



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 the Councils had capacity to continue to deliver their 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.**