



WORTHING BOROUGH
COUNCIL

Worthing Executive
3rd February 2020
Agenda Item 4

Joint Overview and Scrutiny Committee
30th January 2020
Agenda Item x
Key Decision [No]

Ward(s) Affected: All

BUDGET ESTIMATES 2020/21 AND SETTING OF 2020/21 COUNCIL TAX

Report by the Director for Digital & Resources

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 2020/21 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2020/21, prior to its submission to the Council for approval on the 18th February 2020. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget by the Executive.

1.2 The report outlines the medium term financial challenge through to 2024/25, and sets out performance in the key strategic areas of commercialisation, digital transformation and strategic property investment. The current budget strategy is having a significant effect on how the Councils will be funded in the future with increasing income generated from commercial income and rents. However, following the delay to the fairer funding review, the challenge still remains significant for 2021/22, with the earlier identification of initiatives to bridge the emerging budget gap a priority.

1.3 These budgets reflect the Councils' ambitions set out in *Platforms for our Places*, and agreed savings proposals contributing to the financial sustainability of the Councils. The report also updates members about the impact of the draft 2020/21 settlement.

1.4 The major points raised within the report include:

- A full update on the impact of settlement. The Council should prepare itself for a continuation of the reduction in Government resources for 2021/22 and beyond (see section 4.2) ;
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in *Platforms for our Places - Going Further*;
- Details the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by 2.0% or by a lower amount (paragraph 5.11).

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2020/21 have been prepared, as always, in accordance with the requirements of the Service Reporting Code of Practice for Local Authorities (except in relation to pension costs adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.6 The Police and Crime Commissioner (PCC) has previously consulted on an increase to the Council Tax for 2020/21 of £5.00 or 2.63%, however the PCC has yet to be informed of the referendum criteria for 2020/21. The proposed 2020/21 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 31st January 2020. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 17th February 2020 at which point the Commissioner will be in a position to confirm the Council Tax for 2020/21 just in time for Council on the 18th February 2020.

1.7 The draft Local Government Settlement allows Councils to increase core Council Tax by up to 2% which is in addition to the 2% Council Tax increase permitted specifically to support adult social care services. Therefore a maximum Council Tax increase of 4% for Councils with social care responsibilities is allowed.

1.8 The precept for West Sussex County Council has not yet been finalised and will not be confirmed until 14th February 2020. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 18th February 2020.

1.9 The following appendices have been attached to this report:

- (i) **Appendix 1** 5 year forecast for Worthing Borough Council

- (ii) **Appendix 2** Proposals for investment in services
- (iii) **Appendix 3** Estimated Reserves
- (iv) **Appendix 4** Council Tax base for 2020/21
- (v) **Appendix 5** Summary of Executive Member Portfolio budgets for 2020/21

1.10 Due to the timing of the Joint Overview and Scrutiny Committee, there may be some minor alterations to the report prior to considerations by the Executive in February.

2. Recommendations

2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make any comments on the budget proposals for Worthing Borough Council (including the proposals for Council Tax) to the Worthing Executive.

2.2 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to recommend to Council the draft budgets for 2020/21 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,357,910, subject to any amendments agreed above;
- (c) Consider which Band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2020/21 as set out in paragraph 5.11; and
- (d) Approve the Council Tax base of 39,269.50 for 2020/21 as set out in paragraph 12.3.

3. INTRODUCTION

3.1 The Joint Strategic Committee considered the 'Becoming financially sustainable - Revenue Budget Strategy for 2020/21' on 9th July 2019. This report outlined the financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy first proposed in 2015/16 whose strategic aim was to ensure that the Councils would become community funded by 2020 reliant, by then, only on income from trading and commercial activities, council tax and business rates.

3.2 To address the known pressures and to realise its ambitions set out in *Platforms for our Places*, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:

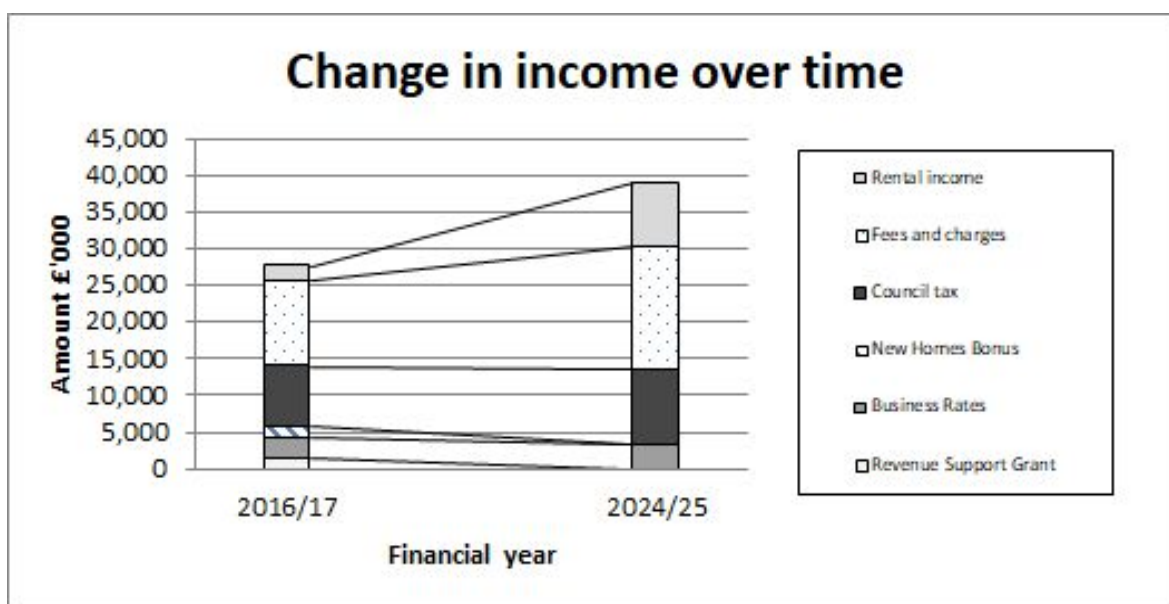
- The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;
- The Service Redesign programme leads on the delivery of the Digital Strategy and ensures that the benefits are realised from this programme of work;
- The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Investment Fund;
- The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience; and
- The Affordable Homes Working Group leads on initiatives to improve the supply of affordable homes and to reduce the cost of temporary and emergency accommodation.

For 2020/21 the Service Redesign programme, the Commercial programme and the Strategic Asset Management Board were set explicit targets as part of the budget strategy.

3.3 The successful delivery of our strategy fundamentally changes how the Council is funded while pursuing transformational approaches to how we deliver services and work with our partners. The Council is moving increasingly away from government funding towards funding from the local

community via Council Tax and Business Rates, and will become increasingly reliant on income from commercial activities over time.

Total budgeted income	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	1,354	553	7	0	0	0	0	0	0
New Homes Bonus	1,599	1,388	1,221	1,042	524	290	68	0	0
Business Rates	2,809	3,020	3,359	3,516	3,342	3,072	3,133	3,194	3,254
Council Tax	8,277	8,507	8,874	9,146	9,493	9,753	9,988	10,229	10,475
Income from taxation	14,039	13,468	13,461	13,704	13,359	13,115	13,189	13,423	13,729
Fees and charges	11,672	12,307	12,806	13,083	13,904	14,612	15,334	16,071	16,822
Commercial rent income	1,928	2,861	3,766	6,714	7,248	7,493	7,743	7,998	8,610
Income from commercial activity	13,600	15,168	16,572	19,797	21,152	22,105	23,077	24,069	25,432
Total income excluding specific grants	27,639	28,636	30,033	33,501	34,511	35,220	36,266	37,492	39,161



- 3.4 The subsequent report to the Joint Strategic Committee, on 3rd December 2019 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

Worthing Borough Council	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	3,123	4,456	5,349	6,034	6,624
Overall shortfall – December forecast (including net approved growth)	2,546	4,127	5,084	5,764	6,410
Increase / (Decrease) in shortfall	-577	-329	-265	-270	-214
Overall shortfall – December forecast	2,546	4,127	5,084	5,764	6,410
Savings identified in December 2019 report	-2,532	-3,233	-3,986	-4,636	-5,638

Revised budget shortfall/Surplus(-) as at December 2019	14	894	1,098	1,128	772
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3.5 The 2020/21 savings proposals identified within the report amounted to £2,532,000.

3.6 Since the meeting in December, the Worthing Borough Council budget has been finalised and the last adjustments have been included subject to the final considerations about the level of Council Tax and any proposals to reinvest back into services. Overall, therefore, the current financial position of the Council for 2020/21 can be summarised as:

	£'000
Original 2019/20 budget shortfall	3,123
<i>Changes to income from grants and taxation:</i>	
(a) Improvements to the income from Council Tax	-136
(b) Impact of current Council Tax Collection Fund deficits	31
(c) Impact of delay to fairer funding review	
- Delay to consolidation of homelessness grants into retained business rates	-120
- Improvements to retained business rates	-283
(d) Net impact of Business Rate Collection Fund deficit	-
<i>Other changes:</i>	
(e) Further increase in the cost of the temporary and emergency accommodation	100
(f) Reduction in employers pension contribution expected from 2019 triennial valuation.	-221
(g) Reduction in commercial rent income	30
(h) Reprofiling of capital programme	-105
(i) Net committed growth items identified by Service Heads in December	207
(j) Removal of contingency budget for new committed growth items	-80
Revised Budget Shortfall as at 3rd December 2019	2,546
<i>Impact of Settlement</i>	

Final change to business rate income following confirmation of the tariff and new multiplier (includes other minor changes to grants).	-106
<i>Adjustment for final items identified</i>	
Impact of increase in interest rates on capital programme financing net of any reprofiling of the capital programme	20
Further reduction in commercial rental income following recent negotiations of new rent for retail properties	35
Increase in Council Tax income	-50
Revised Budget shortfall	2,445
Less: Net savings agreed in December (excluding those related to increased Council Tax)	-2,483
Budget surplus based on a 2% Council Tax increase (before any further action is agreed)	-38

4. 2019 SPENDING REVIEW AND 2020/21 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 2019 Spending Review

- 4.1.1 The Spending Review 2019 (SR19) was published on 4 September 2019. This was a one-year only review covering 2020/21 with the intention for a multi-year review to be announced in 2020/21.
- 4.1.2 It was announced that departmental spending will increase by 4.1% in real terms, whilst keeping within the government's own fiscal rules. The Spending Review will deliver "the fastest real growth in day-to-day departmental spending in 15 years". This is a funding settlement that is very different to those that were announced earlier this decade, when spending was falling in cash terms.
- 4.1.3 The Chancellor was confident of keeping within the government's fiscal rules; although detailed forecasts will not be published until the Budget which is now due in March 2020.
- 4.1.4 Funding for Local Government would increase by 12.4% (£1.1bn in 2020-21). The bulk of the increase, however, is the increase in funding for the adult social care grants (£1.0bn). As the figures within the spending review are only shown to the nearest £100m, it is difficult to be precise, but it seems likely that the remaining funding for Local Government will increase in line with inflation (1.8%).

