



ADUR DISTRICT
COUNCIL



WORTHING BOROUGH
COUNCIL



Budget Book 2019/20

BUDGET BOOK FORMAT

The Budget Book is presented in line with the operational service block structure of the three 'organisations'; Adur, Worthing and Joint. The colour of the page identifies the organisation.

The budget reports submitted to Adur and Worthing Executives and the Joint Committee are reproduced within Section one of this document.

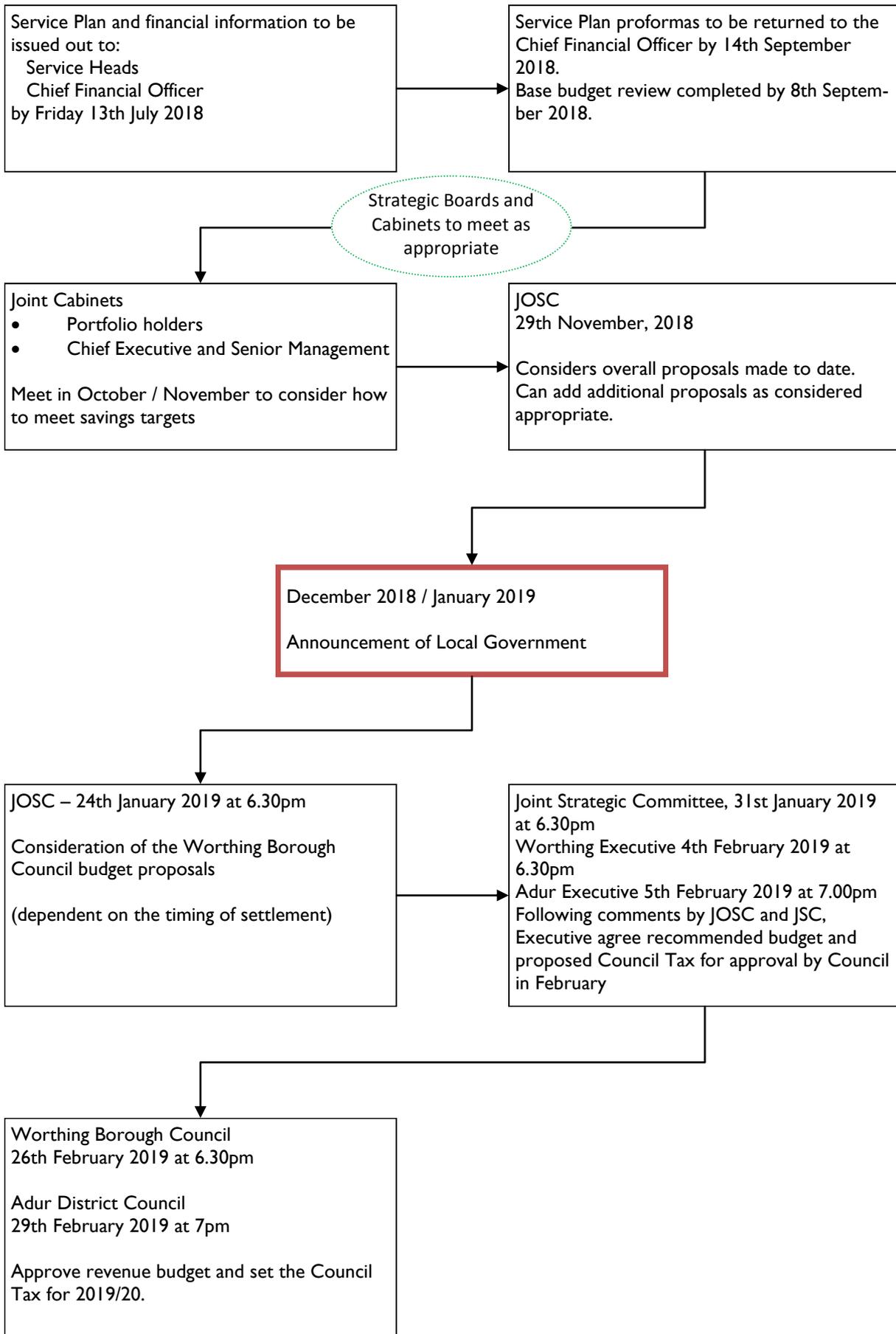
Within these reports each service budget is identified by Executive Member Portfolio for Adur and Worthing Councils within the service blocks.

Under the section Directorate Budgets, these are produced within the Council structure

SECTIONS INCLUDED

- 1) Revenue Budget Reports
 - Joint Strategic Report
 - Adur Executive Report
 - Worthing Executive Report
- 2) Budgets by Directorates
- 3) Capital Budgets
- 4) Glossary of Terms

BUDGET REPORTING FLOWCHART 2019/20





ADUR & WORTHING
COUNCILS

Joint Report

**Final Revenue Budget Estimates for 2019/20****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 2019/20 including any adjustments arising from settlement;
- An updated outline 5-year forecast;

These budgets reflect the decisions taken by members to date in relation to agreed savings proposals and any committed growth.

1.2 Members are asked to consider the proposals to invest in services outlined in Appendix 2, these are also included in the individual Councils budget reports.

1.3 The budget is analysed by Executive member portfolio. In addition, the draft estimates for 2019/20 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 cost adjustments that do not impact either on the Budget Requirement or the Council Tax Requirement).

1.4 The respective Adur and Worthing 2019/20 Estimates and Council Tax setting reports are due to be considered by the Worthing Executive on 4th February 2019 and the Adur Executive on 5th February 2019. Both the estimates for Adur District Council and Worthing Borough Council include their respective share of the cost of the Joint Strategic Committee.

1.5 The following appendices have been attached to the report:

- (i) Appendix 1 5 year forecasts for the Joint Strategic Committee
- (ii) Appendix 2 Proposals for investment in services
- (iii) Appendix 3 Summary of Executive Member Portfolio budgets for 2019/20.

2. Recommendations

2.1 The Executive is recommended to:

- (a) Consider and approve, if agreed, the proposals to invest in services outlined in Appendix 2;
- (b) Agree to the proposed 2019/20 budget detailed in Appendix 3 subject to any growth proposals approved by members.

3. Summary

- 3.1 The Joint Strategic Committee considered the 'Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond' on 10th July 2018. 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 On 4th December the "*Financially Sustainable Councils: Budget Update 2019/20-2023/24 and savings proposals*" was approved by the Joint Strategic Committee, this report updated the members on the latest budget forecast, the options for addressing the budget shortfalls and considered any unavoidable growth.
- 3.3 To address the known pressures, the Councils have set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering new income and savings for the next 5 years as well as supporting key aims outlined in Platforms for our places:
- The Major Projects programme will lead on delivering regeneration projects to increase employment space and additional housing;

- The Service Redesign Board programme leads on the delivery of the Digital Strategy and ensure 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.

For 2019/20 the Service Redesign programme, the Commercial programme and the Strategic Asset Management Board were set explicit targets as part of the budget strategy.

3.4 Since the meeting on the 5th December, the Joint Strategic Committee budget has been finalised and the last adjustments have been included. Overall, therefore, the current financial position of the Joint Strategic Committee for 2019/20 can be summarised as :

	£'000
Original shortfall in funding	1,366
Changes identified in December 2018:	
Net committed growth items identified by budget holders and	236
Removal of contingency budget	-100
Budget shortfall as at 4th December 2018	1,502
Final adjustment to inflation calculations and pension costs including	-151
Change in allocation process - Removal of capital allocation budgets	-822
Add: Net growth identified in Adur and Worthing Council increasing	523
Revised budget shortfall	1,052
Less: Net savings approved in December	-1,052
Remaining shortfall to be addressed	0

3.5 The Secretary of State for the Ministry of Housing, Communities and Local Government announced the provisional Local Government Finance Settlement on 13th December 2018. Consultation on the provisional settlement closed on 10th January 2019.

3.6 A full update on both the Autumn statement and settlement is included in the Budget

Estimate reports for both Councils. However, the key issues which will affect the future funding for the Joint Strategic Committee include:

- i) The Council Tax referendum thresholds confirmed as the higher of 3% or £5.00 for a Band D property.
- ii) Negative Revenue Support Grant has been removed with the cost funded by the Government.
- iii) A proposed reform to both the Business Rate Retention Scheme and the Fairer Funding Review which will consider how much of business rates each Council should keep via the tariff and top-up system. This is likely to reduce the Councils share of Business Rate income from 2020/22.

3.7 This will have inevitable consequences for the services of the Joint Strategic Committee which will need to reduce its budget in line with the challenges faced by the constituent Councils.

4.0 DRAFT REVENUE ESTIMATES 2019/20

4.1 Detailed budgetary work for the Joint Strategic Committee is now complete (subject to any decisions arising from the Adur and Worthing Executives in February) and the estimate of the budget requirement is £21,906,700. This includes the savings agreed by Joint Strategic Committee in December. The budget already contains a number of spending commitments including:

- Investment in Google including a move to Google Business Licensing (£40,000);
- Further investment in the Matsoft solution with an upgrade to the core Matsoft platform (£20,000);
- Increase in the telephony budget to allow for additional costs associated with data security compliance for card payments and the impact of the new telephony solution (£45,000);
- A net increase in pension strain costs (£25,000).

Attached at Appendix 2 are some additional proposals for investment into services for member consideration.

4.2 Details of all of the main changes in the base budget from 2018/19 to 2019/20 are at Appendix 1. A breakdown of each Executive Member's summary budget is attached in Appendix 3. The changes can be summarised briefly as follows:

	£'000	£'000
2018/19 Original Estimate		22,281
Add: General Pay and Price Increases		964
		23,245
Add: Committed and Unavoidable Growth	536	
Less: Net savings identified in December	-1,052	
Less: Effect of change in recharge process - capital	-822	-1,338
Net cost to be reallocated to the Councils		21,907
Allocated as follows:		
- Adur District Council		8,835
- Worthing Borough Council		13,072
Cost reallocated to both Councils		21,907

The Joint Strategic Committee budget will be reflected in both the Adur and Worthing Estimates, which will be approved by their respective Executives on 4th and 5th February 2019. The allocation of the costs of joint services under the remit of the JSC has again been reviewed this year. There is no significant swing of costs between the two Councils this year.

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

5.0 IMPACT ON FUTURE YEARS

5.1 The impact of the proposed changes on the overall revenue budget for the next 5 years is shown at Appendix 1. However, following settlement, it is clear that the Councils will continue to have budget shortfalls for at least the next 2 - 5 years. Consequently, the Joint Strategic Committee is likely to show the following shortfalls in line with that experienced by the Constituent Councils:

	Expected shortfall (Cumulative)				
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall	1,052	3,203	3,732	4,344	4,964
Less:					
Net savings agreed in December and	-1,052	-1,052	-1,052	-1,052	-1,052
Adjusted cumulative budget shortfall	0	2,151	2,680	3,292	3,912
Savings required each year		2,151	529	612	620

5.2 To ensure that the Joint Strategic Committee continues to balance the budget there will need to be a continuing emphasis on efficiency and value for money in the annual savings exercise.

6.0 SIGNIFICANT RISKS

6.1 Members will be aware that there are several risks to the Joint Strategic Committee's overall budget. These can be summarised as follows:-

(i) Income

The Committee receives income from a number of services which will be affected by demand. Whilst known reductions in income have been built into the proposed budgets for 2019/20, income may fall further than expected.

(ii) Withdrawal of funding by partners

All budgets within the public sector continue to come under intense scrutiny which may lead to partners reassessing priorities and withdrawing funding for partnership schemes. Consequently, either council might lose funding for key priorities, which would leave the Joint Committee with unfunded expenditure together with the dilemma about whether to replace the funding from internal resources.

(iii) Inflation

A provision for 2% inflation has been built into non-pay budgets. Pay budgets include an average inflationary allowance of 3.0%. Each 1% increase in inflation is equivalent to the following amount:

	1% increase
	£'000
Pay	236
Non-pay	55

6.2 To help manage these risks, both councils have working balances and other earmarked reserves although these reserves are becoming depleted.

7.0 CONSULTATION

7.1 The Council ran a consultation exercise in 2015/16 which supported the Council's five year budget strategy. In light of this, no consultation exercise was undertaken this year.

7.2 Officers and members have been consulted on the content of this report

8.0 COMMENTS BY THE CHIEF FINANCIAL OFFICER

8.1 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 when making their decisions.

8.2 As Members are aware, the Joint Strategic Committee must set its Estimates in advance of the start of the financial year. This is because both Councils must 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. This includes a share of the cost of the Joint Strategic Committee. 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.

Subject to the important reservations below, a reasonable degree of assurance can be given about the robustness of the estimates. 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, and income from grants.
 - External competition and declining markets, particularly during a recession.
- (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.

8.3 Overall view on the robustness of the estimates:

It will therefore be important for members to maintain a diligent budget monitoring regime during 2019/20.

8.4 The Chief Financial Officer and Section 151 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 Joint Strategic Committee has also demonstrated that it has a sound system of financial management in place.

9.0 LEGAL IMPLICATIONS

9.1 The Local Government Act 2003 requires that the Councils set a balance budget. This report demonstrates how the Council will meet this requirement for 2019/20.

10.0 CONCLUSION

10.1 The Councils have implemented a budget strategy which plans for the eventual removal of all general government grant by 2019/20. The strategy outlines a series of proactive steps which would contribute significantly to meeting the financial challenge by increasing income or by promoting business efficiency through the use of digital technology. Overall the Committee has successfully contributed to this strategy by identifying savings of £1.052m to meet the current year's shortfall.

10.2 Looking further ahead, 2020/21 will be particularly challenging as the Council grapples with the impact of the fairer funding review, and the continuing consequences of the withdrawal of funding by the County Council for supported housing. 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.

10.3 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 and Business Rates and income from our commercial services.

Background Papers

Report to the Joint Strategic Committee 10th July 2018 'Achieving Financial Sustainability – Budget strategy for the 2019/20 budget and beyond'

Report to the Joint Strategic Committee 4th December 2018 'Financially Sustainable Councils: 5 year forecast 2019/20 – 2023/24 and savings proposals'

Report to the Joint Strategic Committee 4th December 2018 'Investing for the future: Capital Investment Programme 2019/20 to 2021/22'

Local Authority Finance (England) Settlement Revenue Support Grant for 2019/20 and Related Matters: DCLG Letters and associated papers of 13th December 2018.

Autumn Budget 2018 - HM Treasury

Autumn Budget 2018 – On-the-day Briefing by Pixel Financial Consulting

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 2017/18

Report to Joint Strategic Committee 6th November 2018 – 2nd Revenue Budget Monitoring 2018/19

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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

JOINT:
Revenue Budget Report

Appendix I

JOINT STRATEGIC COMMITTEE						
Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Net Spending to be Financed from Taxation						
Base budget	22,281	22,281	22,281	22,281	22,281	22,281
Change in allocation process - removal of capital costs before recharge		822				
(a) Annual estimated Inflation		964	1,671	2,420	3,148	3,886
(b) Committed Growth						
New 2020 recycling targets		300	400	400	400	400
Increase in Payroll System Costs		9				
Change in budget for services contracted by external suppliers		96				
Investment in Google Services		40				
Investment in Matsoft Platform		20				
Telephony Contract		45				
Health & Safety Software system replacement		5				
Annual assessment of HAV		13				
Major Projects - Lead Project Officer costs		8				
Contingency			100	200	300	400
Total Budget Requirements to be allocated to the Councils	22,281	22,959	24,452	25,301	26,129	26,967
Adur District Council	9,213	8,835	8,570	8,698	8,785	8,873
Worthing Borough Council	13,068	13,072	12,680	12,870	12,999	13,129
Total income for services provided to the constituent councils	22,281	21,907	21,250	21,568	21,784	22,002
(Surplus) / Shortfall in Resources		1,052	3,202	3,733	4,345	4,965

**JOINT:
Revenue Budget Report**

Appendix I

JOINT STRATEGIC COMMITTEE					
Revenue Budget Summary Statement 2018/19 - 2023/24					
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Savings identified to date:					
Commercial activities and commissioning					
Commercial and Customer Board	161	161	161	161	161
Efficiency Measures					
Digital Strategy Board	175	175	175	175	175
Restructures and service plan savings not included above	716	716	716	716	716
Total savings identified	1,052	1,052	1,052	1,052	1,052
Savings still to be found/ (surplus)	0	2,151	2,680	3,292	3,912

Appendix 2

Bids for Investment into Services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Additional capacity for Estates Team - I	36,750	14,700	22,050	36,750	49,000	49,000
The purchase of commercial property and temporary accommodation are critical components of the budget strategy. This investment enables the Councils to deliver on future savings targets. The post is expected to						
Additional Senior Planning Officer	49,000	19,600	29,400	49,000	49,000	49,000
Reinvestment back into the service following the 20% increase in fees which the Government required Councils to allocate to the Planning Service. The additional post will support the delivery of key strategic development sites as outlined in Platforms. The increase will also help address current demands on the service as planning applications are increasing and support the maintenance Government performance						
Junior Developer (Apprentice roles)	24,380	13,000	9,750	24,380	32,500	32,500
Our in-house software development strategy is saving us money and delivering significant benefits to our residents through well designed online services. Our strategy of in-house development is very popular and the service is in high demand. We need to expand the team to deliver benefits faster and would like to develop an opportunity for an apprentice position. The post is expected to filled from July 2019.						
Support to the cultural economy		20,000		20,000	20,000	20,000
Funding to support culture and arts development in our communities; delivered in partnership with cultural groups and to assist in unlocking Arts Council grant funding and other partnership funding.						

JOINT:
Revenue Budget Report

Appendix 2

Bids for Investment into Services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Strategic Sustainability Officer (increased	15,840	6,340	9,500	15,840	15,840	15,840
We have made strong progress with the Stewarding our Natural Resources Platform commitments and are scaling up our ambition. Our progress is currently being driven by a single 0.6 FTE resource which does not currently match the ambitions of the programme. This request is to increase this post to 0.8 FTE to help deliver the strategy to be presented to Joint Strategic Committee in						
	125,970	70,390	75,580	145,970	166,340	166,340
Additional funds available at a 3% Council Tax		69,140	95,100	150,170	150,170	150,170
Excess growth (+) / Resources in hand (-)		1,250	-19,520	-18,270	2,100	2,100
Proposals not recommended for approval:						
Additional testing of IT security	15,000	6,000	9,000	15,000	15,000	15,000
Security Testing: Currently independent security testing is carried out once per annum (for PSN compliance). Given the ongoing risk of cyber attacks, potential fines as a result of data breaches under GDPR, and a change in scope (with services in the cloud), there is a need to change the scope of security testing and increase the frequency to provide greater assurance that systems, services, and data are protected						

Appendix 2

Bids for Investment into Services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
Proposals not recommended for approval:	£	£	£	£	£	£
Maintenance of grass verges Following reduction in WSCC budgets, the proposal is for the Councils to assume responsibility for maintaining grass verges and pavements.		85,000	85,000	170,000	170,000	170,000
Service Redesign lead There is a growing need for expertise and support for services undertaking significant change initiatives, including the multi-agency change work set out in Platforms for our Places (e.g. homelessness and loneliness). Projects are delivering clear results, such as significant reductions in evictions as a result of the preventing homelessness project, reducing costs to the councils. We need additional capacity to service more projects, such as revenues and benefits transformation, prevention services and others. The Service Design Lead will help manage and drive change initiatives, ensure they are approached in a user centred way, and deliver results. The role would sit within the customer insight team, and work very closely with digital.	54,000	21,600	32,400	54,000	54,000	54,000
Grafton redevelopment support costs The redevelopment of the Grafton Site is a significant commitment within Platforms for our Places. Specialist support is required to ensure that the project progresses effectively over the next two years. This will be funded from existing budgets.			50,000	50,000	50,000	0
Total value of proposals not recommended for approval	69,000	112,600	0	112,600	176,400	289,000

APPENDIX 3
CIVIC BUDGET TABLE 2019/20
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

These pages have been updated for the growth
items approved by the constituent Councils

JOINT SERVICE BLOCK ACTIVITY RECHARGED TO ADUR AND WORTHING COUNCILS



ADUR & WORTHING
COUNCILS

SERVICE BLOCKS	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
Chief Executive & Communications	432,650	500,910
Director for Communities	7,423,710	7,360,430
Director for Digital & Resources	11,006,380	11,581,650
Director for the Economy	3,418,140	3,575,670
TOTAL SERVICES	22,280,880	23,018,660
ALLOCATION OF COSTS		
Less: Allocation to Capital Programme previously included in allocations to Adur and Worthing	-	(986,000)
	22,280,880	22,032,660
Adur District Council	(9,213,250)	(8,885,380)
Worthing Borough Council	(13,067,630)	(13,147,280)
TOTAL SERVICE BLOCK ALLOCATIONS	(22,280,880)	(22,032,660)

JOINT SUMMARY SERVICE BLOCK
Chief Executive and Communications



ADUR & WORTHING
 COUNCILS

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	196,330	271,960
Vacancy Provision	(16,660)	(16,660)
	179,670	255,300
Head of Communications		
Head of Communications - Office	68,980	70,350
Communications	184,000	175,260
	252,980	245,610
TOTAL FOR CEO AND COMMUNICATIONS	432,650	500,910

JOINT VARIATIONS SERVICE BLOCK

Chief Executive and Communications



ADUR & WORTHING
COUNCILS

JOINT CHIEF EXECUTIVE OFFICER - 2019/20 - VARIANCE ANALYSIS

SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE										
Chief Executive Office	179,670	-	-	61,000	-	-	-	-	14,630	255,300
Head of Communications										
Head of Communications - Office	68,980	-	-	-	-	-	-	-	1,370	70,350
Communications	184,000	(700)	-	-	(12,000)	-	-	-	3,960	175,260
TOTAL COST	432,650	(700)	0	61,000	(12,000)	0	0	0	19,960	500,910

JOINT SUBJECTIVE ANALYSIS

Chief Executive and Communications



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support Services	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE												
Chief Executive Office	3	247,060	0	2,200	6,040	0	0	255,300	0	0	0	255,300
Director for Customer Services office	0	0	0	0	0	0	0	0	0	0	0	0
Head of Communications												
Head of Communications - Office	1	70,350	0	0	0	0	0	70,350	0	0	0	70,350
Policy and Consultation	0	0	0	0	0	0	0	0	0	0	0	0
Communications	5	201,420	0	250	17,880	0	(44,290)	175,260	0	0	0	175,260
TOTAL COST	9	518,830	0	2,450	23,920	0	(44,290)	500,910	0	0	0	500,910
Percentage Direct Cost		95%	0%	0%	5%	0%						

An explanation of the changes to the budget since last year is provided on the previous page - the Variation page
Staff FTE = Number of staff based on full time equivalent

JOINT SUMMARY SERVICE BLOCK: Communities



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
DIRECTOR FOR COMMUNITIES	£	£
Director for Communities office	167,890	177,870
Directorate Vacancy Provision	(329,350)	(329,350)
	(161,460)	(151,480)
Head of Housing		
Head of Housing	246,400	257,460
Housing Needs	824,350	834,860
Housing - Environmental Health / Protection Team	502,880	495,510
Housing Strategy	-	58,150
	1,573,630	1,645,980
Head of Environmental Services		
Head of Environment	101,280	110,800
Parks (including Cems/Crems/Admin & Grounds Mtce)	719,330	868,270
Foreshores	202,650	207,860
Waste Management	290,800	256,400
Commerce Way Depot	105,200	165,360
Clinical Waste Collection	(8,590)	3,930
Recycling	(1,368,150)	(1,615,140)
Refuse Collection	1,615,390	1,528,810
Street Cleansing, Graffiti & Pest Control	1,478,110	1,452,600
Trade Refuse Collection	439,040	462,200
Vehicle Workshop	516,640	556,050
Waste Strategy	78,190	74,400
Off Street Parking	343,240	391,290
	4,513,130	4,462,830
Less: Vehicle Works Trading A/c - recharged to services per job	(516,640)	(556,050)
Head of Wellbeing		
Head of Wellbeing	78,910	190,570
Community Wellbeing	546,940	477,980
Dog Warden	91,150	84,240
Environmental Health - Domestic	799,710	777,400
Licensing	229,890	234,860
Democratic Services	268,450	194,100
	2,015,050	1,959,150
TOTAL FOR COMMUNITIES	7,423,710	7,360,430

JOINT VARIATIONS SERVICE BLOCK: Communities



ADUR & WORTHING
COUNCILS

JOINT COMMUNITIES DIRECTORATE - 2019/20 - VARIANCE ANALYSIS										
SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non-Committed growth	Non-MTFF other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES										
Director of Communities Office	(161,460)	-	-	-	-	-	-	-	9,980	(151,480)
Head of Housing										
Head of Housing	246,400	-	-	-	-	-	-	-	11,060	257,460
Housing	824,350	-	-	-	-	-	-	-	10,510	834,860
Environmental Health - Domestic	502,880	-	-	-	(15,090)	-	-	-	7,720	495,510
Housing Strategy	-	-	-	-	-	-	-	-	58,150	58,150
Head of Environment										
Head of Environment	101,280	-	-	-	-	-	-	-	9,520	110,800
Parks (including Cems/Crems/Admin &	719,330	(34,840)	-	-	(5,190)	-	-	-	188,970	868,270
Foreshores	202,650	(120)	-	-	5,430	-	-	-	(100)	207,860
Waste Management	290,800	(450)	-	-	-	-	-	-	(33,950)	256,400
Commerce Way Depot	105,200	3,130	-	-	3,860	-	-	-	53,170	165,360
Clinical Waste Collection	(8,590)	(1,200)	-	-	13,360	-	-	-	360	3,930
Recycling	(1,368,150)	(29,410)	-	300,000	(551,220)	-	-	-	33,640	(1,615,140)
Refuse Collection	1,615,390	(2,660)	-	-	(88,650)	-	-	-	4,730	1,528,810
Street Sweeping & Cleansing	1,478,110	(11,810)	-	-	2,270	-	-	-	(15,970)	1,452,600
Trade Refuse Collection	439,040	(140)	-	-	(990)	-	-	-	24,290	462,200
Vehicle Workshop	516,640	(12,140)	-	-	-	-	-	-	12,140	516,640
Waste Strategy	78,190	-	-	-	-	-	-	-	(3,790)	74,400
Off Street Parking	498,500	-	-	-	-	-	-	-	(107,210)	391,290
Less: Vehicle Works Trading Account -	(516,640)	-	-	-	-	-	-	-	-	(516,640)
recharged to services per job										
Head of Wellbeing										
Head of Wellbeing	78,910	-	-	-	-	-	-	-	111,660	190,570
Community Wellbeing	546,940	(100)	-	-	(33,500)	-	-	-	(35,360)	477,980
Dog Warden	91,150	(100)	-	-	(3,500)	-	-	-	(3,310)	84,240
Environmental Health- Domestic	799,710	-	-	-	(41,270)	-	-	-	18,960	777,400
Licensing	229,890	-	-	-	-	-	-	-	4,970	234,860
Democratic Services	268,450	-	-	-	(13,810)	-	-	-	(60,540)	194,100
TOTAL COST	7,578,970	(89,840)	0	300,000	(728,300)	0	0	0	299,600	7,360,430

JOINT SUBJECTIVE ANALYSIS:

