



## 2. Recommendations

- 2.1 The Joint Overview and Scrutiny Committee is asked to consider the report and make comment on the savings proposals to the Joint Strategic Committee.
- 2.2 The Joint Strategic Committee is recommended to:
- (i) Note the current 5 year forecasts at appendix 1;
  - (ii) Note the committed growth items as set out in appendix 2;
  - (iii) Approve the proposed savings as set out in appendix 3;

## 3. Context

- 3.1 The Joint Strategic Committee considered the outline 5-year forecast for 2022/23 to 2026/27 and the Budget Strategy on 7th July 2021, which was subsequently adopted by each full Council. At this stage in the budget cycle, the report identified the following cumulative shortfalls in funding for the respective General Funds:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Adur	(22)	1,026	1,184	1,537	1,877
Worthing	1,154	2,836	3,720	4,465	5,162

- 3.2 The report built on the previous strategies whose 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 income and business rate income.
- 3.3 With this strategy in mind, the Councils have set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering savings for the future:

1. The Major Projects programme leads on delivering regeneration projects to increase employment space and additional housing;
2. The Service Redesign programme leads on the delivery of service redesign and the digital strategy and ensures that the benefits are realised from this programme of work;
3. The Strategic Asset Management programme will lead on delivering the income growth associated with the Strategic Property Fund and any proposed new developments; and
4. The Commercial programme is developing initiatives for income growth from commercial services and seeks to improve the customer experience.
5. 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.
6. The Corporate Landlord programme which seeks to rationalise accommodation use and generate capital receipts from the sale of surplus assets and thereby reducing the costs associated with funding priority projects identified in Platforms for our Place: Going Further.

3.4 As part of the budget strategy, these programmes were set explicit targets for the delivery of the 2022/23 budget as follows:

	Adur £'000	Worthing £'000	Total £'000
Strategic Property Investment Programme	100	100	200
Commercial Programme	150	450	600
Service and Digital redesign programme	80	120	200
Corporate Landlord Programme	100	105	205
	430	775	1,205

The overall success in delivering the savings targets are detailed at appendix 3.

3.5 The forecast has also been updated by information captured on financial planning returns that provide a link between service planning and financial planning. The guidance was circulated to, and completed by, the Service Managers during the summer, and have been used to identify potential additional savings and committed growth items.

- 3.6 Individual savings proposals are subject to consultation with officers of the Council, Executive members, and the members of the Joint Overview and Scrutiny Committee prior to approval by the Councils of the overall budget in February.
- 3.7 This report represents the stage of the budgetary forecasting process whereby the Joint Overview and Scrutiny Committee are asked to consider and comment upon the progress in balancing the Worthing Borough Council budget before the Joint Strategic Committee consider and agree proposals for the savings identified to date. Members of the Committee should be aware that at the time of writing some of the savings were still being verified and so the saving for each Council as a result of the options presented may change marginally. The minutes of the Joint Overview and Scrutiny Committee will be available for members of the JSC at the meeting.
- 3.8 The Comprehensive Settlement was announced as part of the Chancellor's Budget speech on 27th October 2021. The budget was the most significant in fiscal terms since George Osborne's budget in 2008. The budget signalled a change, with significant increases to both public spending and taxation. With respect to Local Government, key features of the announcement included:
- Core Spending Power (the combination of government grant, business rates and council tax) for local authorities is estimated to increase by an average of 3% in real terms each year, including investment in Adult Social Care reform.
  - The Government will provide around £1.6 billion additional funding each year of the Spending Review, including increased funding for Supporting Families and for improving Cyber security.
  - Local Government can also expect to receive additional income in 2024-25 from the Extended Producer Responsibility scheme, for managing packaging waste in the final year of the Spending Review.
  - The Government has also committed to provide funding to implement free, separate food waste collections in every English local authority from 2025, supporting the near elimination of biodegradable municipal waste to landfill by 2028.
  - The referendum threshold will be set at 2% per annum for Council Tax, with additional flexibility for social care authorities to be able to increase the Adult Social Care Precept by 1% per annum.

As ever with Government announcements, the implications at a local level are not yet known which will only become clear once Local Government Finance Settlement has been received.

3.9 There will be a further report after Christmas which will detail the local government settlement, the final proposed budgets for the year, any further savings identified, requests for investment into services and the amount to be drawn from reserves, if any. The proposed Council Tax increase for 2022/23 is scheduled to be considered by the respective Cabinets on 1st February 2022 (Adur District Council) and 31st January 2022 (Worthing Borough Council).

#### 4. Update of the 5-year Forecast

4.1 The updated forecast for the General Fund for both Councils is attached at Appendix 1. This has been revised in the light of latest information from Government, interest rates, and unavoidable service growth, offset by compensatory savings. This overall forecast will continue to change in the coming months as the detailed work on the budget progresses and once the details of the settlement to Local Government is known. As a result, the overall position will inevitably change over the next two months.