- 4.1.5 This showed that non-social care authorities will get only a modestly good settlement, however this was an improvement on previous assumptions which had planned for no overall increase in funding.
- 4.1.6 Councils were also informed of the likely referendum criteria. Authorities will be able to increase the Band D council tax by 2.0% for the basic element and a further 2.0% for the Adult Social Care precept. For social care authorities, this gives a maximum increase of 4.0%, which is higher than most were expecting. For districts (and potentially fire authorities as well), the 2.0% threshold is lower than the last two financial years when it was set at 2.99%.

4.2 **2020/21 Local Government Finance Settlement**

- 4.2.1 The government published the provisional local government finance settlement for 2020-21 on 20th December 2019 via a written statement. Consultation on the provisional settlement closed on the 17th January 2020.
- 4.2.2 Unusually, the Council already knew what to expect from settlement following the technical consultation on Local Government Finance Settlement for 2020/21 which was released on the 3rd October 2019. However the timing of settlement itself was uncertain.
- 4.2.3 From this consultation it was clear that the Government was now formally delaying the fairer funding review to 2021/22 and are proposing a 'roll forward' settlement for 2020/21.

The implications of this change for 2020/21 were twofold:

1. Existing homelessness grants will continue until absorbed into the business rate retention scheme; and
2. The councils will retain all surplus business rate income for one more year.

- 4.2.4 There were no material changes in the draft Settlement which confirmed much of what was contained in the Technical Consultation, namely:

- ***Revenue support grant and baseline funding***

The 2020-21 settlement is effectively an extension to the four-year settlement that covered the period of 2016-17 to 2019-20. With the delay in both the Fair Funding Review and reform of business rates, combined with a one-year spending review, the 2020-21 settlement was only ever going to be a roll-over settlement. The operation of the funding schemes and the values within it have broadly been rolled-over either in cash terms from 2019-20 or increased in line with the change in the business rate multiplier.

Consequently, the Council will receive no Revenue Support Grant in 2020/21. Since 2015/16 the Council has seen Revenue Support Grant fall by over £2m.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Draft settlement	2,043	1,194	453	8	0	0
Decrease year on year (£)		849	741	445	8	0
Decrease year on year (%)		41.56%	62.06%	98.23%	100.00%	

Whereas baseline funding (minimum amount of retained business rates) has increased in line with the business rate multiplier from £2,649,000 to £2,693,000 in 2020/21.

- ***Council Tax referendum thresholds***

The council Tax referendum threshold for District Councils was confirmed as the higher of 2% or £5.00 for a Band D property. For Worthing Borough Council, the Council can increase council tax by up to £5.00 (2.1%).

The current 5-year forecast assumes an increase of 2%. An increase in Council Tax would enable the Council to balance the budget and reinvest a minor amount back into priority services.

The options for the Council Tax increases are discussed in detail later in the report.

- ***New Homes Bonus***

New Homes Bonus (NHB) will continue for another year but the government very clearly intends to phase out the current scheme by 2023-24. For now, there is no change in the operation of the scheme for 2020-21: 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%.

However, the major change in NHB is that the new amounts earned in 2020/21 will only be paid for one year only. In the following years (2021-22 and 2022-23), rewards will only be paid in respect of NHB secured in earlier years. NHB will effectively end by 2023-24.

Worthing Borough Council is entitled to an additional payment of NHB of £437,380 for 2020/21. However given the transitional nature of this payment, it is not proposed to use it to balance the budget. Instead it is proposed that this grant will be set aside to fund projects arising from 'Platforms for our Places - Going Further (2020-2022)' to be released in consultation with the Leader of the Council.

Overall the Council is expected to use the following amounts in NHB to support the budget over the next few years.

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
NHB used to support the budget					
Historic allocations	974	456	222	0	0
2019/20 allocation	68	68	68	68	0
Total NHB used to support the budget	1,042	524	290	68	0
One off payment in 2020/21		437			
Total New Homes Bonus	1,042	961	290	68	0

The government is making very clear that it wants to replace NHB, with something that is more “targeted”. Any replacement is unlikely to distribute as much funding as the current NHB scheme does, or to be distributed in the same way. The Government will be consulting on the design of the new scheme early in 2020:

“It is not clear that the New Homes Bonus in its current form is focussed on incentivising homes where they are needed most. I am therefore announcing that the government will consult on the future of the housing incentive in the spring.

“This will include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance.”

4.2.5 Changes to local government funding in 2021/22 and beyond:

The Fairer Funding Review and the changes to the Business Rate Retention Scheme have now been delayed until 2021/22. However, the announcement of any significant changes in local government funding will have to wait until either the Budget (expected on 11th March 2020) or the Spending Review 2020 (which will follow in the Summer).

4.2.6 Summary of 2020/21 Local Government Settlement

In overall terms, the 2020/21 settlement revealed that District and Borough Councils received an increase in government funding of 2.21%, the first

overall increase for many years. For districts, this is significantly improved from last year's drop of 12.05%.

YEAR-ON-YEAR CHANGE FOR THE 2020/21 SETTLEMENT			
Class of Local Authority	2019-20 Adjusted Settlement Funding Assessment	2020-21 Settlement Funding Assessment	Overall increase in funding
	£million	£million	%
England	15,807.53	16,157.38	2.21%
London Area			
London Boroughs	2,713.34	2,757.55	1.63%
GLA	2,147.14	2,182.94	1.67%
Metropolitan Areas			
Metropolitan Districts (including new combined authorities)	4,104.57	4,286.58	4.43%
Metropolitan Fire Authorities	198.57	201.8	1.63%
Shire Areas			
Shire unitaries with fire	272.09	273.66	0.58%
Shire unitaries without fire	2,739.81	2,784.99	1.65%
Shire counties with fire	1,079.36	1,092.89	1.25%
Shire counties without fire	1,683.26	1,699.82	0.98%
Shire districts	568.52	571.38	0.50%
Shire fire authorities	300.87	305.77	1.63%

4.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 17th January 2020 with final settlement expected in February.

4.2.9 There were few significant changes at this late stage in previous years. If there are any significant changes arising from the final information members will be briefed before Council.

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

4.3.1 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 of 7.5% of Baseline Funding which is equivalent to a maximum fall in income below the baseline funding level of £201,940.
- 2) A 'levy' is in place for any Council whose business rates exceed the target set. The levy will mean that the Council can keep 50p of every additional £1 generated over its share of the business rate target.

For each additional £100,000 raised the Council will keep the following amounts:

	Share of additional income	Additional Levy paid to Treasury	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

4.3.2 The forecast for 2020/21 is currently being finalised. The 2020/21 NNDR return which underpins this forecast is due to be submitted by the 31st January 2020 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.

4.3.3 Looking further ahead, the generation of additional business rates is one of the solutions to the Council's ongoing financial pressures especially in light of the Government's commitment to return all of business rates to Local Government. Members will be aware that there are several schemes progressing within the Council which will create employment space. Examples include: The Aquarena site, Union Place, Grafton, and Teville Gate.

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

- It is difficult to establish the number of appeals which are likely to come forward. There is no time limit on when an appeal might be lodged. However to date far fewer appeals have been received following the 2017 revaluation following the introduction of the new 'Check, Challenge, and Appeal' process by the VOA.
- Major redevelopments will temporarily reduce business rate income whilst the site is being redeveloped.
- Conversion of office blocks and retail space into accommodation will result in a permanent loss of income however, this will be mitigated to some extent by the additional Council Tax generated once the conversion is completed.

However the risk previously associated with the NHS Trusts appeal for mandatory charitable relief has now been addressed. The Trusts have failed in their legal challenge and the Court ruled in the favour of local councils. Whilst there is still a small risk that they might appeal, the judgement was quite firm in it's view that the Trusts were not eligible for charitable relief.

4.3.6 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 fully provide for any known backdated business rates appeals at the 2019/20 year end. To help mitigate these risks the Council has created a Business Rate smoothing reserve.

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

4.4.1 The financing of local government has continued to change. We are moving from a grant based on need (Revenue Support Grant) to funding based on the delivery of homes (Council Tax) and the creation of employment space (Business Rate Retention Scheme). However, the proposed Fairer Funding Review and associated review of the Business Rate retention scheme will reset the position in the short term as business income will be re-distributed on the basis of need.

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

Breakdown of taxation income to the Council:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	9,146	9,493	9,753	9,988	10,229	10,475
Business Rates **	3,516	3,342	3,072	3,133	3,194	3,254
New Homes Bonus	1,042	524	290	68	0	0
	13,704	13,359	13,115	13,189	13,423	13,729

* Includes any surplus or deficit on the collection fund

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

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Council Tax	66.74%	71.06%	74.37%	75.73%	76.21%	76.30%
Business Rates	25.66%	25.02%	23.42%	23.75%	23.79%	23.70%
New Homes Bonus	7.60%	3.92%	2.21%	0.52%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

5.0 DRAFT REVENUE ESTIMATES 2020/21

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,357,910. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

5.2 The budget is fundamental to realising the Council's ambitions set out in *Platforms for our Places : Going further 2020-2023*. The budget enables the Council's role to lead and work with partners to develop our communities and our economies. Attached at Appendix 2 are some proposals for investment back into services to deliver the outcomes committed to in *Platforms for our Places* for member consideration.

5.3 The budget includes specific funding for the commitments outlined in *Platforms for our Places*. Examples include:

5.3.1 **Prosperous places**

The Council recognises the importance of ongoing investment in our places to ensure that they remain vibrant locations for social, economic and culture hubs for our communities. Budgets have been created to facilitate the delivery of major projects to enable the development of Worthing's town centres and provide for additional employment land. Specific projects being supported in this year's budget are:

- facilitating the development of Union Place;
- the development of a new health and wellbeing centre on the car park at Worthing Town Hall
- the redevelopment of Grafton site
- facilitating the use of Decoy Farm to bring new employment space into Worthing.
- Investment in digital infrastructure to support local business growth and digital inclusivity.