Director for Communities



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES												
Director of Communities Office	2	(156,400)	0	1,110	3,810	0	0	(151,480)	0	0	0	(151,480)
Leisure Support		0	0	0	0	0	0	0	0	0	0	0
Head of Housing												
Head of Housing	2	158,760	0	300	98,400	0	0	257,460	0	0	0	257,460
Housing Needs	20	826,540	0	840	7,480	0	0	834,860	0	0	0	834,860
Housing - Environmental Health / Protection Team	6	483,710	0	3,200	8,600	0	0	495,510	0	0	0	495,510
Housing Strategy	5	58,150	0	0	0	0	0	58,150	0	0	0	58,150
Head of Environment												
Head of Environment	1	109,880	0	920	0	0	0	110,800	0	0	0	110,800
Parks (incl Cems/Crems/Admin & Grounds Mtce)	55	1,923,760	0	288,680	270,900	0	(1,615,070)	868,270	0	0	0	868,270
Foreshores	6	207,830	0	150	0	0	(120)	207,860	0	0	0	207,860
Waste Management	3	259,000	100	160	17,040	0	(19,900)	256,400	0	0	0	256,400
Commerce Way Depot	1	0	156,660	4,120	10,910	0	(6,330)	165,360	0	0	0	165,360
Clinical Waste Collection	1	27,620	0	6,540	12,010	0	(42,240)	3,930	0	0	0	3,930
Recycling	23	683,560	0	151,790	59,530	0	(2,510,020)	(1,615,140)	0	0	0	(1,615,140)
Refuse Collection	42	1,366,780	0	267,460	21,030	0	(126,460)	1,528,810	0	0	0	1,528,810
Street Sweeping & Cleansing	53	1,497,390	0	239,180	127,020	0	(410,990)	1,452,600	0	0	0	1,452,600
Trade Refuse Collection	10	338,020	0	101,470	28,120	0	(5,410)	462,200	0	0	0	462,200
Vehicle Workshop	7	274,620	270	8,510	308,180	0	(35,530)	556,050	0	0	0	556,050
Waste Strategy	2	62,440	0	11,960	0	0	0	74,400	0	0	0	74,400
Off Street Parking	13	391,290	0	0	0	0	0	391,290	0	0	0	391,290
Less: Vehicle Works Trading Account - recharged to services per job		0	0	0	0	0	(556,050)	(556,050)	0	0	0	(556,050)
Head of Wellbeing												
Head of Wellbeing	1	162,660	0	860	27,050	0	0	190,570	0	0	0	190,570
Community Wellbeing	30	1,218,570	0	840	32,710	0	(774,140)	477,980	0	0	0	477,980
Dog Warden	2	72,790	0	4,060	11,870	0	(4,480)	84,240	0	0	0	84,240
Environmental Health- Domestic	15	755,140	0	7,550	17,110	0	(2,400)	777,400	0	0	0	777,400
Licensing	7	229,400	0	500	4,960	0	0	234,860	0	0	0	234,860
Democratic Services	5	177,320	0	20	16,760	0	0	194,100	0	0	0	194,100
TOTAL COST	309	11,128,830	157,030	1,100,220	1,083,490	0	(6,109,140)	7,360,430	0	0	0	7,360,430
Percentage Direct Cost		83%	1%	8%	8%	0%						

JOINT SUMMARY SERVICE BLOCK: Digital and Resources



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	145,240	139,880
Directorate Vacancy Provision	(299,400)	(299,400)
Sustainability	47,200	73,390
	(106,960)	(86,130)
Finance		
Head of Finance office	159,580	260,180
Management, Technical and Strategic Accounting	916,150	963,610
Exchequer and Fraud	423,640	438,440
Procurement	146,740	154,270
	1,646,110	1,816,500
Head of Legal Services		
Legal Services	700,160	674,640
	700,160	674,640
Head of Human Resources		
Human Resources	404,460	413,620
Organisational Development	230,920	245,270
	635,380	658,890
Head of Business and Technical Services		
Head of Business and Technical Services	96,980	96,780
Business Services	291,240	288,050
Engineers	575,270	588,260
Surveyors	778,320	791,760
Facilities - Admin Buildings	521,120	482,550
Centralised Costs	363,810	451,700
	2,626,740	2,699,100
Head of Customer & Digital Services		
Head of Digital and Design	94,600	-
ICT, Systems Support and Development Team	2,019,740	2,298,770
Customer Services	1,249,950	1,278,200
Parking Services	155,260	155,660
Business Support	124,130	132,620
Elections	167,670	206,820
	3,811,350	4,072,070
Head of Revenues & Benefits		
Revenues & Benefits	1,693,600	1,746,580
	1,693,600	1,746,580
TOTAL for DIGITAL AND RESOURCES	11,006,380	11,581,650

JOINT VARIATIONS SERVICE BLOCK: Digital and Resources



ADUR & WORTHING
COUNCILS

JOINT DIGITAL AND RESOURCES DIRECTORATE - 2019/20- VARIANCE ANALYSIS										
SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFP other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES										
Director Office	(154,160)	10	-	-	-	-	-	-	(5,370)	(159,520)
Sustainability	47,200	-	-	-	-	-	-	15,840	10,350	73,390
Head of Finance										
Head of Finance office	159,580	88,550	-	-	(12,110)	-	-	-	24,160	260,180
Management, Technical & Strategic	916,150	(670)	-	15,000	-	-	-	-	33,130	963,610
Exchequer and Fraud	423,640	(1,950)	-	29,600	(26,370)	-	-	-	13,520	438,440
Procurement	146,740	-	-	-	-	-	-	-	7,530	154,270
Head of Legal Services										
Legal Services	700,160	(2,950)	-	-	(35,000)	-	-	-	12,430	674,640
Head of Human Resources										
Human Resources	404,460	-	-	-	-	-	-	-	9,160	413,620
Organisational Development	230,920	-	-	12,900	-	-	-	-	1,450	245,270
Head of Business & Technical Services										
Head of Business & Technical Services	96,980	-	-	-	-	-	-	-	(200)	96,780
Business Services	291,240	(2,570)	-	5,000	(12,720)	-	-	-	7,100	288,050
Engineers	575,270	(1,120)	-	-	(70,000)	-	-	-	84,110	588,260
Surveyors	778,320	(1,180)	-	-	(2,100)	-	-	-	16,720	791,760
Facilities - Admin Buildings	521,120	11,430	-	-	(50,000)	-	-	-	-	482,550
Centralised Costs	363,810	-	-	45,000	-	-	-	-	42,890	451,700
Head of Customer & Digital Services										
Head of Digital and Design	94,600	(70)	-	-	-	-	-	-	(94,530)	0
ICT, Systems Support and Development	2,019,740	13,100	-	60,000	(30,000)	-	-	24,380	211,550	2,298,770
Customer Services	1,249,950	10	-	-	(26,000)	-	-	-	54,240	1,278,200
Parking Services	155,260	-	-	-	-	-	-	-	400	155,660
Business Support	124,130	3,940	-	-	-	-	-	-	4,550	132,620
Elections	167,670	-	-	-	-	-	-	-	39,150	206,820
Head of Revenues & Benefits										
Revenues & Benefits	1,693,600	-	-	-	(25,000)	-	-	-	77,980	1,746,580
TOTAL COST	11,006,380	106,530	0	167,500	(289,300)	0	0	40,220	550,320	11,581,650

JOINT SUBJECTIVE ANALYSIS: Digital and Resources



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Director Office	1	(164,350)	0	1,060	3,780	0	(10)	(159,520)	0	0	0	(159,520)
Sustainability	1	73,320	0	70	0	0	0	73,390	0	0	0	73,390
Head of Finance												
Head of Finance office	1	144,730	0	130	115,350	0	(30)	260,180	0	0	0	260,180
Management, Technical & Strategic Accounting	18	912,910	0	1,450	80,170	0	(30,920)	963,610	0	0	0	963,610
Exchequer and Fraud	14	437,450	0	270	87,530	0	(86,810)	438,440	0	0	0	438,440
Procurement	3	154,260	0	10	0	0	0	154,270	0	0	0	154,270
Internal Audit	0	0	0	0	0	0	0	0	0	0	0	0
Head of Legal Services												
Legal Services	16	795,750	0	290	50,480	0	(171,880)	674,640	0	0	0	674,640
Head of Human Resources												
Human Resources	8	395,910	0	290	17,420	0	0	413,620	0	0	0	413,620
Organisational Development	1	229,270	0	730	15,270	0	0	245,270	0	0	0	245,270
Head of Business & Technical Services												
Head of Business & Technical Services	1	96,780	0	0	0	0	0	96,780	0	0	0	96,780
Business Services	6	294,470	50	2,950	77,510	0	(86,930)	288,050	0	0	0	288,050
Engineers	12	625,650	0	3,540	11,100	0	(52,030)	588,260	0	0	0	588,260
Surveyors	17	788,220	0	3,960	19,150	0	(19,570)	791,760	0	0	0	791,760
Facilities - Admin Buildings	0	0	553,270	0	26,570	0	(97,290)	482,550	0	0	0	482,550
Centralised Costs	0	0	0	42,880	408,820	0	0	451,700	0	0	0	451,700
DIRECTOR FOR DIGITAL & RESOURCES												
Head of Customer and Digital Services												
Head of Customer & Digital	1	0	0	0	0	0	0	0	0	0	0	0
ICT, Systems Support and Development Team	25	1,274,950	0	820	962,500	60,500	0	2,298,770	0	0	0	2,298,770
Customer Services	39	1,266,470	0	500	11,230	0	0	1,278,200	0	0	0	1,278,200
Parking Services	4	155,660	0	0	0	0	0	155,660	0	0	0	155,660
Business Support	5	134,930	0	0	87,050	0	(89,360)	132,620	0	0	0	132,620
Elections	5	204,500	0	130	2,190	0	0	206,820	0	0	0	206,820
Head of Revenues & Benefits												
Revenues & Benefits	52	1,741,510	0	5,070	0	0	0	1,746,580	0	0	0	1,746,580
TOTAL COST	229	9,562,390	553,320	64,150	1,976,120	60,500	(634,830)	11,581,650	0	0	0	11,581,650
Percentage Direct Cost			5%	1%	16%	0%						

**JOINT SUMMARY SERVICE BLOCK:
Economy Directorate**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019 £	ESTIMATE 2019/2020 £
DIRECTOR FOR ECONOMY		
Director of Economy Office	168,220	174,910
Directorate Vacancy Provision	(92,710)	(92,710)
	75,510	82,200
Head of Planning & Development		
Head of Planning & Development	98,860	96,640
Planning Policy	312,940	318,340
Development Control	1,015,770	1,153,930
Building Control	496,600	506,660
LLPG	23,350	22,880
Land Charges	108,440	107,180
	2,055,960	2,205,630
Head of Major Projects & Investment		
Estates	356,480	363,620
Major Projects	349,080	315,620
	705,560	679,240
Head of Place & Economy		
Head of Place & Economy	93,900	70,680
Economic Development	384,130	428,950
	478,030	499,630
Head of Culture		
Head of Culture	103,080	108,970
	103,080	108,970
TOTAL for ECONOMY	3,418,140	3,575,670

JOINT VARIATIONS SERVICE BLOCK: Economy Directorate



ADUR & WORTHING
COUNCILS

JOINT ECONOMY DIRECTORATE - 2019/20 - VARIANCE ANALYSIS										
SERVICE / ACTIVITY	Original Budget 2017/18	Inflation	One-off Items	Committed Growth	Savings	Impact of Capital Programme	Additional Income	Non Committed growth	Non-MTFF other changes	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY										
Director of Economy Office	75,510	-	-	-	-	-	-	-	6,690	82,200
Head of Planning & Development										
Head of Planning & Development	98,860	-	-	-	-	-	-	-	(2,220)	96,640
Planning Policy	312,940	-	-	-	-	-	-	-	5,400	318,340
Development Control	1,015,770	-	-	-	-	-	-	49,000	89,160	1,153,930
Building Control	496,600	(710)	-	-	-	-	-	-	10,770	506,660
LLPG	23,350	(950)	-	-	-	-	-	-	480	22,880
Land Charges	108,440	-	-	-	-	-	-	-	(1,260)	107,180
Head of Major Projects & Investment										
Estates	356,480	-	-	-	-	-	-	36,750	(29,610)	363,620
Major Projects	349,080	-	-	7,640	-	-	-	-	(41,100)	315,620
Head of Place & Economy										
Head of Place & Economy	93,900	-	-	-	(21,040)	-	-	-	(2,180)	70,680
Economic Development	384,130	(260)	-	-	(1,500)	-	-	-	46,580	428,950
Head of Culture										
Head of Culture	103,080	-	-	-	-	-	-	-	5,890	108,970
TOTAL COST	3,418,140	(1,920)	0	7,640	(22,540)	0	0	85,750	88,600	3,575,670

JOINT SUBJECTIVE ANALYSIS:

Economy Directorate



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY												
Director of Economy Office	2	80,240	0	510	1,450	0	0	82,200	0	0	0	82,200
Head of Planning & Development												
Head of Planning & Development	1	95,770	0	110	760	0	0	96,640	0	0	0	96,640
Planning Policy	6	382,500	0	1,770	3,020	0	(68,950)	318,340	0	0	0	318,340
Development Control	24	1,088,590	0	2,930	62,410	0	0	1,153,930	0	0	0	1,153,930
Building Control	10	485,730	3,020	5,910	48,000	0	(36,000)	506,660	0	0	0	506,660
LLPG	1	50,350	0	30	16,430	0	(43,930)	22,880	0	0	0	22,880
Land Charges	3	103,720	0	0	3,460	0	0	107,180	0	0	0	107,180
Head of Major Projects & Investment												
Estates	6	359,200	0	1,530	2,890	0	0	363,620	0	0	0	363,620
Major Projects	4	268,480	0	1,050	81,790	0	(35,700)	315,620	0	0	0	315,620
Head of Place & Economy												
Head of Place & Economy	1	70,680	0	0	0	0	0	70,680	0	0	0	70,680
Economic Development	11	405,060	0	950	36,380	0	(13,440)	428,950	0	0	0	428,950
Head of Culture												
Head of Culture	1	108,060	0	910	0	0	0	108,970	0	0	0	108,970
Tourism and Events	3	0	0	0	0	0	0	0	0	0	0	0
TOTAL COST	74	3,498,380	3,020	15,700	256,590	0	(198,020)	3,575,670	0	0	0	3,575,670
Percentage Direct Cost		93%	0%	0%	7%	0%						



ADUR DISTRICT
COUNCIL

Adur Report and Collection Fund

**BUDGET ESTIMATES 2019/20 AND SETTING OF 2019/20 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 2019/20 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2019/20, prior to its submission to the Council for approval on the 28th February 2019. This will be subject to any proposals to change the draft revenue budget following the consideration of the budget proposals by Executive.

1.2 The report outlines the medium term financial challenge through to 2023/24, 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 the challenge still remains significant for 2020/21, with the earlier identification of initiatives to bridge the emerging budget gap a priority.

1.3 These budgets reflect the Council's 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 2019/20 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 2020/21 and beyond (see section 4.2) ;
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in Platforms for our Places;
- The impact of recent County Council decisions upon the Council;
- The Executive needs to consider the proposals to invest in services outlined in Appendix 2; and, finally
- The Executive will need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.11).

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2019/20 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 has consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 1st February 2019. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18th February 2019 at which point the Commissioner will be in a position to confirm the Council Tax for 2019/20 just in time for Council on the 28th February 2019.

1.7 The draft Local Government Settlement allow Councils to increase core Council Tax by up to 3% which is in addition to the 2% Council Tax increase permitted specifically to support adult social care services (subject to a maximum increase for social care of 6% in the period 2017/18 to 2019/20). Therefore a maximum Council Tax increase of 5% 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 16th February 2019. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on 28th February 2019.

1.9 The following appendices have been attached to this report:

- (i) Appendix 1 5 year forecast for Adur District Council
- (ii) Appendix 2 Proposals for investment in services
- (iii) Appendix 3 Estimated Reserves
- (iv) Appendix 4 Council Tax base for 2019/20
- (v) Appendix 5 Summary of Executive Member Portfolio budgets for 2019/20
- (vi) Appendix 6 Glossary of terms used

Recommendations

2.1 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 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,598,470, subject to any amendments agreed above; and
- (c) Consider which band D Council Tax to recommend to Council for Adur District Council's requirements in 2019/20 as set out in paragraph 5.11
- (d) Recommend to Council that special expenses of £21.42 per Band D equivalent to be charged in all areas of the District except Lancing.

3. INTRODUCTION

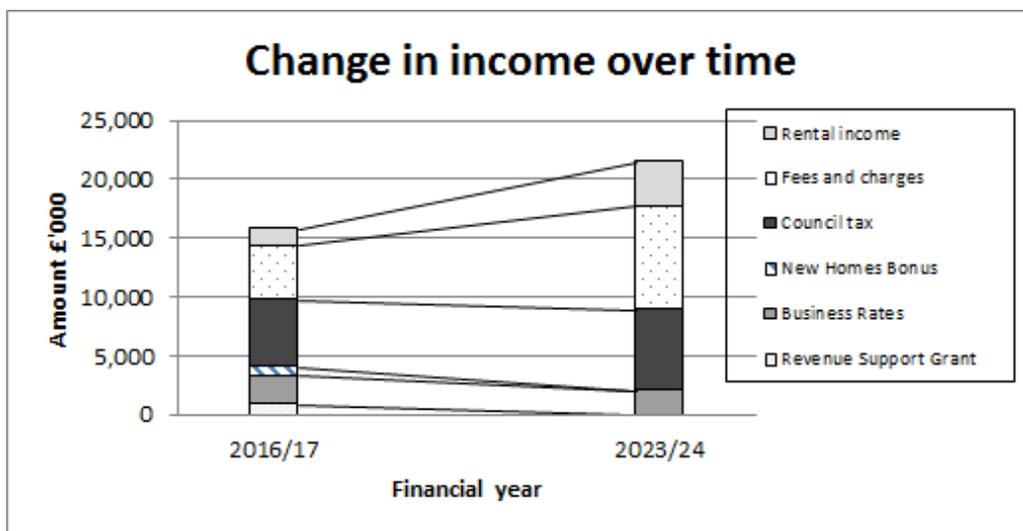
3.1 The Joint Strategic Committee considered the 'Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond' on 10th July 2018. This report outlined the financial context, the key budget pressures and the budget strategy for Adur and Worthing Councils. The report built on the strategy 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, the Councils have set-up several strategic programmes which are responsible for taking forward key initiatives aimed at delivering new income and savings for the next 5 years as well as supporting key aims outlined in Platforms for our places:

- 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 ensure 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; and
- The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience.
- For 2019/20 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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	887	271	0	0	0	0	0	0
New Homes Bonus	767	553	202	126	11	10	10	0
Business Rates	2,436	2,386	2,337	2,227	2,007	2,047	2,086	2,126
Council Tax	5,690	5,848	6,089	6,246	6,428	6,572	6,719	6,870
Income from taxation	9,780	9,058	8,628	8,599	8,446	8,629	8,815	8,996
Fees and charges	4,655	5,882	5,826	6,064	6,476	7,067	7,839	8,797
Commercial rent income	1,431	1,528	2,866	3,066	3,371	3,471	3,621	3,771
Income from commercial activity	6,086	7,410	8,692	9,130	9,847	10,538	11,460	12,568
Total income excluding specific grants	15,866	16,468	17,320	17,729	18,293	19,167	20,275	21,564



3.4 The subsequent report to the Joint Strategic Committee, on 4th December 2018 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

Adur District Council	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	749	1,957	2,277	2,657	2,965
Overall shortfall – December forecast (including net approved growth)	812	2,072	2,390	2,769	3,075
Increase / (Decrease) in shortfall	63	115	113	112	110
Overall shortfall – December forecast	812	2,072	2,390	2,769	3,075
Savings identified in December 2018 report	-807	-1,064	-1,064	-1,064	-1,064
Revised budget shortfall/Surplus(-) as at December 2018	5	1,008	1,326	1,705	2,011

- 3.5 The 2019/20 savings proposals identified within the report amounted to £807,000.
- 3.6 Since the meeting in December, the Adur District 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 2019/20 can be summarised as follows:

	£'000
Original shortfall as identified in July 2018	749
Summary of changes identified in December 2018:	
(a) Reduction to the income from Council Tax	16
(b) Further increase to cost of the homelessness service	150
(c) Improvement in Government Grants largely as a result of increased retained business rate income	-83
(d) Contingency sum for further increases to the cost of temporary and emergency accommodation	75
(e) Net committed growth items identified by budget holders and other adjustments	35
(f) Removal of contingency budgets	-130
Budget shortfall as at 4 th December 2018	812
Settlement	
Impact of provisional New Homes Bonus allocation	-10
Distribution of surplus business rates held nationally	-27
Adjustment for increase to business rate multiplier	9
Impact of County Council budget decisions	15
Adjustment to tax base	15
Revised budget shortfall	757
Less: Net savings agreed in December	-807
Plus: Reduction in savings since December	40
Budget surplus based on a 2% Council Tax increase (before any further action is agreed)	-10

4. THE BUDGET STATEMENT 2018 AND 2019/20 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Budget Statement 2018

4.1.1 The Chancellor Philip Hammond delivered the 2018 Budget Statement on the 29th October 2018. Overall the public sector forecasts for the 2019 Spending Review are better than previously expected, and local government should gain from this improvement.

4.1.2 The budget contained a key political message which was that this Budget heralded “the end to austerity”. In future, the Government intends not to cut public spending just to balance the budget. There is an expectation across the sector that public spending will stop falling in real terms and start to increase in line with growth in the economy. This is, of course, predicated on the improved fiscal forecasts contained within the budget: a recession or unexpected external shock to the economy could derail these plans.

4.1.3 However, much of the increase to public sector spending will be allocated to the NHS. Earlier this year the Prime Minister announced an improved 5-year settlement for the NHS covering the period 2019/20 to 2023/24. By 2023/24 spending on the NHS will be £20.5bn higher in real terms.

4.1.4 Nevertheless Local Government is now emerging as one of the priorities. For the first time local Government was given a prominent role in the Budget. In his speech the Chancellor states that :

‘Local government has made a significant contribution to repairing the public finances and this Budget ensures local councils have more resources to deliver high quality public services.

We are giving councils greater control over the money they raise through the Adult Social Care precept, through our plans for increased business rate retention from 2020, and by removing the Housing Revenue Account cap so that councils can help to build the homes this country needs.’

4.1.5 New funding was announced for the following services:

- £650m additional grant funding for adult social care in 2019-20,
- £45m for Disabled Facilities Grant in 2018-19,
- £84m was made available to 20 authorities over 5 years to improve children’s

social care programmes.

- £450m in 2018-19 for potholes that will be allocated to highways authorities.

Longer term decisions on overall local government funding will be made in the 2019 Spending Review. The amount of funding that the Council will eventually benefit from will also depend on the Fairer Funding Review.

4.1.6 In addition to the changes to Local Government Funding, the Chancellor also announced changes to the Business Rate Relief Scheme.

- Reduce business rates by one-third for retail properties with a rateable value below £51,000 for two years from April 2019 subject to state aid limits;
- The £1,500 local newspaper discount will continue for another year;
- Local authorities will be able to award mandatory relief to public lavatories whether publicly or privately owned from 2020/21 onwards, previously local authorities did not qualify for this benefit.

Whilst these will not have a direct financial impact on the Council as they will be fully funded by the government, they will benefit local businesses.

4.2 2019/20 Local Government Finance Settlement

4.2.1 The provisional Local Government Settlement was announced on 13th December 2018 by the Secretary of State. Consultation on the provisional settlement closed on the 10th January 2019.

4.2.2 Settlement confirmed much of what was contained in the Technical Consultation that was published in July 2018, namely:

- **Four year settlement**

The four year settlement remains unchanged. As expected the Council will receive no Revenue Support Grant in 2019/20. 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	1,348	774	271	0	0	0
Decrease year on year (£)		574	503	271	0	0
Decrease year on year (%)		42.58%	64.99%	100.00%		

- **Council Tax referendum thresholds**

The council Tax referendum threshold for District Councils was confirmed as the higher of 3% or £5.00 for a Band D property. For Adur District Council, the Council can increase council tax by up to 3%.

The current 5-year forecast assumes an increase of 2%. The additional increase 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.

- **Negative Revenue Support Grant (RSG)**

Negative RSG, which was an adjustment to reduce the amount of business rates income retained locally, has been removed with the cost funded by the Government. The Council had expected this to be the case following the Technical Consultation earlier in the year.

For Adur District Council, the proposed adjustment to the Tariff would have been £366,500. Although due to the impact of the levy calculation the financial impact was reduced to £183,250 as follows:

	2019/20	
	Without negative RSG	Including negative RSG
Council share of business rates and S31 grants	8,095,850	8,095,850
Less: Tariff	-5,039,900	-5,406,400
	3,055,950	2,689,450
Less: Baseline Funding	-1,738,820	-1,738,820
Additional business rates	1,317,130	950,630
Less: 50% Levy	-658,565	-475,315
Additional retained rates	658,565	475,315
Reduction due to negative subsidy		183,250

- **New Homes Bonus**

The baseline for the payment of New Homes Bonus (NHB) remains at 0.4%. The threshold means that NHB payments will only be made on an increase in the council tax base that exceeds 0.4%. The Council receives largely the same amount of NHB as assumed in December, although the final number of affordable homes delivered is marginally higher than expected leading to a minor increase of £10,000 in the amount of grant to be paid.

Overall the Council is expected to receive the following amounts in NHB over the next few years as the current scheme is phased out.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Current assumption	202	126	11	10	10	0
Draft settlement						
Historic allocations	202	116	1	0	0	0
2018/19 allocation		10	10	10	10	0
Total New Homes Bonus	202	126	11	10	10	0
Increase / decrease (-) in grant from previous assumptions		10	10	10	10	0

The New Homes Bonus has been an important source of funding. However, the future of the scheme after next year remain very uncertain. The provisional 2019/20 allocation for this council is £125,988.

4.2.3 Levy Account Adjustment

In addition, to the changes trailed in the Summer, the Government announced that it would distribute surplus business rates held in the Levy Account in 2018-19. Adur District Council expects to receive £26,680.

4.2.4 75% business rate pilots

The number of pilots announced as part of settlement were higher than expected increasing from 10 to 15.

West Sussex has been successful in its bid to be one of the pilot areas. Whilst this

does not benefit the council directly, the additional sums (circa £18m) held in the County area will be invested into initiatives to support the local economies.

4.2.5 Changes to local government funding in 2020/21 and beyond:

As part of settlement, two consultations were announced on details pertaining to the Fairer Funding Review and the new Business Rate Retention Scheme:

i) Fair funding review consultation - Review of local authorities' relative needs and resources

As members are aware, the Government is undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up-to-date, more transparent and fairer needs assessment formula.

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme which is due to be introduced across the Country by 2020/21.

Consequently this review will not only influence the level of Revenue Support Grant received by each Council but also the amount of business rates each Council will be able to retain.

The consultation announced as part of settlement seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England in 2020-21.

This consultation:

- proposes to simplify the assessment of local authorities' relative needs;
- considers the type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services;
- proposes a set of principles that will be used to design potential transitional arrangements and examines how the baseline for the purposes of transition should be established.

As part of settlement, the Government announced a further technical consultation on the Fair Funding Review (FFR).

ii) Reform of the Business Rate Retention Scheme

The Secretary of State has previously announced that the local share in the Business Rate Retention Scheme (BRRS) will increase from 50% (40% to the District Councils and 10% to the County Councils) to 75% in 2020-21. The increase in local share will be fiscally neutral and will be matched by transfers of Revenue Support Grant, public health grant and other grants.

As part of settlement, a further consultation on the new Business Rate Retention Scheme was announced. This consultation seeks views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system.

The reform of the business rates retention system sits alongside wider changes to the local government finance system which the government aims to introduce in 2020.

4.2.6 The consultations will close on the 21st February 2019 and the Council will consider and respond to the documents with a response being prepared in consultation with the Executive Member of Resources.

4.2.7 Summary of 2019/20 Local Government Settlement

In overall terms, the 2019/20 settlement revealed that District and Borough Councils received an overall cut in government funding of 12.09%. For districts, this is significantly more than last year's drop of 7.10%.

YEAR-ON-YEAR CHANGE FOR THE 2019/20 SETTLEMENT

Class of Local Authority	2017-18	2018-19	Overall Reduction in funding
	Adjusted Settlement Funding Assessment	Settlement Funding Assessment	
	£million	£million	%
England	15,536.04	14,499.70	-6.67%
London Area			
London Boroughs	2,896.82	2,717.73	-6.18%
GLA	1,174.06	1,198.63	2.09%
Metropolitan Areas			
Metropolitan Districts	4,078.64	3,842.54	-5.79%
Metropolitan Fire Authorities	222.26	219.17	-1.39%
Shire Areas			
Shire unitaries with fire	261.59	241.24	-7.78%
Shire unitaries without fire	2,843.64	2,626.26	-7.64%
Shire counties with fire	1,285.88	1,157.38	-9.99%
Shire counties without fire	1,834.91	1,638.18	-10.72%
Shire districts	602.95	530.06	-12.09%
Shire fire authorities	332.00	325.23	-2.04%

4.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 10th January 2019 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 £130,400.

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 Pool*	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

* Any levy is now retained by the business rate pool rather than paid over to the Treasury.

4.3.2 The forecast for 2019/20 is currently being finalised. The 2019/20 NNDR return which underpins this forecast is due to be submitted by the 31st January 2019 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 Monks Farm, Parcelforce and Civic Centre sites.

4.3.4 75% Business Rate pilot:

The Council is now participating in a new County based business rates pool as part of the national pilot of the proposed business rate retention scheme.