4.2 The likely shortfall in resources necessary to balance the budget over the five years, before consideration of any savings or growth proposals is now in the region of:

	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Adur</b>	£'000	£'000	£'000	£'000	£'000
July Forecast	(22)	1,026	1,184	1,537	1,877
November Forecast	155	1,202	1,371	1,725	2,066
Reduction (-) / increase (+)	177	176	187	188	189

	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Worthing</b>	£'000	£'000	£'000	£'000	£'000
July Forecast	1,154	2,836	3,720	4,465	5,162
November Forecast	1,190	3,039	3,782	4,527	5,227

Reduction (-) / increase (+)	36	203	62	62	65
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The main changes to the forecast for 2022/23 are summarised in the table below:

<b>Changes in Budgetary Shortfall/Savings since report to Joint Strategic Committee on 13<sup>th</sup> July 2021</b>		
	<b>Adur</b>	<b>Worthing</b>
	<b>£'000</b>	<b>£'000</b>
<b>Original 2022/23 budget shortfall</b>	<b>(22)</b>	<b>1,154</b>
<b><i>Changes to income from grants and taxation:</i></b>		
(a) Improvements to the income from Council Tax	-80	-83
(b) Impact of current forecast Council Tax Collection Fund deficit / surplus (-)	6	58
(c) Improvement to business rate forecast	-29	-27
(d) Increased government income to compensate for increase to National Insurance costs - continuation of lower tier grant.	-75	-203
<b><i>Other changes:</i></b>		
(e) Increase in the use of the temporary and emergency accommodation	150	-
(f) Impact of 1.25% National Insurance payments	138	202
(g) Reprofiling of capital programme	-	-50
(h) Impact of 2021/22 pay award and regradings	24	37
(i) Net committed growth items identified by Service Heads (See Appendix 2)	113	192
(j) Removal of contingency budget for committed growth	-70	-90
<b>Revised Budget Shortfall</b>	<b>155</b>	<b>1,190</b>
(k) Potential savings identified to date (Appendix 3)	-168	-1,136
<b>Resources in hand (-) / current shortfall</b>	<b>-13</b>	<b>54</b>

4.3 Explanations of the movements shown in the table above are as follows:

(a) Council Tax base for 2022/23:

Following the completion of the Council Tax Base return (CTB1) for each Council, the Council Tax Base calculation has now been revisited. Both Council Tax bases have improved from the forecast in July. This is largely due to a lower level of Council Tax Support than originally forecast.

(b) Collection fund deficit:

The Councils' Collection Funds for Council Tax are expected to be in deficit at the end of 2021/22. This is due to changes in the year end position. The continued pandemic affected the ability of the Councils to undertake debt enforcement activity leading to large increases in the bad debt provision at the year end. In parallel, the number of residents claiming Council Tax Support continued to climb during the previous year. However, the in-year position for both Council is expected to be an overall surplus due to three distinct factors:

- An in-year decrease in the level of council tax discounts and support awarded during the year.
- Offset by an increasing number of single person discounts.

Due to the pandemic, the government changed the regulations in 2020/21 to allow any in-year deficits relating to 2020/21 to be recovered over a three year period (2021/22 - 2023/24). Consequently, the current losses will be recovered as follows:

	<b>Adur</b>	<b>Worthing</b>
	<b>£'000</b>	<b>£'000</b>
Changes to year end position	730	1,108
In-year surplus	-193	-75
Deficit expected by 31 <sup>st</sup> March 2022	537	1,033
Council share of deficit / surplus (-):		
2022/23	44	89
2023/24	38	40

However, the deficits must be viewed in the context of the significant amount of tax collected by both Councils. Adur District Council collects £43.7m and Worthing Borough Council collects £77.2m per year.

(c) Changes to the business rate forecasts:

- Business Rate deficits:

The Collection Fund for Business Rates for both Councils was in deficit at the year end.

This was largely due to the level of additional Covid reliefs awarded during 2020/21. The Councils were reimbursed for the impact of these reliefs last year, consequently, there is an inherent timing difference between when the Councils receive the grant and when they fund the consequences of the lost income. To address this issue, both Councils have created a business rate smoothing reserve which held the following amounts as at 31st March 2021:

- Adur - £3,769,000
- Worthing - £6,985,000

In addition to the business rate smoothing reserve, both Councils received compensation for lost income last year that was attributable to the pandemic. This funding has been set aside to help the Councils manage the impact of the deficits in later years (Adur £116,000 and Worthing £703,000).

The Chancellor again announced further Covid support to business for 2021/22. These additional reliefs will result in another year end deficit. As with previous financial years, any in-year surplus will be set aside to support the impact of any timing differences and address future year deficits.

In common with the Covid arrangements for the 2020/21 Council Tax deficit, an element 2020/21 deficit will be recovered over a three year period:

	<b>Adur</b>	<b>Worthing</b>
	<b>£'000</b>	<b>£'000</b>
Expected deficit as at 31 <sup>st</sup> March 2022	1,580	9,051
Council share of deficit:		
2022/23	632	3,364
2023/24	131	256
Total deficit to be funded	763	3,620

As far as possible the deficits will be funded from the resources set aside to fund them. However, members should be aware that in Worthing in particular the reserves may not be sufficient to fund the 2023/24 losses which may add to the financial pressures.