These and the delivery of other strategic projects for both Councils will be supported by further investment in a major projects team.

There is also investment through the capital programme, in facilities to improve our town centres and make them more attractive places to visit, including:

- the refurbishment of the town centre car parks;
- increased programme of public convenience refurbishment
- fire safety and environmental improvements at Worthing Pier.

5.3.2 **Thriving People and Communities**

The Council continues to see an increase in demand for our Housing Service, in particular from those who are experiencing homelessness. In response, this budget proposes additional growth of £100,000 to respond to these service pressures. This is in addition to funding to make new investments to acquire Council-owned temporary and emergency accommodation to improve the accommodation offered to clients and reduce the costs for the Council.

The Councils are also aware of the importance of our communities to have active lives and enjoy our parks and open spaces. There is significant investment planned for both Brooklands Park and Highdown Gardens. Funding is also proposed for improve play areas, outdoor gym equipment and other sports facilities to promote health and wellbeing of our communities.

5.3.3 Tackling Climate Change and Supporting our Natural Environment

In July 2019 the Councils declared a climate emergency and have developed a comprehensive Carbon Reduction Plan, outlining a set of ambitious and detailed actions designed to make the Councils carbon neutral by 2030.

Alongside the organisational work, the Councils have developed an area wide framework called SustainableAW which was published in December 2019. This will be followed by a major community-led conference Zero2030 on March 4th 2020, and, subject to approval, a Climate Assembly process which will provide a representative forum for residents over six one day sessions to engage with the climate and ecology challenge, creating ideas for action.

As part of the 2020/21 budget there are proposals to invest in this area of the business, building capacity to take this agenda forward (see appendix 2).

5.3.4 Good Services and New Solutions

Much of the Medium-Term Financial Strategy is underpinned by new approaches to how we design and deliver our services, and develop our commercial activities and investment portfolios. These approaches are not only designed to improve the financial sustainability of the Councils, but also the services that our communities, clients and customers experience. We will continue to invest in service improvement, using research and design methods to understand what needs to change in our services, working with staff to drive a customer first ethos and using our digital platforms to deliver simple, efficient digital service channels.

- 5.4 The final budget will be dependent on Members consideration of the non-committed growth proposals, and the Council Tax increase that Members are prepared to support.
- 5.5 The key question of how the net budget requirement of £13.359m translates into the Council Tax charge can now be determined as the proposed details of the Local Government Finance Settlement have been received. Any final changes arising from settlement will be dealt with through the reserves. However, if there is a significant reduction in government resources, in-year action will be needed to reduce the final impact on the reserves.
- 5.6 Details of all of the main changes in the base budget from 2019/20 to 2020/21 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 5. The changes can be summarised briefly as follows:

2019/20 Original Estimate	£'000	£'000
		13,704
Add: General Pay and Price Increases		506
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	1,127	
Reduced Income as per 5 year forecast	846	
Impact of Capital Investment and Development Programme	12	1,985
Less: Compensatory savings and additional Income:		
Compensatory savings	-371	
Additional income	-20	-391
2019/20 budget prior to agreed savings		15,000
Less: Savings agreed by members		
Approved in December	-2,483	-2,483
Executive Member requirements		13,321
Potential contribution to reserves*		38
Potential budget requirement before external support		13,359
Collection fund deficit		31
2020/21 BUDGET REQUIREMENT		13,390
* The planned contributions to and from the reserves are analysed in Appendix 3. The final amount will depend on the decisions made about the proposals to invest in services at Appendix 2 and the Council Tax increase.		

5.7 The estimates reflect the Council's share of the Joint Strategic Committee budget. The allocation of the costs of joint services under the remit of the JSC has been the subject of an annual review this year for any significant changes.

Further details can be provided by request from Emma Thomas (Chief Accountant) or Sarah Gobey (Chief Financial Officer).

5.8 Overall the current net estimated budget is less than that predicted in December due to the following factors:

	£'000
Reduction in commercial property income following rent review	35
Reassessment of the cost of the capital programme following interest rate increase and to reflect latest expected spend profile	20
Latest forecast of business rate income (including any adjustments arising from settlement)	-106

5.9 The projected deficit on the Collection Fund is estimated to be £235,540, of which £30,920 is the Borough Council share. This is a minor deficit in light of the overall income due which exceeds £70.2m and is due to marginally lower increase in housing growth than expected.

5.10 Members are now faced with two questions:

- What level of Council Tax to set?
- Whether to accept the growth items detailed in Appendix 2?

The decisions made today will be reflected in the budget papers presented to Council.

5.11 **The Council Tax increase:**

5.11.1 Over the past 10 years, the Council Tax has been increased by 12.8%, an average of 1.3% per year (in 2009/10 Band D tax was £210.78, in 2019/20 it was £237.78). Over the past 10 years, inflation (CPI) has been 24.49%.

5.11.2 The budget forecast currently assumes that Council Tax will increase by just 2.0% in 2020/21. The most recent inflation index was 1.5% (CPI in November 2019).

5.11.3 A 2% uplift would only be a modest increase in the Council share of the bill for 2020/21. The table below details how the Council Tax will change as a result of a 1%, 1.5%, 1.8% and just under 2% increase.

	2019/20	Annual increase for 2020/21			
		1%	1.5%	1.75%	2.01%
	£	£	£	£	£
Council Tax Band D	237.78	240.12	241.34	241.91	242.55
Annual increase		2.34	3.56	4.13	4.77
Weekly increase		0.05	0.07	0.08	0.09
Council Tax Band C	211.36	213.44	214.52	215.03	215.60
Average annual increase		2.08	3.16	3.67	4.24
Average weekly increase		0.04	0.06	0.07	0.08
Total additional Council Tax raised		91,890	139,800	162,180	186,140
Additional Council Tax raised over a 1% increase			47,910	70,290	94,250

5.11.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a £5.00 (2.6%) increase for their share of the overall bill. Whilst the level of increase to be set by the County Council is unknown at this stage, given the financial pressures that the County is under, there are indications that the increase will be close to the maximum permitted (4%). 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 just over 3.5%:

	2019/20	2020/21 (Indicative only)	%
	£	£	
Worthing Borough Council	237.78	242.55	2.01%
West Sussex County Council	1,383.57	1,438.83	3.99%
Sussex Police and Crime Commissioner	189.91	194.91	2.63%
	1,811.26	1,876.29	3.59%

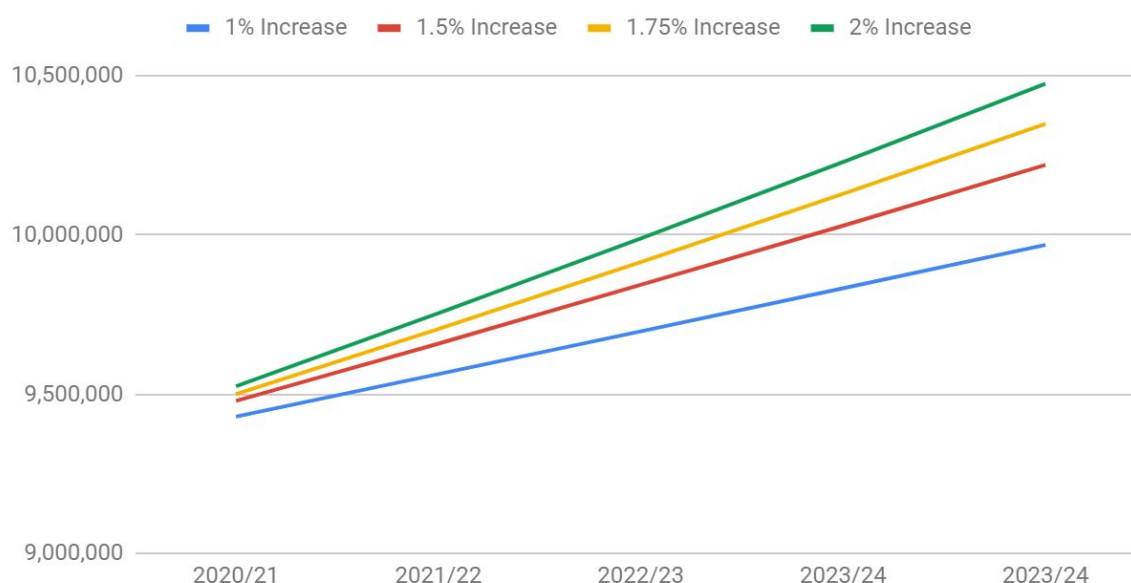
5.11.5 The decision to raise Council Tax should be considered alongside the projected budget shortfalls for the next 5 years, as there are long term consequences to setting a Council Tax increase significantly lower than the maximum permitted. This is particularly significant at the moment given the

scale of the withdrawal of government funding the Council will contend with over the next 5 years and the potential impact of the County Council budget decisions. The impact of changing the Council Tax by 1%, 1.5%, 1.75% and 2% annually would be as follows:

Total income	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
1% annual increase	9,429,390	9,562,900	9,697,360	9,832,720	9,969,020
1.5% annual increase	9,478,870	9,658,700	9,843,430	10,029,440	10,220,400
1.75% annual increase	9,500,080	9,704,830	9,914,680	10,129,590	10,349,680
2% annual increase	9,524,820	9,754,510	9,989,490	10,229,750	10,475,370

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

Worthing Borough Council - Long term impact of Council Tax increases



5.11.6 Members are asked to consider which level of Council Tax increase that they support. An increase of 2.00% would enable the Council to set a balanced budget and fund all of the proposals for investment in services recommended for approval in Appendix 2. Those proposals recommended

for approval are the initiatives which directly contribute to achieving the Council's priorities.

