

Extract from Joint Overview and Scrutiny Committee - 20 June 2019

**JSC/008/19-20 Joint Overview and Scrutiny Committee Annual Report
2018/19**

Purpose

This report sets out the draft Annual report for the Committee covering the 2018/19 Municipal year in accordance with the terms of the Councils' constitutions.

Summary of discussion:

Before the Committee was a report by the Director for Digital and Resources, a copy of which had been circulated to all Members, a copy of which is attached to the signed copy of these minutes as item 7. The report set out the draft Annual report for the Committee covering the 2018/19 Municipal year in accordance with the terms of the Councils' constitutions.

Members discussed the report before them and wider issues such as the political affiliation of the Chairs of Overview and Scrutiny Committees. Some members expressed the opinion that the Chair should not be from the dominant party and noted recommendations from the Centre for Public Scrutiny to that effect. The Chairman expressed that he disagreed, the Committee as a whole was responsible for the business examined and that he personally sought to run meetings in an apolitical and open manner as fairly as possible. A Member stated that the Centre for Public Scrutiny disagreed with the Chairman's take on the Chair.

A Member commented that the public needed to be made more aware of the work of the Committee to increase engagement in its work and made the following proposal *'that the Councils' Communication Department be asked to put the Annual Report into more user friendly and publicly accessible format'* the proposal was seconded and approved unanimously.

Resolved:

- i) That the Committee approves the Joint Overview and Scrutiny Committee Annual report for 2018/19; and
- ii) That the Annual report be reported to the Adur and Worthing Council meetings in July 2019 for approval;**
- iii) That the Communication Department be asked to put the Annual Report into more user friendly and publicly accessible format

Extract from Joint Strategic Committee - 9 July 2019

JSC/013/19-20 FINANCIAL PERFORMANCE 2018/19 - REVENUE OUTTURN

Purpose

This report outlines the revenue financial monitoring position for the end of the 2018/19 financial year for Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication of this report, the Statements of Accounts are in the process of being audited. Any adjustments that emerge as the audit proceeds will be reported to members later in the year.

The outturn positions for operational spend were moderate overspends at both Adur (£158k) and Worthing Councils (£76k), which represents some improvement on the positions reported at Q3.

Overall outturn positions are underspends of £511,979 in Adur District Council, and £1,147,435 in Worthing Borough Council. After allowance for proposed carry forward of budgets in 2018/19, this represents a 4% underspend against budget for Adur and 5% for Worthing.

The table at 4.5 in the report sets out the components contributing to the underspend, with the most significant being business rate relief grant (received early, to be spent in the current year), lower capital borrowing costs in 2018/19, and project funding carry forwards.

The outturn figures include proposed carry forward requests, detailed in appendix 6, that will need to be met from these underspends which relate to committed spend that is now planned for 2019/20: Adur District Council £151,720 and Worthing Borough Council £407,900 (including the Joint Services proposals).

In addition there are some variances that relate specifically to 2018/19, some of which occurred in the last quarter of the year. Worthing Borough Council received additional income from planning fees and both Adur District and Worthing Borough Councils were allocated additional housing grant.

This is an improved outcome to what was projected in the quarter 3 monitoring report when net underspends of £291,000 and £1,105,000 were being forecast in Adur and Worthing respectively. The areas that have contributed to the net movement are highlighted in the report and appendix 5(b).

Decision,

The Joint Strategic Committee recommended that Adur District Council, at its meeting on 18 July 2019 and Worthing Borough Council at its meeting on 23 July 2019:-

- (a) **NOTE the overall final outturn for 2018/19;**
- (b) **APPROVE the net appropriations to General Fund Reserves in the year as detailed in paragraph 6.2 totalling:**

Adur District Council	£563,683
Worthing Borough Council	£1,450,685

- (c) **AGREE the net carry over of revenue budget to 2019/20 funded from reserves as detailed in appendix 6:**

Adur District Council	£151,720
Worthing Borough Council	£425,900

- (d) **APPROVE the transfer of additional business rates income to the Business Rates Smoothing Reserves to earmark funds to address the timing difference between the Business Rates income received in the General Fund in year (net of relief), and the grant income paid from Central Government to reimburse lost revenue as a consequence of Government policy decisions on reliefs.**

Adur District Council	£328,161
Worthing Borough Council	£480,174

Extract from Joint Strategic Committee - 9 July 2019

**JSC/014/19-120 Financial Performance 2018/19 - Capital and Projects
Outturn**

Purpose

This report outlines the financial monitoring position for the end of the 2018/19 financial year for capital schemes included in the capital programmes of the Joint Strategic Committee, Adur District Council and Worthing Borough Council.

Information is also provided in respect of capital receipts for the 2 constituent authorities.

Summary of discussion:

The Leader of Worthing Borough Council sought an update on the status of works to replace railings along the East Beach Walkway as the installation had been anticipated in June 2019. Officers advised that work had commenced.