- Business rate income for 2022/23:  
Both Councils are currently expecting a minor improvement in business income. The expected income will be fully reviewed as part of the development of the final budget.

(d) Government funding

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Alongside the announcement of the 1.25% increase to national insurance, the government made a commitment to fund the impact of this increase for all large scale public bodies. The recent government budget announcements have indicated that Local Government funding overall will increase by £4.8bn over the next 3 years (£1.6bn in each year) and it has been confirmed that this includes the additional funding to meet this commitment.

However, it is not yet known how this will translate into the funding for each Council, and the Councils will not have certainty until Local Government Finance Settlement (Settlement) later in the year. It is now assumed that the lower tier grant will continue in 2022/23 and beyond at the current level.

Any additional government funding that the Council's receive as part of settlement should be set aside to manage the emerging risks in housing and associated with income.

(e) Increase in the costs associated with temporary and emergency accommodation

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Throughout the current year, Adur District Council in particular has seen a significant upswing in the costs associated with homelessness. Initially as a result of the increasing demand for the service during the year during the pandemic and, more recently, the moratorium on evictions has ended leading to further pressure on the service.

This will be reviewed again as part of the final budget to ensure that the level of funding allocated to the service remains at an appropriate level.

(f) Increase in national insurance contributions.

\_\_\_\_\_ Earlier this year the Government announced an increase to national insurance payments of 1.25% which will be set aside to fund improvements in health and social care.

(g) Capital Financing Costs

The cost of financing the capital programme has been recently reassessed following the most recent monitoring report. Re-profiling of some schemes into future years together with a reduction in interest rates will reduce the expected cost of financing. The cost of financing the capital programme will be reassessed again in December.

(h) Review of salary cost pressures

\_\_\_\_\_ Review of the impact of regradings, pension costs and anticipated salary costs has resulted in a minor adjustment for the cost pressures associated with the establishment.

(i) Net Committed Growth Items Identified by Service Heads:

This is the sum total of financial effects identified via the Service Pro-formas. A full breakdown of the items identified is included within Appendix 2.

(j) Removal of contingency budget.

The outline forecast allows for some resources for unidentified items at an earlier stage in the budget development, this can now be removed.

(k) Savings Identified by Service Heads:

This is the sum total of the savings proposals identified via the Service pro-formas. A full breakdown of the items identified is included within Appendix 3.

## 5. Future Strands Of Work

5.1 There are a number of strands of financial work still to be completed which will influence the final 2022/23 budget as follows:

(a) Settlement - Revenue support grant and New Homes Bonus:

The Local Government Finance Settlement is unlikely to be announced until late December. Consequently, the Council will not have final confirmation of the amount of grant that it will receive until late December or early January.

Any New Homes Bonus for 2022/23 will be confirmed as part of settlement.

(b) Business Rate Retention Scheme:

A full reassessment of the business rate income will be made later in the year when a better estimate of the impact of the appeals and likely level of income can be made.

(c) Council Tax income:

The Councils will need to consider what level increase is to be made to Council Tax. The current forecast assumes a 2.0% increase for 2022/23. This is equivalent to an average (Band C) **annual** increase in the Councils' part of the Council Tax bill of £5.54 for a property in Adur District Council and £4.40 for a property in Worthing Borough Council.

The recent Budget speech indicated that the referendum threshold will be set at 2% per annum for Council Tax, with additional flexibility for social care authorities to be able to increase the Adult Social Care Precept by 1% per annum. A final decision on Council Tax referendum thresholds will be confirmed at the provisional Local Government Finance Settlement.

The decision on the level of Council Tax increase will depend on a number of factors which will not be confirmed until later in the year:

- i) The outcome of the Local Government Finance settlement
- ii) Any new cost pressures or savings arising
- iii) The need to reinvest back into services

5.2 A full update on these issues will be included in the January report.

## 6. Saving Proposals

6.1 The proposed detailed savings for 2022/23 are attached at Appendix 3 for consideration. The total saving proposals identified are:

	2022/23	2023/24	2024/25	2025/26	2026/7
<b>Adur</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget shortfall (as per appendix 1)	155	1,202	1,371	1,725	2,066
Savings identified to date	-168	-528	-888	-1,288	-1,618
Revised budget shortfall / Surplus (-)	-13	674	483	437	448

	2022/23	2023/24	2024/25	2025/26	2026/7
<b>Worthing</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Budget shortfall (as per appendix 1)	1,190	3,039	3,782	4,527	5,227
Savings identified to date	-1,136	-2,263	-3,038	-3,898	-4,758
Revised budget shortfall / Surplus (-)	54	776	744	629	469

6.2 This has been a successful savings exercise to date and the Councils are well positioned to set balanced budgets. The Councils have identified a significant amount of savings to meet the initial target; however Members should be aware that there is still some work to be completed which may impact on the final position.