5.12 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% increase)

Net budget requirement	£'000	£'000
Less:		13,321
Baseline Funding	2,693	
Share of additional Business Rate income	649	
Council Tax (2.0% increase)	9,524	
New Homes Bonus	524	
Collection Fund Deficit	-31	-13,359
Budget surplus based on 2.00% Council Tax increase		-38
Maximum impact of accepting the growth items (Appendix 2)		38
Budget balanced at a 2% Council Tax increase		-

6.0 IMPACT ON FUTURE YEARS

- 6.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown in Appendix 1 (which includes an assumed 2.00% tax increase for 2020/21 which is to be considered as part of this report). The settlement, together with the other agreed changes to the budget means that the Council is likely to face a minimum shortfall of:

	Expected shortfall (Cumulative)				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix 1	2,445	3,851	4,812	5,483	6,228
Less:					
Net savings identified in 2020/21 budget round	-2,483	-2,495	-2,598	-2,598	-2,598
Impact of accepting the growth items at appendix 2	38	47	47	47	47
Adjusted cumulative budget shortfall	-	1,403	2,261	2,932	3,677
Savings required each year	-	1,403	858	671	745

6.2 The continuation of the withdrawal of government funding together with the added pressures from County Council budget decisions has significant consequences for the Council . Looking ahead, the stimulation of the local economy and provision of additional housing will be two of the measures which will help protect the Councils services. There are potentially three benefits which flow from an improving economy and which will directly improve the council's financial position:

- Increased income from business rates which is discussed fully in section 4 above;
- Reduced cost of Council Tax benefits from any new jobs created;
- Additional Council Tax income from each new home;

6.3 However, these measures are unlikely to be enough. The Council will also need to deliver on the strategy to generate £430k more commercial income per year and invest in property. Alongside this, there will need to be a continuing emphasis on efficiency in the annual savings exercise; whether this is through the digital strategy or by improving customer service or by reducing the cost of temporary and emergency accommodation. Overall, if the Council delivers upon the current budget strategy then the level of new initiatives required each year to balance the budget will reduce as follows:

	Expected shortfall per year			
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Annual budget shortfall	1,403	858	671	745
Future savings from budget strategy:				
Investment in commercial property	-100	-100	-100	-452
Commercial activities	-430	-430	-430	-430
Service and digital redesign	-120	-120	-120	-120
Affordable housing programme	-39	0	0	0
New savings initiatives to be identified	714	208	21	-257

- 6.4 With the delay to the fairer funding review, the challenge has now moved onto 2021/22 which becomes a challenging year and the early development of a three year savings plan will be essential.

7.0 RESERVES

- 7.1 Sections 26 and 27 of The Local Government Act 2003 require the Council's Chief Financial Officer to comment on the adequacy of the Council's reserves. The reserves have therefore been reviewed in accordance with best practice as advised by the Chartered Institute of Public Finance and Accountancy (CIPFA) in LAAP 99 'Local Authority Reserves and Balances'.
- 7.2 To enable a view to be taken on the adequacy of reserves, Members need to be aware that, broadly speaking, there are two categories of revenue reserves relevant to the Council. The General Fund Working Balance which primarily is available to cushion the impact of uncertain cash flows and act as a contingency to meet unforeseen costs arising during a budget year (e.g. unexpected increases in the demand for services); and Earmarked Reserves which are sums held for specific defined purposes and to meet known or predicted liabilities. Both categories of reserves can be used on a planned prudent basis to underpin the annual budget.
- 7.3 The Council's established policy is to maintain the General Fund Working Balance at between 6 – 10% of net revenue expenditure. This is even more important in the current economic climate when there are so many uncertainties. The balance as at 31st March 2019 was £869,000 which was

6.3% of net 2018/19 revenue expenditure – just within the range of 6%-10% set by the Council. There are no plans to draw down from the working balance

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

		£'000	%
31.03.2019	Balance carried forward – per Final Accounts	869	6.3
31.03.2020	No planned drawdown or contribution expected	869	6.6
31.03.2021	No planned drawdown or contribution expected	869	6.6
31.03.2022	No planned drawdown or contribution expected	869	6.5
31.03.2023	No planned drawdown or contribution expected	869	6.6

The reduction in government funding and the resultant decrease in the Council's net spend means that the same level of working balance equates to a higher percentage of net revenue expenditure each year in some years

7.4 On the basis of the year-end figures above, and taking into account past performance and the acknowledged track record of sound financial management in this Council, I believe the working balance is adequate for its purpose. In forming this view I have considered the following potential impacts upon the Council's finances:

1. A further fall in interest rates of 0.25% would cost the Council in the region of £22,500 in 2020/21.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £170,600.
3. Further adverse falls in income from such sources as development control income, car parks and land.
4. Demand is increasing for services such as homelessness and housing benefit which may well lead to increased (and unbudgeted) costs.
5. Other unforeseen circumstances such as the failure of a major contract

6. Any use of the working balance would be difficult to recoup in the short term. Consequently, the reserve needs to be sufficient enough to cope with at least two years of adverse impacts.

Against this background, and especially given the current economic climate, it is important that the Council has minimum reserves in 2020/21 of £801,500 or 6% of net revenue spend as laid out in the current policy. However, it is unlikely that the Council will need in excess of £1,335,900 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding a working balance between 6% and 10% is valid and the forecast level falls within these parameters.

- 7.5 However, with the planned expansion of commercial activity, especially the investment in commercial property, the council has taken two other measures to further manage risk and bolster the reserves:

- i) As part of the initiative to invest in commercial property, an element of the additional rent raised every year is being set aside into a specific reserve to manage void periods on these properties and to set aside resources to fund investment needs. The annual contribution to this provision will be gradually built up over the next 5 years to a level of £650,000 per year by 2024/25.
- ii) As part of the development of the 2019/20 budget 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.

- 7.6 In the medium term, once the challenges of the next couple of years have been addressed, the council should review the position and take proactive steps to further bolster the overall reserves.

- 7.7 The estimated balance of general fund earmarked reserves as at 31st March, 2020 is £4,436,000, although this reduces to £3,604,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. Overall, the level of reserves held by the Councils is expected to improve over the forthcoming years as follows:

	Balance at year end				
	2018/19 Actual £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2021/22 Estimate £'000
General Earmarked Reserves	3,183	3,604	3,731	4,081	4,531
Grants and Contributions	742	742	742	742	742
Capital reserves	30	-	-	-	-
Total earmarked reserves	3,955	4,346	4,473	4,823	5,273
General Fund Working Balance	869	869	869	869	869
Total reserves	4,824	5,215	5,342	5,692	6,142

A detailed schedule of the earmarked reserves is attached at Appendix 3. The significant risks to the overall budget and the Council's reserves are detailed below.

- 7.8 Given the relatively low level of the reserves, it is now critical that these reserves be used only as a funding resource of last resort until such time as the reserve level can be improved. The Council has over the past year minimised new calls on such resources, utilising the ability to use capital receipts to fund initiatives to generate budget savings where possible.
- 7.9 In all probability, the Council will continue to occasional opportunities to put additional money into the earmarked reserves rather than solely to drawdown on a planned basis. Even without this, I believe the earmarked revenue reserves are adequate for their particular purposes provided that they are used sparingly. However the size and nature of the risks to the overall budget leaves the Council with no room for using these reserves for new on-going spending initiatives. The Council should maintain its current policy of spending its scarce earmarked reserves on:
- supporting one-off rather than recurring revenue expenditure;
 - dealing with short-term pressures in the revenue budget; and
 - managing risk to the Council's budget.

8.0 SIGNIFICANT RISKS

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

- (i) **Housing Services** – The Council has experienced a significant increase in demand for emergency and temporary accommodation over the past few years since the introduction of the Homelessness

Reduction Act. Whilst substantial growth has been built into the budget, the degree to which this will be adequate depends on two factors:

1. The extent to which caseload continues to grow
2. The supply of cost effective accommodation

Whilst the Council is now sourcing more cost effective accommodation for our clients, there remains a risk that demand for such accommodation will outstrip our ability to find additional cost effective units. However, to better manage this, a contingency budget has been created to mitigate further increases to the cost of this service

- (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 particularly pertinent this year when the budget decisions of the County Council has had a significant impact on the finances of the Council. Overall the Council has seen a significant cost pressures this year as a result of County Council decisions, particularly in relation to waste management.

	2020/21		
	Adur	Worthing	Total
	£'000	£'000	£'000
Impact of changes to recycling credits	377	671	1,048
Net impact County budget reduction to supported housing services after recommissioning exercise	60	140	200
Total impact	437	811	1,248

However, the Council has been able to mitigate this challenge by identifying sufficient savings to address these cost pressures. The risk from the County Council budget decisions has now reduced, as there is little other funding we receive from them. Nevertheless, partnership funding remains a more general risk

- (iii) **Income** - The Council receives income from a number of services which will be affected by demand. These include land charges, crematorium income, trade and green waste services, development control and now business rates. Whilst known reductions in income have been built into the proposed budgets for 2020/21, 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 or business experience financial difficulties there is an increased risk of loss of income from voids. To mitigate this risk the Council has introduced an annual provision for void rents which will be £250,000 in 2020/21. This will be increased annually in line with the level of investment in the property portfolio and the associated risk.

- (iv) **Inflation** - A provision for 2% inflation has been built into non-pay budgets. Pay budgets have a 2% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2020/21, 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	171
Non-pay	142

- 8.2 To help manage these risks, the council has a working balance of £869,000 and £3.6m of other earmarked reserves are also available to the Council to help mitigate these risks.

9.0 CONSULTATION

- 9.1 The Council ran a detailed consultation exercise which supported the proposed five year budget strategy. In light of this, no consultation exercise was undertaken this year.
- 9.2 Officers and members have been consulted on the development of the budget.

10.0 UPDATE TO PRUDENTIAL INDICATORS

- 10.1 The Council's budget fully reflects the cost of financing the capital programme. Members have previously approved sufficient growth to accommodate the proposed capital programme. The Council has a fully funded capital

programme and the associated revenue costs are built into the budget for 2020/21 and future years.

- 10.2 Under the Prudential Code of Practice and the capital finance system introduced in April 2004, the capital programme is based on the Council's assessment of affordability. This includes any new borrowing which the Council wishes to undertake.
- 10.3 The Code of Practice has recently been revised. 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. This includes a new requirement to publish an annual capital strategy, which the Council has long complied with however this document must now contain more information on risk management.
- 10.4 The Prudential Code of Practice requires the Council to set a series of indicators to show that the capital programme has due regard to affordability, sustainability and prudence. These are included with the annual Treasury Management Strategy Statement which is due to be considered by JSC on the 11th February 2020 and which will be included in the Council budget pack for approval.