Participating in the pilot will enable the participating Councils to retain any 'levy' paid which will be set aside to fund initiatives within the County area to support economic growth, principally through the delivery of enhanced digital infrastructure. The equates to an estimated additional business rate income of over £18m retained locally in 2019/20 to benefit the residents of West Sussex.

However, as a result of becoming part of the pilot, the safety net is now calculated on the entire pool. The safety net calculation is based on 5% of the overall pool baseline of £96.2m which means that the maximum loss of income before the safety net would be triggered is £4.8m. To manage this risk, the contingency available from the current pool (Adur, Arun, Chichester, Worthing and West Sussex County Council) of £2m will be transferred into the new pool and additional contingency sums from the £18m gain will be set aside.

4.3.5 Finally, it should be appreciated that there are 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.
- The Councils have received mandatory rate relief claims from the local NHS trusts. Whilst the Council believes the trusts are not eligible for such financial support, until the legal position is clarified, there is a risk that the Council could lose 80% of its income from the NHS Trust sites. This is the subject of a national legal challenge. However the Council is fully providing for this additional relief within the accounts.
- 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.

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 2018/19 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 on the delivery of homes (Council Tax) and the creation of employment space (Business Rate Retention Scheme).

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:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	6,089	6,246	6,428	6,572	6,719	6,870
Business Rates **	2,337	2,227	2,007	2,047	2,086	2,126
New Homes Bonus	202	126	11	10	10	0
	8,628	8,599	8,446	8,629	8,815	8,996

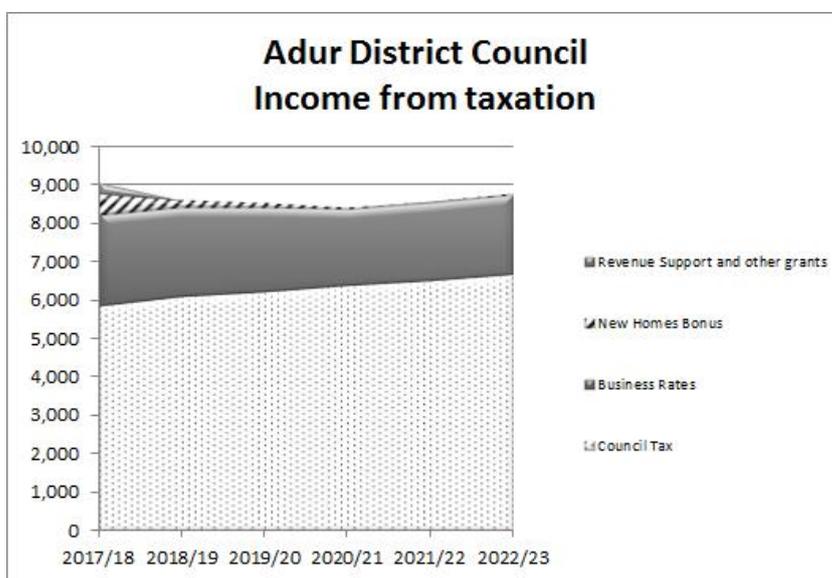
* Includes any surplus or deficit on the collection fund

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

Adur District Council receives no Revenue Support Grant from 2018/19 onwards.

Breakdown of taxation income to the Council:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Council Tax	70.57%	72.63%	76.11%	76.16%	76.23%	76.36%
Business Rates	27.09%	25.90%	23.76%	23.72%	23.66%	23.64%
New Homes Bonus	2.34%	1.47%	0.13%	0.12%	0.11%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



5.0 DRAFT REVENUE ESTIMATES 2019/20

5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £8,598,470. This includes the savings and committed growth proposals agreed at Joint Strategic Committee in December.

5.2 The budget is fundamental to realising the Councils’ ambitions set out in Platforms for our Places. The budget enables the Councils’s role to lead and work with partners to develop our communities and our economies.

Attached at Appendix 2 are some proposals for investment 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 Our Financial Economies

The Councils recognise 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 Adur's town centre and provide for additional employment land. This includes the construction of a new office building on the land formerly the Civic Centre car park.

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, investing in facilities to improve the local economy.

5.3.2 Our Social Economies

The Councils continue to see an increase in demand for our Housing Service, in particular those who are experiencing homelessness. In response this budget proposes additional growth of £150,000 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 Councils. The Councils are also proactively working with partners across West Sussex to respond to budget decisions being made by the West Sussex County Council. A contingency sum of £90,000 has been proposed in order for the Council to respond to the impact of these decisions.

The Councils are also aware of the importance of our communities to have active lives and enjoy our parks and open spaces. Funding is proposed for a new play area to promote health and wellbeing of our communities. This investment will compliment the development of the Adur and Worthing Activities Strategy, which is currently being developed.

5.3.3 Stewarding our Natural Resources

In 2018 the Councils have taken a number of decisions to reduce the Councils and our communities impact on our environment, and to enhance our natural assets. The adoption of the Adur & Worthing Sustainability Framework set an ambitious

set of actions to respond to the pressing and complex environmental challenges that we face locally and globally.

Moving to Alternate Weekly Collection for waste services is a critical strategy to improve our communities recycling rates and reduce level of waste. The budget provides for the investment required to make this service change and provide additional information to our communities about recycling.

5.3.4 **Services and 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 new digital tools to improve how customers access Customer Services and the Revenues and Benefits service

- 5.4 The final budget will be dependent on Members consideration of the investment proposals, Appendix 2, and the Council Tax increase that Members are prepared to support.
- 5.5 The key question of how the net budget requirement of £8.599m 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 2018/19 to 2019/20 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:

	£'000	£'000
2018/19 Original Estimate		8,618
Add: General Pay and Price Increases		394
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	571	
Impact of Capital Investment and Development Programme	-106	465
Less: Compensatory savings and additional Income:		
Compensatory savings	-41	
Additional income	-80	-121
2019/20 budget prior to agreed savings		9,356
Less: Savings agreed by members		
Approved in December	-807	
Adjustments arising from estimated impact of single person discount review	40	
		-767
Executive Member requirements		8,589
Potential contribution to reserves*		10
Potential budget requirement before external support		8,599
Collection fund deficit		40
2019/20 BUDGET REQUIREMENT		8,639
* 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 Impact of County Council budget proposals:

5.8.1 The current net estimated 2019/20 spend is greater than previously predicted in December which is attributable to the spending decisions of the County Council. Members will be aware that the County Council have decided to reduce the budgets for supported housing by 2/3rds from £6.4m to £2.4m per annum from 1st October 2019 (£2m reduction in 2019/20 and a further £2m in 2020/21). Of the remaining budget, the remaining proposals put forward by WSCC suggest at this stage:

- £1.4m is ring-fenced for accommodation for young people/care leavers
- £1m is for supporting preventing homelessness projects across the whole of WSCC

At present, there is no clear indication of how the £1m allocated to preventing homelessness will be used.

5.8.2 Of the current total spend, £1.8m is spent within Adur and Worthing and approximately 70% of the caseload relates to Worthing residents. Consequently, the supported housing providers will see a reduction of approximately £1.2m in funding, with potentially severe consequences for the tenants and with inevitable knock-on consequences for the Council.

5.8.3 The most critical issue for the Council will be to retain the capacity of bed spaces available to those in need, otherwise there will be a significant shift of cost to more expensive Emergency and Temporary Accommodation (EA/ TA) and potentially an increase to rough sleeping.

5.8.4 The preliminary financial analysis suggests some level of support for commissioned services will be more cost effective than dealing with the potential levels of homelessness and associated EA / TA costs. However this needs further exploration and assessment of sustainability.

5.8.5 The Councils had provided a £250,000 contingency for 2019/20 of which £75,000 related to Adur District Council for dealing with the impact of the County budget decisions. Given the scale of the reduction in 2019/20, the Council should look to provide at least a further £15,000 more to mitigate against the significant risk of increasing costs arising from higher demand for EA/TA resulting from the decision of the County Council. Looking ahead, the cost impact is likely to escalate in 2020/21 when the full impact of the reductions is experienced locally.

5.8.6 At this stage, there is a degree of uncertainty about the full financial impact of the County's decisions, over the coming months the Council will work with others in the County area to fully understand the impact of this change.

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

	£'000
Increase in New Homes Bonus	-10
Distribution of nationally held business rates	-27
Latest forecast of business rate income (including any adjustments arising from settlement)	9
Increase to contingency for the impact of County Council budget decision	15
Increase in the Council Tax Base	-42

5.10 The projected deficit on the Collection Fund is estimated to be £242k, of which £40k is the District Council share. This is a minor deficit in light of the overall income due which exceeds £37.4m and is due to a lower increase in housing growth than expected..

5.11 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.

5.12 **The Council Tax increase:**

5.12.1 The Council Tax has only been raised in 3 out of the last 9 years. This, together with a 1% reduction applied in the same period, has generated an overall increase in the tax of 6.02% (in 2010/11 Band D tax was £274.27, in 2018/19 it was £290.79) . Over the same period inflation (CPI) has been 19.36%.

5.12.2 The budget forecast currently assumes that average Council Tax will increase by just over 2.0% in 2019/20. However the referendum criteria announced in December 2018 gives the Council the flexibility to raise the Council Tax by up to 3%. A higher increase will give the council the opportunity to reinvest back into priority services. Members are reminded that the Consumer Price Index is currently 2.3%.

5.12.3 Even a 3% uplift would only be a modest increase in the District council share of the bill for 2019/20. The table below details how the average Council Tax will change as a result of a 2%, 2.5%, 2.8% and just under 3% increase.

	Average annual increase for 2019/20				
	2018/19	2.0%	2.5%	2.8%	3.0%
	£	£			£
Council Tax Band D	290.79	296.64	298.08	298.89	299.43
Annual increase		5.85	7.29	8.10	8.64
Weekly increase		0.11	0.14	0.16	0.17
Council Tax Band C	258.48	263.68	264.96	265.68	266.16
Average annual increase		5.20	6.48	7.2	7.68
Average weekly increase		0.10	0.12	0.14	0.15
Total additional Council Tax raised		123,991	154,512	171,679	183,125
Additional Council Tax raised over a 2% increase			30,521	47,689	59,134

5.12.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a £12.00 (7.23%) 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 (5%). 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 5%:

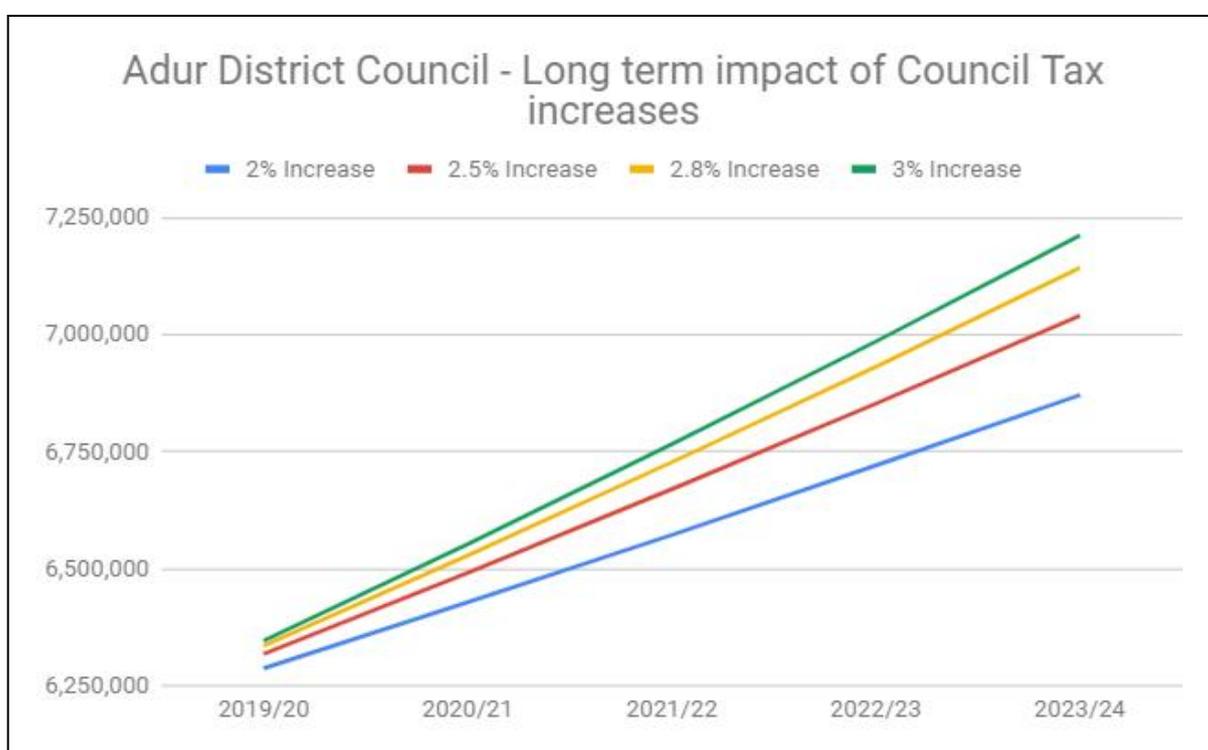
	2018/19	2019/20 (Indicative only)	%
	£	£	
Adur District Council average	290.79	299.43	2.97%
West Sussex County Council	1,317.78	1,383.66	5.00%
Sussex Police and Crime Commissioner	165.91	177.91	7.23%
	1,774.48	1,861.00	4.88%

5.12.5 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 impact of the County Council budget decisions. The impact of changing the

Council Tax by 2%, 2.5%, 2.8% and 3% annually would be as follows:

Total income	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
2% annual increase	6,287,280	6,428,580	6,572,440	6,720,780	6,871,710
2.5% annual increase	6,317,810	6,491,680	6,670,190	6,853,350	7,041,190
2.8% annual increase	6,334,970	6,528,020	6,727,690	6,932,120	7,143,270
3% annual increase	6,346,420	6,552,870	6,766,030	6,985,920	7,212,600

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



5.12.6 Members are asked to consider which level of Council Tax increase that they support. An average increase of just under 2.00% would enable the Council to set a balanced budget. An increase of 3.00% will give the Council the opportunity to reinvest back into priority services

5.13 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):

	£'000	£'000
Net budget requirement		8,589
Less:		
Baseline Funding (including Levy surplus payment)	1,765	
Share of additional Business Rate income	462	
Council Tax (2.0% increase)	6,287	
New Homes Bonus	126	
Collection Fund Deficit	-41	-8,599
Budget surplus based on 2.00% Council Tax increase		-10
Maximum impact of accepting the growth items (Appendix 2)		70
		60
Maximum contribution from reserves if Council Tax increase remains at 2% or additional amount to be raised from Council Tax with a 3% increase		60
		-

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 I (which includes an assumed 2.00% tax increase for 2019/20 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)				
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix I	757	2,308	2,626	3,005	3,319
Less:					
Net savings identified in 2019/20 budget round	-767	-1,576	-1,576	-1,576	-1,576
Impact of accepting the investment items in paragraph 5.10.5	70	70	70	70	70
Potential contribution to reserves / or additional amount to be raised from Council tax if all growth approved	-60	-60	-60	-60	-60
Adjusted cumulative budget shortfall		742	1,060	1,439	1,753
Savings required each year		742	318	379	314

6.2 The continuation of the withdrawal of government fund 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 £600k 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. 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 (Cumulative)			
	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Annual budget shortfall	732	318	379	314
Future savings from budget strategy:				
Investment in commercial property	-200	-200	-200	-200
Commercial activities	-170	-170	-170	-170
Service and digital redesign	-80	-80	-80	-80
New savings initiatives to be identified	282	-132	-71	-136

6.4 Nevertheless 2020/21 remains an extremely 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 2018 was £518,000 which was 6.0% 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	%
31.03.2018	Balance carried forward – per Final Accounts	518	6.0
31.03.2019	No planned drawdown or contribution expected	518	6.0
31.03.2020	No planned drawdown or contribution expected	518	6.1
31.03.2021	No planned drawdown or contribution expected	518	6.0
31.03.2022	No planned drawdown or contribution expected	518	5.9

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.

- 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 a region of £42,000 in 2018/19.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £101,400.
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 2018/19 of £516,000 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 £860,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of between 6% and 10% is valid and the forecast level fall within these parameters.

7.5 However, with the planned expansion of commercial activity, especially the investment in commercial property, the council is taking two 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 £350,000 per year by 2023/24.
- ii) As part of the development of the 2019/20 budget and at the suggestion of the LGA peers, general inflation (excluding inflation on items such as salaries, rates, utilities, and contractual commitments) has not been 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. This has been implemented following a suggestion from the LGA Finance Peers.

- 7.6 In the medium term, once the challenges of 2020/21 have been addressed, the council should review the position and take proactive steps to further bolster the reserve to around £4.5m by 2023/24.
- 7.7 In addition, the estimated balance of general fund earmarked reserves as at 31st March, 2020 is £1,559,000, although this reduces to £1,006,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 2. The significant risks to the overall budget and the Council's reserves are detailed below.
- 7.8 With a lower level of 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 has recovered to some extent. 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 have occasional opportunities to put money into 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.
- 7.10 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 year 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 for 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 increase in costs this year as a result of County Council decisions:

	Adur	2019/20 Worthing	Total	Full year im- pact
	£'000	£'000	£'000	£'000
Impact of changes to recycling credits	120	180	300	300
Contingency for the County budget reduction to supported housing services	90	210	300	1,200 (up to)
Total impact	210	390	600	1,500

Looking ahead, it is clear that given the financial pressure that the county council is under that there may be further reductions in items such as recycling payments from 2020/21 onwards.

- (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 2019/20, 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 there is an increased risk of loss of income from voids. To mitigate this risk the Council is has introduced an annual provision for void rents which will be £100,000 in 2019/20. 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 3% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2019/20, 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	101
Non-pay	41

- 8.2 To help manage these risks, the council has a working balance of £518,000 and £1.0m 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 2019/20 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 31st January 2019 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 2019/20.

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 Adur District 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 Adur District.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2019/20 Budget, the resulting Council Tax for the District 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 Adur District Council:

(a) The following table shows the net sum to be raised from local Council Taxpayers in 2019/20 prior to the consideration of the budget proposals. This is based on 2.01% Council Tax increase:

	£	£
Net 2019/20 Budget *		8,598,470
Less: Aggregate External Finance:		
Baseline Funding	-1,738,820	
Additional Retained Business Rate income	-461,370	
New Homes Bonus	-125,990	
Contribution to the Collection Fund deficit (as per para. 5.9)	40,950	
Levy payment	-26,680	
		-2,311,910
Amount to be raised from Council Tax (2.00% Council Tax)		6,286,560
Additional impact of proposals identified in Appendix 2 if all approved.		60,390
Amount to be raised from Council Tax based on 3.0% Council Tax		6,346,950

2019/20 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 Council Tax and approving the non-committed growth items.

(b) Council Tax Base

The Council's Tax base for 2019/20 is 21,195.00 Band D equivalent properties. There is an increase to the current year base of 20,923.20 which is due to an increasing number of homes, the falling cost of Council Tax benefits, and the anticipated benefit of a review of Single Person Discounts. The full calculation of the tax base is shown in Appendix 4.

	2018/19	2019/20
	Tax Base	Tax Base
Lancing	6,166.80	6,234.40
Sompting	2,741.20	2,759.40
Unparished	12,015.20	12,201.30
TOTAL	20,923.20	21,195.00

(c) Special Expenses

At the extraordinary meeting of Council held on 10th January 1995, Maintenance of recreation grounds and provision of community buildings were agreed as special expenses not chargeable in the Lancing area under the terms of section 35 of the Local Government Finance Act 1992. In 2019/20 expenditure of £321,551 (£273,870 in 2018/19) falls under the resolution and will need to be financed by a Band D tax of £21.42, to be charged in all areas of the District except Lancing.

There has been an increase of nearly 16% year on year due to a net increase in the budget for recreation grounds; a result of the reduction in income from participation sports.

(d) Adur District Council Band D Council Tax

Members are now asked to consider which level of Council Tax to set for 2019/20. A Council Tax increase of 2.00% will ensure that the Council has a balanced budget, an increase of 3.0% will lever in sufficient additional resources to fund the growth proposed at Appendix 2.

Area	2018/19	2019/20 (Average 2% in- crease)	2019/20 (Average 2.5% in- crease)	2019/20 (Average 2.8% in- crease)	2019/20 (Average 3.0% in- crease)
	£	£	£	£	£
Lancing - Basic Council Tax	277.65	281.43	282.87	283.77	284.31
Percentage increase		1.4%	1.9%	2.2%	2.4%
Annual increase (Band D)		3.78	5.22	6.12	6.66
Weekly increase (Band D)		0.07	0.10	0.12	0.13
Shoreham, Southwick, Sompt- ing and Coombes					
Basic Council Tax	277.65	281.43	282.87	283.77	284.31
Special Expenses	18.54	21.42	21.42	21.42	21.42
TOTAL in Shoreham, South- wick, Sompting and Coombes	296.19	302.85	304.29	305.19	305.73
Percentage increase		2.2%	2.7%	3.0%	3.2%
Annual increase (Band D)		6.66	8.10	9.00	9.54
Weekly increase (Band D)		0.13	0.16	0.17	0.18

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2018. The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 1st February 2019.

	2018/19 £	2019/20 £
West Sussex County Council	1,317.78	tbc
Sussex Police Authority	165.91	177.91
TOTAL	1,483.69	tbc

The final figures for all authorities will be incorporated into the formal Council Tax setting resolution to be presented to the District Council at its meeting on 28th February 2019.

13.0 LEGAL IMPLICATIONS

13.1 The Local Government Act 2003 requires that the Councils set a balance budget. This

report demonstrates how the Council will meet this requirement for 2019/20.

14.0 CONCLUSION

- 14.1 This has been another challenging year. The Council has seen the government grants fall, a substantial increase in housing need numbers, and addressed the consequences of the County Council's budget decisions. However, to meet this challenge the Council has identified £767,000 of savings and is now in the position to set a balanced budget.
- 14.2 Looking further ahead, 2020/21 will be particularly challenging as the Council grapples with the impact of the fairer funding review, and the continuing consequences of the withdrawal of funding by the County Council for supported housing. 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 diminishes and we become largely funded by our community through Council Tax and 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 be 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 2019/20 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 10th July 2018 'Achieving Financial Sustainability – Budget strategy for the 2019/20 budget and beyond'

Report to the Joint Strategic Committee 4th December 2018 'Financially Sustainable Councils: 5 year forecast 2019/20 – 2023/24 and savings proposals'

Report to the Joint Strategic Committee 4th December 2018 'Investing for the future: Capital Investment Programme 2019/20 to 2021/22'

Local Authority Finance (England) Settlement Revenue Support Grant for 2019/20 and Related Matters: DCLG Letters and associated papers of 13th December 2018.

Autumn Budget 2018 - HM Treasury

Autumn Budget 2018 – On-the-day Briefing by Pixel Financial Consulting

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 2017/18

Report to Joint Strategic Committee 6th November 2018 – 2nd Revenue Budget Monitoring 2018/19

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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

Appendix I

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
Net Spending to be Financed from Taxation	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	8,618	8,618	8,618	8,618	8,618	8,618
Annual Inflation						
Estimated inflation		394	728	1,056	1,372	1,691
One -off / non-recurring items						
Local Elections (held every other year)		-18	-	-19	-	-20
Committed investment into services						
Impact of Pension contribution changes		4	4	4	4	4
Impact of new arrangements for funding homelessness		-	184	184	184	184
New 2020 recycling targets		120	400	400	400	400
Deletion of one-off savings in 2018/19		39	39	39	39	39
Increased homelessness caseload		150	150	150	150	150
Impact of committed investment items identified by heads of service		170	170	170	170	170
Contingency for the impact of the County budget proposals and further investment in housing services		90	360	360	360	360
Impact of members allowance increase		-2	-2	-2	-2	-2
Contingency for future committed investment in services		-	70	140	210	280
Impact of capital programme						
Financing costs		-106	78	158	302	412
Additional Income						
Investment Income		-60	-62	-80	-124	-168
Re-opening of Riverside Car Park		-20	-20	-20	-20	-20

Appendix I

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
		2019/20	2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000	£'000
Approved Investment Items						
Provision for new investment in services		-	60	120	180	240
Fall out of investment items		-23	-23	-23	-23	-23
Total Cabinet Member Requirements	8,618	9,356	10,754	11,255	11,820	12,315
Total Cabinet Member Requirements B/f	8,618	9,356	10,754	11,255	11,820	12,315
Baseline funding	1,700	1,738	1,773	1,808	1,844	1,881
Add: Retained additional business rates	591	712	234	239	242	245
Add: Share of previous year's surplus / (deficit)	46	-250				
Add: Levy surplus		27				
Business rate income	2,337	2,227	2,007	2,047	2,086	2,126
Revenue Support Grant	-	-	-	-	-	-
Council Tax						
Adjusted Council Tax income	6,084	6,287	6,428	6,572	6,719	6,870
Other grants						
New homes bonus (2015/16 - 2020/21)	86	-	-	-	-	-
New homes bonus (2016/17 -2019/20)	115	115	-	-	-	-
New homes bonus (2017/18 - 2020/21)	1	1	1	-	-	-
New homes bonus (2019/20 - 2022/23)	0	10	10	10	10	0
Total NHB	202	126	11	10	10	0
Collection Fund surplus/deficit(-)	5	-41	-	-	-	-
Total other grants and contributions	207	86	11	10	10	-
Total Income from Grants and Taxation	8,628	8,599	8,446	8,629	8,815	8,996
Surplus/Shortfall in Resources	-10	757	2,308	2,626	3,005	3,319

Appendix I

ADUR DISTRICT COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
		2019/20	2020/21	2021/22	2022/23	2023/24
		£'000	£'000	£'000	£'000	£'000
Contribution to (-) / Use of Reserves to Balance Budget						
Capacity issues reserve	-10	-	-	-	-	-
Total Income from Reserves	-10	0	0	0	0	0
AMOUNT REQUIRED TO BALANCE BUDGET	-	757	2,308	2,626	3,005	3,319
Savings strategy to date:						
Strategic Property Investment Fund						
Future property purchases		250	550	750	950	1,150
New office block		50	105	105	105	105
Provision for future voids		-100	-150	-250	-300	-350
Commercial activities and commissioning						
Commercial and Customer Activities		121	291	461	631	801
Efficiency Measures						
Digital strategy		46	126	206	286	366
Other savings identified by Heads of Service		400	654	654	654	654
Total future initiatives identified		767	1,576	1,926	2,326	2,726
Cumulative savings still to be found/ (surplus)		-10	732	700	679	593
Annual savings still to be found		-10	742	-31	-22	-85
Council Tax increase		2.00%	2.00%	2.00%	2.00%	2.00%
Annual increase (Band D property)		£5.85	£5.93	£6.05	£6.17	£6.30
Weekly increase (Band D property)		£0.11	£0.11	£0.12	£0.12	£0.12
Average annual increase (Band C property)		£5.20	£5.27	£5.38	£5.48	£5.60
Average weekly increase (Band C property)		£0.10	£0.10	£0.10	£0.11	£0.11
Savings required each year		757	1,551	318	379	314

Appendix 2

Bids for investment into services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Additional capacity for Estates Team - 1 FTE The purchase of commercial property and temporary accommodation are critical components of the budget strategy. This investment enables the Councils to deliver on future savings targets. The post is expected to be filled from July 2019.	36,750	14,700	22,050	36,750	49,000	49,000
Additional Senior Planning Officer Reinvestment back into the service following the 20% increase in fees which the Government required Councils to allocate to the Planning Service. The additional post will support the delivery of key strategic development sites as outlined in Platforms. The increase will also help address current demands on the service as planning applications are increasing and support the maintenance Government performance targets.	49,000	19,600	29,400	49,000	49,000	49,000
Junior Developer (Apprentice roles) Our in-house software development strategy is saving us money and delivering significant benefits to our residents through well designed online services. Our strategy of in-house development is very popular and the service is in high demand. We need to expand the team to deliver benefits faster and would like to develop an opportunity for an apprentice position. The post is expected to be filled from July 2019.	24,380	9,750	14,630	24,380	32,500	32,500
Support to the cultural economy Funding to support culture and arts development in our communities; delivered in partnership with cultural groups and to assist in unlocking Arts Council grant funding and other partnership funding.		20,000	0	20,000	20,000	20,000

Appendix 2

Bids for investment into services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Strategic Sustainability Officer (increased hours)	15,840	6,340	9,500	15,840	15,840	15,840
We have made strong progress with the Stewarding our Natural Resources Platform commitments and are scaling up our ambition. Our progress is currently being driven by a single 0.6 FTE resource which does not currently match the ambitions of the programme. This request is to increase this post to 0.8 FTE to help deliver the strategy.						
	125,970	70,390	75,580	145,970	166,340	166,340
Additional funds available at a 3% Council Tax		69,140	95,100	150,170	150,170	150,170
Excess cost of investment in services		1,250	-19,520	-18,270	2,100	2,100
Proposals not recommended for approval:						
Additional testing of IT security arrangements	15,000	6,000	9,000	15,000	15,000	15,000
Security Testing: Currently independent security testing is carried out once per annum (for PSN compliance). Given the ongoing risk of cyber attacks, potential fines as a result of data breaches under GDPR, and a change in scope (with services in the cloud), there is a need to change the scope of security testing and increase the frequency to provide greater assurance that systems, services, and data are protected adequately on an ongoing basis.						
Maintenance of grass verges		85,000	85,000	170,000	170,000	170,000
Following reduction in WSCC budgets, the proposal is for the Councils to assume responsibility for maintaining grass verges and pavements.						