6.3 Looking ahead to 2023/24 and beyond, the continuing financial pressure is not likely to ease especially if the fairer funding review is as significant as expected, however the proposed strategy will contribute significantly to meeting this challenge easing the burden on individual services as follows:

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
<b>Cumulative Budget shortfall (Appendix 1)</b>				
Adur	1,202	1,371	1,725	2,066
Worthing	3,039	3,782	4,527	5,227
Total savings to be identified	4,241	5,153	6,252	7,293
<b>Less:</b> Savings identified for 2022/23	-1,304	-1,304	-1,304	-1,304
Savings yet to be identified	2,937	3,849	4,948	5,989
<b>Future savings initiatives:</b>				
Strategic Property Investment Fund	-200	-400	-600	-800
Commercial Programme	-600	-1,200	-1,800	-2,400
Service Redesign Programme	-200	-400	-600	-800
Corporate Landlord Programme	-135	-270	-530	-720
Total savings initiatives identified to date	-1,135	-2,270	-3,530	-4,720
Further savings to be identified by Heads of Service	1,802	1,579	1,418	1,269
Annual savings to be identified by Heads of Service	1,802	-222	-161	-148

\* The financial pressure in 2023/24 reflects the potential cost of the environment bill, the cost of funding major projects within Worthing Borough Council, the estimated impact of the fairer funding review and the impact of the reduction in New Homes Bonus.

6.4 Looking ahead to 2023/24, it is clear that the potential financial challenge is significant although much depends on the timing of the fairer funding review, the final extent of the impact and whether the new funding levels are phased in. That said, the Councils will need to initiate some new strands or work or build on existing work streams in preparation for

addressing the potential shortfall. To support the development of the future revenue budgets the following strands of work will be commissioned:

i) Alignment of the financial planning to the emerging new strategy:

The proposed budget reflects the current 'Platforms' strategy which is due to come to an end in 2022. Consequently the 2023/24 budget and its commitments should be reviewed in the light of the new strategy which will be developed over the coming months.

ii) A review of assets held:

The Councils hold a significant number of assets for the delivery of services and for community use. Many of these assets are in significant need of capital maintenance which the councils are struggling to fund despite having increased the size of the capital programme in recent years. The intention of the review is to reduce the number of such assets held whilst ensuring that the remaining assets held are fit for purpose with a fully developed asset management plan which identifies the maintenance requirements over the next 10 years. The Council may need to resource the review but hold the Business Development budget for this purpose.

ii) Addressing the cost of temporary and emergency accommodation:

The cost of providing homeless services is escalating due to demand-led pressures. In the 2021/22 budget, the net cost was £830,370 (8.7% of the overall net budget) in Adur and £2,053,490 or 14.2% of the overall net budget in Worthing. Consequently reducing the cost is becoming more critical. Measures to improve the supply of both affordable homes and temporary accommodations are detailed within the Affordable Homes delivery plan.

There are three strands of work to help address this issue:

- i) Working on preventative measures via initiatives such as Proactive;
- ii) Improving the supply of Council owned temporary and emergency accommodation. Currently the average cost per night of bed and breakfast or hotel accommodation is £38.00. Whereas, Council owned accommodation is estimated to cost around £14.00 per night.

- iii) Expanding the opening doors initiative to improve the supply of affordable private sector accommodation;
- iv) Looking to improve the supply of affordable accommodation either directly via the HRA or working partnership with Registered Social Landlords. There are a number of schemes being delivered locally which should improve the supply of lower cost tenure accommodation within both Adur and Worthing.

Whilst some of these initiatives are longer term in nature, they should support the delivery of a balanced budget for some time.

## **7. Other budget matters**

### **7.1 Housing Revenue Account**

A full report on the Housing Revenue Account and the recommended rent levels will be considered by the Adur Executive in February 2022. It is intended that any savings identified by the Service Heads outlined within this report and identified by the Head for Housing will be the subject of consultation with the Executive Member for Customer Services, the Adur Homes Management Board, which includes representation from the Adur Consultative Forum in the coming months.

## **8. Conclusion**

- 8.1 The Councils continue to deal with the impact of changes to Government funding and the impact of the pandemic whilst building capacity in the budget to take forward the key priorities identified within Platform for our Places. There is no prospect of any easing of the financial pressure for the next few years. We await the local Government Settlement in late December and early January which will give the Councils certainty at least for 2022/23.
- 8.2 The Councils are in a fairly strong position to set a balanced budget with minimal use of reserves for 2022/23 depending on the outcome of the settlement. However, the Councils are currently managing significant level of financial risk arising from the pandemic and so the reserves should be earmarked to support the Councils risks over the forthcoming year.
- 8.3 The report to be presented to members after Christmas will bring together any last changes to the revenue budget, the impact of Comprehensive Spending Review, the final implications of settlement and the final forecast of business rate income.

## **9. Engagement and Communication**

- 9.1 The Council previously undertook a full consultation exercise to establish public support for the current budget strategy.
- 9.2 Officers and members have been consulted on the development of the savings proposals contained within the report. The savings will be presented to the Joint Overview and Scrutiny Committee to gain comment on the proposals.

## **10. Financial Implications**

- 10.1 The financial implications associated with the development of the budgets are detailed throughout the report.

## **11. Legal Implications**

- 11.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Councils intend to meet that requirement for 2022/23.
- 11.2 The Secretary of State for Ministry of Housing Communities and Local Government has issued a direction under the Local Government Act 2003 sections 16(2)(b) and 20: treatment of costs as capital expenditure which gives local authorities the continued freedom to use capital receipts from the sale of their own assets (excluding Right to Buy receipts) to help fund the revenue costs of transformation projects and release savings.