11.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

- 11.1 Section 25 of the Local Government Act 2003 requires an authority's Chief Financial Officer to make a report to the authority when it is considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals, so Members will have authoritative advice available to them when they make their decisions. The Section requires Members to have regard to the report in making their decisions.
- 11.2 As Members are aware, local authorities decide every year how much they are going to raise from Council Tax. They base their decision on a budget that sets out estimates of what they plan to spend on each of their services. Because they decide on the Council Tax in advance of the financial year in question, and are unable to increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by:
- making prudent allowance in the estimates for each of the services, and in addition;
 - ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

11.3 Overall view on the robustness of the estimates:

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates and the adequacy of reserves. The exceptions relate to:

- (1) The provision of estimates for items outside of the direct control of the Council:
 - Income from fees and charges in volatile markets, 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 diligent budget monitoring regime during 2020/21.

11.4 The Chief Financial Officer's overall view of the robustness of the estimates is, therefore, as follows:

The processes followed are sound and well established and identical to those that produced robust estimates in the past. The Council has also demonstrated that it has a sound system of financial management in place.

12.0 COUNCIL TAX SETTING

12.1 The Council is obliged to raise the balance of its resources, after allowing for any government grant and business rates, to finance the General Fund Revenue Budget from its local Council Taxpayers. The Worthing Borough Council Tax 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 Borough. This will be formally approved by Council on the 18th February 2020 via a report on the Council Tax Determination.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2020/21 Budget, the resulting Council Tax for the Borough can be set. This takes into account the Total Aggregate External Finance (Revenue Support Grant and Business Rates contributions) and any contribution to or from the local Collection Fund.

12.3 Worthing Borough Council:

- (a) The following table shows the net sum to be raised from local Council Taxpayers in 2020/21 prior to the consideration of the budget proposals. This is based on 2.0% Council Tax increase which is sufficient to fund all of the proposals for growth included at Appendix 2:

	£	£
Net 2020/21 Budget *		13,319,530
Less: Aggregate External Finance		
Baseline Funding	-2,692,550	
Additional Retained Business Rate income	-648,590	
New Homes Bonus	-523,660	
Contribution to the Collection Fund deficit (as per paragraph 5.9)	30,920	
		-3,833,880
Minimum amount to be raised from Council Tax		9,485,650
Net additional impact of proposals identified in Appendix 2 if all approved		38,380
Amount to be raised from Council Tax based on 2.0% Council Tax		9,524,030

- * 2020/21 budget requirement after any contribution to or from reserves required to balance the budget or any further increase to Council Tax.

Within section 5 of the report, members are given the options for the level of Council Tax and asked to consider the proposals for investment in services (Appendix 2).

- (b) Council Tax Base

The Council's Tax base for 2020/21 is 39,269.50 Band D equivalent properties. There is an increase to the current year base of 38,504.20 which is due to an increasing number of homes and the falling cost of Council Tax benefits. The full calculation of the tax base is shown in Appendix 4.

(c) Worthing Borough Council Band D Council Tax

In Section 5.11, the options for the Council Tax increase are discussed in detail. A Council Tax increase of 1.00% will ensure that the Council has a balanced budget, an increase of 2.00% will lever in sufficient additional resources to fund the growth recommended for approval at Appendix 2 and deliver a balanced budget. The final agreed amount will be incorporated into the Council Tax determination.

	2019/20	2020/21 (1.00% increase)	2020/21 (1.50% increase)	2020/21 (1.75% increase)	2020/21 (2.0% increase)
Band D tax					
	£	£	£	£	£
Worthing Borough Council	237.78	240.12	241.38	241.92	242.55
Annual increase		2.34	3.56	4.13	4.77
Weekly increase		0.05	0.07	0.08	0.09

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2020. The proposed 2020/21 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 31st January 2020.

	2019/20 £	2020/21 £
West Sussex County Council	1,317.78	t.b.c
Sussex Police Authority	165.91	t.b.c
TOTAL	1,483.69	t.b.c.

12.5 The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the Borough Council at its meeting on 18th February 2020.

13.0 LEGAL IMPLICATIONS

- 13.1 The Local Government Act 2003 requires that the Council sets a balanced budget. This report demonstrates how the Council will meet this requirement for 2020/21.

14.0 CONCLUSION

- 14.1 This has been a significantly challenging year in which the Council has had to address a budget shortfall of over £2m. The Council has seen the government grants fall, and addressed the consequences of the County Council's budget decisions. To meet this challenge the Council has identified £2.4m of savings and is now in the position to set a balanced budget.
- 14.2 However, with the delay to the Fairer Funding Review, the financial challenge now moves to 2021/22 which will be again be difficult as the Council grapples with the impact of the fairer funding review, reducing government funding and the building capacity to invest in the initiatives detailed in Platform for our Places. Consequently, the strategy of delivering commercial income growth and business efficiencies through the digital agenda continues to play a vital role in balancing the budget.
- 14.3 However, provided we continue to deliver on this strategy, the Council will become increasingly financially resilient over the next 5-10 years as Revenue Support Grant disappears, New Homes Bonus reduces and we become largely funded by our community through Council Tax, retained Business Rates and income from our commercial services.
- 14.4 The aims of 'Platforms for our Places' are critical to our success. Developing the local economy to increase employment space and local jobs together with the provision of new homes is one of the strategic measures that the Council can take to protect its longer term financial interests, however there will inevitably be some difficult days ahead as the Council seeks to address the remaining budget shortfall.
- 14.5 There will need to be a sharp focus on financial health over the next couple of years whilst we balance the budget and rebuild the reserves. However, we must not forget that the Council has a good track record in dealing with such challenges
- 14.6 Finally, in preparing the strategy and forecast for 2020/21 an assessment was carried out of the significant risks and opportunities which may have an impact on the Council's budget. Where quantifiable, the budget has been adjusted accordingly but it is important to acknowledge that there are still some risks to the overall position which may have to be funded from reserves. Members will continue to receive regular budget monitoring reports and updates to the

Council's 5-year Medium Term Financial Plan, to ensure that the financial challenges ahead are effectively met.

Local Government Act 1972

Background Papers:

Report to the Joint Strategic Committee 9th July 2019 'Becoming Financially Sustainable – Budget strategy for the 2020/21'

Report to the Joint Strategic Committee 3rd December 2019 'Financially Sustainable Councils: Update to the 2020/21 - 2024/25 and savings proposals for 2020/21'

Report to the Joint Strategic Committee 3rd December 2019 'Investing for the future: Capital Investment Programme 2020/21 to 2022/23'

Local Authority Finance (England) Settlement Revenue Support Grant for 2020/21 and Related Matters: DCLG Letters and associated papers of 23rd December 2019.

2019 Spending Review – On-the-day briefing

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 2018/19

Report to Joint Strategic Committee 3rd December 2019 – 2nd Quarter Revenue Budget Monitoring 2019/20

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SUSTAINABILITY AND RISK ASSESSMENT

1. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Matter considered and no issues identified

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified

3. ENVIRONMENTAL

Matter considered and no issues identified

4. GOVERNANCE

Matter considered and no issues identified

WORTHING BOROUGH COUNCIL Revenue Budget Summary Statement 2019/20 - 2024/25						
	2019/20 Base	2020/21	2021/22	2022/23	2023/24	2024/25
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	13,704	13,704	13,704	13,704	13,704	13,704
(a) <i>Annual Inflation</i>		506	1,005	1,499	1,979	2,464
(b) <i>One -off / non-recurring items</i>						
Local Elections (not held once every four years)		-	(50)	-	-	-
(c) <i>Committed Growth / Cost reductions</i>						
Fall out of SDLT pension costs.		(18)	(36)	(36)	(36)	(36)
Change in grant for homelessness		(2)	150	150	150	150
Net cost of increasing recycling to meet 50% targets:						
- Full year impact of implementation of Alternative Weekly Collection		(130)	(130)	(130)	(130)	(130)
- Impact of introducing weekly food waste collections		-	128	128	128	128
Reprocurement of theatres and culture		100	50	-	(50)	(100)
Closure of Café at Brooklands during improvements		20	20	20	20	20
Reduction in commercial rental agreements		155	155	155	155	155
Reduction in pension contributions		(221)	(387)	(558)	(558)	(558)
Increase in demand for homelessness accommodation		100	100	100	100	100
Net new committed growth items identified by heads of service approved in December		207	345	475	555	635
(d) <i>Impact of County budget reductions</i>						
Further reduction in supported housing budgets		630	630	630	630	630
Withdrawal of recycling support		671	671	671	671	671
(e) <i>Impact of capital programme</i>						
General Financing costs		(51)	220	263	508	799
Impact of refurbishment of High Street Car Park			105	291	291	291
Maximum impact of Gigabit Project		63	63	63	63	63

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2019/20 - 2024/25

	2019/20 Base	2020/21	2021/22	2022/23	2023/24	2024/25
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
(f) <i>Impact of major projects</i>						
Impact of land acquisitions and new developments at Union Place, Grafton, town hall car park and other major projects.		-	100	400	500	700
(g) <i>Additional income</i>						
Investment income		(20)	(57)	(94)	(134)	(179)
(h) <i>Provision for new growth items</i> (see appendix 2)		90	180	270	360	450
Total Cabinet Member Requirements	13,704	15,804	16,966	18,001	18,906	19,957
Income from grants and taxation						
<i>Business Rate Income</i>						
Baseline funding	2,649	2,693	2,747	2,802	2,858	2,915
Add: Net retained additional business rates	826	649	325	331	336	339
Add: Share of surplus /deficit (-)	-	-				
Add: Levy surplus	41					
Adjusted Business Rate Income	3,516	3,342	3,072	3,133	3,194	3,254
<i>Council Tax income</i>	9,155	9,524	9,753	9,988	10,229	10,475
<i>New Homes Bonus</i>						
New homes bonus (2016-20)	518	-	-	-	-	-
New homes bonus (2017-21)	234	234	-	-	-	-
New homes bonus (2018-22)	222	222	222	-	-	-
New homes bonus (2019-23)	68	68	68	68	-	-
Total New Homes Bonus	1,042	524	290	68	-	-
<i>Collection fund surplus/deficit (-)</i>	(9)	(31)	-	-	-	-
Total Income from grants and taxation	13,704	13,359	13,115	13,189	13,423	13,729
AMOUNT REQUIRED TO BALANCE THE BUDGET	-	2,445	3,851	4,812	5,483	6,228