Appendix 2

Bids for investment into services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Proposals not recommended for approval:						
Service Redesign lead There is a growing need for expertise and support for services undertaking significant change initiatives, including the multi-agency change work set out in Platforms for our Places (e.g. homelessness and loneliness). Projects are delivering clear results, such as significant reductions in evictions as a result of the preventing homelessness project, reducing costs to the councils. We need additional capacity to service more projects, such as revenues and benefits transformation, prevention services and others. The Service Design Lead will help manage and drive change initiatives, ensure they are approached in a user centred way, and deliver results. The role would sit within the customer insight team, and work very closely with digital.	54,000	21,600	32,400	54,000	54,000	54,000
Grafton redevelopment support costs The redevelopment of the Grafton Site is a significant commitment within Platforms for our Places. Specialist support is required to ensure that the project progresses effectively over the next two years. This will be funded from existing budgets.			50,000	50,000	50,000	0
Total value of proposals not recommended for approval	69,000	112,600	176,400	289,000	289,000	239,000

SCHEDULE OF EARMARKED RESERVES	Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 CAPACITY ISSUES FUND Purpose: To enable the Council to fund one -off initiatives. Now includes Carry Forward Reserve.	384	10	(259)	135	10	-	145
2 INSURANCE FUND Purpose: To offset the costs of insurance excesses and fund insurance risk management initiatives.	175	30	(63) *see below	142	30	(30)	142
3 INVESTMENT PROPERTY MAINTENANCE FUND Purpose: To offset future maintenance costs of investment properties.	38	-	-	38	-	-	38
4. SPECIAL & OTHER EMERGENCY RESERVE Purpose: To offset future maintenance costs of investment properties.	81	-	-	81	-	-	81
5. ELECTION RESERVE Purpose: To offset future maintenance costs of investment properties.	8	-	-	8	-	-	8

* contributions to be confirmed at year end

SCHEDULE OF EARMARKED RESERVES	Balance as at 01.04.18		Planned Contributions		Planned Withdrawals		Forecast Balance as at 01.04.19		Planned Contributions		Planned Withdrawals		Forecast Balance as at 31.03.20	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6 BUSINESS RATES SMOOTHING RESERVE	74	-	-	-	-	-	74	-	-	-	-	-	-	74
7 GRANTS & CONTRIBUTIONS HELD IN RESERVES	553	-	-	-	-	-	553	-	-	-	-	-	-	553
8 RESIDUAL PROJECTED UNDERSPEND Reserves to be identified at outturn*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 GENERAL FUND WORKING BALANCE	518	-	-	-	-	-	518	-	-	-	-	-	-	518
TOTAL	1,831	40	(322)	40	1,549	(30)	1,559	40	(30)	1,559				

* contributions to be confirmed at year end



PROPERTY ANALYSIS AND CALCULATION OF TAX BASE - Budget year 2019/20										
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	0.0	2,746.0	5,039.0	11,354.0	6,150.0	1,936.0	744.0	302.0	9.0	28,280.0
Less: Exemptions	0.0	-62.0	-68.0	-116.0	-64.0	-15.0	-9.0	-4.0	0.0	-338.0
Disabled Relief Adjustment (net)	0.0	2,684.0	4,971.0	11,238.0	6,086.0	1,921.0	735.0	298.0	9.0	27,942.0
Chargeable Dwellings	7.0	7.0	31.0	0.0	-29.0	-8.0	-1.0	-1.0	-6.0	0.0
Broken down as follows:	7.0	2,691.0	5,002.0	11,238.0	6,057.0	1,913.0	734.0	297.0	3.0	27,942.0
Full Charge	4.0	900.0	2,750.0	7,678.0	4,435.0	1,500.0	604.0	253.0	2.0	18,126.0
25% Discount (including adj for SP Dis)	3.0	1,772.0	2,233.0	3,530.0	1,608.0	407.0	125.0	36.0	0.0	9,714.0
50% Discount	0.0	22.0	35.0	58.0	43.0	14.0	10.0	10.0	0.0	192.0
0% Discount (Long Term Empty Homes)	0.0	81.0	97.0	135.0	67.0	17.0	7.0	5.0	2.0	411.0
Total Equivalent Number of Dwellings	6.3	2,239.0	4,432.8	10,343.0	5,650.5	1,810.8	700.3	284.0	3.5	25,470.0
Reduction in tax base due to Council Tax Support	3.2	667.1	913.0	1,084.2	263.8	44.1	5.3	1.3	0.0	2,981.9
Adjusted equivalent total dwellings	3.1	1,571.9	3,519.8	9,258.8	5,386.7	1,766.7	694.9	282.7	3.5	22,488.1
<u>Band D Equivalents</u>										
Revenue Support Settlement	1.6	1,027.8	2,708.2	8,191.4	5,376.1	2,157.1	1,003.4	471.0	7.0	20,943.6
Add: Forecast new homes	0.0	26.7	50.6	148.4	29.5	1.8	0.7	0.0	0.0	257.7
Less: Adjustments for Losses on Collection, and Void Properties	0.0	0.0	0.0	0.0	153.0	0.0	0.0	0.0	0.0	153.0
Impact of Single Person Discount review	0.0	23.8	30.5	54.7	26.4	7.6	2.6	0.9	0.0	146.7
COUNCIL TAX BASE	1.6	1,078.3	2,789.3	8,394.6	5,279.0	2,166.6	1,006.8	471.9	7.0	21,195.0
										21,195.0

DECISION:

The following appendices have been updated to reflect the recommendations from Executive as laid out in the Record of Decisions.

DECISION OF THE EXECUTIVE:

- (i) approved the proposals to invest in services outlined in Appendix 2;
- (ii) recommended to Council, the draft budgets for 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £8,598,470, subject to any amendments agreed above; and
- (iii) recommended a Band D of £299.43 per annum, an increase of 2.97%, for Adur District Council's requirements in 2019/20 as set out in paragraph 5.11;
- (iv) recommended to Council that special expenses of £21.42 per Band D equivalent to be charged in all areas of the District except Lancing.

Reason for Decision

Statutory requirement to set a budget

DECISION OF THE COUNCIL

At its meeting on the 28th February, 2019 the Adur Council agreed a 2.97% Council Tax for 2019/20.

- (a) The Council noted that on 2nd February 2019, the Executive calculated the Council Tax Base 2019/20 for the whole Council area as 21,195.0 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
- (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix C.

That the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is £6,346,950.

DECISION OF THE COUNCIL:

That the following amounts be calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:

- (a) **£46,821,090** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils
- (b) **£40,069,240** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **£6,751,850** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section 31B of the Act).
- (d) **£318.56** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) **£404,900** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
- (f) **£299.43** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.
- (g) **£321,550** being the aggregate amount of all special expenses (not applicable in the Lancing Parish area).
- (h) **£284.22** being the amount at 3(d) above less the result given by dividing the amount at 3(e) and 3(g) above by Item T (1a above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept or Special Expense relates.

APPENDIX 3
CIVIC BUDGET TABLE 2019/20
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

ADUR BUDGET 2019/2020

Summary of Executive Member Portfolios



ADUR DISTRICT
COUNCIL

SUMMARY OF EXECUTIVE MEMBER PORTFOLIOS	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
Environment	2,525,430	2,272,600
Health and Wellbeing	1,208,510	1,269,140
Customer Services	1,354,650	1,507,950
Leader	598,120	624,800
Regeneration	1,522,330	1,765,060
Resources	1,912,180	1,111,680
Support Services Depreciation Not Charged To Services	205,720	249,790
NET SERVICE EXPENDITURE	9,326,940	8,801,020
Credit Back Depreciation / Impairments	(1,821,540)	(1,385,100)
Minimum Revenue Provision	1,097,860	1,242,940
	8,603,260	8,658,860
Transfer to / from Reserves	14,000	-
Balance Available to Transfer To / (From) Reserves	10,500	-
TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT	8,627,760	8,658,860
Baseline Funding	(1,699,870)	(1,738,820)
Additional business rate income	(637,000)	(461,370)
Levy Surplus	-	(26,680)
Other unfenced grants (New homes bonus)	(202,440)	(125,990)
Contribution to/ (from) Collection Fund	(4,190)	40,950
AMOUNT REQUIRED FROM COUNCIL TAX	6,084,260	6,346,950
COUNCIL TAX BASE	20,932.2	21,195.0
Average Band D Council Tax - Adur District	290.79	299.43
% increase		2.97%

SERVICE	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Bus Shelters, Street Lighting & Highways	56,350	54,600
Public Conveniences	222,250	230,370
Sustainable Development	39,610	23,360
	318,210	314,330
Customer & Digital Services		
Car Parking	(200,500)	(238,550)
DIRECTOR FOR COMMUNITIES		
Leisure Client	514,640	490,820
Environmental		
Foreshores	(27,960)	(35,490)
Allotments	(25,880)	(23,470)
Cemeteries	130,690	151,990
Parks	883,420	833,290
Abandoned Vehicles	5,830	5,850
Clinical Waste	(3,130)	1,430
Graffiti	7,760	4,480
Recycling	(340,860)	(433,020)
Refuse	903,710	828,980
Street Cleansing including Pest Control	566,820	570,620
Trade Refuse	(213,240)	(207,530)
	1,887,160	1,697,130
Housing		
Public Health Burials	2,870	2,870
Wellbeing		
Pollution Control & Dog Control	1,450	35,150
DIRECTOR OF ECONOMY		
Place & Economy		
Street Scene	1,600	(29,150)
TOTAL ENVIRONMENT PORTFOLIO	2,525,430	2,272,600

ENVIRONMENT PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£
DIRECTOR DIGITAL & RESOURCES										
Business and Technical Services										
Bus Shelters, Street Lighting & Highways	-	27,390	-	7,170	-	(7,910)	26,650	13,210	14,740	54,600
Public Conveniences	-	162,820	-	120	-	(360)	162,580	13,400	54,390	230,370
Sustainable Development	-	-	-	-	-	-	0	29,360	-	29,360
Customer & Digital Services										
Car Parking	-	111,290	-	131,160	57,800	(643,650)	(343,400)	97,300	7,550	(238,550)
DIRECTOR FOR COMMUNITIES										
Leisure Client	-	51,490	-	4,150	135,000	(9,740)	180,900	13,210	296,710	490,820
Environment										
Foreshores	-	11,620	-	8,910	-	(116,390)	(95,860)	29,150	31,220	(35,490)
Allotments	-	21,080	-	-	-	(47,390)	(26,310)	-	2,840	(23,470)
Cemeteries	119,670	79,750	-	-	-	(179,080)	20,340	125,410	6,240	151,990
Parks	(7,230)	660,690	-	47,660	-	(152,790)	548,330	243,770	41,190	833,290
Abandoned Vehicles	-	-	-	5,850	-	-	5,850	-	-	5,850
Clinical Waste	1,430	-	-	-	-	-	1,430	-	-	1,430
Graffiti	3,070	-	-	-	-	-	3,070	1,410	-	4,480
Recycling	(587,920)	-	-	-	-	-	(587,920)	55,010	99,890	(433,020)
Refuse	556,490	-	-	-	-	-	556,490	175,370	97,120	828,980
Street Cleansing including Pest Control	572,330	-	-	-	-	(133,950)	438,380	87,790	44,450	570,620
Trade Refuse	138,660	-	-	250,990	-	(652,530)	(262,880)	22,520	32,830	(207,530)
Housing										
Public Health Burials	-	-	-	2,870	-	-	2,870	-	-	2,870
Wellbeing										
Pollution Control & Dog Control	-	-	-	-	-	-	0	33,690	1,460	35,150
DIRECTOR OF ECONOMY										
Place & Economy										
Street Scene	796,500	1,126,130	660	499,980	192,800	(70,910)	(29,150)	-	-	(29,150)
Percentage Direct Cost	30%	43%	0%	19%	7%					2,272,600

ENVIRONMENT PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR DIGITAL & RESOURCES											
Business and Technical Services											
Bus Shelters, Street Lighting & Highways	56,350	340	-	-	-	-	-	-	-	(2,090)	54,600
Public Conveniences	222,250	3,460	-	-	-	-	-	-	-	4,660	230,370
Sustainable Development	39,610	-	-	-	6,340	-	-	-	-	(16,590)	29,360
Customer & Digital Services											
Car Parking	(200,500)	(11,070)	-	-	-	-	-	(20,000)	-	(6,980)	(238,550)
DIRECTOR FOR COMMUNITIES											
Leisure Client	514,640	520	-	(20,000)	-	-	-	-	(10,000)	5,660	490,820
Environment											
Foreshores	(27,960)	170	-	-	-	-	-	-	(13,520)	5,820	(35,490)
Allotments	(25,880)	120	-	1,840	-	-	-	-	-	450	(23,470)
Cemeteries	130,690	(3,610)	-	16,650	-	-	-	-	-	8,260	151,990
Parks	883,420	840	-	36,410	-	-	-	-	(8,000)	(79,380)	833,290
Abandoned Vehicles	5,830	20	-	-	-	-	-	-	-	-	5,850
Clinical Waste	(3,130)	-	-	-	-	-	-	-	-	4,560	1,430
Graffiti	7,760	-	-	-	-	-	-	-	-	(3,280)	4,480
Recycling	(340,860)	-	-	-	-	-	-	-	-	(92,160)	(433,020)
Refuse	903,710	-	-	-	-	-	-	-	-	(74,730)	828,980
Street Cleansing including Pest Control	566,820	(2,880)	-	-	-	-	-	-	-	6,680	570,620
Trade Refuse	(213,240)	(8,430)	-	-	-	-	-	-	(15,190)	29,330	(207,530)
Housing											
Public Health Burials	2,870	-	-	-	-	-	-	-	-	-	2,870
Wellbeing											
Pollution Control & Dog Control	1,450	-	-	-	-	-	-	-	-	33,700	35,150
DIRECTOR OF ECONOMY											
Place & Economy											
Street Scene	1,600	(880)	-	-	-	-	-	-	(30,000)	130	(29,150)
TOTAL COST	2,525,430	(21,400)	-	34,900	6,340	(20,000)	-	(20,000)	(76,710)	(175,960)	2,272,600

HEALTH AND WELLBEING PORTFOLIO



ADUR DISTRICT
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR OF COMMUNITIES		
Wellbeing		
Community Development, Fishersgate & Grants	345,440	350,570
Community Safety	261,020	237,060
Food Safety	189,950	157,520
Licensing	124,290	148,140
Public Health and Regulation	193,580	308,420
	1,114,280	1,201,710
DIRECTOR OF DIGITAL AND RESOURCES		
Business and Technical Services		
Emergency Planning	51,710	27,180
Street Lighting	42,520	40,250
	94,230	67,430
TOTAL FOR HEALTH AND WELLBEING	1,208,510	1,269,140

HEALTH AND WELLBEING PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employee s	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR OF COMMUNITIES											
Wellbeing											
Community Development, Fishergate & Grants	-	80,260	850	-	217,920	-	(15,300)	283,730	62,400	4,440	350,570
Community Safety	-	126,150	1,370	-	8,820	-	-	136,340	100,720	-	237,060
Food Safety	-	1,910	-	-	950	-	-	2,860	154,660	-	157,520
Licensing	8,160	126,330	-	-	13,410	-	(122,030)	25,870	122,270	-	148,140
Public Health and Regulation	-	5,720	-	-	15,400	4,820	(13,090)	12,850	292,730	2,840	308,420
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning	-	5,580	-	-	-	-	-	5,580	21,600	-	27,180
Street Lighting	-	-	13,190	-	8,770	-	-	21,960	8,260	10,030	40,250
TOTAL COST	8,160	345,950	15,410	0	265,270	4,820	(150,420)	489,190	762,640	17,310	1,269,140
Percentage Direct Cost	1%	54%	2%	0%	41%	1%					

HEALTH AND WELLBEING PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Wellbeing											
Community Development, Fishersgate & Grants	345,440	-	-	-	-	-	-	-	(610)	5,740	350,570
Community Safety	261,020	30	-	-	-	-	-	-	-	(23,990)	237,060
Food Safety	189,950	-	-	-	-	-	-	-	(8,000)	(24,430)	157,520
Licensing	124,290	(2,630)	-	-	-	-	-	-	-	26,480	148,140
Public Health and Regulation	193,580	(280)	-	-	-	-	-	-	-	115,120	308,420
DIRECTOR OF DIGITAL & RESOURCES											
Business and Technical Services											
Emergency Planning	51,710	-	-	-	-	-	-	-	-	(24,530)	27,180
Street Lighting	42,520	280	-	-	-	-	-	-	-	(2,550)	40,250
TOTAL COST	1,208,510	(2,600)	0	0	0	0	0	0	(8,610)	71,840	1,269,140

CUSTOMER SERVICES PORTFOLIO



ADUR DISTRICT
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR OF COMMUNITIES		
Housing		
Housing including Homelessness	822,110	957,460
Community Alarm	171,450	162,380
	993,560	1,119,840
DIRECTOR OF DIGITAL AND RESOURCES		
Revenues and Benefits		
Revenues	268,480	303,130
Benefits	92,610	84,980
	361,090	388,110
TOTAL FOR CUSTOMER SERVICES	1,354,650	1,507,950

CUSTOMER SERVICES PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
DIRECTOR OF COMMUNITIES											
Housing											
Housing including Homelessness	-	279,050	263,090	440	943,210	112,060	(905,630)	692,220	265,240	-	957,460
Community Alarm	118,400	170,530	-	5,340	44,430	41,050	(323,730)	56,020	89,070	17,290	162,380
DIRECTOR OF CUSTOMER & DIGITAL SERVICES											
Revenues and Benefits											
Revenues	53,000	252,000	-	1,910	77,610	-	(153,220)	231,300	71,830	-	303,130
Benefits	-	405,260	-	150	73,120	20,887,820	(21,352,590)	13,760	62,660	8,560	84,980
TOTAL COST	171,400	1,106,840	263,090	7,840	1,138,370	21,040,930	(22,735,170)	993,300	488,800	25,850	1,507,950

CUSTOMER SERVICES PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
DIRECTOR OF COMMUNITIES	£	£	£	£	£	£	£	£	£	£	£
Housing											
Housing including Homelessness	822,110	14,970	-	150,000	-	-	-	-	-	(29,620)	957,460
Community Alarm	171,450	(6,650)	-	-	-	-	-	-	-	(2,420)	162,380
DIRECTOR OF DIGITAL & RESOURCES											
Revenues and Benefits											
Revenues	268,480	(3,300)	-	-	-	-	-	-	-	37,950	303,130
Benefits	92,610	(11,840)	-	-	-	-	-	-	-	4,210	84,980
TOTAL COST	1,354,650	(6,820)	0	150,000	0	0	0	0	0	10,120	1,507,950

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
CHIEF EXECUTIVE		
Communications		
Strategic Planning	880	880
	880	880
DIRECTOR OF COMMUNITIES		
Wellbeing		
Members	373,070	388,850
Leaders Support for Cultural Projects	20,000	40,000
	393,070	428,850
DIRECTOR OF DIGITAL AND RESOURCES		
Customer & Digital Services		
Elections	204,170	195,070
	204,170	195,070
TOTAL for LEADER	598,120	624,800

LEADER PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employee s	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
CHIEF EXECUTIVE											
Communications											
Strategic Planning	-	-	-	-	-	-	-	0	880	-	880
DIRECTOR OF COMMUNITIES											
Wellbeing											
Members	214,880	85,260	-	-	12,280	-	(15,600)	296,820	92,030	-	388,850
Leaders Support for Cultural Projects	-	-	-	-	40,000	-	-	40,000	-	-	40,000
DIRECTOR OF DIGITAL & RESOURCES											
Customer & Digital Services											
Elections	7,000	76,520	2,000	-	59,380	-	(3,280)	141,620	50,650	2,800	195,070
TOTAL COST	221,880	161,780	2,000	0	111,660	0	(18,880)	478,440	143,560	2,800	624,800
Percentage Direct Cost	45%	33%	0%	0%	22%	0%					

LEADER PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
CHIEF EXECUTIVE	£	£	£	£	£	£	£	£	£	£	£
Communications	880	-	-	-	-	-	-	-	-	-	880
Strategic Planning											
DIRECTOR OF COMMUNITIES											
Wellbeing											
Members	373,070	4,180	-	(2,000)	-	-	-	-	(1,470)	15,070	388,850
Leaders Support for Cultural Projects	20,000	-	-	-	20,000	-	-	-	-	-	40,000
DIRECTOR OF DIGITAL & RESOURCES											
Customer & Digital Services											
Elections	204,170	(30)	(18,000)	-	-	-	-	-	-	8,930	195,070
TOTAL COST	598,120	4,150	(18,000)	(2,000)	20,000	0	0	0	(1,470)	24,000	624,800

REGENERATION PORTFOLIO



ADUR DISTRICT
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR FOR COMMUNITIES		
Wellbeing		
Land Drainage	1,380	1,320
	1,380	1,320
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Coast Protection & Ditch Clearing	115,120	115,520
	115,120	115,520
DIRECTOR OF ECONOMY		
Grants		
Shoreham Harbour	37,510	33,630
	37,510	33,630
Planning & Development		
Planning Policy	166,240	319,140
Development Control & Major Projects	657,080	660,130
Building Control	166,550	202,660
	989,870	1,181,930
Place & Economy		
Regeneration	378,450	432,660
	378,450	432,660
TOTAL FOR REGENERATION	1,522,330	1,765,060

REGENERATION PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Wellbeing											
Land Drainage	-	-	-	-	30	-	-	30	-	1,290	1,320
DIRECTOR FOR DIGITAL AND											
Business and Technical Services											
Coast Protection & Ditch Clearing	-	-	4,240	-	5,820	-	-	10,060	25,220	80,240	115,520
DIRECTOR OF ECONOMY											
Grants											
Shoreham Harbour	138,340	-	-	-	-	-	(143,100)	(4,760)	38,390	-	33,630
Planning & Development											
Planning Policy	-	6,140	-	-	17,790	-	-	23,930	295,210	-	319,140
Development Control & Major Projects	-	439,470	-	-	8,620	5,380	(261,850)	191,620	468,510	-	660,130
Building Control	-	235,570	-	-	-	-	(179,040)	56,530	146,130	-	202,660
Place & Economy											
Regeneration	-	122,600	-	-	55,260	-	-	177,860	140,260	114,540	432,660
TOTAL COST	138,340	803,780	4,240	0	87,520	5,380	(583,990)	455,270	1,113,720	196,070	1,765,060
Percentage Direct Cost	0	1	0	0	0	0					

REGENERATION PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Wellbeing											
Land Drainage	1,380	-	-	-	-	-	-	-	-	(60)	1,320
DIRECTOR FOR DIGITAL AND RESOURCES											
Business and Technical Services											
Coast Protection & Ditch Clearing	115,120	-	-	-	-	-	-	-	-	400	115,520
DIRECTOR OF ECONOMY											
Grants											
Shoreham Harbour	37,510	-	-	-	-	-	-	-	-	(3,880)	33,630
Planning & Development											
Planning Policy	166,240	-	-	-	-	-	-	-	-	152,900	319,140
Development Control & Major Projects	657,080	(5,430)	-	-	19,600	-	-	-	(10,000)	(1,120)	660,130
Building Control	166,550	(4,830)	-	45,000	-	-	-	-	(2,640)	(1,420)	202,660
Place & Economy											
Regeneration	378,450	-	-	-	-	-	-	-	-	54,210	432,660
TOTAL COST	1,522,330	(10,260)	0	45,000	19,600	0	0	0	(12,640)	201,030	1,765,060

RESOURCES PORTFOLIO



ADUR DISTRICT
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Business and Technical Services		
Community Centres	129,970	124,760
	129,970	124,760
Finance		
Corporate Management & Pension costs	1,775,910	1,945,200
Treasury Management	889,130	1,052,820
	2,665,040	2,998,020
Revenues & Benefits		
Non Domestic Rates	(51,560)	(32,650)
	(51,560)	(32,650)
DIRECTOR OF ECONOMY		
Major Projects and Investment		
Estates	(817,060)	(1,958,380)
	(817,060)	(1,958,380)
Planning & Development		
Land Charges	(14,210)	(20,070)
	(14,210)	(20,070)
TOTAL FOR RESOURCES	1,912,180	1,111,680

RESOURCES PORTFOLIO - SUBJECTIVE ANALYSIS



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Business and Technical Services												
Community Centres	-	35,550	34,290	-	4,230	-	-	74,070	35,490	-	15,200	124,760
Finance												
Corporate Management & Pension costs	1,321,730	62,200	125,890	-	308,370	15,450	(612,200)	1,221,440	786,280	(62,520)	-	1,945,200
Treasury Management	-	-	-	-	-	-	(267,710)	(267,710)	880	-	1,319,650	1,052,820
Revenues & Benefits												
Non Domestic Rates	-	57,020	-	-	17,470	-	(107,140)	(32,650)	-	-	-	(32,650)
DIRECTOR OF ECONOMY												
Major Projects and Investment												
Estates	-	15,360	148,720	-	15,240	-	(2,359,330)	(2,180,010)	108,580	-	113,050	(1,958,380)
Planning & Development												
Land Charges	-	33,230	-	-	20,200	-	(103,220)	(49,790)	29,720	-	-	(20,070)
TOTAL COST	1,321,730	203,360	308,900	0	365,510	15,450	(3,449,600)	(1,234,650)	960,950	(62,520)	1,447,900	1,111,680
Percentage Direct Cost	60%	9%	14%	0%	17%	1%						

RESOURCES PORTFOLIO – SUMMARY OF CHANGES FROM ORIGINAL BUDGET



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non-MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Business and Technical Services											
Community Centres	129,970	580	-	-	-	-	-	-	-	(5,790)	124,760
Finance											
Corporate Management & Pension costs	1,775,910	17,620	-	101,600	24,450	-	-	-	(15,720)	41,340	1,945,200
Treasury Management	889,130	(380)	-	-	-	-	3,000	(60,000)	(60,000)	281,070	1,052,820
Revenues & Benefits											
Non Domestic Rates	(51,560)	(230)	-	-	-	-	-	-	-	19,140	(32,650)
DIRECTOR OF ECONOMY											
Major Projects and Investment											
Estates	(817,060)	1,450	-	-	-	-	-	-	(200,000)	(942,770)	(1,958,380)
Planning & Development											
Land Charges	(14,210)	(2,220)	-	-	-	-	-	-	-	(3,640)	(20,070)
TOTAL COST	1,912,180	16,820	0	101,600	24,450	0	3,000	(60,000)	(275,720)	(610,650)	1,111,680

APPENDIX 6**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT****Baseline funding level**

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

Billing authorities

A unitary council, or a lower tier council in a two-tier area, which collects the Council Tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect Council Tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

Business Rates

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

Business rates baseline

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

Business Rates Retention Scheme

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

Council Tax

A local tax on domestic property, set by councils – calculated by deducting any funding from

reserves, income it expects to raise and general funding it will receive from the Government - in order to meet its planned spending.

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each Council Tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

Council Tax Bands

There are eight Council Tax bands. How much Council Tax each household pays depends on the value of the homes. The bands are set out below.

Estimated Business Rates Aggregate

Value of home estimated at 1 April 1991			Proportion of the tax due April 1991 for a band D property
Band A		Under £40,000	66.7% (6/9)
Band B	£40,001	- £52,000	77.8% (7/9)
Band C	£52,001	- £68,000	8.9% (8/9)
Band D	£68,001	- £88,000	100% (9/9)
Band E	£88,001	- £120,000	122.2% (11/9)
Band F	£120,001	- £160,000	144.4% (13/9)
Band G	£160,001	- £320,000	166.7% (15/9)
Band H		Over £320,001	200% (18/9)

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

Floor damping

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

Levy

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

Local government finance settlement

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament.