### **Background Papers**

Report to Adur District Council Executive 2<sup>nd</sup> February 2021 - Estimates 2021/22 and setting of 2021/22 Council Tax

Report to Worthing Borough Council Executive 1<sup>st</sup> February 2021 - Estimates 2021/22 and setting of 2021/22 Council Tax

Report to Joint Strategic Committee 13<sup>th</sup> July 2021 – Financial Performance 2020/21 - Revenue outturn.

Report to Joint Strategic Committee 13<sup>th</sup> July 2021 – Developing a revenue budget for 2022/23 at the time of a pandemic

Budget Statement 2021 – Report from HM Treasury and associated correspondence from DHLUHC

Report to Joint Strategic Committee 2<sup>nd</sup> December 2014 – Investing in New Technology: The Springboard to Excellent Customer Experience and Business Efficiency.

Report to the Joint Strategic Committee 3<sup>rd</sup> December 2019 – *Platforms for our Places - Going Further (2020-2022)* : Unlocking the Power of People, Communities and our Local Geographies

Statutory Guidance on the flexible use of capital receipts - Ministry of Housing Communities and Local Government

## **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**

These proposals have been developed with regard to the Equality Act 2010. No proposals contained within the proposals would require a detailed Equalities Impact Assessment.

#### **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

**ADUR DISTRICT COUNCIL**  
**Revenue Budget Summary Statement 2021/22 - 2026/27**

<b>Net Spending to be Financed from Taxation</b>	<b>2021/22 Base</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Base budget	9,581	9,581	9,581	9,581	9,581	9,581
(a) Annual Inflation						
Estimated inflation		303	604	904	1,196	1,495
Impact of 2021/22 pay changes		10	10	10	10	10
Impact of new increase to national insurance (1.25%)		138	141	144	147	150
(b) One -off / non-recurring items						
Local Elections (held every other year - deferred in 2020/21 due to the pandemic)		(18)	-	(19)	-	(20)
(c) Impact of Covid 19 pandemic						
Delay to Fairer Funding Review - Homeless funding to continue for 2022/23		-	297	297	297	297
Final cost of new leisure contract		(205)	(223)	(322)	(322)	(322)
Removal of one-off budgets associated with specific grants:						
Council Tax Support payments		(111)	(111)	(111)	(111)	(111)
Covid 19 grant		(447)	(447)	(447)	(447)	(447)
(d) Impact of funding 'Platforms'						
Measures to reduce waste - Impact of the Environment bill		-	72	72	72	72
Bike share scheme		34	60	60	60	60
Heat Network		-	-	10	10	10
(e) Capital Programme and Treasury Management						
Capital programme financing costs		220	293	350	500	675
Impact of AW workspaces project		(106)	(106)	(106)	(106)	(106)
Investment income		-	(40)	(82)	(126)	(171)
(f) Other items						
Reduction in pension contributions						
Back Funded pension payment reduction		(52)	(52)	(52)	(52)	(52)
Reduction in pension contributions rate		(75)	(76)	(78)	(78)	(78)
Building maintenance		25	25	25	25	25
Impact of increasing demand on homelessness budgets		150	150	150	150	150
Allowance for committed growth items (See Appendix 2)		113	183	253	323	393
(g) Provision for new growth items		70	140	210	280	350
<b>Total Cabinet Member Requirements</b>	<b>9,581</b>	<b>9,630</b>	<b>10,501</b>	<b>10,849</b>	<b>11,409</b>	<b>11,961</b>

**ADUR DISTRICT COUNCIL**  
**Revenue Budget Summary Statement 2021/22 - 2026/27**

<b>Net Spending to be Financed from Taxation</b>	<b>2021/22 Base</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Cabinet Member Requirements B/fwd	<b>9,581</b>	<b>9,630</b>	<b>10,501</b>	<b>10,849</b>	<b>11,409</b>	<b>11,961</b>
Funding from taxation:						
Business rates						
Baseline funding	1,767	1,802	1,838	1,875	1,913	1,951
Add: Retained additional business rates	668	733	373	379	387	396
Add: Share of previous year's surplus / (deficit) net of use of reserves		-				
<b>Total business rate income</b>	<b>2,435</b>	<b>2,535</b>	<b>2,211</b>	<b>2,254</b>	<b>2,300</b>	<b>2,347</b>
Council Tax income	6,612	6,840	6,993	7,149	7,309	7,473
Other grants						
New homes bonus (2019/20)	10	10	-	-	-	-
New homes bonus (2021/22)	8	-	-	-	-	-
<b>Total NHB</b>	<b>18</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lower Tier Services Grant	75	75	75	75	75	75
Local Tax Guarantee Scheme - Council Tax	63	59	59			
Covid 19 Funding - General Allocation	322					
Covid 19 Funding - Council Tax Support Grant	111					
Collection fund surplus/deficit (-)	(55)	(44)	(38)		-	-
<b>Total other grants and contributions</b>	<b>534</b>	<b>100</b>	<b>96</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>Total Income from Grants and Taxation</b>	<b>9,581</b>	<b>9,475</b>	<b>9,300</b>	<b>9,478</b>	<b>9,684</b>	<b>9,895</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>155</b>	<b>1,202</b>	<b>1,371</b>	<b>1,725</b>	<b>2,066</b>