WORTHING BOROUGH COUNCIL
Revenue Budget Summary Statement 2019/20 - 2024/25

	2019/20 Base	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE THE BUDGET	-	2,445	3,851	4,812	5,483	6,228
Savings / Initiatives identified to date:						
<i>Strategic Property Investment Fund</i>						
Future property purchases		500	700	900	1,100	1,300
Provision for future voids and repairs		(100)	(200)	(300)	(400)	(500)
Wellbeing centre and car park						352
<i>Affordable Housing Programme</i>						
Approved projects		806	845	845	845	845
<i>Commercial activities and commissioning</i>						
Commercial and Customer Activities		494	924	1,354	1,784	2,214
<i>Efficiency Measures</i>						
Service and Digital redesign		106	226	346	466	586
<i>Savings identified by Heads of Service</i>		677	689	792	792	792
Total savings initiatives identified to date		2,483	3,184	3,937	4,587	5,589
Cumulative savings still to be found/ (surplus)		(38)	667	875	896	639
Annual savings still to be found		(38)	705	208	21	(257)
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£4.75	£4.85	£4.95	£5.05	£5.15
Weekly increase (Band D property)		£0.09	£0.09	£0.10	£0.10	£0.10
Average annual increase (Band C property)		£4.22	£4.31	£4.40	£4.49	£4.58
Average weekly increase (Band C property)		£0.08	£0.08	£0.08	£0.09	£0.09

	Expected cost (cumulative)					
	2020/21			2021/22 and beyond		
	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Service reinvestment proposal	£	£	£	£	£	£
Climate change and environmental investment proposals						
Ash Dieback Strategy (as per JSC report)						
Arboricultural Inspector resource	18,960	7,580	11,380	18,960	7,580	11,380
Surveys, road closure and associated costs	10,000	4,000	6,000	10,000	4,000	6,000
Sustainability manager	54,000	21,600	32,400	54,000	21,600	32,400
Climate change and protecting the environment are key priorities for the Councils, with a large programme of work ahead. In order to deliver this agenda, we need to increase resources and ensure both organisation and area based projects are supported and delivered.						
Homes and Communities Enabling Officer	32,000	12,800	19,200	32,000	12,800	19,200
To support our ambitions to build better and more creative relationships with Registered providers and developers and to involve our communities in the co-design of ideas and suggestions that meet our ambitions, we propose a part time role of Homes and Communities Enabling officer. Many local authorities have a housing enabling role which links to RPs and collates data. However we see this role as being critical to providing the resource to engage and involve communities in the design of place; the design of ideas that may use local CIL funds for example; and influencing the outcome of planning applications on what community benefit is desirable, as opposed to always thinking of the obvious off the shelf solutions (e.g a community centre) The officer will therefore work across housing - understanding housing need, planning - looking at forthcoming applications, with the new development team - building relationships with affordable homes providers and crucially with the communities and wellbeing teams. They will also be responsible for ensuring accurate and timely returns on data required by central government.						

	Expected cost (cumulative)					
	2020/21			2021/22 and beyond		
	Joint (memo only)	Adur	Worthing	Joint (memo only)	Adur	Worthing
Service reinvestment proposal						
	£	£	£	£	£	£
Service Designer Service design has been used in many projects including preventing homelessness, housing repairs, loneliness, supported housing and work & skills, delivering multiple benefits including cost saving and cost avoidance. This post will bring the specialist skills needed in-house, delivering a highly valued service at lower cost.	54,000	21,600	32,400	54,000	21,600	32,400
Asset Manager Following the expansion of the Council's asset portfolio, the council needs to invest into the management of the service to ensure it provides a sustainable level of income growth for the future.	45,000	18,000	27,000	60,000	24,000	36,000
Less: Provision for reinvestment back into services		-60,000	-90,000		-60,000	-90,000
Net impact of growth proposals	213,930	25,580	38,380	228,960	31,580	47,380

C = Capital Contribution

SCHEDULE OF EARMARKED RESERVES APPENDIX 3

SCHEDULE OF EARMARKED RESERVES APPENDIX 3

WORTHING BOROUGH COUNCIL	Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.20	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.21
6. 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.	£'000 98	£'000 -	£'000 -	£'000 98	£'000 -	£'000 -	£'000 98
7. THEATRE CAPITAL RESERVE Purpose: Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	170	45	(92)	123		(123)	-
8. SPECIAL AND OTHER EMERGENCY EXPENDITURE The Special and Other Emergency Expenditure Reserve was set up to fund strategic or unforeseen one-off expenditure, which may arise.	3	-	-	3	-	-	3
9. GRANTS & CONTRIBUTIONS Held in reserves*	742	-	-	742	-	-	742
10. BUSINESS RATES SMOOTHING RESERVE	905	-	(250)	655	-	-	655
11. CREMATORIUM IMPROVEMENT RESERVE	-	60	(60)	-	60	(60)	-
12. PROJECTED UNDERSPEND Reserves to be identified at outturn.		912 *see below	-	912	-	-	912 -
13 GENERAL FUND WORKING BALANCE	869			869			869
14 CAPITAL EXPENDITURE RESERVE	30	-	(30)	-	-	-	-
TOTAL	4,824	1,639	(1,248)	5,215	340	(213)	5,342

* Contribution to be confirmed at the year-end
--

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A -	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Dwellings	0.00	7,975.00	11,332.00	13,043.00	9,579.00	5,484.00	2,352.00	898.00	26.00	50,689.00
Less: Exemptions	0.00	-199.00	-198.00	-159.00	-107.00	-69.00	-25.00	-12.00	0.00	-769.00
	0.00	7,776.00	11,134.00	12,884.00	9,472.00	5,415.00	2,327.00	886.00	26.00	49,920.00
Disabled Relief Adjustment (net)	7.00	35.00	17.00	-4.00	4.00	-27.00	6.00	-21.00	-17.00	0.00
Chargeable Dwellings	7.00	7,811.00	11,151.00	12,880.00	9,476.00	5,388.00	2,333.00	865.00	9.00	49,920.00
Broken down as follows:										
Full Charge	3.00	2,680.00	6,170.50	8,836.00	6,918.00	4,192.00	1,883.00	700.00	6.00	31,388.50
25% Discount (Including Adj for SP dis)	4.00	5,070.00	4,928.00	4,010.00	2,524.00	1,179.00	404.00	135.00	0.00	18,254.00
50% Discount	0.00	35.00	31.00	25.00	22.00	16.00	43.00	28.00	3.00	203.00
0% Discount (Long Term Empty Homes)	0.00	26.00	21.00	9.00	12.00	1.00	3.00	2.00	0.00	74.00
Total Equivalent Number of Dwellings	6.00	6,536.50	9,913.00	11,866.50	8,842.50	5,086.25	2,213.50	819.25	7.50	45,291.00
Reduction in tax base due to Council Tax Support	1.85	1,253.83	1,287.53	912.59	335.09	101.18	19.92	4.35	0.00	3,916.34
Adjusted equivalent total dwellings	4.15	5,282.67	8,625.47	10,953.91	8,507.41	4,985.07	2,193.58	814.90	7.50	41,374.66
<u>Band D Equivalents</u>										
Revenue Support Settlement	2.30	3,521.80	6,708.70	9,736.80	8,507.40	6,092.90	3,168.30	1,358.00	15.00	39,111.20
Add: Forecast new homes	0.00	20.00	84.80	43.10	143.00	52.50	3.10	1.80	0.00	348.30
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	190.00	0.00	0.00	0.00	0.00	190.00
COUNCIL TAX BASE	2.30	3,541.80	6,793.50	9,779.90	8,460.40	6,145.40	3,171.40	1,359.80	15.00	39,269.50

WORTHING BUDGET 2020/2021
Summary of Executive Member Portfolios



WORTHING BOROUGH
COUNCIL

APPENDIX 5

EXECUTIVE PORTFOLIO	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
Digital and Environment	2,991,380	3,003,470
Health and Wellbeing	1,729,230	1,729,360
Customer Services	5,172,460	5,247,690
Leader	802,300	810,290
Regeneration	1,907,660	2,018,520
Resources	2,232,150	757,480
Support Services Depreciation Not Charged To Services	513,700	389,570
NET SERVICE EXPENDITURE	15,348,880	13,956,380
Credit Back Depreciation / Impairments	(3,224,030)	(3,195,320)
Minimum Revenue Provision	1,492,910	2,472,600
	13,617,760	13,233,660
Transfer to / from Reserves	86,250	86,250
Balance Available to Transfer To / (From) Reserves	-	38,000
Total budget requirement before external support from government	13,704,010	13,357,910
Baseline Funding	(2,649,390)	(2,692,550)
Additional business rate income	(826,340)	(648,590)
Revenue Support Grant	-	-
Levy Surplus	(40,650)	-
Other unfenced grants (New homes bonus)	(1,042,230)	(523,660)
Contribution to/ (from) Collection Fund	9,090	30,920
Amount required from Council Tax	9,154,490	9,524,030
Council Tax Base	38,504.2	39,269.5
Average Band D Council Tax - Worthing Borough	237.78	242.56
% increase	-	2.00%

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Flood Defence	18,820	18,620
Public Conveniences	371,720	373,790
	390,540	392,410
DIRECTOR OF COMMUNITIES		
South Downs Leisure	1,155,380	1,092,390
	1,155,380	1,092,390
Head of Environmental Services		
Allotments	14,090	15,550
Cemeteries	15,420	36,360
Crematorium	(1,650,800)	(1,804,900)
Parks	1,929,850	1,695,500
Abandoned Vehicles	1,800	1,800
Clinical Waste	2,810	(340)
Compliance including Fixed Penalty Notices	(1,850)	-
Recycling	(760,630)	(211,060)
Refuse	1,371,980	1,315,170
Street Cleansing (includes Pest Control and Graffiti)	717,350	678,060
Trade Refuse	(341,290)	(354,540)
Vehicle Workshop	280	210
	1,299,010	1,371,810
Head of Wellbeing		
Dog and Pollution Control	146,450	146,860
	146,450	146,860
TOTAL ENVIRONMENT PORTFOLIO	2,991,380	3,003,470