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50% of which the Council retains 40% and the County Council retain 10%.

Lower tier councils

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

Multiplier

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Consumer Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

Precept

This is the amount of Council Tax income all billing and precepting authorities need to

provide their services. The amounts for all authorities providing services in an area appear on one Council Tax bill, which is administered by the billing authority.

Precepting authority

An authority or body that does not collect Council Tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

Proportionate share

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

Reserves

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

Revenue Support Grant

A Government grant which can be used to finance revenue expenditure on any service.

Ring-fenced grant

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

Safety net

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

Settlement core funding

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- Council Tax income

- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

Settlement Funding Assessment

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Specific grants

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ring-fenced.

Tariffs and top ups

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Adur District Council - Collection Fund 2019/20

	2018/19 Estimate	2018/19 Revised	2019/20 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Adur District Council Demand	6,084,260	6,084,260	6,346,450
Lancing Parish Council	322,200	322,200	322,200
Sompting Parish Council	82,700	82,700	82,700
WSCC Precept	27,572,170	27,572,170	29,324,770
Sussex Police & Crime Commissioner	3,471,370	3,471,370	4,025,140
Total Payments	37,532,700	37,532,700	40,101,260
Council Tax			
Amount due from residents	42,087,000	41,841,000	44,757,610
Less: Council Tax Support Scheme	(4,513,000)	(4,360,400)	(4,584,710)
Gross Amount Due	37,574,000	37,480,600	40,172,900
Less: Provision for bad debts	(41,300)	(41,290)	(71,640)
Total Council Tax	37,532,700	37,439,310	40,101,260
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	93,390	-
Deficit/(Surplus) Brought forward	(25,130)	122,910	241,430
Deficit charged to:			
ADC	4,190	4,190	(39,370)
WSCC	18,650	18,650	(179,580)
SPCC	2,290	2,290	(22,480)
Deficit/(Surplus) Carried Forward	-	241,430	-

COMPARISON OF COUNCIL TAX BETWEEN 2018/19 and 2019/20											
Property Band	2018/19				2019/20				CHANGE		
	Precepting Authorities		Adur District Council Services		Precepting Authorities		Adur District Council Services		Precepting Authorities		Adur District Council Services
	WSSC	Police	TOTAL	£	WSSC	Police	TOTAL	£	WSSC	Police	TOTAL
A	£ 878.52	£ 110.61	£ 1,182.99	£ 193.86	£ 922.38	£ 126.61	£ 1,248.63	£ 43.86	£ 16.00	£ 5.78	£ 65.64
B	£ 1,024.94	£ 129.04	£ 1,380.15	£ 226.17	£ 1,076.11	£ 147.71	£ 1,456.73	£ 51.17	£ 18.67	£ 6.74	£ 76.58
C	£ 1,171.36	£ 147.48	£ 1,577.32	£ 258.48	£ 1,229.84	£ 168.81	£ 1,664.84	£ 58.48	£ 21.33	£ 7.71	£ 87.52
D	£ 1,317.78	£ 165.91	£ 1,774.48	£ 290.79	£ 1,383.57	£ 189.91	£ 1,872.94	£ 65.79	£ 24.00	£ 8.67	£ 98.46
E	£ 1,610.62	£ 202.78	£ 2,168.81	£ 355.41	£ 1,691.03	£ 232.11	£ 2,289.15	£ 80.41	£ 29.33	£ 10.60	£ 120.34
F	£ 1,903.46	£ 239.65	£ 2,563.14	£ 420.03	£ 1,998.49	£ 274.31	£ 2,705.36	£ 95.03	£ 34.67	£ 12.52	£ 142.22
G	£ 2,196.30	£ 276.52	£ 2,957.47	£ 484.65	£ 2,305.95	£ 316.52	£ 3,121.57	£ 109.65	£ 40.00	£ 14.45	£ 164.10
H	£ 2,635.56	£ 331.82	£ 3,548.96	£ 581.58	£ 2,767.14	£ 379.82	£ 3,745.88	£ 131.58	£ 48.00	£ 17.34	£ 196.92

Adur District Council 2019/20- Council Tax Breakdown

	Band - A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£	£
Shoreham, Southwick, and Coombes									
Basic Council Tax	157.90	189.48	221.06	252.64	284.22	347.38	410.54	473.70	568.44
Special Expenses	11.90	14.28	16.66	19.04	21.42	26.18	30.94	35.70	42.84
Adur District Council	169.80	203.76	237.72	271.68	305.64	373.56	441.48	509.40	611.28
West Sussex County Council Precept	768.65	922.38	1076.11	1229.84	1383.57	1691.03	1998.49	2305.95	2767.14
Sussex Police Precept	105.51	126.61	147.71	168.81	189.91	232.11	274.31	316.52	379.82
Total Payable	1043.96	1252.75	1461.54	1670.33	1879.12	2296.70	2714.28	3131.87	3758.24

	Band - A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£	£
Sompting Parish									
Basic Council Tax	157.90	189.48	221.06	252.64	284.22	347.38	410.54	473.70	568.44
Special Expenses	11.90	14.28	16.66	19.04	21.42	26.18	30.94	35.70	42.84
Adur District Council	169.80	203.76	237.72	271.68	305.64	373.56	441.48	509.40	611.28
Sompting Parish Precept	16.65	19.98	23.31	26.64	29.97	36.63	43.29	49.95	59.94
	186.45	223.74	261.03	298.32	335.61	410.19	484.77	559.35	671.22
West Sussex County Council Precept	768.65	922.38	1076.11	1229.84	1383.57	1691.03	1998.49	2305.95	2767.14
Sussex Police Precept	105.51	126.61	147.71	168.81	189.91	232.11	274.31	316.52	379.82
Total Payable	1060.61	1272.73	1484.85	1696.97	1909.09	2333.33	2757.57	3181.82	3818.18

	Band - A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£	£
Lancing Parish									
Basic Council Tax	157.90	189.48	221.06	252.64	284.22	347.38	410.54	473.70	568.44
Adur District Council	157.90	189.48	221.06	252.64	284.22	347.38	410.54	473.70	568.44
Lancing Parish Precept	28.70	34.44	40.18	45.92	51.66	63.14	74.62	86.10	103.32
	186.60	223.92	261.24	298.56	335.88	410.52	485.16	559.80	671.76
West Sussex County Council Precept	768.65	922.38	1076.11	1229.84	1383.57	1691.03	1998.49	2305.95	2767.14
Sussex Police Precept	105.51	126.61	147.71	168.81	189.91	232.11	274.31	316.52	379.82
Total Payable	1060.76	1272.91	1485.06	1697.21	1909.36	2333.66	2757.96	3182.27	3818.72

Adur District Council - Collection Fund 2019/20

	2018/19 Estimate	2018/19 Revised	2019/20 Estimate
NNDR (BUSINESS RATES)	-	£	£
Payments (exclud'g payments for previous years surplus/deficit)			
Amount of NNDR to be paid to Central government	9,133,000	9,133,000	4,622,530
Amount to be retained by Adur DC under the rates retention scheme	7,306,400	7,306,400	3,698,030
Amount to be passed to West Sussex	1,826,600	1,826,600	10,169,570
Total amount due to authorities	18,266,000	18,266,000	18,490,130
Income			
Net Rates Payable by Business Sector after Exemptions, reliefs and discounts	19,640,900	18,270,100	19,726,590
Less: Movement in Bad Debt Provision	42,000	8,600	100,000
Less: Movement in appeals provision	250,000	(378,100)	250,000
Net Payable by Business Sector	19,348,900	18,639,600	19,376,590
Less:			
Net Transitional Protection Payments - Paid to / by (-) the government	996,200	747,300	801,720
Amount allowed to Council for Admin costs & Interest on Repayments	86,700	84,740	84,740
Non Domestic Rating Income to be distributed	18,266,000	17,807,560	18,490,130
Surplus (Deficit)			
In year change from original estimate - increase (+) / decrease (-)	-	(458,440)	-
Surplus/(Deficit) brought forward	113,800	(816,100)	(1,388,340)
(Surplus) / Deficit to be shared			
DCLG	(56,900)	(56,900)	694,170
WSCC	(11,400)	(11,400)	138,830
ADC	(45,500)	(45,500)	555,340
Change in Surplus/(Deficit)	-	(1,388,340)	-
Surplus/(Deficit): Adur District Council			
Business rates Baseline Target	6,630,500	6,630,500	3,390,600
Less: Tariff/Top-Up	(4,930,600)	(4,930,600)	(1,652,400)
Baseline funding Target (A)	1,699,900	1,699,900	1,738,200
40% share of business rate income	7,306,400	7,306,400	3,698,030
Less: Tariff/Top-Up	(4,930,600)	(4,930,600)	(1,652,400)
Baseline funding Retained (B)	2,375,800	2,375,800	2,045,630
Net income from Business Rates in year	675,900	675,900	307,430
Add : S31 grants paid directly to the General Fund	506,200	780,290	404,890
50% Levy payable to WSCC in case of Surplus	(591,050)	(636,410)	
Surplus / (deficit) to be distributed in year (net of the use of the business rate smoothing reserve)	45,500	45,500	(250,340)
Surplus to be retained by Council	636,550	865,280	461,980
Less: Original 2018/19 surplus net of use of Business Rate Smoothing Reserve		636,550	
Additional income to be placed in the business rate smoothing reserve towards the 2019/20 deficit		228,730	



WORTHING BOROUGH
COUNCIL

Worthing Report and Collection Fund



BUDGET ESTIMATES 2019/20 AND SETTING OF 2019/20 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 2019/20 including any adjustments arising from settlement;
- An updated outline 5-year forecast; and
- The provisional level of Council Tax for 2019/20, prior to its submission to the Council for approval on the 26th February 2019. 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 2023/24, 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 the challenge still remains significant for 2020/21, 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 2019/20 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 2020/21 and beyond (see section 4.2) ;
- Highlights the proposed funding for initiatives to support the Councils' ambitions set out in Platforms for our Places;
- The impact of recent County Council decisions upon the Council;
- The Executive needs to consider the proposals to invest in services outlined in Appendix 2;
- The Executive will need to consider whether to increase Council Tax by maximum level possible 3% or by a lower amount (paragraph 5.11).

1.5 The budget is analysed by Executive Member portfolio. In addition, the draft estimates for 2019/20 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 has consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 1st February 2019. If the proposals are vetoed by the PCP, revised proposals will be considered by the Panel on the 18th February 2019 at which point the Commissioner will be in a position to confirm the Council Tax for 2019/20 just in time for Council on the 26th February 2019.

1.7 The draft Local Government Settlement allow Councils to increase core Council Tax by up to 3% which is in addition to the 2% Council Tax increase permitted specifically to support adult social care services (subject to a maximum increase for social care of 6% in the period 2017/18 to 2019/20). Therefore a maximum Council Tax increase of 5% 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 15th February 2019. The formal detailed resolution setting the overall Council Tax for next year will be presented direct to the Council Meeting on

26th February 2019.

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 2019/20
- (v) Appendix 5 Summary of Executive Member Portfolio budgets for 2019/20
- (vi) Appendix 6 Glossary of terms used

1.10 Due to the timing of the Joint Overview and Scrutiny Committee, there may be some

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 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,633,430, subject to any amendments agreed above; and
- (c) Consider which band D Council Tax to recommend to Council for Worthing Borough Council's requirements in 2019/20 as set out in paragraph 5.11

3. INTRODUCTION

3.1 The Joint Strategic Committee considered the 'Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond' on 10th July 2018. 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.

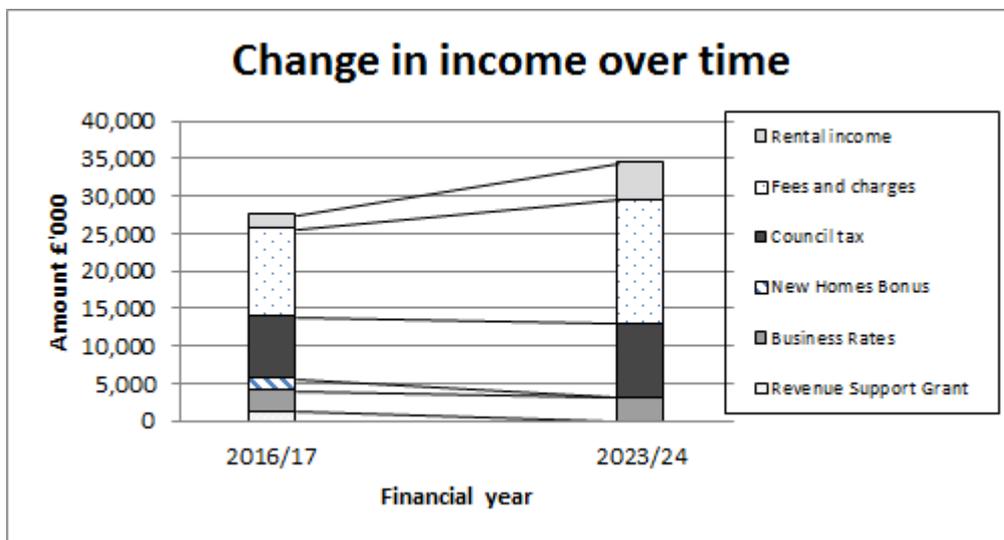
3.2 To address the known pressures and to realise its ambitions set out in Platforms for our Places, the Councils have set-up several strategic programmes delivering new income and savings for the next 5 years:

- 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 ensure 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; and
- The Commercial programme develops initiatives to promote income growth from commercial services and seeks to improve the customer experience.

For 2019/20 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
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support and other grants	1,354	553	8	0	0	0	0	0
New Homes Bonus	1,599	1,388	1,221	1,042	524	290	68	0
Business Rates	2,809	3,020	3,359	3,516	3,001	3,061	3,121	3,179
Council Tax	8,277	8,507	8,929	9,075	9,303	9,527	9,756	9,991
Income from taxation	14,039	13,468	13,517	13,633	12,828	12,878	12,945	13,170
Fees and charges	11,672	12,307	12,806	13,529	14,230	14,945	15,674	16,417
Commercial rent income	1,928	2,861	3,766	3,991	4,321	4,557	4,798	5,044
Income from commercial activity	13,600	15,168	16,572	17,520	18,551	19,502	20,472	21,461
Total income excluding specific grants	27,639	28,636	30,089	31,153	31,379	32,380	33,417	34,631



3.4 The subsequent report to the Joint Strategic Committee, on 4th December 2018 updated Members as to the latest budgetary information and the forecast shortfall was revised as follows:

Worthing Borough Council	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Overall shortfall – July forecast	1,159	2,931	3,946	4,894	5,518
Overall shortfall – December forecast (including net approved growth)	1,353	3,651	4,800	5,796	6,418
Increase / (Decrease) in shortfall	194	720	854	902	900
Overall shortfall – December forecast	1,353	3,651	4,800	5,796	6,418
Savings identified in December 2018 report	-1,373	-1,824	-1,824	-1,824	-1,824
Revised budget shortfall/Surplus(-) as at December 2018	-20	1,872	2,976	3,972	4,594

3.5 The 2019/20 savings proposals identified within the report amounted to £1,373,000.

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 2019/20 can be summarised as:

	£'000
Original shortfall as identified in July 2018	1,159
Summary of changes identified in December 2018:	
(a) Improvements to the income from Council Tax	-6
(b) Further increase to cost of the homelessness service	270
(c) Improvement in Government Grants largely as a result of increased retained business rate income	-219
(d) Contingency sum for further increases to the cost of temporary and emergency accommodation	175
(e) Net committed growth items identified by budget holders and other adjustments	144
(f) Removal of contingency budgets	-170
Budget shortfall as at 4 th December 2018	1,353
Settlement	
Impact of provisional New Homes Bonus allocation	2
Distribution of surplus business rates held nationally	-41
Adjustment for increase to business rate multiplier	18
Adjustment for final items identified	
Impact of County Council budget decisions	35
Revised budget shortfall	1,367
Less: Net savings agreed in December	-1,373
Budget surplus based on a 2% Council Tax increase (before any further action is agreed)	(6)

4. THE BUDGET STATEMENT 2018 AND 2019/20 LOCAL GOVERNMENT FINANCE SETTLEMENT

4.1 Budget Statement 2018

4.1.1 The Chancellor Philip Hammond delivered the 2018 Budget Statement on 29th October 2018. Overall the public sector forecasts for the 2019 Spending Review are better than previously expected, and local government should gain from this improvement.

4.1.2 The budget contained a key political message which was that this Budget heralded “the end to austerity”. In future, the Government intends not to cut public spending just to balance the budget. There is an expectation across the sector that public spending will stop falling in real terms and start to increase in line with growth in the economy. This is, of course, predicated on the improved fiscal forecasts contained within the budget: a recession or unexpected external shock to the economy could derail these plans.

4.1.3 However, much of the increase to public sector spending will be allocated to the NHS. Earlier this year the Prime Minister announced an improved 5-year settlement for the NHS covering the period 2019/20 to 2023/24. By 2023/24 spending on the NHS will be £20.5bn higher in real terms.

4.1.4 Nevertheless Local Government is now emerging as one of the priorities. For the first time local Government was given a prominent role in the Budget. In his speech the Chancellor states that :

‘Local government has made a significant contribution to repairing the public finances and this Budget ensures local councils have more resources to deliver high quality public services.

We are giving councils greater control over the money they raise through the Adult Social Care precept, through our plans for increased business rate retention from 2020, and by removing the Housing Revenue Account cap so that councils can help to build the homes this country needs.’

4.1.5 New funding was announced for the following services:

- £650m additional grant funding for adult social care in 2019-20,
- £45m for Disabled Facilities Grant in 2018-19,
- £84m was made available to 20 authorities over 5 years to improve children’s

social care programmes.

- £450m in 2018-19 for potholes that will be allocated to highways authorities.

Longer term decisions on overall local government funding will be made in the 2019 Spending Review. The amount of funding that the Council will eventually benefit from will also depend on the Fairer Funding Review.

4.1.6 In addition to the changes to Local Government Funding, the Chancellor also announced changes to the Business Rate Relief Scheme.

- Reduce business rates by one-third for retail properties with a rateable value below £51,000 for two years from April 2019 subject to state aid limits;
- The £1,500 local newspaper discount will continue for another year;
- Local authorities will be able to award mandatory relief to public lavatories whether publicly or privately owned from 2020/21 onwards, previously local authorities did not qualify for this benefit.

Whilst these will not have a direct financial impact on the Council as they will be fully funded by the government, they will benefit local businesses.

4.2 2019/20 Local Government Finance Settlement

4.2.1 The provisional Local Government Settlement was announced on 13th December 2018 by the Secretary of State. Consultation on the provisional settlement closed on the 10th January 2019.

4.2.2 Settlement confirmed much of what was contained in the Technical Consultation that was published in July 2018, namely:

- **Four year settlement**

The four year settlement remains unchanged. As expected the Council will receive no Revenue Support Grant in 2019/20. 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%	

- **Council Tax referendum thresholds**

The council Tax referendum threshold for District Councils was confirmed as the higher of 3% or £5.00 for a Band D property. For Worthing Borough Council, the Council can increase council tax by up to 3%.

The current 5-year forecast assumes an increase of 2%. An additional increase 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.

- **Negative Revenue Support Grant (RSG)**

Negative RSG, which was an adjustment to reduce the amount of business rates income retained locally, has been removed with the cost funded by the Government. The Council had expected this to be the case following the Technical Consultation earlier in the year.

For Worthing Borough Council, the proposed adjustment to the Tariff would have been £489,700. Although due to the impact of the levy calculation the financial impact was reduced to £244,850 as follows:

	2019/20	
	Without negative RSG	Including negative RSG
Council share of business rates and S31 grants	14,147,450	14,147,450
Less: Tariff	-10,056,800	-10,546,500
	4,090,650	3,600,950
Less: Baseline Funding	-2,649,390	-2,649,390
Additional business rates	1,441,260	951,560
Less: 50% Levy	-720,630	-475,780
Additional retained rates	720,630	475,780
Reduction due to negative subsidy		244,850

- **New Homes Bonus**

The baseline for the payment of New Homes Bonus (NHB) remains at 0.4%. The threshold means that NHB payments will only be made on an increase in the council tax base that exceeds 0.4%. The Council receives largely the same amount of NHB as assumed in December, although the final number of affordable homes delivered is marginally lower than expected leading to a minor reduction of £2,000 in the amount of grant to be paid.

Overall the Council is expected to receive the following amounts in NHB over the next few years.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Current assumption	1,221	1,044	526	292	70	0
Draft settlement						
Historic allocations	1,221	974	456	222	0	0
2018/19 allocation		68	68	68	68	0
Total New Homes Bonus	1,221	1,042	524	290	68	0
Increase / decrease (-) in grant from previous assumptions		2	2	2	2	0

The New Homes Bonus has been an important source of funding. However, the future of the scheme after next year remain very uncertain. The provisional 2019/20 allocation for this council is £1,042,234.

4.2.3 Levy Account Adjustment

In addition, to the changes trailed in the Summer, the Government announced that it would distribute surplus business rates held in the Levy Account in 2018-19. Worthing Borough Council expects to receive £40,650.

4.2.4 75% Business Rate Pilots

The number of pilots announced as part of settlement were higher than expected increasing from 10 to 15.

West Sussex has been successful in its bid to be one of the pilot areas. Whilst this does not benefit the council directly, the additional sums (circa £18m) held in the County area will be invested into initiatives to support the local economies.

4.2.5 Changes to local government funding in 2020/21 and beyond:

As part of settlement, two consultations were announced on details pertaining to the Fairer Funding Review and the new Business Rate Retention Scheme:

i) **Fair funding review consultation - Review of local authorities' relative needs and resources**

As members are aware, the Government is undertaking a Fair Funding Review, to thoroughly consider how to introduce a more up-to-date, more transparent and fairer needs assessment formula.

The review is looking at all the services provided by local government and will determine the starting point for local authorities under the new business rate retention scheme which is due to be introduced across the Country by 2020/21.

Consequently this review will not only influence the level of Revenue Support Grant received by each Council but also the amount of business rates each Council will be able to retain.

The consultation announced as part of settlement seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England in 2020-21.

This consultation:

- proposes to simplify the assessment of local authorities' relative needs;
- considers the type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services;
- proposes a set of principles that will be used to design potential transitional

arrangements and examines how the baseline for the purposes of transition should be established.

As part of settlement, the Government announced a further technical consultation on the Fair Funding Review (FFR).

ii) **Reform of the Business Rate Retention Scheme**

The Secretary of State has previously announced that the local share in the Business Rate Retention Scheme (BRRS) will increase from 50% (40% to the District Councils and 10% to the County Councils) to 75% in 2020-21. The increase in local share will be fiscally neutral and will be matched by transfers of Revenue Support Grant, public health grant and other grants.

As part of settlement, a further consultation on the new Business Rate Retention Scheme was announced. This consultation seeks views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system.

The reform of the business rates retention system sits alongside wider changes to the local government finance system which the government aims to introduce in 2020.

4.2.6 The consultations will close on the 21st February 2019 and the Council will consider and respond to the documents with a response being prepared in consultation with the Executive Member of Resources.

4.2.7 **Summary of 2019/20 Local Government Settlement**

In overall terms, the 2019/20 settlement revealed that District and Borough Councils received an overall cut in government funding of 12.09%. For districts, this is significantly more than last year's drop of 7.10%.

YEAR-ON-YEAR CHANGE FOR THE 2019/20 SETTLEMENT

Class of Local Authority	2017-18 Adjusted Settlement Funding Assessment	2018-19 Settlement Funding Assessment	Overall Reduction in funding
	£million	£million	%
England	15,536.04	14,499.70	-6.67%
London Area			
London Boroughs	2,896.82	2,717.73	-6.18%
GLA	1,174.06	1,198.63	2.09%
Metropolitan Areas			
Metropolitan Districts	4,078.64	3,842.54	-5.79%
Metropolitan Fire Authorities	222.26	219.17	-1.39%
Shire Areas			
Shire unitaries with fire	261.59	241.24	-7.78%
Shire unitaries without fire	2,843.64	2,626.26	-7.64%
Shire counties with fire	1,285.88	1,157.38	-9.99%
Shire counties without fire	1,834.91	1,638.18	-10.72%
Shire districts	602.95	530.06	-12.09%
Shire fire authorities	332.00	325.23	-2.04%

4.2.8 Members should be aware that the settlement figures quoted above are provisional only. The consultation period ended on 10th January 2019 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 £198,700.

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 Pool*	Kept locally
	£'000	£'000	£'000
HM Treasury	50		
County Council	10	5	5
Borough Council	40	20	20
	100	25	25

* Any levy is now retained by the business rate pool rather than paid over to the Treasury.

4.3.2 The forecast for 2019/20 is currently being finalised. The 2019/20 NNDR return which underpins this forecast is due to be submitted by the 31st January 2019 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 and Teville Gate.

4.3.4 75% Business Rate pilot

The Council is now participating in a new County based business rates pool as part of the national pilot of the proposed business rate retention scheme. Participating in the pilot will enable the participating Councils to retain any ‘levy’ paid which will be set aside to fund initiatives within the County area to support economic growth, principally through the delivery of enhanced digital infrastructure. This equates to an estimated additional business rate income of over £18m retained locally in 2019/20 to benefit the residents of West Sussex.

However, as a result of becoming part of the pilot, the safety net is now calculated on the entire pool. The safety net calculation is based on 5% of the overall pool baseline of £96.2m which means that the maximum loss of income before the safety net would be triggered is £4.8m. To manage this risk, the contingency available from the current pool (Adur, Arun, Chichester, Worthing and West Sussex County Council) of £2m will be transferred into the new pool and additional contingency sums from the £18m gain will be set aside.

4.3.5 Finally, it should be appreciated that there are 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.
- The Councils have received mandatory rate relief claims from the local NHS trusts. Whilst the Council believes the trusts are not eligible for such financial support, until the legal position is clarified, there is a risk that the Council could lose 80% of its income from the NHS Trust sites. This is the subject of a national legal challenge. However the Council is fully providing for this additional relief within the accounts.
- 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.

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 2018/19 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).

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.

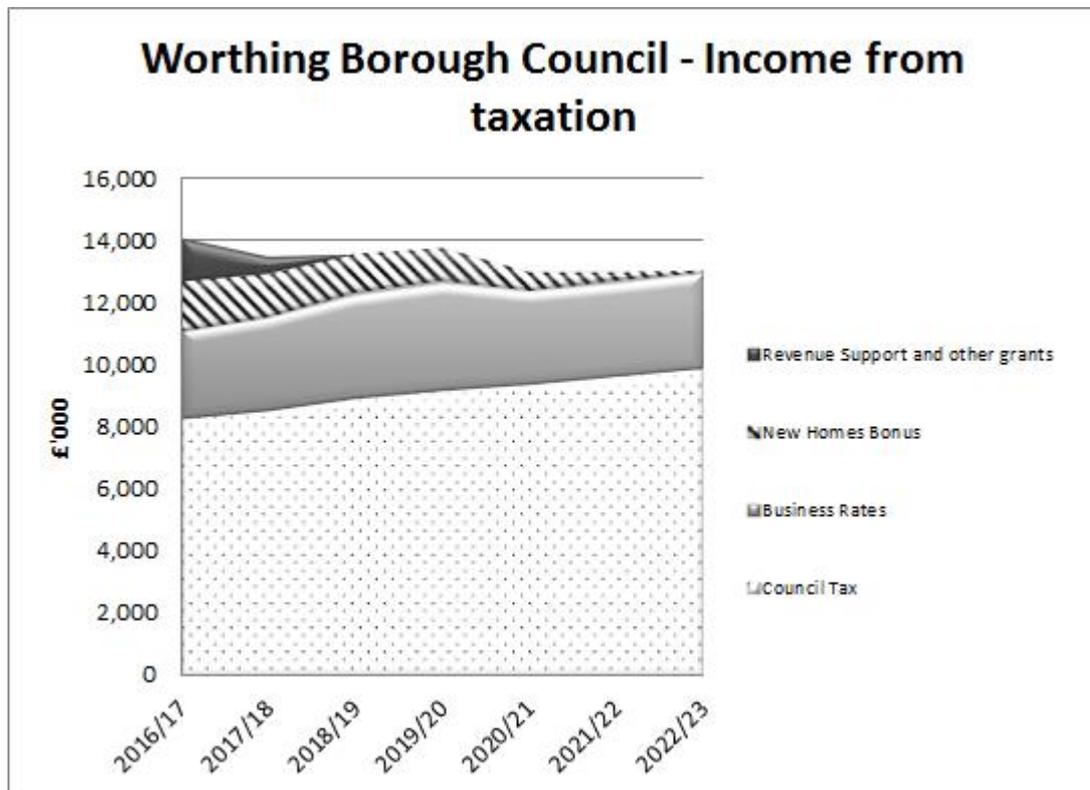
Breakdown of taxation income to the Council:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax *	8,929	9,075	9,303	9,527	9,756	9,991
Business Rates **	3,359	3,516	3,001	3,061	3,121	3,179
New Homes Bonus	1,221	1,042	524	290	68	0
Revenue Support Grant	8	0	0	0	0	0
	13,517	13,633	12,828	12,878	12,945	13,170

* Includes any surplus or deficit on the collection fund

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Council Tax	66.06%	66.57%	72.53%	73.98%	75.37%	75.86%
Business Rates	24.85%	25.79%	23.39%	23.77%	24.11%	24.14%
Revenue Support Grant	9.03%	7.64%	4.08%	2.25%	0.52%	0.00%
New Homes Bonus	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



5.0 DRAFT REVENUE ESTIMATES 2019/20

- 5.1 Detailed budgetary work is now complete and the estimate of the budget requirement (net of any proposed transfers to reserves) is £13,633,430. 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. 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 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 Our Financial Economies

The Councils recognise 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 potential redevelopment of Grafton site
- facilitating the use of Decoy Farm to bring new employment space into Worthing.