Decision,

The Joint Strategic Committee

- i) noted the outturn position for 2018/19,
- ii) **recommended that Adur District Council at its Council meeting on 18 July 2019:**
 - (a) Note the overall capital final outturn for 2018/19.**
 - (b) Agree the net carry over of General Fund Capital underspends for Adur District Council as detailed in paragraph 5.4.**
 - (c) Approve the financing of the Adur District Council 2018/19 Capital Investment Programme, including the use of capital**

receipts as set out in paragraphs 5.1 and 5.2.

(d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed in paragraph 4.2.2. and summarised in paragraph 5.6.

(e) Approve the use of capital receipts to fund redundancy costs associated with the Environmental Services restructure and the resulting Capital Flexibilities Strategy as detailed in paragraph 5.3.

iii) **recommended** that Worthing Borough Council at its Council meeting on 23 July 2019:

(a) Note the overall capital final outturn for 2018/19.

(b) Agree the net carry over of General Fund Capital underspends for Worthing Borough Council as detailed in paragraph 5.10.

(c) Approve the financing of the Worthing Borough Council 2018/19 Capital Investment Programme, including the use of capital receipts as set out in paragraphs 5.7 and 5.8.

(d) Approve the carry forward of Council resources underspends to fund budget pressures as detailed in paragraph 4.2.2. And to fund a contingency budget as detailed in paragraph 5.13 and summarised in paragraph 5.14.

(e) Approve the use of capital receipts to fund redundancy costs associated with the Environmental Services restructure and the resulting Capital Flexibilities Strategy as detailed in paragraph 5.9.

Extract from Joint Strategic Committee - 9 July 2019

JSC/015/19-20 Becoming financially sustainable - Revenue Budget Strategy for 2020/21

Purpose

2020/21 is an unprecedented year for uncertainty. The timescales and quantum of the proposed changes arising from the new Comprehensive Spending Review and the associated Fairer Funding Review are very uncertain and it against this background that this year's budget strategy has been prepared.

The Council has a clear strategy for facing the challenges of rapidly changing local government finance and preparing for the reduction in retained business rates and the end of New Homes Bonus in the next few years. The Councils have already successfully addressed the removal of the Revenue Support Grant, and are actively and constructively working to mitigate the impacts of budget announcements by partners, in particular West Sussex County Council.

This strategic effort has involved the development of new and critical capabilities in the organisation, including strategic property investment, affordable housing investment, nationally recognised digital service design, and high quality, successful commercial services.

It has also required careful financial management, including managed and prudent increases in council tax, and a clear focus on driving efficiency and productivity.

Adur and Worthing Councils have responded to the challenge of falling government grant by promoting economic regeneration, investing in property, growing our commercial offer, and through business efficiency from the customer and digitisation transformation programmes. Despite the inevitable challenges brought about by reducing resources, the Councils have continued to maintain good core services across the board and have a clear focus on customer service excellence.

This report aims to set out how the Councils will continue to address the changing financial climate over the next 10 years, outlining the revenue forecast and setting out our strategic response to the challenges ahead. With the detailed budget proposals for 2020/21 coming forward to Joint Strategic Committee in December,

this report sets out the broader context for the detailed work that will be undertaken over the intervening months.

As set out in the following pages, the Councils will be increasingly reliant on council tax income, business rate income, and our own income generating services. Our Councils have a good track record in innovation, working creatively in partnership, transforming our digital capabilities and putting the customer at the heart of our services, so that we have capacity to continue to deliver our aspirations for our Places.

Our strategy, 'Platforms for our Places' was approved by the Councils in February 2017 is sets out how we can play an even greater role in helping to shape the future of our places. The refresh of this strategy is elsewhere on this agenda. The 5 'Platforms' that provide the direction for all our work are:

- Our Financial Economies
- Our Social Economies
- Stewarding our Natural Resources
- Services and Solutions for our places
- Leadership of our Places

Work has been underway for some time to address the financial challenge in 2020/21 and beyond. This will continue over the summer and autumn, and the Operational Leaders Group (Heads of Service) will be working with the Councils Leadership Team to produce new service plans designed to deliver a balanced budget over the next 3 years. The outcome of the service planning process will be presented to the Joint Strategic Committee for approval in December 2019 as part of the development of the 2020/21 budget.

Decision,

The Joint Strategic Committee:-

- (a) noted the report and the outline 5-year forecasts in Appendix 2;
- (b) approved the proposed budget process as set out in section 6 of the report;
- (c) **recommended to Adur and Worthing Councils to approve the Budget Strategy for 2020/21 outlined in Section 9 of the report.**

Extract from Joint Strategic Committee - 9 July 2019

JSC/016/19-20 Becoming financially sustainable - Capital Strategy for 2020/21

Purpose

This report seeks the approval of the Council's Capital Strategy for 2020/23. The Strategy outlines the Council's approach to capital investment and how the Council ensures that capital investment is directed to the Council's Priorities. It also sets out the basis for prioritisation of capital bids included in the 3 Year Capital Investment Programme and the monitoring of the programme.

Summary of discussion:

The Committee noted that the new occupants of the office block development on the old car park site in Ham Road were currently taking up residence.

Decision,

The Joint Strategic Committee recommended to Adur and Worthing Councils that the Capital Strategy 2020/23 be approved.