WORTHING - DIGITAL & ENVIRONMENT PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR DIGITAL AND RESOURCES	£	£	£	£	£	£	£	£	£	£	£
Head of Business and Technical Services											
Flood Defence	-	-	-	-	-	-	-	0	18,620	-	18,620
Public Conveniences	-	-	277,550	-	-	-	(620)	276,930	14,950	81,910	373,790
DIRECTOR OF COMMUNITIES											
South Downs Leisure	96,750	-	244,820	-	-	-	(164,010)	177,560	41,530	873,300	1,092,390
Head of Environmental Services											
Allotments	-	-	15,560	-	-	-	(50)	15,510	-	40	15,550
Cemeteries	-	118,290	135,420	-	14,960	-	(275,070)	(6,400)	23,630	19,130	36,360
Crematorium	248,540	138,830	523,110	10	197,360	-	(3,205,030)	(2,097,180)	211,160	81,120	(1,804,900)
Parks	-	33,920	1,141,790	-	157,650	-	(138,380)	1,194,980	386,220	114,300	1,695,500
Abandoned Vehicles	-	-	-	-	1,800	-	-	1,800	-	-	1,800
Clinical Waste	-	(340)	-	-	-	-	-	(340)	-	-	(340)
Compliance	-	-	-	-	-	-	-	0	-	-	0
Recycling	-	(414,360)	-	-	-	1,400	-	(412,960)	76,650	125,250	(211,060)
Refuse	-	916,910	-	-	-	-	-	916,910	213,850	184,410	1,315,170
Street Cleansing	-	855,220	-	-	-	-	(347,320)	507,900	103,570	66,590	678,060
Trade Refuse	-	322,340	-	-	710,340	-	(1,484,450)	(451,770)	29,510	67,720	(354,540)
Vehicle Workshop	-	-	-	-	-	-	-	0	-	210	210
Head of Wellbeing											
Dog and Pollution Control	-	52,580	-	-	-	-	(3,540)	49,040	93,830	3,990	146,860
	345,290	2,023,390	2,338,250	10	1,082,110	1,400	(5,618,470)	171,980	1,213,520	1,617,970	3,003,470
Percentage Direct Cost	6%	35%	40%	0%	19%	0%					

WORTHING - DIGITAL & ENVIRONMENT PORTFOLIO - 2020/2021 - VARIANCE ANALYSIS



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Unavoidable Growth	Savings	Non-MTFP Other Changes	TOTAL BUDGET
DIRECTOR FOR DIGITAL AND RESOURCES	£	£	£	£	£	£	£	£
Head of Business and Technical Services								
Flood Defence	18,820	-	-	-	-	-	(200)	18,620
Public Conveniences	371,720	5,430	-	-	-	(3,720)	360	373,790
DIRECTOR OF COMMUNITIES								
South Downs Leisure	1,155,380	3,650	-	(1,720)	-	-	(64,920)	1,092,390
Head of Environmental Services								
Allotments	14,090	320	-	-	-	3,710	(2,570)	15,550
Cemeteries	15,420	(2,670)	-	14,210	-	-	9,400	36,360
Crematorium	(1,650,800)	(50,160)	-	2,100	-	(129,930)	23,890	(1,804,900)
Parks	1,929,850	20,420	-	41,000	-	5,800	(301,570)	1,695,500
Abandoned Vehicles	1,800	-	-	-	-	-	-	1,800
Clinical Waste	2,810	-	-	-	-	-	(3,150)	(340)
Compliance	(1,850)	(40)	-	-	-	-	1,890	0
Recycling	(760,630)	-	-	-	-	-	549,570	(211,060)
Refuse	1,371,980	-	-	-	-	-	(56,810)	1,315,170
Street Cleansing	717,350	(6,770)	-	-	-	-	(32,520)	678,060
Trade Refuse	(341,290)	(15,180)	-	-	-	-	1,930	(354,540)
Vehicle Workshop	280	-	-	-	-	-	(70)	210
Head of Wellbeing								
Dog and Pollution Control	146,450	(70)	-	-	-	-	480	146,860
	2,991,380	(45,070)	0	55,590	0	(124,140)	125,710	3,003,470

HEALTH AND WELLBEING PORTFOLIO



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
DIRECTOR OF COMMUNITIES	£	£
Worthing Festival	3,550	3,580
	-	-
	3,550	3,580
Head of Housing		
Housing Standards	152,790	160,240
	152,790	160,240
Head of Wellbeing		
Community Centres & Grants	458,570	460,100
Community Safety	311,960	317,130
Food Safety & Health & Safety	188,570	187,610
Licensing	136,460	126,630
Public Health & Regulation	396,130	392,570
	1,491,690	1,484,040
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Bus Shelters, Drainage, Footway Lighting	81,200	81,500
	81,200	81,500
TOTAL HEALTH AND WELLBEING PORTFOLIO	1,729,230	1,729,360

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Worthing Festival	-	-	3,100	-	480	-	-	3,580	-	-	3,580
Head of Housing											
Housing Standards	-	156,490	-	-	1,680	-	(100)	158,070	2,170	-	160,240
Head of Wellbeing											
Community Wellbeing	-	131,860	18,800	-	182,620	-	-	333,280	124,490	2,330	460,100
Community Safety	-	174,870	3,900	-	19,980	-	-	198,750	118,380	-	317,130
Food Safety & Health & Safety	-	7,680	-	-	9,750	-	(3,990)	13,440	174,170	-	187,610
Licensing	-	169,940	-	-	3,930	-	(229,340)	(55,470)	182,100	-	126,630
Public Health & Regulation	-	6,140	-	-	26,070	-	(1,060)	31,150	360,670	750	392,570
DIRECTOR FOR DIGITAL AND RESOURCES											
Head of Business and Technical Services											
Bus Shelters, Drainage, Footway Lighting	-	-	75,230	-	-	-	-	75,230	6,270	-	81,500
	0	646,980	101,030	0	244,510	0	(234,490)	758,030	968,250	3,080	1,729,360
Percentage Direct Cost	0%	65%	10%	0%	25%	0%					

WORTHING - HEALTH AND WELLBEING PORTFOLIO - 2020/2021 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Compensatory savings	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Worthing Festival	3,550	30	-	-	-	-	-	-	-	3,580
Head of Housing										
Housing Standards	152,790	-	-	-	-	-	-	-	7,450	160,240
Head of Wellbeing										
Community Centres & Grants	458,570	870	-	-	-	-	-	-	660	460,100
Community Safety	311,960	80	-	-	-	-	-	(1,240)	6,330	317,130
Food Safety & Health & Safety	188,570	(80)	-	-	-	-	-	-	(880)	187,610
Licensing	136,460	(2,310)	-	-	-	-	-	-	(7,520)	126,630
Public Health & Regulation	396,130	(20)	-	-	-	-	-	-	(3,540)	392,570
DIRECTOR FOR DIGITAL AND RESOURCES										
Head of Business and Technical Services										
Bus Shelters, Drainage, Footway Lighting	81,200	1,330	-	-	-	-	-	-	(1,030)	81,500
	1,729,230	(100)	0	0	0	0	0	(1,240)	1,470	1,729,360

CUSTOMER SERVICES PORTFOLIO



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR OF COMMUNITIES		
Head of Housing		
Housing including Homelessness	2,205,040	2,083,270
Housing Strategy	116,320	115,040
	2,321,360	2,198,310
Head of Wellbeing		
Community Centres	2,950	2,920
	2,950	2,920
DIRECTOR OF ECONOMY		
Director of the Economy		
Culture client	-	2,329,230
Head of Business & Technical		
Wedding venue	-	(13,860)
Head of Culture		
Theatres	1,611,870	-
Museums	421,660	-
	2,033,530	2,315,370
DIRECTOR OF DIGITAL AND RESOURCES		
Chief Finance Officer		
Fraud, Verification & Adjudication	33,900	33,900
Head of Revenues and Benefits		
Revenues	246,520	239,470
Benefits	534,200	457,720
	814,620	731,090
TOTAL CUSTOMER SERVICES PORTFOLIO	5,172,460	5,247,690

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Head of Housing											
Housing including Homelessness	-	780,320	123,480	-	2,026,970	15,840	(1,169,890)	1,776,720	306,550	-	2,083,270
Housing Strategy	-	-	-	-	-	-	-	0	115,040	-	115,040
Head of Wellbeing											
Community Centres	-	-	2,750	-	-	-	-	2,750	-	170	2,920
DIRECTOR OF ECONOMY											
Director of the Economy											
Culture client	-	3,830	170,250	-	1,463,200	-	-	1,637,280	349,020	342,930	2,329,230
Head of Business & Technical											
Wedding venue	-	-	-	-	-	-	(13,860)	(13,860)	-	-	(13,860)
Head of Culture											
Theatres	-	-	-	-	-	-	-	0	-	-	0
Museums	-	-	-	-	-	-	-	0	-	-	0
DIRECTOR FOR DIGITAL AND RESOURCES											
Chief Finance Officer											
Fraud, Verification & Adjudication	-	-	-	-	93,900	-	(60,000)	33,900	-	-	33,900
Head of Revenues and Benefits											
Revenues	-	445,820	-	-	93,820	-	(557,370)	(17,730)	257,200	-	239,470
Benefits	-	734,590	-	-	63,370	30,676,010	(31,529,170)	(55,200)	512,920	-	457,720
	0	1,964,560	296,480	0	3,741,260	30,691,850	(33,330,290)	3,363,860	1,540,730	343,100	5,247,690
Percentage Direct Cost	0%	5%	1%	0%	10%	84%					

WORTHING - CUSTOMER SERVICES PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Head of Housing											
Housing including Homelessness	-	780,320	123,480	-	2,026,970	15,840	(1,169,890)	1,776,720	306,550	-	2,083,270
Housing Strategy	-	-	-	-	-	-	-	0	115,040	-	115,040
Head of Wellbeing											
Community Centres	-	-	2,750	-	-	-	-	2,750	-	170	2,920
DIRECTOR OF ECONOMY											
Director of the Economy											
Culture client	-	3,830	170,250	-	1,463,200	-	-	1,637,280	349,020	342,930	2,329,230
Head of Business & Technical											
Wedding venue	-	-	-	-	-	-	(13,860)	(13,860)	-	-	(13,860)
Head of Culture											
Theatres	-	-	-	-	-	-	-	0	-	-	0
Museums	-	-	-	-	-	-	-	0	-	-	0
DIRECTOR FOR DIGITAL AND RESOURCES											
Chief Finance Officer											
Fraud, Verification & Adjudication	-	-	-	-	93,900	-	(60,000)	33,900	-	-	33,900
Head of Revenues and Benefits											
Revenues	-	445,820	-	-	93,820	-	(557,370)	(17,730)	257,200	-	239,470
Benefits	-	734,590	-	-	63,370	30,676,010	(31,529,170)	(55,200)	512,920	-	457,720
	0	1,964,560	296,480	0	3,741,260	30,691,850	(33,330,290)	3,363,860	1,540,730	343,100	5,247,690
Percentage Direct Cost	0%	5%	1%	0%	10%	84%					