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 **Our Social Economies**

The Councils continue to see an increase in demand for our Housing Service, in particular those who are experiencing homelessness. In response this budget proposes additional growth of £270,000 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 Councils. The Councils are also proactively working with partners across West Sussex to respond to budget decisions being made by the West Sussex County Council. A contingency sum of £210,000 has been proposed in order for the Councils to respond to the impact of these decisions.

The Councils are also aware of the importance of our communities to have active lives and enjoy our parks and open spaces. Funding is proposed for two new play areas, outdoor gym equipment and improvement to tennis courts to promote

health and wellbeing of our communities. This investment will compliment the development the Adur and Worthing Activities Strategy, which is currently being developed.

5.3.3 Stewarding our Natural Resources

In 2018 the Councils have taken a number of decisions to reduce the Councils and our communities impact on our environment, and to enhance our natural assets. The adoption of the Adur & Worthing Sustainability Framework set an ambitions set of actions to respond to the pressing and complex environmental challenges that we face locally and globally.

Moving to Alternate Weekly Collection for waste services is a critical strategy to improve our communities recycling rates and reduce level of waste. The budget provides for the investment required to make this service change and provide additional information to our communities about recycling.

Brooklands lake and parklands is an important natural asset enjoyed by the communities of Adur, Worthing and beyond. Worthing Borough Council's budget provides for £90,000 to begin the delivery of the Brooklands masterplan to bring a new lease of life to the parklands and lake.

5.3.4 Services and 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 new digital tools to improve how customers access Customer Services and the Revenues and Benefits service

- 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 £13.633m 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 2018/19 to 2019/20 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:

	£'000	£'000
2018/19 Original Estimate		13,476
Add: General Pay and Price Increases		633
Add: Committed and Unavoidable Growth:		
Increased Expenditure as per 5 year forecast (net of any proposed use of reserves)	1,206	
Reduced Income as per 5 year forecast	90	
Impact of Capital Investment and Development Programme	-247	1,049
Less: Compensatory savings and additional Income:		
Compensatory savings	-115	
Additional income	-43	-158
2019/20 budget prior to agreed savings		15,000
Less: Savings agreed by members		
Approved in December	-1,373	
Adjustments arising from finalisation of restructuring proposals and review of the commercial property income	tbc	
		-1,373
Executive Member requirements		13,627
Potential contribution to reserves*		6
Potential budget requirement before external support		13,633
Collection fund surplus		9
2019/20 BUDGET REQUIREMENT		13,642
* 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 Impact of County Council budget proposals:

5.8.1 The current net estimated 2019/20 spend is greater than previously predicted in December which is attributable to the spending decisions of the County Council. Members will be aware that the County Council have decided to reduce the budgets for supported housing by 2/3rds from £6.4m to £2.4m per annum from 1st October 2019 (£2m reduction in 2019/20 and a further £2m in 2020/21). Of the remaining budget, the remaining proposals put forward by WSCC suggest at this stage:

- £1.4m is ring-fenced for accommodation for young people//care leavers
- £1m is for supporting preventing homelessness projects across the whole of WSCC

At present, there is no clear indication of how the £1m allocated to preventing homelessness will be used.

5.8.2 Of the total current spend, £1.8m is spent within Adur and Worthing and approximately 70% of the caseload relates to Worthing residents. Consequently, the supported housing providers will see a reduction of approximately £1.2m in funding, with potentially severe consequences for the tenants and with inevitable knock-on consequences for the Council.

5.8.3 The most critical issue for the Council will be to retain the capacity of bed spaces available to those in need, otherwise there will be a significant shift of cost to more expensive Emergency and Temporary Accommodation (EA / TA) and potentially an increase to rough sleeping.

5.8.4 The preliminary financial analysis suggests some level of support for commissioned services will be more cost effective than dealing with the potential levels of homelessness and associated EA / TA costs. However this needs further exploration and assessment of sustainability.

5.8.5 The Councils had provided a £250,000 contingency for 2019/20 of which £175,000 related to Worthing Borough Council for dealing with the impact of the County budget decisions. Given the scale of the reduction in 2019/20, the Council should look to provide at least a further £35,000 more to mitigate against the significant risk of increasing costs arising from higher demand for EA/TA resulting from the decision of the County Council. Looking ahead, the cost impact is likely to escalate in 2020/21 when the full impact of the reductions is experienced locally.

5.8.6 At this stage, there is still a degree of uncertainty about the full financial impact of the County's decisions, over the coming months the Council will work with others in the County area to fully understand the impact of this change and make joint recommendations going forward

5.9 Overall the current net estimated budget is more the predicted in December due to the following factors:

	£'000
Decrease in New Homes Bonus	2
Distribution of nationally held business rates	-41
Latest forecast of business rate income (including any adjustments arising from settlement)	17
Increase to contingency for the impact of County Council budget decision	35

5.10 The projected deficit on the Collection Fund is estimated to be £67,380, of which £9,090 is the Borough Council share. This is a minor deficit in light of the overall income due which exceeds £65.5m and is due to marginally lower increase in housing growth than expected.

5.11 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.

5.12 The Council Tax increase:

5.12.1 Over the past 10 years, the Council Tax has been increased by 13.9%, an average of 1.4% per year (in 2008/09 Band D tax was £203.04, in 2018/19 it was £231.30). Over the past 10 years, inflation (CPI) has been 24.61%.

5.12.2 The budget forecast currently assumes that Council Tax will increase by just over 2.0% in 2019/20. However the referendum criteria announced just before Christmas gives the Council the flexibility to raise the Council Tax by up to 3%. A higher increase will give the council the opportunity to reinvest back into priority services. Members are reminded that the Consumer Price Index is currently 2.3%.

5.12.3 Even a 3% uplift would only be a modest increase in the District council share of the bill for 2019/20. The table below details how the Council Tax will change as a result of a 2%, 2.5%, 2.8% and just under 3% increase.

	2018/19	Annual increase for 2019/20			
		2%	2.5%	2.8%	3.0%
	£	£	£	£	£
Council Tax Band D	231.30	235.98	237.06	237.78	238.23
Annual increase		4.68	5.76	6.48	6.93
Weekly increase		0.09	0.11	0.12	0.13
Council Tax Band C	205.60	209.76	210.72	211.36	211.76
Average annual increase		4.16	5.12	5.76	6.16
Average weekly increase		0.08	0.10	0.11	0.12
Total additional Council Tax raised		176,740	221,790	249,510	266,840
Additional Council Tax raised over a 2% increase			45,050	72,770	90,100

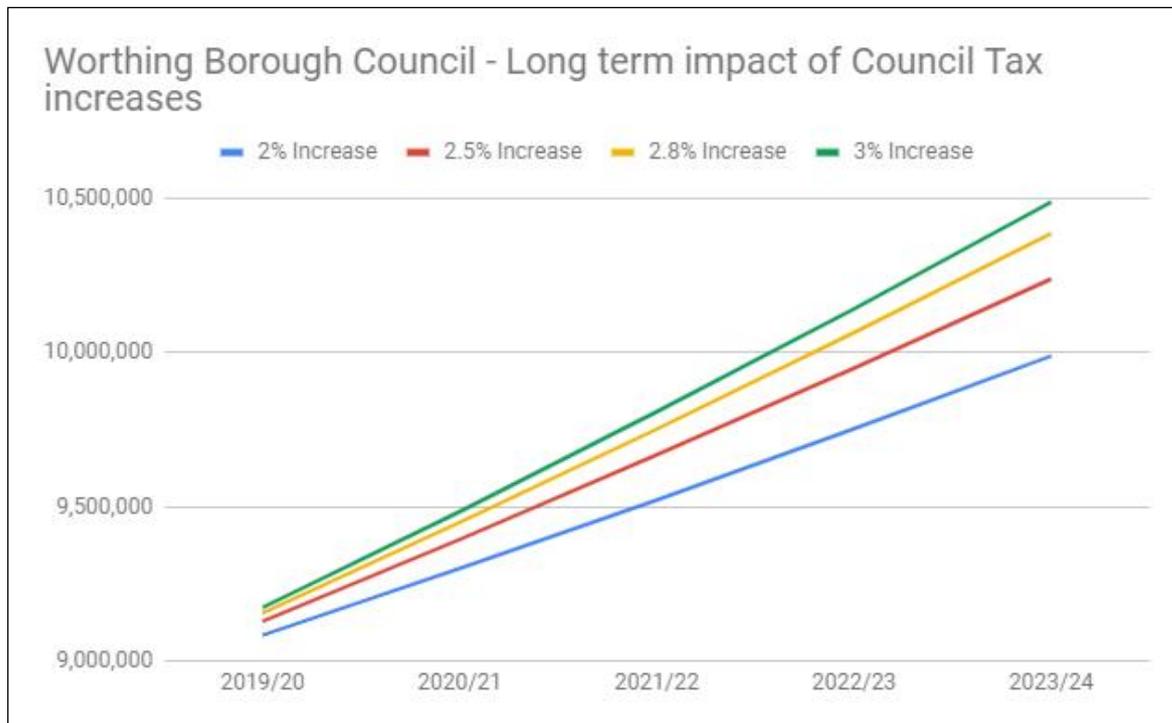
5.12.4 Members should also be aware that the Police and Crime Commissioner has been consulting on a £12.00 (7.23%) increase for their share of the overall bill. Whilst the level of increase to be set by the County Council is unknown at this stage, given the financial pressures that the County is under, there are indications that the increase will be close to the maximum permitted (5%). 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 5%:

	2018/19	2019/20 (Indicative only)	%
	£	£	
Worthing Borough Council	231.30	238.23	3.00%
West Sussex County Council	1,317.78	1,383.66	5.00%
Sussex Police and Crime Commissioner	165.91	177.91	7.23%
	1,714.99	1,799.80	4.95%

5.12.5 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 2%, 2.5%, 2.8% and 3% annually would be as follows:

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

Total income	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
2% annual increase	9,082,760	9,300,000	9,522,330	9,753,330	9,989,530
2.5% annual increase	9,127,810	9,393,940	9,669,040	9,949,720	10,239,530
2.8% annual increase	9,155,530	9,449,610	9,752,880	10,065,460	10,387,420
3% annual increase	9,172,860	9,484,400	9,808,770	10,142,620	10,489,540



5.12.6 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. An increase of 2.8% will enable the Council to fund all of the proposals for investment in services recommended for approval in Appendix 2. Due to the financial constraints upon the Council, not all of the proposals can be funded. Those recommended for approval are the initiatives which directly contribute to achieving the Council’s priorities.

5.13 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)

	£'000	£'000
Net budget requirement		13,627
Less:		
Baseline Funding (including Levy surplus payment)	2,690	
Share of additional Business Rate income	826	
Council Tax (2.0% increase)	9,084	
New Homes Bonus	1,042	
Collection Fund Deficit	-9	-13,633
Budget surplus based on 2.00% Council Tax increase		-6
Maximum impact of accepting the growth items (Appendix 2)		76
		70
Maximum withdrawal from reserves if Council Tax increase remains at 2% or additional amount to be raised from Council Tax through a 2.8% council tax increase.		-70

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 I (which includes an assumed 2.00% tax increase for 2019/20 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)				
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Cumulative budget shortfall as per appendix I	1,367	4,374	5,523	6,529	7,156
Less:					
Net savings identified in 2019/20 budget round	-1,373	-1,824	-1,824	-1,824	-1,824
Impact of accepting the growth items in paragraph 5.11.5	76	76	76	76	76
Potential contribution to reserves / or additional amount to be raised from Council tax if all growth approved	-70	-70	-70	-70	-70
Adjusted cumulative budget shortfall	-	2,556	3,705	4,711	5,338
Savings required each year	-	2,556	1,149	1,006	626

6.2 The continuation of the withdrawal of government fund 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 £600k 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. 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 (Cumulative)			
	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Annual budget shortfall	2,556	1,149	1,006	626
Future savings from budget strategy:				
Investment in commercial property	-150	-150	-150	-150
Commercial activities	-430	-430	-430	-430
Service and digital redesign	-120	-120	-120	-120
New savings initiatives to be identified	1,856	449	306	-74

6.4 Nevertheless 2020/21 remains an extremely 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 2018 was £844,000 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	%
31.03.2018	Balance carried forward – per Final Accounts	844	6.2
31.03.2019	No planned drawdown or contribution expected	844	6.2
31.03.2020	No planned drawdown or contribution expected	844	6.5
31.03.2021	No planned drawdown or contribution expected	844	6.5
31.03.2022	No planned drawdown or contribution expected	844	6.5

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.

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 a region of £18,500 in 2019/20.
2. A pay award of 1% more than currently allowed for within the budget would cost the General Fund approximately £166,600.
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 2019/20 of £818,000 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 £1,363,000 in the working balance which is roughly equivalent to 10% of net revenue spend. Consequently, the current policy of holding balances of 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 is taking two immediate 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 £350,000 per year by 2023/24.
- ii) As part of the development of the 2019/20 budget and at the suggestion of the LGA peers, general inflation (excluding inflation on items such as salaries, rates, utilities, and contractual commitments) has not been 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. This has been implemented following a suggestion from the LGA Finance Peers.

7.6 In the medium term, once the challenges of 2020/21 have been addressed, the council should review the position and take proactive steps to further bolster the reserve to around £6m by 2023/24.

7.7 In addition, the estimated balance of general fund earmarked reserves as at 31st March, 2020 is £2,365,000 (excluding any potential contribution from underspend), although this reduces to £1,793,000 if any Section 106 sums held for future environmental improvements, grants, and any specific capital resources are excluded. A detailed schedule of the earmarked reserves is attached at Appendix 2. The significant risks to the overall budget and the Council's reserves are detailed below.

7.8 With a lower level of 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 has recovered to some extent. 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 have occasional opportunities to put money into 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 year 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 for 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 increase in costs this year as a result of County Council decisions:

	2019/20			Full year impact
	Adur	Worthing	Total	
	£'000	£'000	£'000	£'000
Impact of changes to recycling credits	120	180	300	300
Contingency for the County budget reduction to supported housing services	90	210	300	1,200 (up to)
Total impact	210	390	600	1,500

Looking ahead, it is clear that given the financial pressure that the county council is under that there may be further reductions in items such as recycling payments from 2020/21 onwards.

- (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 2019/20, 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 there is an increased risk of loss of income from voids. To mitigate this risk the Council is has introduced an annual provision for void rents which will be £100,000 in 2019/20. 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 3% inflationary increase allowed for. Whilst the Bank of England inflation forecasts expect that inflation will gradually return to 2% in 2019/20, 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	169
Non-pay	143

8.2 To help manage these risks, the council has a working balance of £844,000 and £1.9m 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 2019/20 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 31st January 2019 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 2019/20.

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.

12.2 Once the Executive has reached a decision on the Total Budget Requirement it wishes to recommend to the Council for the 2019/20 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 2019/20 prior to the consideration of the budget proposals. This is based on 2.5% Council Tax increase which is sufficient to fund all of the proposals for growth included at Appendix A:

	£	£
Net 2019/20 Budget *		13,633,430
Less:		
Aggregate External Finance:		
Baseline Funding	-2,649,390	
Additional Retained Business Rate income	-826,340	
New Homes Bonus	-1,042,230	
Contribution to the Collection Fund deficit (as per paragraph 5.9)	9,090	
Levy payment	-40,650	
		-4,549,520
Amount to be raised from Council Tax (2.00% Council Tax)		9,083,910
Additional impact of proposals identified in Appendix 2 if all approved		70,580
Amount to be raised from Council Tax based on 2.8% Council Tax		9,154,490

* 2019/20 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 Council Tax and approving the non-committed growth items.

(b) Council Tax Base

The Council's Tax base for 2019/20 is 38,504.50 Band D equivalent properties. There is an increase to the current year base of 38,365.90 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

Members are now asked to consider which level of Council Tax to set for 2019/20. A Council Tax increase of 2.00% will ensure that the Council has a balanced budget, an increase of 2.8% will lever in sufficient additional resources to fund the growth recommended for approval at Appendix 2 and deliver a balanced budget.

	2018/19	2019/20 (2.00% increase)	2019/20 (2.50% increase)	2019/20 (2.80% increase)	2019/20 (3.0% increase)
Band D tax					
	£	£	£	£	£
Worthing Borough Council	231.30	235.98	237.06	237.78	238.23
Annual increase		4.68	5.76	6.48	6.93
Weekly increase		0.09	0.11	0.12	0.13

12.4 West Sussex County Council and Sussex Police Authority

- (a) The County Council requirements are expected to be confirmed on 20th February, 2018. The Police and Crime Commissioner has consulted on an increase to the Council Tax for 2019/20 of £12.00 or 7.23%. The proposed 2019/20 budget is due to be considered by the Sussex Police and Crime Panel (PCP) on 1st February 2019.

	2018/19 £	2019/20 £
West Sussex County Council	1,317.78	t.b.c
Sussex Police Authority	165.91	177.91
TOTAL	1,483.69	t.b.c.

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 26th February 2019.

13.0 LEGAL IMPLICATIONS

13.1 The Local Government Act 2003 requires that the Councils set a balanced budget. This report demonstrates how the Council will meet this requirement for 2019/20.

14.0 CONCLUSION

14.1 This has been another challenging year. The Council has seen the government grants fall, a substantial increase in housing need numbers, and addressed the consequences of the County Council's budget decisions. However, to meet this challenge the Council has identified £1.4m of savings and is now in the position to set a balanced budget.

- 14.2 Looking further ahead, 2020/21 will be particularly challenging as the Council grapples with the impact of the fairer funding review, and the continuing consequences of the withdrawal of funding by the County Council for supported housing. 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 and 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 be 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 2019/20 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 10th July 2018 ‘Achieving Financial Sustainability – Budget strategy for the 2019/20 budget and beyond’

Report to the Joint Strategic Committee 4th December 2018 ‘Financially Sustainable Councils: 5 year forecast 2019/20 – 2023/24 and savings proposals’

Report to the Joint Strategic Committee 4th December 2018 ‘Investing for the future: Capital Investment Programme 2019/20 to 2021/22’

Local Authority Finance (England) Settlement Revenue Support Grant for 2019/20 and Related Matters: DCLG Letters and associated papers of 13th December 2018.

Autumn Budget 2018 - HM Treasury

Autumn Budget 2018 – On-the-day Briefing by Pixel Financial Consulting

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 2017/18

Report to Joint Strategic Committee 6th November 2018 – 2nd Revenue Budget Monitoring 2018/19

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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

APPENDIX I

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Base					
Net Spending to be Financed from Taxation	£'000	£'000	£'000	£'000	£'000	£'000
Base budget	13,476	13,476	13,476	13,476	13,476	13,476
(a) Annual Inflation						
Estimated inflation		633	1,121	1,603	2,072	2,545
(b) One -off / non-recurring items						
Local Elections (not held once every four years)		-	-	-50	-	-
(c) Committed Growth / Cost reductions						
Impact of Pension Fund Triennial valuation		-57	-57	-57	-57	-57
Fall out of SDLT pension costs.		-18	-36	-54	-54	-54
Reduction in grant for homelessness		-	120	120	120	120
Net cost of increasing recycling to meet 50% targets:						
- Reduction in recycling income		180	180	180	180	180
- Impact of introducing weekly food waste collections		-	420	420	420	420
Deletion of one-off savings in 2018/19		34	34	34	34	34
Increased homelessness caseload		270	270	270	270	270
Impact of growth items identified by heads of service		412	412	412	412	412
Contingency for the impact of the County budget proposals and further growth in housing		210	840	840	840	840
Closure of Brooklands Par 3 golf course		90	90	90	90	90
Reprocurement of theatres and culture		100	200	150	100	50
Contingency for future committed growth		-	80	160	240	320

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
(d) Impact of capital programme						
Financing costs - General Programme		-317	-154	-48	139	360
Provision for additional cost of new burial spaces		32	32	32	32	32
Increase in capital programme from £2m to £2.5m		38	76	76	76	76
Impact of refurbishment of High Street Car Park		-	105	291	291	291
Impact of land acquisitions and new developments at Union Place, Grafton, town hall car park and other major projects.		-	-	400	700	800
(e) Additional income						
Investment income		-43	-57	-84	-137	-199
(f) Approved Growth items						
Provision for new growth items		-	90	180	270	360
Fall out of one-off growth items		-40	-40	-40	-40	-40
Total Cabinet Member Requirements	13,476	15,000	17,202	18,401	19,474	20,326
Baseline funding	2,590	2,649	2,702	2,756	2,811	2,867
Add: Net retained additional business rates	764	826	299	305	310	312
Add: Share of surplus /deficit (-)	5	-	-	-	-	-
Add: Levy surplus	-	41	-	-	-	-
Adjusted Baseline funding	3,359	3,516	3,001	3,061	3,121	3,179

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Base					
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	8	-	-	-	-	-
Council Tax income						
Adjusted Council Tax income	8,874	9,084	9,303	9,527	9,756	9,991
New homes bonus (2015/16 - 2020/21)	247	-	-	-	-	-
New homes bonus (2016/17 -2019/20)	518	518	-	-	-	-
New homes bonus (2017/18 - 2020/21)	234	234	234	-	-	-
New homes bonus (2018/19- 2021/22)	222	222	222	222	-	-
New homes bonus (2019/20 - 2022/23)	-	68	68	68	68	-
Total New Homes Bonus	1,221	1,042	524	290	68	-
Collection fund surplus/deficit (-)	55	-9	-	-	-	-
Total other grants and contributions	1,276	1,033	524	290	68	-
Total Income from Taxation	13,517	13,633	12,828	12,878	12,945	13,170
(Surplus) / Shortfall in Resources	-41	1,367	4,374	5,523	6,529	7,156
Use of / (contribution to) Reserves to Balance Budget						
Capacity issues reserve	-41	-	-	-	-	-
Total Income from Reserves	-41	-	-	-	-	-
AMOUNT REQUIRED TO BALANCE BUDGET	-	1,367	4,374	5,523	6,529	7,156

WORTHING BOROUGH COUNCIL						
Revenue Budget Summary Statement 2018/19 - 2023/24						
	2019/20	2020/21	2021/22	2022/23	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000
AMOUNT REQUIRED TO BALANCE BUDGET	1,367	4,374	5,523	6,529	7,156	
Savings / Initiatives identified to date:						
Strategic Property Investment Fund						
Future property purchases	250	550	750	950	1,150	
Provision for future voids and repairs	-100	-150	-200	-250	-300	
Commercial activities and commissioning						
Commercial and Customer Activities	403	833	1,263	1,693	2,123	
Efficiency Measures						
Service and Digital redesign	126	246	366	486	606	
Restructures and service plan savings not included above						
Development of temporary accommodation supply (15 units of 1/2 bed)	-	-	-	59	118	
Total savings initiatives identified to date	1,373	2,624	3,324	4,083	4,842	
Cumulative savings still to be found/ (surplus)	-6	1,750	2,199	2,446	2,314	
Annual savings still to be found	-6	1,756	449	247	-132	

Appendix 2

<u>Bids for investment in services</u>	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
Proposals recommended for approval:	£	£	£	£	£	£
Additional capacity for Estates Team - 1 FTE The purchase of commercial property and temporary accommodation are critical components of the budget strategy. This investment enables the Councils to deliver on future savings targets. The post is expected to filled from July 2019.	36,750	14,700	22,050	36,750	49,000	49,000
Additional Senior Planning Officer Reinvestment back into the service following the 20% increase in fees which the Government required Councils to allocate to the Planning Service. The additional post will support the delivery of key strategic development sites as outlined in Platforms. The increase will also help address current demands on the service as planning applications are increasing and support the maintenance Government performance targets.	49,000	19,600	29,400	49,000	49,000	49,000
Junior Developer (Apprentice roles) Our in-house software development strategy is saving us money and delivering significant benefits to our residents through well designed online services. Our strategy of in-house development is very popular and the service is in high demand. We need to expand the team to deliver benefits faster and would like to develop an opportunity for an apprentice position. The post is expected to filled from July 2019.	24,380	9,750	14,630	24,380	32,500	32,500

Appendix 2

Bids for investment in services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Strategic Sustainability Officer (increased hours) We have made strong progress with the Stewarding our Natural Resources Platform commitments and are scaling up our ambition. Our progress is currently being driven by a single 0.6 FTE resource which does not currently match the ambitions of the programme. This request is to increase this post to 0.8 FTE to help deliver the strategy to be presented to Joint Strategic Committee in November 2018.	15,840	6,340	9,500	15,840	15,840	15,840
Total value of proposals recommended for approval	125,970	50,390	75,580	145,970	166,340	166,340
Additional funds available at with a 3% Council Tax increase			95,100	150,170	150,170	150,170
Excess growth (+) / Resources in hand (-) based on a 3% Council Tax increase			-19,520	-18,270	2,100	2,100
Proposals not recommended for approval:						
Additional testing of IT security arrangements Security Testing: Currently independent security testing is carried out once per annum (for PSN compliance). Given the ongoing risk of cyber attacks, potential fines as a result of data breaches under GDPR, and a change in scope (with services in the cloud), there is a need to change the scope of security testing and increase the frequency to provide greater assurance that systems, services, and data are protected adequately on an ongoing	15,000	6,000	9,000	15,000	15,000	15,000
Maintenance of grass verges Following reduction in WSCC budgets, the proposal is for the Councils to assume responsibility for maintaining grass verges and pavements.		85,000	85,000	170,000	170,000	170,000

Appendix 2

Bids for investment in services	2019/20				2020/21	2021/22
	Joint (memo)	Adur	Worthing	Total		
	£	£	£	£	£	£
Proposals not recommended for approval:						
Service Redesign lead	54,000	21,600	32,400	54,000	54,000	54,000
There is a growing need for expertise and support for services undertaking significant change initiatives, including the multi-agency change work set out in Platforms for our Places (e.g. homelessness and loneliness). Projects are delivering clear results, such as significant reductions in evictions as a result of the preventing homelessness project, reducing costs to the councils. We need additional capacity to service more projects, such as revenues and benefits transformation, prevention services and others. The Service Design Lead will help manage and drive change initiatives, ensure they are approached in a user centred way, and deliver results. The role would sit within the customer insight team, and work very closely with digital.						
Grafton redevelopment support costs			50,000	50,000	50,000	0
The redevelopment of the Grafton Site is a significant commitment within Platforms for our Places. Specialist support is required to ensure that the project progresses effectively over the next two years. This will be funded from existing budgets.						
Total value of proposals not recommended for approval	69,000	112,600	176,400	289,000	289,000	239,000

SCHEDULE OF EARMARKED RESERVES	Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1. CAPACITY ISSUES RESERVE	1,440	41	(668)	813	5	-	818
Purpose: The Capacity Issues Reserve was set up in 2005/06 to give the Council scope to deal with a range of cost pressures expected to arise from 2006/07 onwards.							
2. INSURANCE RESERVE	297	31	(38)	290	30	(30)	290
Purpose: The Insurance Reserve was established in 1993/94 to develop risk management, fund self-insurance and to achieve longer-term revenue savings.							
3. JOINT HEALTH PROMOTION	8	-	(5)	3	-	(3)	-
Purpose: The Joint Health Promotion reserve was established in 2005 with funding received from the local Primary Care Trust for health promotion projects.							
4. LEISURE LOTTERY & OTHER PARTNERSHIP	77	-	(25)	52	-	(25)	27
Purpose: The Leisure, Lottery & Other Partnerships Reserve was established in 1995/96 to assist in financing capital schemes attracting substantial support from the National Lottery distributor bodies & other funding agencies & organisations. This reserve is currently earmarked for support to the Museum Redevelopment bid & the Football Foundation bid.							
	C						