**ADUR DISTRICT COUNCIL**  
**Revenue Budget Summary Statement 2021/22 - 2026/27**

	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>		<b>155</b>	<b>1,202</b>	<b>1,371</b>	<b>1,725</b>	<b>2,066</b>
Savings strategy:						
Strategic Property Investment Fund						
Future developments			200	400	600	800
Increase to provision for future voids and maintenance.		(100)	(200)	(300)	(400)	(500)
Commercial and Customer Activities		64	214	364	514	664
Service and Digital redesign		2	82	162	242	322
Corporate Landlord Programme		100	130	160	230	230
Other efficiency savings (net of growth)		102	102	102	102	102
Total initiatives identified		<b>168</b>	<b>528</b>	<b>888</b>	<b>1,288</b>	<b>1,618</b>
Cumulative savings still to be found/ (surplus)		<b>(13)</b>	<b>674</b>	<b>483</b>	<b>437</b>	<b>448</b>
Annual savings still to be found		<b>(13)</b>	<b>687</b>	<b>(191)</b>	<b>(46)</b>	<b>11</b>
Council Tax increase		<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
Annual increase (Band D property)		£6.23	£6.35	£6.48	£6.61	£6.74
Weekly increase (Band D property)		£0.12	£0.12	£0.12	£0.13	£0.13
Average annual increase (Band C property)		£5.54	£5.64	£5.76	£5.88	£5.99
Average weekly increase (Band C property)		£0.11	£0.11	£0.11	£0.11	£0.12

<b>WORTHING BOROUGH COUNCIL</b>						
<b>Revenue Budget Summary Statement 2021/22 - 2026/27</b>						
<b>Net Spending to be Financed from Taxation</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Base</b>					
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Base budget	<b>14,448</b>	<b>14,448</b>	<b>14,448</b>	<b>14,448</b>	<b>14,448</b>	<b>14,448</b>
(a) Annual Inflation						
Estimated inflation		484	965	1,444	1,914	2,393
Impact of 2021/22 pay changes		15	15	15	15	15
Impact of new increase to national insurance (1.25%)		202	206	210	214	218
(b) One -off / non-recurring items						
Local Elections (held every other year - deferred in 2020/21 due to the pandemic)		(50)	-	-	-	(50)
(c) Impact of Covid 19 pandemic						
Delay to Fairer Funding Review - Homeless funding in current form to continue for 2022/23		-	272	272	272	272
Final cost of support for leisure provision		(198)	(198)	(198)	(198)	(198)
Removal of one-off budgets associated with specific grants:						
Council Tax Support budget		(133)	(133)	(133)	(133)	(133)
Covid 19 general contingency budget		(647)	(647)	(647)	(647)	(647)
(d) Impact of funding 'Platforms'						
Measures to reduce waste - Impact of the Environment bill		-	128	128	128	128
Refurbishment of High Street Car Park - Financing costs		4	50	259	259	259
Refurbishment of Buckingham Road car park - Financing costs		132	132	132	132	132
Brooklands improvement programme - net costs		20	27	43	43	43
Bike share scheme		52	89	89	89	89
Heat Network		-	-	121	121	121
Lido superstructure repairs		80	80	80	80	80
General provision for future impact of major projects		-	-	284	484	684
(e) Capital Programme and Treasury Management						
Financing costs		109	518	602	899	1,218
Impact of AW workspaces project		(159)	(159)	(159)	(159)	(159)
Investment income		-	(48)	(115)	(201)	(309)

**WORTHING BOROUGH COUNCIL**  
**Revenue Budget Summary Statement 2021/22 - 2026/27**

Net Spending to be Financed from Taxation	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
(g) Other items						
Triennial pension valuation - Reduction in contributions		(132)	(186)	(189)	(189)	(189)
Building maintenance - to meet increased cost pressures		50	100	100	100	100
Allowance for committed growth items (see appendix 2)		192	282	372	462	552
Fall out of one-off Housing funding		120	120	120	120	120
Reduction in income associated with the recovery of housing benefit overpayments.		100	100	100	100	100
(h) Provision for new growth items		90	180	270	360	450
<b>Total Cabinet Member Requirements</b>	<b>14,448</b>	<b>14,779</b>	<b>16,341</b>	<b>17,648</b>	<b>18,713</b>	<b>19,737</b>
Funding from taxation:						
Business rates						
Baseline funding	2,693	2,747	2,802	2,858	2,915	2,973
Add: Net retained additional business rates	716	625	317	320	330	338
Add: Share of surplus /deficit (-) net of use of reserves	-	-	(256)	-	-	-
Total business rate income	<b>3,409</b>	<b>3,372</b>	<b>2,863</b>	<b>3,178</b>	<b>3,245</b>	<b>3,311</b>
Council Tax income	9,681	9,998	10,239	10,485	10,738	10,996
New homes bonus (2018/19 - 21/22)	222	-	-	-	-	-
New homes bonus (2019/20 - 22/23)	68	68	-	-	-	-
New homes bonus (2021/22)	118	-	-	-	-	-
Total New Homes Bonus	<b>408</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lower Tier Services Grant	203	203	203	203	203	203
Local tax compensation scheme	55	37	37	-	-	-
Covid 19 Funding Allocation	550	-	-	-	-	-
Covid 19 Funding - Council Tax Support Grant	133	-	-	-	-	-
Collection fund surplus/deficit (-)	9	(89)	(40)	-	-	-
Total other grants and contributions	<b>1,358</b>	<b>219</b>	<b>200</b>	<b>203</b>	<b>203</b>	<b>203</b>
<b>Total Income from Taxation</b>	<b>14,448</b>	<b>13,589</b>	<b>13,302</b>	<b>13,866</b>	<b>14,186</b>	<b>14,510</b>
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>	<b>-</b>	<b>1,190</b>	<b>3,039</b>	<b>3,782</b>	<b>4,527</b>	<b>5,227</b>

