



Extract from the minutes of the Joint Strategic Committee - 5 July 2022

JSC/013/22-23 Financial Performance 2021/22 - Revenue Outturn

The report outlined the revenue financial monitoring position for the end of the 2021/22 financial year for the Joint Strategic Committee, Adur District and Worthing Borough Councils. At the time of publication, the Statements of Accounts were in progress, due to be completed by the end of June with the audit scheduled to commence in August 2022. It was noted that any adjustments that emerged from the audit, would be reported to members later in the year.

The final position for operational services were overspends in Adur District Council of £208k and in Worthing Borough Council £2m. This was a variation to the projections reported at quarter 3 when operational outturns were predicted to be an overspend of £585k in Adur and £1.6m in Worthing.

Overall outturn positions were an underspend of £183k in Adur District Council and an overspend of £196k in Worthing Borough Council. This represented a 2% underspend against the budget for Adur and 1% overspend in Worthing.

The table at 4.6 of the report outlined the components contributing to the outturn positions in 2021/22. There were no proposed budget carry forward requests for 2021/22.

The outcome was an improvement overall for Adur District Council and a deterioration for Worthing Borough Council from that forecast in the quarter 3 monitoring report '3rd Revenue Budget Monitoring Report (Q3)' when net overspends of £47,000 and £14,000 were being projected in Adur and Worthing respectively. The main movements in the last quarter were set out in appendix 5b.

A Member asked questions in relation to Car Parking income (figures for June 2022, compared with June 2021 and benchmarked against June 2019) and Worthing Borough Council's debt position. Officers did not have figures for June 2022 to hand but observed that car parking income continued to be suppressed following the pandemic but had been improving. Benchmarking figures could be provided after the meeting. Officers also advised that when considering the amount of debt, consideration should be given to the value of the Council's assets. Members were informed that the value of the Council's assets far outweighed the value of the Council's debt and therefore the Council was not overborrowed.

Another Member asked a question in relation to support from the government and sought clarification in relation to the Adur Council General Fund being under-borrowed (para 7.10). Officers advised that the position in Adur was very different to that in Worthing as the Council was not carrying anywhere near as significant commercial risk as car park income had bounced back remarkably well.

The government's covid support had finished, so the Councils were not expecting any more funding for covid. The Councils were receiving more new burdens funding for some of the new measures the Council was implementing in respect of the energy cost crisis. For example, the Council was administering £150 payments to all council tax payers in bands A to D.

It was noted that the Councils borrowed to fund their Capital Investment Programmes, however, the Councils were able to use their cash flow to fund expenditure in lieu of borrowing as a short term measure. The Councils had been holding a lot of cash over the past few years, due to the administering of government grant programmes. The Councils had used their cash flow advantage to fund the capital programme in the interim, the benefit of which was reduced interest costs.

The recommendations in the report were proposed by Councillor Angus Dunn, seconded by Councillor John Turley and unanimously supported.

Decision

The Joint Strategic Committee recommended that Adur District Council, at its meeting on 21st July 2022 and **Worthing Borough Council at its meeting on 19th July 2022:-**

- (a) NOTE the overall final outturn for 2021/22; and**
- (b) APPROVE the net appropriations from General Fund Reserves in the year, as detailed in section 6 of the report, totalling: Adur District Council £2,050,390 and Worthing Borough Council £4,971,169.**

(Link to the report on the website e.g. [Joint Strategic Committee - 5 July 2022](#))