SCHEDULE OF EARMARKED RESERVES	Balance as at 01.04.18	Planned Contributions	Planned Withdrawals	Forecast Balance as at 01.04.19	Planned Contributions	Planned Withdrawals	Forecast Balance as at 31.03.20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5 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.	98	-	-61	37	-	-	37
6 THEATRE CAPITAL RESERVE Purpose: Established in 2013/14 to fund refurbishment and other works for all of WBC's theatres.	141	83	-92	132	80	-50	162
7 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.	34	-	-	34	-	-	34
8 GRANTS & CONTRIBUTIONS Held in reserves*	542	-	-	542	-	-	542
9 BUSINESS RATES SMOOTHING RES PROJECTED UNDERSPEND Reserves to be identified at outturn.	425	-	-	425	-	-	425
1 GENERAL FUND WORKING BALANCE	844	*see below	-	844	-	-	844
1 CAPITAL EXPENDITURE RESERVE	30	-	-	30	-	-	30
TOTAL	3,936	155	-889	3,202	115	-108	3,209

PROPERTY ANALYSIS AND CALCULATION OF TAX BASE										
Properties	Band A - 5/9	Band A 6/9	Band B 7/9	Band C 8/9	Band D 9/9	Band E 11/9	Band F 13/9	Band G 15/9	Band H 18/9	Total
Ratio to Band D	0.00	7,862.00	11,252.00	12,940.00	9,475.00	5,416.00	2,338.00	899.00	26.00	50,208.00
Number of Dwellings	0.00	-200.00	-190.00	-154.00	-121.00	-74.00	-21.00	-7.00	0.00	-767.00
Less: Exemptions	0.00	7,662.00	11,062.00	12,786.00	9,354.00	5,342.00	2,317.00	892.00	26.00	49,441.00
Disabled Relief Adjustment (net)	5.00	35.00	18.00	1.00	1.00	-26.00	2.00	-18.00	-18.00	0.00
Chargeable Dwellings	5.00	7,697.00	11,080.00	12,787.00	9,355.00	5,316.00	2,319.00	874.00	8.00	49,441.00
Broken down as follows:										
Full Charge	2.00	2,667.00	6,164.50	8,774.00	6,853.00	4,117.00	1,886.00	706.00	5.00	31,174.50
25% Discount (Including Adj for SP dis)	3.00	4,973.00	4,869.00	3,985.00	2,472.00	1,177.00	391.00	136.00	0.00	18,006.00
50% Discount	0.00	72.00	113.00	129.00	121.00	81.00	62.00	40.00	4.00	622.00
0% Discount (Long Term Empty Homes)	0.00	340.00	289.00	175.00	104.00	46.00	16.00	11.00	0.00	981.00
Total Equivalent Number of Dwellings	4.25	6,428.75	9,845.25	11,775.75	8,722.50	5,015.25	2,199.75	825.00	6.50	44,823.00
Reduction in tax base due to Council Tax Support	1.95	1,322.96	1,359.01	963.86	354.18	106.63	20.99	4.59	0.00	4,134.18
Adjusted equivalent total dwellings	2.30	5,105.79	8,486.24	10,811.89	8,368.32	4,908.62	2,178.76	820.41	6.50	40,688.82
<u>Band D Equivalents</u>										
Revenue Support Settlement	1.30	3,403.90	6,600.40	9,610.60	8,368.30	5,999.40	3,147.10	1,367.30	13.00	38,511.30
Add: Forecast new homes	0.00	20.70	35.40	70.70	114.00	31.80	1.40	-0.80	0.00	273.20
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	280.00	0.00	0.00	0.00	0.00	280.00
COUNCIL TAX BASE	1.30	3,424.60	6,635.80	9,681.30	8,202.30	6,031.20	3,148.50	1,366.50	13.00	38,504.50

DECISION

The following appendices have been updated to reflect the recommendations from Executive as laid out in the Record of Decisions.

DECISION THE EXECUTIVE

- (i) approved the proposals to invest in services outlined in Appendix 2;
- (ii) recommended to Council, the draft budgets for 2019/20 at Appendix 5 as submitted in Executive Member Portfolio order, and the transfer to Reserves leading to a net budget requirement of £13,633,430, subject to any amendments agreed above; and
- (iii) recommended to Council an increase of 2.8% making Band D for Worthing Borough Council's requirements in 2019/20 as set out in paragraph 5.10 of £237.78 per annum.

REASON FOR DECISION

Statutory requirement to set a budget.

Following the decision of the Executive the net budget requirement for 2019/20 is £13,704,010.

DECISION OF THE COUNCIL

At its meeting on the 26th February, 2019, Worthing Council agreed a 2.8% Council for Tax for 2019/2020.

- (a) Council noted that the Executive calculated the Council Tax Base 2017/18 as 38504.2 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")];
- (b) the Council Tax requirement for the Council's own purposes for 2019/20 is £9,154,490.

DECISION OF THE COUNCIL

That the following amounts be calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:

- (a) **£83,879,820** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) **£74,725,330** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **£9,154,490** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R), in the formula in Section
- (d) **£237.75** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.
- (e) **£0.00** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) **£237.78** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year.

APPENDIX 3
CIVIC BUDGET TABLE 2019/20
Summary of Executive Member Requirements

INDIVIDUAL MEMBER PORTFOLIOS
Summary and Variance Pages

WORTHING BUDGET

Summary of Executive Member Portfolios



WORTHING BOROUGH
COUNCIL

SUMMARY OF EXECUTIVE MEMBER PORTFOLIOS	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
Digital and Environment	3,251,830	2,991,380
Health and Wellbeing	1,739,960	1,729,230
Customer Services	4,711,980	5,172,460
Leader	852,870	802,300
Regeneration	1,958,070	1,907,660
Resources	2,389,670	2,232,160
Support Services Depreciation Not Charged To Services	710,270	513,690
NET SERVICE EXPENDITURE	15,614,650	15,348,880
Credit Back Depreciation / Impairments	(3,633,620)	(3,224,030)
Minimum Revenue Provision	1,408,260	1,492,910
	13,389,290	13,617,760
Transfer to / from Reserves	86,250	86,250
Balance Available to Transfer To / (From) Reserves	41,050	-
Total budget requirement before external support from government	13,516,590	13,704,010
Baseline Funding	(2,590,030)	(2,649,390)
Additional business rate income	(769,100)	(826,340)
Revenue Support Grant	(7,680)	-
Levy Surplus	-	(40,650)
Other unfenced grants (New homes bonus)	(1,220,870)	(1,042,230)
Contribution to/ (from) Collection Fund	(54,880)	9,090
Amount required from Council Tax	8,874,030	9,154,490
Council Tax Base	38,365.9	38,504.2
Average Band D Council Tax - Worthing Borough	231.3	237.78
% increase	-	2.80%

DIGITAL AND ENVIRONMENT PORTFOLIO



WORTHING BOROUGH COUNCIL

DIGITAL AND ENVIRONMENT PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Flood Defence	18,290	18,820
Public Conveniences	359,320	371,720
	377,610	390,540
DIRECTOR OF COMMUNITIES		
South Downs Leisure	1,341,210	1,155,380
	1,341,210	1,155,380
Head of Environmental Services		
Allotments	12,480	14,090
Cemeteries	14,530	15,420
Crematorium	(1,462,520)	(1,650,800)
Parks	1,702,410	1,929,850
Abandoned Vehicles	1,810	1,800
Clinical Waste	(5,470)	2,810
Compliance including Fixed Penalty Notices	(1,810)	(1,850)
Recycling	(737,440)	(760,630)
Refuse	1,588,530	1,371,980
Street Cleansing (includes Pest Control and Graffiti)	738,940	717,350
Trade Refuse	(467,150)	(341,290)
Vehicle Workshop	630	280
	1,384,940	1,299,010
Head of Wellbeing		
Dog and Pollution Control	148,070	146,450
	148,070	146,450
TOTAL ENVIRONMENT PORTFOLIO	3,251,830	2,991,380

DIGITAL AND ENVIRONMENT PORTFOLIO 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 & Technical Services											
Flood Defence	-	-	-	-	-	-	-	0	18,820	-	18,820
Public Conveniences	-	-	275,870	-	-	-	(610)	275,260	14,670	81,790	371,720
DIRECTOR OF COMMUNITIES											
South Downs Leisure	114,750	-	232,930	-	-	-	(104,010)	243,670	41,990	869,720	1,155,380
Head of Environmental Services											
Allotments	-	-	16,000	-	-	-	(4,570)	11,430	-	2,660	14,090
Cemeteries	-	104,150	131,440	-	4,960	-	(274,010)	(33,460)	23,540	25,340	15,420
Crematorium	263,560	108,690	488,720	10	197,360	-	(2,992,400)	(1,934,060)	213,100	70,160	(1,650,800)
Parks	-	179,880	1,101,290	-	152,230	-	(167,680)	1,265,720	390,890	273,240	1,929,850
Abandoned Vehicles	-	-	-	-	1,800	-	-	1,800	-	-	1,800
Clinical Waste	-	2,500	-	-	-	-	-	2,500	-	310	2,810
Compliance	-	-	-	-	-	-	(1,850)	(1,850)	-	-	(1,850)
Recycling	-	(1,027,220)	-	-	-	1,400	-	(1,025,820)	74,220	190,970	(760,630)
Refuse	-	972,320	-	-	-	-	-	972,320	213,330	186,330	1,371,980
Street Cleansing	-	880,260	-	-	-	-	(338,660)	541,600	102,840	72,910	717,350
Trade Refuse	-	323,540	-	-	645,630	-	(1,404,560)	(435,390)	28,950	65,150	(341,290)
Vehicle Workshop	-	-	-	-	-	-	-	0	-	280	280
Head of Wellbeing											
Dog and Pollution Control	-	1,910.	-	-	-	-	(3,470)	(1,560)	143,840	4,170	146,450
Percentage Direct Cost	7%	30%	43%	0%	19%	0%	(5,291,820)	(117,840)	1,266,190	1,843,030	2,991,380

ENVIRONMENT PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non(MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES											
Head of Business and Technical Services											
Flood Defence	18,290	-	-	-	-	-	-	-	-	530	18,820
Public Conveniences	359,320	5,860	-	-	-	-	-	-	-	6,540	371,720
DIRECTOR OF COMMUNITIES											
South Downs Leisure	1,341,210	1,980	-	(68,000)	-	-	-	-	-	(119,810)	1,155,380
Head of Environmental Services											
Allotments	12,480	300	-	650	-	-	-	-	-	660	14,090
Cemeteries	14,530	(4,640)	-	4,170	-	-	-	-	(11,450)	12,810	15,420
Crematorium	(1,462,520)	(50,550)	-	58,010	-	-	-	-	(204,640)	8,900	(1,650,800)
Parks	1,702,410	10,080	-	139,110	-	-	-	-	7,970	70,280	1,929,850
Abandoned Vehicles	1,810	(10)	-	-	-	-	-	-	-	-	1,800
Clinical Waste	(5,470)	-	-	-	-	-	-	-	-	8,280	2,810
Compliance	(1,810)	(40)	-	-	-	-	-	-	-	-	(1,850)
Recycling	(737,440)	-	-	-	-	-	-	-	-	(23,190)	(760,630)
Refuse	1,588,530	-	-	-	-	-	-	-	-	(216,550)	1,371,980
Street Cleansing	738,940	(7,280)	-	-	-	-	-	-	-	(14,310)	717,350
Trade Refuse	(467,150)	(18,240)	-	129,970	-	-	-	-	(42,200)	56,330	(341,290)
Vehicle Workshop	630	-	-	-	-	-	-	-	-	(350)	280
Head of Wellbeing											
Dog and Pollution Control	93,380	(80)	-	-	-	-	-	-	-	53,150	146,450
	3,197,140	(62,620)	0	263,910	-	-	-	-	(250,320)	(156,730)	2,991,380

HEALTH AND WELLBEING PORTFOLIO



WORTHING BOROUGH
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR OF COMMUNITIES		
Worthing Festival	3,520	3,550
	3,520	3,550
Head of Housing		
Housing Standards	156,850	152,790
	156,850	152,790
Head of Wellbeing		
Community Centres & Grants	467,630	458,570
Community Safety	324,830	311,960
Food Safety & Health & Safety	209,990	188,570
Licensing	102,750	136,460
Public Health & Regulation	394,800	396,130
	1,500,000	1,491,690
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Bus Shelters, Drainage, Footway Lighting	79,590	81,200
	79,590	81,200
TOTAL HEALTH AND WELLBEING PORTFOLIO	1,739,960	1,729,230

HEALTH AND WELLBEING PORTFOLIO SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

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	-	-	3,070	-	480	-	-	3,550	-	-	3,550
Head of Housing											
Housing Standards	-	148,530	-	-	1,680	-	(100)	150,110	2,680	-	152,790
Head of Wellbeing											
Community Wellbeing	-	128,840	19,580	-	182,010	-	-	330,430	125,810	2,330	458,570
Community Safety	-	167,220	3,820	-	21,220	-	-	192,260	119,700	-	311,960
Food Safety & Health & Safety	-	9,540	-	-	9,750	-	(3,910)	15,380	173,190	-	188,570
Licensing	-	177,110	-	-	3,930	-	(227,030)	(45,990)	182,450	-	136,460
Public Health & Regulation	-	7,630	-	-	26,070	-	(1,040)	32,660	361,970	1,500	396,130
DIRECTOR FOR DIGITAL AND RESOURCES											
Head of Business and Technical Services											
Bus Shelters, Drainage, Footway Lighting	-	-	73,900	-	-	-	-	73,900	7,300	-	81,200
	0	638,870	100,370	0	245,140	0	(232,080)	752,300	973,100	3,830	1,729,230
Percentage Direct Cost	0	65%	10%	0%	25%	0%					

HEALTH AND WELLBEING PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non(MTFF Other Charges	TOTAL BUDGET
DIRECTOR OF COMMUNITIES											
Worthing Festival	3,520	30	-	-	-	-	-	-	-	-	3,550
Head of Housing											
Housing Standards	156,850	-	-	-	-	-	-	-	-	(4,060)	152,790
Head of Wellbeing											
Community Centres & Grants	467,630	950	-	-	-	-	-	-	(17,240)	7,230	458,570
Community Safety	324,830	80	-	-	-	-	-	-	-	(12,950)	311,960
Food Safety & Health & Safety	209,990	(80)	-	-	-	-	-	-	(6,000)	(15,340)	188,570
Licensing	102,750	(4,920)	-	-	-	-	-	-	-	38,630	136,460
Public Health & Regulation	449,490	(30)	-	-	-	-	-	-	-	(53,330)	396,130
DIRECTOR FOR DIGITAL AND RESOURCES											
Head of Business and Technical Services											
Bus Shelters, Drainage, Footway Lighting	79,590	1,420	-	-	-	-	-	-	-	190	81,200
	1,794,650	(2,550)	0	0	0	0	0	0	(23,240)	(39,630)	1,729,230

CUSTOMER SERVICES PORTFOLIO



WORTHING BOROUGH
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE	ESTIMATE
DIRECTOR OF COMMUNITIES		
Head of Housing		
Housing including Homelessness	1,870,110	2,205,040
Housing Strategy	113,040	116,320
	1,983,150	2,321,360
Head of Wellbeing		
Community Centres	2,870	2,950
	2,870	2,950
DIRECTOR OF ECONOMY		
Head of Culture		
Theatres	1,506,970	1,611,870
Museums	419,300	421,660
	1,926,270	2,033,530
DIRECTOR OF DIGITAL AND RESOURCES		
Chief Finance Officer		
Fraud, Verification & Adjudication	33,900	33,900
Head of Revenues and Benefits		
Revenues	246,280	246,520
Benefits	519,510	534,200
	799,690	814,620
TOTAL CUSTOMER SERVICES PORTFOLIO	4,711,980	5,172,460

CUSTOMER SERVICES PORTFOLIO 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	-	761,760	126,000	-	2,001,840	15,840	(1,027,180)	1,878,260	326,780	-	2,205,040
Housing Strategy	-	-	-	-	-	-	-	0	116,320	-	116,320
Head of Wellbeing											
Community Centres	-	-	2,780	-	-	-	-	2,780	-	170	2,950
DIRECTOR OF ECONOMY											
Head of Culture											
Theatres	1,781,780	85,420	460,040	10,740	2,211,650	-	(3,625,790)	923,840	376,290	311,740	1,611,870
Museums	181,300	27,240	102,020	1,080	44,120	-	(67,520)	288,240	76,210	57,210	421,660
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	-	441,690	-	-	93,820	-	(549,010)	(13,500)	260,020	-	2465,20
Benefits	-	794,250	-	-	63,370	36,687,160	(37,529,170)	15,610	518,590	-	534,200
	1,963,080	2,110,360	690,840	11,820	4,508,700	36,703,000	(42,858,670)	3,129,130	1,674,210	369,120	5,172,460
Percentage Direct Cost	4%	5%	2%	0%	10%	80%					

CUSTOMER SERVICES PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non(MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Head of Housing											
Housing including Homelessness	1,870,110	26,790	-	270,000	-	-	-	-	-	38,140	2,205,040
Housing Strategy	113,040	-	-	-	-	-	-	-	-	3,280	116,320
Head of Wellbeing											
Community Centres	2,870	50	-	-	-	-	-	-	-	30	2,950
DIRECTOR OF ECONOMY											
Head of Culture											
Theatres	1,506,970	(64,560)	-	100,000	-	-	-	-	(12,000)	81,460	1,611,870
Museums	419,300	540	-	-	-	-	-	-	-	1,820	421,660
DIRECTOR FOR DIGITAL AND RESOURCES											
Chief Finance Officer											
Fraud, Verification & Adjudication	33,900	-	-	-	-	-	-	-	-	-	33,900
Head of Revenues and Benefits											
Revenues	246,280	(8,990)	-	-	-	-	-	-	-	9,230	246,520
Benefits	519,510	(12,000)	-	-	-	-	-	-	-	26,690	534,200
	4,711,980	(58,170)	0	370,000	0	0	0	0	(12,000)	160,650	5,172,460

**LEADER
PORTFOLIO**



WORTHING BOROUGH
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
CHIEF EXECUTIVE OFFICE		
Head of Communications		
Performance and Scrutiny	210	210
	210	210
DIRECTOR OF COMMUNITIES		
Head of Wellbeing		
Democratic Services (Members & Mayoral)	525,460	447,930
	525,460	447,930
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Customer & Digital		
Elections	327,200	354,160
	327,200	354,160
TOTAL LEADER PORTFOLIO	852,870	802,300

LEADER PORTFOLIO SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

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	280,260	131,700	-	3,740	23,530	-	-	439,230	8,700	-	447,930
DIRECTOR OF DIGITAL & RESOURCES											
Head of Customer & Digital											
Elections	33,000	130,300	3,000	-	106,760	-	(5,470)	267,590	82,910	3,660	354,160
	313,260	262,000	3,000	3,740	130,500	0	(5,470)	707,030	91,610	3,660	802,300
Percentage Direct Cost	44%	37%	0%	1%	18%	0%					

LEADER PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non(MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Head of Communications											
Performance and Scrutiny	210	-	-	-	-	-	-	-	-	-	210
DIRECTOR OF COMMUNITIES											
Head of Wellbeing											
Democratic Services (Members & Mayoral	525,460	5,430	-	-	-	-	-	-	(1,500)	(81,460)	447,930
DIRECTOR OF DIGITAL & RESOURCES											
Head of Customer & Digital											
Elections	327,200	(50)	-	-	-	-	-	-	-	27,010	354,160
	852,870	5,380	0	0	0	0	0	0	(1,500)	(54,450)	802,300

REGENERATION PORTFOLIO



WORTHING BOROUGH
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Emergency Planning & Business Continuity	66,450	33,770
Coastal Protection, Street Nameplates, Pedestrian Precincts	143,910	146,880
Seats & Public Clock	13,220	13,510
Energy and Sustainability	28,320	44,030
	251,900	238,190
Head of Customer & Digital Services		
Parking	(1,119,650)	(1,209,330)
	(1,119,650)	(1,209,330)
DIRECTOR OF COMMUNITIES		
Head of Environment		
Foreshores	706,540	726,960
	706,540	726,960
DIRECTOR OF ECONOMY		
Grants		
Commit to Culture	69,590	78,480
	69,590	78,480
Head of Planning & Development		
Planning Policy	394,190	403,590
Development Control	876,140	859,870
Building Control	128,030	171,700
	1,398,360	1,435,160
Head of Place & Economy		
Economic Development (including Tourism)	579,580	584,450
	579,580	584,450
Head of Major Projects & Investment		
Major Projects	71,750	53,750
	71,750	53,750
TOTAL REGENERATION PORTFOLIO	1,958,070	1,907,660

REGENERATION PORTFOLIO SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

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	25,390	-	33,770
Coastal Protection, Street Nameplates, P Seats & Public Clock	-	-	104,170	-	4,890	-	(24,270)	84,790	43,440	18,650	146,880
Energy and Sustainability	-	-	13,510	-	-	-	-	13,510	-	-	13,510
Head of Customer & Digital Services											
Parking	-	391,290	695,890	4,140	151,730	-	(2,888,600)	(1,645,550)	330,010	106,210	(1,209,330)
DIRECTOR OF COMMUNITIES											
Head of Environment											
Foreshores	-	207,860	411,540	6,150	31,720	-	(443,890)	213,380	241,970	271,610	726,960
DIRECTOR OF ECONOMY											
Grants											
Commit to Culture	78,480	-	-	-	-	-	-	78,480	-	-	78,480
Head of Planning & Development											
Planning Policy	-	7,370	-	-	19,790	-	-	27,160	376,430	-	403,590
Development Control	-	670,280	-	-	50,190	5,380	(495,070)	230,780	623,190	5,900	859,870
Building Control	-	288,560	-	-	4,020	-	(337,670)	(45,090)	216,790	-	171,700
Head of Place & Economy											
Economic Development (including Tourism)	-	227,700	8,810	-	134,270	-	-	370,780	191,240	22,430	584,450
Head of Major Projects & Investment											
Major Projects	-	-	-	-	53,750	-	-	53,750	-	-	53,750
	78,480	1,801,440	1,233,920	10,290	450,360	5,380	(4,189,500)	(609,630)	2,092,490	424,800	1,907,660
Percentage Direct Cost	2%	50%	34%	0%	13%	0%					

REGENERATION PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non (MTPF) Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Head of Business and Technical Services											
Emergency Planning & Business Continuity	66,450	-	-	-	-	-	-	-	-	(32,680)	33,770
Coastal Protection, Street Nameplates, Pedestrian P	143,910	1,720	-	-	-	-	-	-	-	1,250	146,880
Seats & Public Clock	13,220	290	-	-	-	-	-	-	-	-	13,510
Energy and Sustainability	28,320	-	-	-	9,500	-	-	-	-	6,210	44,030
Head of Customer & Digital Services											
Parking	(1,119,650)	(45,170)	-	-	-	-	-	-	(105,000)	60,490	(1,209,330)
DIRECTOR OF COMMUNITIES											
Head of Environment											
Foreshores	706,540	7,640	-	-	-	-	-	-	(13,060)	25,840	726,960
DIRECTOR OF ECONOMY											
Grants											
Commit to Culture	69,590	-	-	-	-	-	-	-	-	8,890	78,480
Head of Planning & Development											
Planning Policy	394,190	200	-	-	-	-	-	-	-	9,200	403,590
Development Control	876,140	(10,340)	-	-	29,400	-	-	-	(15,000)	(20,330)	859,870
Building Control	128,030	(8,340)	-	55,000	-	-	-	-	(5,360)	2,370	171,700
Head of Place & Economy											
Economic Development (including Tourism)	579,580	1,180	-	-	-	-	-	-	-	3,690	584,450
Head of Major Projects & Investment											
Major Projects	71,750	-	-	-	-	-	-	-	(18,000)	-	53,750
	1,958,070	(52,820)	0	55,000	38,900	0	0	0	(156,420)	64,930	1,907,660

RESOURCES PORTFOLIO



WORTHING BOROUGH
COUNCIL

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR OF DIGITAL AND RESOURCES		
Head of Business and Technical Services		
Administrative Buildings	(760)	(770)
Meadow Road Depot	40,420	(11,200)
	39,660	(11,970)
Chief Finance Officer		
Corporate Management	2,765,840	3,311,380
Treasury Management	733,230	966,480
	3,499,070	4,277,860
DIRECTOR OF COMMUNITIES		
Head of Environment		
Lido/Pier/Southern Pavillion	165,290	165,640
	165,290	165,640
DIRECTOR OF ECONOMY		
Head of Major Projects & Investment		
Estates (Core Estate & New Investments)	(1,323,320)	(2,205,950)
	(1,323,320)	(2,205,950)
Head of Planning & Development		
Land Charges	8,970	6,580
	8,970	6,580
TOTAL RESOURCES PORTFOLIO	2,389,670	2,232,160

RESOURCES PORTFOLIO SUBJECTIVE ANALYSIS



WORTHING BOROUGH
COUNCIL

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											
Administrative Buildings	-	-	-	-	-	-	(770)	(770)	-	-	(770)
Meadow Road Depot	-	13,300	59,470	-	3,390	80	(102,830)	(26,590)	-	15,390	(11,200)
Chief Finance Officer											
Corporate Management	2,161,320	187,390	(49,010)	-	653,520	-	(144,730)	2,808,490	502,800	90	3,311,380
Treasury Management	-	-	-	-	262,410	-	(410,250)	(147,840)	650	1,113,670	966,480
DIRECTOR OF COMMUNITIES											
Head of Environment											
Lido/Pier/Southern Pavillion	-	-	252,280	-	5,740	-	(115,700)	142,320	-	23,320	165,640
DIRECTOR OF ECONOMY											
Head of Major Projects & Investment											
Estates (Core Estate & New Investments	-	-	425,240	-	27,340	-	(2,853,410)	(2,400,830)	42,490	152,390	(2,205,950)
Head of Planning & Development											
Land Charges	-	85,030	-	-	46,710	-	(184,040)	(52,300)	58,880	-	6,580
Percentage Direct Cost	52%	7%	17%	0%	24%	0%					
	2,161,320	285,720	687,980		999,110	80	(3,811,730)	322,480	604,820	1,304,860	2,232,160

RESOURCES PORTFOLIO

SUMMARY OF CHANGES FROM ORIGINAL BUDGET



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Original Estimate 2018/2019	Inflation	One Off Items	Committed Growth	Bids for Investment in Services	Reduction in Income	Impact of Capital Programme	Additional Income	Savings	Non(MTFP Other Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL AND RESOURCES											
Head of Business and Technical Services											
Administrative Buildings	(760)	(10)	-	-	-	-	-	-	-	-	(770)
Meadow Road Depot	40,420	1,180	-	-	-	-	-	-	-	(52,800)	(11,200)
Chief Finance Officer											
Corporate Management	2,765,840	203,830	-	175,320	36,680	-	-	-	(17,720)	147,430	3,311,380
Treasury Management	733,230	-	-	-	-	-	21,000	(43,000)	(30,000)	285,250	966,480
DIRECTOR OF COMMUNITIES											
Head of Environment											
Lido/Pier/Southern Pavilion	165,290	5,220	-	-	-	-	-	-	1,210	(6,080)	165,640
DIRECTOR OF ECONOMY											
Head of Major Projects & Investment											
Estates (Core Estate & New Investments	(1,323,320)	8,270	-	-	-	-	-	-	(205,000)	(685,900)	(2,205,950)
Head of Planning & Development											
Land Charges	8,970	(3,960)	-	-	-	-	-	-	-	1,570	6,580
	2,389,670	214,530	0	175,320	36,680	0	21,000	(43,000)	(251,510)	(310,530)	2,232,160

APPENDIX 6**GLOSSARY OF TECHNICAL TERMS FROM THE PROVISIONAL LOCAL GOVERNMENT SETTLEMENT CONSULTATION DOCUMENT****Baseline funding level**

The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).