**WORTHING BOROUGH COUNCIL**  
**Revenue Budget Summary Statement 2021/22 - 2026/27**

	2021/22 Base	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000	£'000
<b>AMOUNT REQUIRED TO BALANCE BUDGET</b>		1,190	3,039	3,782	4,527	5,227
<b>Savings / Initiatives identified to date:</b>						
Strategic Property Investment Fund						
Future property developments		200	400	600	800	1,000
Provision for future voids and repairs		(100)	(200)	(300)	(400)	(500)
Wellbeing centre and car park		-	352	352	352	352
Commercial and Customer Activities		354	804	1,254	1,704	2,154
Service and Digital redesign programme		3	123	243	363	483
Corporate Landlord Programme		105	210	315	505	695
Other efficiency savings (net of growth)		574	574	574	574	574
Total savings initiatives identified to date		<b>1,136</b>	<b>2,263</b>	<b>3,038</b>	<b>3,898</b>	<b>4,758</b>
Cumulative savings still to be found/ (surplus)		<b>54</b>	<b>776</b>	<b>744</b>	<b>629</b>	<b>469</b>
Annual savings still to be found		54	722	(32)	(115)	(160)
Council Tax increase:		<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
Annual increase (Band D property)		£4.95	£5.05	£5.15	£5.25	£5.36
Weekly increase (Band D property)		£0.10	£0.10	£0.10	£0.10	£0.10
Average annual increase (Band C property)		£4.40	£4.49	£4.58	£4.67	£4.76
Average weekly increase (Band C property)		£0.08	£0.09	£0.09	£0.09	£0.09

**Committed Growth for 2022/23**

**Appendix 2**

		<b>2022/23</b>		
<b>Description</b>	<b>Details</b>	<b>Joint (memo only)</b>	<b>Adur</b>	<b>Worthing</b>
<b>Committed Growth items:</b>				
Allowance for increase in homeless caseload	Based on latest outturn forecast		-150,000	
Chief Executives revised salary	Approved at Council	-12,000	-6,000	-6,000
Market pressures on salary costs	Largely relates to HGV drivers but the Council is experiencing difficulties in recruitment in a number of areas.	-90,000	-32,400	-57,600
Withdrawal of funding for graffiti service by WSCC		-8,170	-2,940	-5,230
Agency Staff Costs - Waste and cleansing service	Based on latest analysis. Original intention had been to use cleansing staff to cover but this has not been a viable solution.	-100,000	-36,000	-64,000
A27 Traffic management costs and cleansing costs	Additional costs associated with cleaning alongside the A27.	-13,260	-4,770	-8,490
Reduction in clinical waste income due to increased disposal costs			-9,050	-15,820
Additional commercial waste team support officer	Supports the delivery of increased green and trade waste collections. The post will also assist in the delivery of ongoing efficiency savings.	-17,290	-6,220	-11,070
Legal case management system	Impact of moving to the Cloud	-30,700	-12,280	-18,420
Maintenance costs for audio visual equipment in Council public meeting rooms.		-9,000	-3,600	-5,400
Total growth proposals		-280,420	-263,260	-192,030
Less: Allowance for new committed growth items			70,000	90,000
<b>Total committed growth identified net of provision</b>			<b>-193,260</b>	<b>-102,030</b>

