves	200	250	350	450	550
Provision for investment in services	90	160	280	400	520
Budget requirement before central funding	17,700	19,626	21,101	22,205	23,182
Funding					
Business Rates	3,624	3,570	3,559	3,559	3,555
Council Tax	10,852	11,112	11,380	11,654	11,934
Other Grants:					
New homes bonus - One off payments	-	-	-	-	-
Lower Tier Services Grant / Revenue Support Grant	116	116	116	116	116
Local Tax Guarantee Scheme - Council Tax					
Services Grant	17	17	17	17	17
Funding guarantee	600	600	600	600	600
Collection fund surplus/deficit (-)					
Total income from grants and taxation	15,209	15,415	15,672	15,946	16,222
Amount required to balance the budget	2,491	4,211	5,429	6,259	6,960
Annual Savings to be found	2,491	1,720	1,218	831	701