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
CHIEF EXECUTIVE OFFICE	£	£
Head of Communications		
Performance and Scrutiny	210	210
	210	210
DIRECTOR OF COMMUNITIES		
Head of Wellbeing		
Democratic Services - Members & Mayoral	447,930	453,380
	447,930	453,380
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Customer & Digital		
Elections	354,160	356,700
	354,160	356,700
TOTAL LEADER PORTFOLIO	802,300	810,290

WORTHING - THE LEADER PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
CHIEF EXECUTIVE Head of Communications Performance and Scrutiny	£ -	£ -	£ -	£ -	£ 210	£ -	£ -	£ 210	£ -	£ -	£ 210
DIRECTOR OF COMMUNITIES Head of Wellbeing Democratic Services	285,800	133,200	-	1,210	23,530	-	-	443,740	9,640	-	453,380
DIRECTOR OF DIGITAL & RESOURCES Head of Customer & Digital Elections	33,000	135,550	3,000	-	106,760	-	(5,510)	272,800	82,010	1,890	356,700
	318,800	268,750	3,000	1,210	130,500	0	(5,510)	716,750	91,650	1,890	810,290
Percentage Direct Cost	44%	37%	0%	0%	18%	0%					

WORTHING - THE LEADER PORTFOLIO - 2020/2021 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE								
Head of Communications								
Performance and Scrutiny	210	-	-	-	-	-	-	210
DIRECTOR OF COMMUNITIES								
Head of Wellbeing								
Democratic Services - Members & Mayoral	447,930	5,540	-	-	-	(1,710)	1,620	453,380
DIRECTOR OF DIGITAL & RESOURCES								
Head of Customer & Digital								
Elections	354,160	(40)	-	-	-	-	2,580	356,700
	802,300	5,500	0	0	0	(1,710)	4,200	810,290

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Emergency Planning & Business Continuity	33,770	33,530
Coastal Protection, Street Nameplates, Pedestrian Precincts	146,880	129,360
Seats & Public Clock	13,510	13,780
Energy and Sustainability	44,030	45,150
	238,190	221,820
Head of Customer & Digital Services		
Parking	(1,209,330)	(855,290)
	(1,209,330)	(855,290)
DIRECTOR OF COMMUNITIES		
Head of Environmental Services		
Foreshores	726,960	643,240
	726,960	643,240
DIRECTOR OF ECONOMY		
Grants		
Commit to Culture	78,480	89,330
	78,480	89,330
Head of Planning & Development		
Planning Policy	403,590	410,120
Development Control	859,870	837,980
Building Control	171,700	145,200
	1,435,160	1,393,300
Head of Place & Economy		
Economic Development (including Tourism)	584,450	472,370
	584,450	472,370
Head of Major Projects & Investment		
Major Projects	53,750	53,750
	53,750	53,750
TOTAL REGENERATION PORTFOLIO	1,907,660	2,018,520

WORTHING - REGENERATION PORTFOLIO - 2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR FOR DIGITAL & RESOURCES	£	£	£	£	£	£	£	£	£	£	£
Head of Business and Technical Services											
Emergency Planning & Business Continuity	-	8,380	-	-	-	-	-	8,380	25,150	-	33,530
Coastal Protection, Street Nameplates, P	-	-	106,260	-	4,890	-	(24,750)	86,400	42,960	-	129,360
Seats & Public Clock	-	-	13,780	-	-	-	-	13,780	-	-	13,780
Energy and Sustainability	-	-	-	-	-	-	-	0	45,150	-	45,150
Head of Customer & Digital Services											
Parking	-	397,580	717,880	3,320	176,730	-	(2,921,040)	(1,625,530)	328,150	442,090	(855,290)
DIRECTOR OF COMMUNITIES											
Head of Environmental Services											
Foreshores	-	208,820	410,030	3,680	31,720	-	(462,340)	191,910	239,480	211,850	643,240
DIRECTOR OF ECONOMY											
Grants											
Commit to Culture	89,330	-	-	-	-	-	-	89,330	-	-	89,330
Head of Planning & Development											
Planning Policy	-	7,660	-	-	19,790	-	-	27,450	382,670	-	410,120
Development Control	-	674,710	-	-	50,190	5,380	(522,980)	207,300	623,720	6,960	837,980
Building Control	-	318,430	-	-	4,020	-	(391,710)	(69,260)	214,460	-	145,200
Head of Place & Economy											
Economic Development (including Touris	-	234,720	8,880	-	134,340	-	(100,000)	277,940	194,430	-	472,370
Head of Major Projects & Investment											
Major Projects	-	-	-	-	53,750	-	-	53,750	-	-	53,750
	89,330	1,850,300	1,256,830	7,000	475,430	5,380	(4,422,820)	(738,550)	2,096,170	660,900	2,018,520
Percentage Direct Cost	2%	50%	34%	0%	13%	0%					

WORTHING - REGENERATION PORTFOLIO - 2020/2021 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Bids for Investment in Services	Impact of Capital programme	Additional Income	Savings	Non-MTFP Other Changes	TOTAL BUDGET
DIRECTOR FOR DIGITAL & RESOURCES	£	£	£	£	£	£	£	£	£	£
Head of Business and Technical Services										
Emergency Planning & Business Continuity	33,770	-	-	-	-	-	-	-	(240)	33,530
Coastal Protection, Street Nameplates, Pedestrian P	146,880	1,610	-	-	-	-	-	-	(19,130)	129,360
Seats & Public Clock	13,510	270	-	-	-	-	-	-	-	13,780
Energy and Sustainability	44,030	-	-	-	-	-	-	-	1,120	45,150
Head of Customer & Digital Services										
Parking	(1,209,330)	(43,980)	-	10,000	-	-	-	(35,000)	423,020	(855,290)
DIRECTOR OF COMMUNITIES										
Head of Environmental Services										
Foreshores	726,960	7,130	-	-	-	-	-	(17,640)	(73,210)	643,240
DIRECTOR OF ECONOMY										
Grants										
Commit to Culture	78,480	-	-	-	-	-	-	-	10,850	89,330
Head of Planning & Development										
Planning Policy	403,590	-	-	-	-	-	-	-	6,530	410,120
Development Control	859,870	(9,910)	-	-	-	-	-	(18,000)	6,020	837,980
Building Control	171,700	(6,760)	-	-	-	-	-	(35,000)	15,260	145,200
Head of Place & Economy										
Economic Development (including Tourism)	584,450	140	-	-	-	-	-	(100,000)	(12,220)	472,370
Head of Major Projects & Investment										
Major Projects	53,750	-	-	-	-	-	-	-	-	53,750
	1,907,660	(51,500)	0	10,000	0	0	0	(205,640)	358,000	2,018,520

RESOURCES PORTFOLIO



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2019/2020	ESTIMATE 2020/2021
DIRECTOR OF DIGITAL AND RESOURCES	£	£
Head of Business and Technical Services		
Administrative Buildings	(770)	(780)
Meadow Road Depot	(11,200)	80
	(11,970)	(700)
Chief Finance Officer		
Corporate Management	3,311,380	3,174,090
Treasury Management	966,480	2,282,270
	4,277,860	5,456,360
DIRECTOR OF COMMUNITIES		
Head of Environmental Services		
Lido/Pier/Southern Pavillion	165,640	179,960
	165,640	179,960
DIRECTOR OF ECONOMY		
Head of Major Projects & Investment		
Estates - Core Estate & New Investments	(2,205,950)	(4,885,320)
	(2,205,950)	(4,885,320)
Head of Planning & Development		
Land Charges	6,580	7,180
	6,580	7,180
TOTAL RESOURCES PORTFOLIO	2,232,160	757,480

WORTHING - RESOURCES PORTFOLIO -2020/2021 - SUBJECTIVE ANALYSIS

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES										
Head of Business and Technical Services										
Administrative Buildings	-	-	-	-	-	(780)	(780)	-	-	(780)
Meadow Road Depot	-	20,230	60,370	3,390	80	(103,080)	(19,010)	-	19,090	80
Chief Finance Officer										
Corporate Management	1,956,320	174,730	(50,270)	665,860	-	(144,770)	2,601,870	572,220	-	3,174,090
Treasury Management	-	-	-	262,410	-	(656,250)	(393,840)	650	2,675,460	2,282,270
DIRECTOR OF COMMUNITIES										
Head of Environmental Services										
Lido/Pier/Southern Pavillion	-	-	265,340	5,740	-	(115,720)	155,360	-	24,600	179,960
DIRECTOR OF ECONOMY										
Head of Major Projects & Investment										
Estates - Core Estate & New Investments	-	-	466,150	27,340	-	(5,592,440)	(5,098,950)	45,120	168,510	(4,885,320)
Head of Planning & Development										
Land Charges	-	89,950	-	46,710	-	(187,720)	(51,060)	58,240	-	7,180
	1,956,320	284,910	741,590	1,011,450	80	(6,800,760)	(2,806,410)	676,230	2,887,660	757,480
Percentage Direct Cost	49%	7%	19%	25%	0%					

WORTHING - RESOURCES PORTFOLIO -2020/2021 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Estimate 2019/2020	Inflation	One off - items	Committed Growth	Impact of Capital programme	Additional Income	Savings	Bids for Investment in Services	Non-MTFP Other Changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES										
Head of Business and Technical Services										
Administrative Buildings	(770)	(10)	-	-	-	-	-	-	-	(780)
Meadow Road Depot	(11,200)	860	-	-	-	-	-	-	10,420	80
Chief Finance Officer										
Corporate Management	3,311,380	66,540	-	505,000	-	-	(839,600)	-	130,770	3,174,090
Treasury Management	966,480	-	-	27,500	127,000	(20,000)	(100,000)	-	1,281,290	2,282,270
DIRECTOR OF COMMUNITIES										
Head of Environmental Services										
Lido/Pier/Southern Pavillion	165,640	5,120	-	-	-	-	-	-	9,200	179,960
DIRECTOR OF ECONOMY										
Head of Major Projects & Investment										
Estates - Core Estate & New Investments	(2,205,950)	7,820	-	155,000	-	-	(400,000)	-	(2,442,190)	(4,885,320)
Head of Planning & Development										
Land Charges	6,580	(3,680)	-	-	-	-	-	-	4,280	7,180
	2,232,160	76,650	0	687,500	127,000	(20,000)	(1,339,600)	0	(1,006,230)	757,480