**Savings proposals for 2022/23**

**Appendix 3**

		2022/23		
Description	Details	Joint (memo only)	Adur	Worthing
		£	£	£
<b><u>Commercial income programme:</u></b>				
<b><u>Economy directorate</u></b>				
<b><i>Place and Economy</i></b>				
Delivery of new market in Worthing (similar to Shoreham Farmers)	Staffing, equipment and set up provided by Adur District Council. Income to be shared 60% to Adur (who provide the service) and 40% to Worthing.		9,000	6,000
Increase in off season concessions (and general increase in the number offered)				20,000
Rental uplifts	A series of place-based activities, linked to property, that will provide an uplift (e.g. filling of void kiosks on the seafront)			10,000
Open space hire for commercial and community events				5,000
Meanwhile use rental income	New opportunities at Grafton MSCP (Level 1) and Teville Gate presents a new income line associated with these pop up or meanwhile uses			10,000
<b><i>Parks</i></b>				
Charging rates to the beach hut users	Under current lease agreements rates can be charged to beach hut users. This is the practice within Adur but has not been implemented to date for Worthing customer. Whilst this would increase costs to the beach hut owners, most of them would be eligible to claim back small business rate relief and so would not be financially disadvantaged. The cost of the reliefs would be largely funded by central government.			46,730
Review of current agreements with sporting clubs (cost tbc)	The current lease arrangements and SLAs with sporting clubs are in the process of being reviewed. Where agreed, the sporting clubs are assuming responsibility for the utilities associated with their facilities as part of the new agreements.		10,000	40,000

Savings proposals for 2022/23

Appendix 3

Description	Details	2022/23		
		Joint (memo only)	Adur	Worthing
		£	£	£
<b>Parks</b>				
5% premium on beach huts fees for non-resident owners to contribute towards foreshore maintenance	Resident owners fund the maintenance of the foreshore and beaches through Council Tax. This premium is suggested so that non-resident owners contribute towards to these costs as well.		1,350	4,760
Construction of an additional 8 beach huts	Planning approval currently being sought.			6,390
<b><u>Communities Directorate</u></b>				
Increase in income from Environmental Information Regulations			400	600
Income from stray dogs		5,000	2,000	3,000
<b><u>Digital, sustainability and resources directorate</u></b>				
<b>Customer Services</b>				
Review of parking charges				
Review of tariffs across all sites				92,000
Increase in town centre worker deals following closure of town hall car park				20,000
Review of charge to SDLT following analysis of use.				20,000
Review of charging for waste		78,000	28,080	49,920
New NHS contract for disposal of clinical waste		9,500	3,420	6,080
<b>Financial Services</b>				
Provision of insurance services to another local authority	Will require investment in staffing levels (0.6 FTE at scale 6), however this will then provide a resilient service across 5 Councils (Adur, Worthing, Mid Sussex, Horsham and Crawley)	4,850	1,940	2,910
<b>Legal Services</b>				
Introduce new charging scheme for s106 agreements based on local Court rate			8,000	10,960
<b>Total commercial income target</b>		<b>97,350</b>	<b>64,190</b>	<b>354,350</b>

## Savings proposals for 2022/23

## Appendix 3

		2022/23		
Strategic Issue / Opportunity	Comments and Actions	Joint (memo only)	Adur	Worthing
<b><u>Service Redesign programme</u></b>				
<b><i>Financial Services / Human Resources</i></b>				
Implementation of new HR / Payroll system				
Salary saving	Full year impact of restructure in payroll following the implementation of the new HR / Payroll system	5,600	2,240	3,360
<b>Total for Service Redesign Programme</b>		<b>5,600</b>	<b>2,240</b>	<b>3,360</b>
<b><u>Corporate Landlord</u></b>				
Corporate Landlord	Rent reviews		30,000	70,000
	Disposal programme (Reduction in debt charges due to generation of capital receipts)		70,000	35,000
<b>Total delivered via the corporate Landlord Programme</b>			<b>100,000</b>	<b>105,000</b>
<b><i>Corporate initiatives:</i></b>				
Inflation management	Inflation management saving as recommended by LGA Peer Review	135,000	73,250	113,980
Sustainability initiatives				
New Solar Panels at a variety of locations in Adur and Worthing	Net energy savings		7,680	4,500
	Less: Debt charges		-3,630	
<b>Other corporate initiatives</b>			<b>77,300</b>	<b>118,480</b>

## Savings proposals for 2022/23

## Appendix 3

Description	Details	2022/23		
		Joint (memo only)	Adur	Worthing
<b>Departmental savings</b>				
<b><u>Communities Directorate</u></b>				
<b><i>Wellbeing</i></b>				
Review of community grants	Reduction in demand for small community grants		5,000	
	Eastbrook Manor Community Centre - new organisation now in occupation.		6,800	
	Health Living Centre			5,600
Review of miscellaneous budgets		14,140	5,660	8,480
<b><u>Digital, sustainability and resources directorate</u></b>				
<b><i>Financial Services</i></b>				
MRP review	Technical review of MRP calculations commissioned from Arlingclose. Reprofile of debt provision recommended.			390,000
Interest payments - net reduction	Recent borrowing undertaken from other Councils has reduced the expected cost of borrowing for 2022/23			29,020
Exchequer Services Salary Budget	Salary saving following flexible retirement of staff member	9,130	3,650	5,480
<b><i>Revenues and benefits</i></b>				
Review of software and services budget			3,370	11,300
<b><u>Economy Directorate</u></b>				
<b><i>Director</i></b>				
Reduction in Theatres pensions	Following recent staffing changes, the cost of the pensions chargeable to the Council has reduced.			5,200
<b>Total Departmental Savings</b>		<b>23,270</b>	<b>24,480</b>	<b>455,080</b>
<b>Total savings identified</b>		<b>126,220</b>	<b>268,210</b>	<b>1,036,270</b>