Billing authorities

A unitary council, or a lower tier council in a two-tier area, which collects the Council Tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect Council Tax and business rates: district councils, London boroughs, and unitary councils. Before 1 April 2009 there were 354.

Business Rates

These rates, formally called national non-domestic rates, are the means by which local businesses contribute to the cost of providing local council services.

Business rates baseline

Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

Business Rates Retention Scheme

The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.

Council Tax

A local tax on domestic property, set by councils – calculated by deducting any funding from

reserves, income it expects to raise and general funding it will receive from the Government - in order to meet its planned spending. 31

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each Council Tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band

H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

Council Tax Bands

There are eight Council Tax bands. How much Council Tax each household pays depends on the value of the homes. The bands are set out below.

Value of home estimated at 1 April 1991			Proportion of the tax due April 1991 for a band D property
Band A	Under £40,000		66.7% (6/9)
Band B	£40,001 -	£52,000	77.8% (7/9)
Band C	£52,001 -	£68,000	8.9% (8/9)
Band D	£68,001 -	£88,000	100% (9/9)
Band E	£88,001 -	£120,000	122.2% (11/9)
Band F	£120,001 -	£160,000	144.4% (13/9)
Band G	£160,001 -	£320,000	166.7% (15/9)
Band H	Over £320,001		200% (18/9)

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

Floor damping

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The

grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

Levy

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

Local government finance settlement

The local government finance settlement is the annual determination of funding distribution as made by the Government and debated by Parliament. 32

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50% of which the Council retains 40% and the County Council retain 10%.

Lower tier councils

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

Multiplier

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Consumer Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

Precept

This is the amount of Council Tax income all billing and precepting authorities need to provide their services. The amounts for all authorities providing services in an area appear on one Council Tax bill, which is administered by the billing authority.

Precepting authority

An authority or body that does not collect Council Tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

Proportionate share

This is the percentage of the national business rates yield which a council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

Reserves

This is a council's accumulated surplus income (in excess of expenditure) which can be used to finance future spending.

Revenue Support Grant

A Government grant which can be used to finance revenue expenditure on any service.

Ring-fenced grant

A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent.

Safety net

Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being updated by the small business rates multiplier for the purposes of assessing eligibility for support).

Settlement core funding

The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:

- Council Tax income
- the Settlement Funding Assessment, comprising:
 - estimated business rates income (baseline funding level under the rates retention scheme)
 - Revenue Support Grant.

Settlement Funding Assessment

Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council's Revenue Support Grant for the year in question and its baseline funding level, updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Specific grants

Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ring-fenced.

Tariffs and top ups

Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.

Worthing Borough Council - Collection Fund 2019/20

	2018/19 Estimate	2018/19 Revised	2019/20 Estimate
	£	£	£
COUNCIL TAX			
Payments			
Worthing Borough Council Demand	8,791,160	8,791,160	9,154,490
WSCC Precept	50,557,820	50,557,820	53,273,390
Sussex Police & Crime Commissioner	6,365,290	6,365,290	7,312,350
Total Payments	65,714,270	65,714,270	69,740,230
Council Tax			
Amount due from residents	71,465,260	71,319,180	75,879,160
Less: Council Tax Support Scheme	(5,454,000)	(5,393,620)	(6,012,140)
Gross Amount Due	66,011,260	65,925,560	69,867,020
Less: Provision for bad debts	(297,000)	(297,000)	(126,790)
Total Council Tax	65,714,260	65,628,560	69,740,230
Deficit/(Surplus)			
Deficit/(Surplus) for year	-	85,700	-
Deficit/(Surplus) Brought forward	(393,400)	(411,730)	67,370
Deficit charged to:			
WBC	54,880	54,880	(9,090)
WSCC	300,910	300,910	(51,770)
SPCC	37,610	37,610	(6,510)
Deficit/(Surplus) Carried Forward	-	67,370	-

WORTHING:

Comparison of Council Tax for 2018-19 and 2019-20



WORTHING BOROUGH
COUNCIL

COMPARISON OF COUNCIL TAX BETWEEN 2018/19 and 2019/20										
Property Band	2018/19			2019/20			CHANGE			
	Precepting Authorities		Worthing Borough Council Services	Precepting Authorities		Worthing Borough Council Services	Precepting Authorities		Worthing Borough Council Services	
	WSSC	Police	TOTAL	WSSC	Police	TOTAL	WSSC	Police	TOTAL	
A	£ 878.52	£ 110.61	£ 1,143.33	£ 922.38	£ 126.61	£ 1,207.51	£ 43.86	£ 16.00	£ 4.32	£ 64.18
B	£ 1,024.94	£ 129.04	£ 1,333.88	£ 1,076.11	£ 147.71	£ 1,408.76	£ 51.17	£ 18.67	£ 5.04	£ 74.88
C	£ 1,171.36	£ 147.48	£ 1,524.44	£ 1,229.84	£ 168.81	£ 1,610.01	£ 58.48	£ 21.33	£ 5.76	£ 85.57
D	£ 1,317.78	£ 165.91	£ 1,714.99	£ 1,383.57	£ 189.91	£ 1,811.26	£ 65.79	£ 24.00	£ 6.48	£ 96.27
E	£ 1,610.62	£ 202.78	£ 2,096.10	£ 1,691.03	£ 232.11	£ 2,213.76	£ 80.41	£ 29.33	£ 7.92	£ 117.66
F	£ 1,903.46	£ 239.65	£ 2,477.21	£ 1,998.49	£ 274.31	£ 2,616.26	£ 95.03	£ 34.67	£ 9.36	£ 139.06
G	£ 2,196.30	£ 276.52	£ 2,858.32	£ 2,305.95	£ 316.52	£ 3,018.77	£ 109.65	£ 40.00	£ 10.80	£ 160.45
H	£ 2,635.56	£ 331.82	£ 3,429.98	£ 2,767.14	£ 379.82	£ 3,622.52	£ 131.58	£ 48.00	£ 12.96	£ 192.54

Worthing Borough Council - Collection Fund 2019/20

	2018/19 Estimate	2018/19 Revised	2019/20 Estimate
	£	£	£
NNDR (BUSINESS RATES)			
Payments			
Amount of NNDR to be paid to Central government	16,003,590	16,003,590	17,909,500
Amount to be retained by WBC under the rates retention scheme	12,802,870	12,802,870	6,512,550
Amount to be passed to West Sussex	3,200,720	3,200,720	8,140,680
Total amount due to authorities	32,007,180	32,007,180	32,562,730
Income			
Net Rates Payable by Business Sector after exemptions, reliefs & discounts	33,314,660	32,025,180	33,035,660
Less: Movement in Bad Debt Provision	33,000	-241,960	100,000
Less: L.A's estimate of adjustment due to appeal	1,100,000	-22,100	400,000
Net Payable by Business Sector	32,181,660	32,289,240	32,535,660
Less:			
Net Transitional Protection Payments - Paid to / by (-) the government	44,230	143,560	-154,530
Amount allowed to Council for - Administration costs and Interest on Repayments	130,250	127,460	127,460
Non Domestic Rating Income	32,007,180	32,018,220	32,562,730
Surplus (Deficit)			
In year surplus/ deficit (-)	0	11,040	0
Surplus/(Deficit) brought forward	758,130	-424,840	-1,171,930
(Surplus) / Deficit to be shared			
DCLG	-379,070	-379,070	585,970
WSCC	-75,810	-75,810	117,190
WBC	-303,250	-303,250	468,770
Surplus/(Deficit) c/fwd	0	-1,171,930	0
Surplus/(Deficit): Worthing Borough Council			
Business rates Baseline Target	12,428,500	12,428,500	6,354,800
Less: Tariff/Top-Up	-9,838,540	-9,838,540	-3,707,300
Baseline funding Target (A)	2,589,960	2,589,960	2,647,500
Business rates Income (40% share 2018/19) (20% 2019/20)	12,802,900	12,802,900	6,512,500
Less: Tariff payments	-9,838,540	-9,838,540	-3,707,300
Baseline funding Retained (B)	2,964,360	2,964,360	2,805,200
Surplus/(deficit) (B-A)	374,400	374,400	157,730
Add : S31 grants paid directly to the General Fund	1,163,900	1,291,250	611,370
50% Levy payable to CG in case of Surplus	-769,140	-835,020	0
Surplus / (deficit) to be distributed in year (net of the use of the business rate smoothing reserve)	0	303,250	0
Surplus to be retained by Council	769,160	1,133,880	769,100
Less: Original 2018/19 surplus net of use of Business Rate Smoothing Reserve		769,160	
Additional income to be placed in the business rate smoothing reserve towards the 2019/20 deficit		364,720	



ADUR DISTRICT
COUNCIL

Adur HRA Report

**Housing Revenue Account: 2019/20 Budget****Report by the Director for Digital & Resources and the Director of Communities****Executive Summary****I. Purpose**

- 1.1 This report sets out financial challenges for the Housing Revenue Account and asks Members to set the rent levels and service charges for 2019/20. The report also considers some of the strategic challenges facing the Housing Revenue Account over the next few years and the impact that these will have over the next 30 years.
- 1.2 Members will be very aware that the rent limitation announced in 2015/16 continues to have a profound effect on the financial viability of the Housing Revenue Account. However, it is expected that this will end in 2019/20 allowing the HRA's budget to become more sustainable in the future.
- 1.3 The following appendices have been attached to this report:
- (i) Appendix 1 Proposed budget for 2019/20
 - (ii) Appendix 2 30 year financial forecast

Recommendations

- 2.1 The Executive is recommended to:
- (i) consider and approve the Housing Revenue Account estimates for 2019/20;
 - (ii) note that the rents of Council Dwellings will decrease by 1.0% reducing the average council dwelling rent by £0.91 to £89.76 per week (average rent currently £90.72 per week) – (Paragraph 6.3);
 - (iii) determine the level of associated rents and charges with effect from week one of

2019/20:

- (a) Rents of Council garages – agree an increase of 3.3% to £10.29. (currently £9.96 per week, plus VAT for non-Council tenants) (Paragraph 6.6)
- (b) Service Charges - delegate to the Head of Housing and Chief Financial Officer in consultation with the Executive Member for Customer Services, the setting of the service charges (paragraph 9.2)
- (iv) To approve the HRA Treasury Management Strategy contained in Appendix 3.

3.0 CONTEXT

- 3.1 This report seeks to explain the main issues surrounding the budgets for the Housing Revenue Account to enable Members to set rent levels for 2019/20.
- 3.2 The Housing Revenue Account (HRA) represents the total costs and income of the Council in its provision of the Housing Landlord Service. This account is ring-fenced and is separate from all other income and expenditure of the Council.
- 3.3 From 1 April 2012 the Localism Act replaced the former complicated HRA subsidy system with a new self-financing regime. The regime allows the Council more freedom to determine its own budget, albeit some financial restrictions still apply, most notably around the use of Right To Buy (RTB) capital receipts and most recently limitations on the level of rent that can be levied in the period 2016/17 – 2019/20.
- 3.4 The Council is required to operate the HRA on a sustainable basis at no detriment to the General Fund (and vice versa). To facilitate this the Council, as with all housing authorities, was required to produce a thirty year financial Business Plan showing how the HRA could be run on a self-financing basis. This report updates the Financial Business Plan and informs members of the key budgetary assumptions which underpin the financial projections from 2019/20 onwards.
- 3.5 The challenge of creating a sustainable business plan was made more difficult by the announcement by the Chancellor in the Spring Budget 2015 that rent levels would reduce by 1% for four years from 2016/17. We are now reaching the end of that four year period.
- 3.6 The setting of rent levels is now an integral part of the financial planning decision

making process. However, the Council will have little flexibility over rent setting until next year when a new direction from the Secretary of State will take effect allowing the Council to increase rents by up to CPI + 1% for a period of at least 5 years. Consequently, officers are recommending a reduction of 1% in line with the requirements of the Welfare Reform and Work Act and associated regulations.

3.7 In April 2014 an Adur Homes Management Board (AHMB) was set up to support the delivery of the strategic objectives for Adur Homes. Members of the Board include the Executive Member for Customer Services and representatives from the Adur Consultative Forum.

3.8 Adur Consultative Forum members are invited to attend the Executive meeting to relay their views on the budgetary proposals.

4.0 STRATEGIC RISKS AND CHALLENGES

4.1 There are some specific challenges faced by the Housing Revenue Account over the next 5 years which will influence the 30 year business plan.

- Rent limitation
- Impact of Right to Buy and sale of higher value properties.
- Changes to Housing Benefit and Welfare Reform
- Outcome of the condition survey (including fire protection works)
- Changes to accounting practice

4.2 Rent limitation

4.2.1 The rent limitation measures announced by the Chancellor in 2015 have had a profound impact on the HRA. Over the period of the reduction, the Council has lost and continues to lose a substantial amount of rental income as follows:

	Budget 2016/17	Budget 2017/18	Budget 2018/19	Forecast 2019/20	Forecast 2020/21
	£'000	£'000	£'000	£'000	£'000
Impact of 1% reduction for 4 years					
Income with 1% decrease	-12,246	-12,183	-11,992	-11,826	-12,181
Income with inflationary increase (CPI + 1%)	-12,519	-12,626	-13,132	-13,565	-13,972
Income lost due to rental limitation	273	443	1,140	1,739	1,791

4.2.2 On the 4th October 2017, DCLG announced that “increases to social rent will be limited to the Consumer Price Index (CPI) + 1% for 5 years from 2020”. Whilst this was a welcome announcement, it does mean that the Council is unlikely to be able to recover the lost income in the future.

4.2.3 The Government have recently undertaken a consultation on the rents for social housing from 2020-21. The key features of the new proposals are:

- Local authority registered providers will be able to increase rents by up to CPI + 1% each year for a period of at least five years.
- Local authorities to have the same rent standard as registered providers.
- Formula rent (with a 5% flexibility level) will be the limit on the initial rent that can be charged for a social rent property.
- The Council can let property at an affordable rent with the agreement of the Secretary of State or Homes England. Affordable rent is defined as a rent that must not exceed 80% of gross market rent.
- With the introduction of Universal Credit, not all local authority tenants will receive Housing Benefit. Consequently, limit rent (the maximum chargeable for which the HRA will be reimbursed via the Housing Benefit system) will be abolished.

4.2.4 The fall in income resulting from rent limitation to the HRA has limited the scope to address both the issues raised by the condition surveys and the ability to invest in new properties. The Council remains committed to the redevelopment of Albion Street, Cecil Norris House and small scale development using the land

owned by the HRA. In addition, the council is seeking other opportunities to increase the number of homes within the HRA provided that there is a business case for such development.

4.2.5 However, the Council is faced with setting a deficit budget, and will therefore rely on the use of reserves over the next few years, as it grapples with the fall in rental income and the need to invest in our council owned homes. Every opportunity will be taken to reduce costs in the interim to limit the call on reserves over the next 5 years.

4.3 Impact of Right to Buy and Sale of Higher Value Properties

4.3.1 Council housing stock numbers have reduced over the past few years and will continue to decline in the short term as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19 (Estimate)	2019/20 (Estimate)
Stock at 1st April	2,631	2,617	2,609	2,599	2,591	2,583
Plus: Additions	2	1	0	0	0	2
Less: Right to Buy Sales	16	9	10	8	8	8
Less: Disposals	0	0	0	0	0	0
Stock at 31st March	2,617	2,609	2,599	2,591	2,583	2,577

4.3.2 For 2018/19 the signs are that interest from tenants in the possible take up of RTB sales continues at a constant level. The consequential loss of rental income from these sales may in future be partly mitigated by the aim to purchase or develop additional dwellings each year.

4.3.3 A depleting housing stock base means that the fixed costs per property increase and rental income available to fund these costs reduces. The level of capital receipts retained by the Council to replace the reducing housing stock base is limited due to the increase in the level of discount offered and the DCLG restrictions placed under the new RTB arrangements. Underpinning this constraint are the principles contained in the 2012 CLG publication “Reinvigorating Right To Buy and One For One Replacement – Information for Local Authorities”

4.3.4 The RTB scheme applies to all secure tenants who have been tenants for more than 5 years. The maximum percentage discount for a property is 70% up to a

maximum cash value (the current maximum discount is £80,900). The cash cap increases in April every year in line with the Consumer Price Index.

4.3.5 As a condition of being able to retain capital receipts arising from RTB sales, the Council entered into an agreement with the Secretary of State in 2012 whereby:

- (i) the retention of receipts only applies to the RTB sales above the number assumed each year in the HRA self-financing settlement. For Adur the original 75% central pooling arrangement continued for the first 4 properties sold post 1 April 2012, and thereafter is calculated in accordance with a CLG formula
- (ii) the Council use the receipts for the provision of “affordable” rented homes (i.e. those with rents up to 80% of market rents), albeit that in practice the Council may exercise discretion to set rent below this figure;
- (iii) the retained share of receipts constitute no more than 30% of total investment in such homes (net of any contribution from another public body)
- (iv) the retained receipts are used within 3 years to provide new affordable homes, otherwise they will be required to be paid into the CLG pool plus accrued compound interest of 4%.

4.3.6 Properties may be built by Adur Homes or another Registered Provider. Receipts from RTB will be returned to Government if we cannot allocate the receipts to any new homes.

4.3.7 Sale of higher value properties

4.3.7.1 In addition to the policy on Right to Buy, the Housing and Planning Act contains provisions that may require local authorities to make a payment to Government based on the estimated value of their high value vacant housing which will be used to fund the proposed extension of the Right to Buy to Housing Association tenants.

4.3.7.2 The legislation will not mandate which specific properties the local authority will be required to sell. However, to fund the payment the Council will be obliged to sell housing properties as they become vacant.

4.3.7.3 To date the Secretary of State for Communities and Local Government has

not required any Council to make such a payment but uncertainty persists over when and if the policy will be implemented and what the threshold for “higher value” assets will be.

4.3.8 The impact of both the Right to Buy policy and, potentially, the requirement to sell higher value properties has significant implications for both the HRA and the wider housing strategy. The Council could see a fall in the number of affordable housing units for rent in the area. The limitation on land availability makes it difficult to build additional units to replace those lost whether these are built directly by the Council or via others. Current demand for affordable housing far outstrips supply which has inevitable consequences for the local community. The loss of units will also compromise the financial viability of the HRA as outlined in paragraph 4.3.3.

4.4 Changes to Housing Benefit and Welfare Reform

4.4.1 The Welfare Reform Act received Royal Assent in 2012 and introduced the most significant changes in the welfare system in over 60 years. The reforms reflect the Government’s aim to reduce the cost of welfare benefits generally, and is being implemented across the Country. In 2018 Adur residents were included in the full roll out of Universal Credit for new claimants. Recent announcements from Government have paused the next phase of this programme to move existing claimants onto Universal Credit.

4.4.2 Experience from other areas suggests that the reforms can increase the financial pressures on some of the most vulnerable people of society, due to the introduction of caps on the total amount of weekly benefit paid and introducing further reductions for the under occupation of homes.

4.4.3 For working age people, a Universal Credit will replace a number of former out of work benefits, including housing benefit, income support, job seekers allowance, income related employment and support allowance, child benefit, child tax credit, and carer’s allowance. Universal Credit will be paid directly to claimants rather than the current arrangement of direct payment to the Local Authority as landlord. Consequently, the decision that any funds will be spent on rent, as opposed to other expenditure, is in the hands of the individual recipient.

4.4.4 Research undertaken by the National Federation of Arm’s-Length Management

Organisations (NFA) and the Association for Retained Council Housing (ARCH), which together represent more than one million council homes in England, found the percentage of council home tenants in receipt of Universal Credit who are in rent arrears has increased by seven percentage points – from 79% in March 2017 to 86%. This compares with 39% of tenants in arrears who do not receive Universal Credit. The level of arrears for Adur Homes continues to be higher than benchmarked authorities, although it is not clear that this is a direct result of the impacts of welfare reform and universal credit. This will be a key focus of work for 2019.

4.4.6 The recent trend in Adur District Council shows that...

	2016/17	2017/18	2018/19
Current tenant arrears (as % of rent due)	3.36%	3.37%	3.57%

4.4.7 Approximately 1,440 or 57% of Adur Homes tenants are in receipt of Housing Benefit.

4.4.8 The benefit changes will continue to present a challenge for 2019/20. There is a continuing risk that more households will fall into arrears. This will impact on the levels of rent collected and subsequently the overall position of the Housing Revenue Account. Since 1 April 2018 (to date) there have been 3 tenancies terminated for arrears. (Between 1 April 2017 and 31 March 2018 there were 6 tenancies terminated for arrears).

4.4.9 Some mitigation is in place to reduce tenants' arrears from growing, with a greater emphasis on tenancy sustainment through the role of the Tenancy Sustainment Officer. Additionally, the Introductory Tenancy Officer post was created to provide support to new households. A review of our arrears management processes is underway to ensure that the approach of arrears prevention is reinforced and to gauge the impact of both these posts.

4.5 Outcome of the condition survey

4.5.1 Stock condition surveys have revealed that the Council needs to invest at least £33m over the next 5 years. This had already been recognised within the Council's capital strategy which has recommended increasing the level of investment in new

schemes from £3.7m in 2016/17 rising to £5.5m in 2019/20 and beyond, and increase of £1.8m per year. However this will not be sufficient to meet the immediate investment needs of the housing stock.

4.5.2 The dilemma that the Council faces is how to balance the need to spend more on the current stock with the need to provide more Council housing to meet local need at a time when rental income is falling. However, the lack of investment in the current stock has significant implications.

4.5.3 The Council currently spends £1.950m (£754.94 per property) on revenue responsive maintenance on occupied properties. Overall our spend on both responsive repairs and void works 2017/28 was £1,338.01 per property which is significantly higher than the 2017/18 benchmark figure of £762.63. The benchmark is based on housing providers in the South East and South West of England with less than 10,000 properties. The level of spend reflects the under investment in the condition of the properties in previous years when the old housing subsidy system severely limited the annual amount of annual investment.

4.5.4 The capital programme funding for property maintenance has been significantly increased over the last few years from £3.7m in 2016/17 to £5.5m in 2019/20 which is specifically to address the issues raised by the condition survey. Increasing the capital programme should reduce the level of spend on day-to-day revenue maintenance in future. Consequently, the 30 year business plan assumes that the level of capital investment will continue to increase over the next few years with a reducing level of revenue maintenance as the capital investment begins to impact on demand for the responsive repair service as follows:

Proposed budgets	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Capital maintenance programme	5,200	5,500	5,500	5,600	5,700
Proposed increase		300	-	100	100
Total revenue maintenance	2,823	2,999	2,930	2,883	2,883
Estimated cash increase (+) / reduction (-) per year		+176	-69	-47	

4.5.5 The falling level of revenue maintenance in future years reflects both the increasing level of capital spend on properties combined with improvements in procurement and contract management.

4.5.6 Once the backlog maintenance issues have been addressed, the level of capital investment required each year will need to be reassessed.

4.5.7 The capital funding for 2019/20 will be used to fund the following improvements:

- Significant programme of fire safety works £1.5m
- External works programme to a number of blocks including Locks Court and Rocks Close
- A rolling programme of boiler replacements and kitchen and bathroom improvements.
- Works to support tenants with disabilities

5.0 THE HOUSING REVENUE ACCOUNT FOR 2019/20

5.1 The projected expenditure and income for the HRA in 2019/20 is as follows:-

	Estimate 2019/20	
	£'000	£'000
Expenditure		
Supervision and management	4,476	
Rent, rates, taxes and other charges	32	
Repairs and maintenance	2,999	
Depreciation	4,021	
Interest payments	2,290	
Movement in provision for bad debt	50	13,868
Income		-13,143
Net (Surplus)/Deficit for the year		725
Estimated balance brought forward 1st April 2019st		-1,604
Balance carried forward 31st March, 2020		-879

More detailed estimates for the Housing Revenue Account for 2018/19 and 2019/20 are shown in Appendix I.

5.2 These projections take into account the budget from 2018/19, which has been updated for inflation, capital financing costs in respect of debt, and proposed decrease in rent income together with the other proposed adjustments which are described more fully below. Overall the main changes are as follows:

Expenditure:	£'000
2018/19 budget	13,915
Impact of inflation	360
Decrease in depreciation following a fundamental review of asset lives	-579
Creation of new Heads of Operations post	74
Increase in maintenance budgets for provide for internal and external decorations	50
Additional charge from Legal Services due to volume of work undertaken	35
Other minor changes	13
2019/20 expenditure budget	13,868
Income:	
2018/19 budget	-13,180
Impact of 1% rent decrease	165
Review of service charges	-100
Inflationary increase on other rents	-28
2019/20 income budget	-13,143

5.3 The deficit in the 2019/20 budget of £725,000 has reduced marginally from 2020/21 due to a combination of factors including:

- A fundamental review of the depreciation charge £0.58m; offset by
- the rent reduction of 1% which is estimated to cost the Council £0.56m in real terms in 2019/20

Looking ahead to 2020/21, the overall position will gradually ease as rental level begin to increase due to the end of rent limitation. The financial position of the HRA is expected to gradually improve albeit over a period of 5 years. However, the annual increase to the HRA rents will still be constrained until 2025 at the earliest.

6.0 RENT SETTING FOR 2019/20

6.1 Rent setting for the HRA is currently governed by the The Social Housing Rents

(Exceptions and Miscellaneous Provisions) Regulations 2016 which mandate that all rents must be reduced by 1% per year.

- 6.2 In 2018/19 most rents were reduced by 1% and the average council dwelling rent fell by £0.91, or to £90.41 per week.

This year's proposed average dwelling rent level

- 6.3 The average rental decrease proposed for 2019/20 is in line with the Welfare Reform and Work Act. The required rental decrease is 1%. This will decrease the average rent by £0.91 to £89.76 per week. This rent reduction will apply to all current tenants.
- 6.4 The proposed average decrease is estimated at being below the Rent Rebate Subsidy Limitation (RRSL) limit. The RRSL limit is the maximum average rent that may be charged before housing benefit payments need to be subsidised by the HRA. At the time this report was being produced the Department of Works and Pensions has not published the RRSL limit rents for 2019/20, the current limit for Adur is £93.67.
- 6.5 It is intended to relet vacant properties to new tenants at the limit rent.

Garage Rents

- 6.6 Garage rents were increased by 3.0% in 2018/19 to £9.96 per week (plus VAT for non-Council tenants). It is proposed that the garage rents be increased in 2019/20 by 3.30% to £10.29 per week which is in line with current inflation rate (CPI) of 2.3% plus 1%. These proposals will generate an extra £11,240 in net income after allowing for voids

7.0 DEBT FINANCING COSTS

- 7.1 The debt financing costs chargeable to HRA in 2019/20 relate to interest payments.

The costs relate to three types of debt:

- i) historic debt of £17.491m in existence at 1 April 2012 (less any subsequent repayments) attributable to the HRA via the "two-pool split" of the Council's total debt at that date;
- ii) debt incurred in 2012 to pay the HRA self-financing settlement payment of £51.185m, for which there will be a balance of £39,242m outstanding at 31st March 2019;
- lii) new borrowing for capital expenditure or to refinance existing debt.

7.2 The budgeted costs are:

2019/20 Budget	Interest £000
Historic Debt	974
Settlement Debt	1,279
New Borrowing	1,279
Total Budget	2,309

8.0 REPAIRS AND MAINTENANCE

8.1 The condition of housing stock is maintained and improved in two ways:-

- Routine revenue repairs of a day-to-day nature and by planned maintenance such as repainting or boiler servicing.
- Capital investment programme of refurbishment and improvement on a larger scale.

8.2 The budget for routine repair and maintenance will decrease in real over the next 3 - 5 years to reflect the higher level of capital investment and improvements in both procurement and contract management.

8.3 Housing Capital Investment Programme

8.3.1 The capital investment programme typically comprises refurbishment and improvement on a larger scale for schemes such as fire safety works, replacement roofs and balconies, new central heating and double-glazing as well as new housing development schemes.

8.3.2 Future investment in the council housing stock is funded from:-

- revenue contributions to capital expenditure;
- the Major Repairs Reserve. This will increase each year by an accounting adjustment for the amount of depreciation charged to the HRA (£4.0m). This contribution is ring-fenced for repayment of debt or for direct financing of capital expenditure;
- capital receipts from the sale of Council houses; and
- prudential borrowing (subject to affordability).

8.3.3 The HRA capital renovation programme for 2019/20 was approved at £5.2m by the Joint Strategic Committee at its meeting of 4th December, 2018. This reflected the recent condition survey and concerns about affordability due to the impact of rent limitation.

8.3.4 The programme also included a development programme of £3.2m.

8.3.5 A detailed analysis of both the revenue maintenance spend and the capital spend is currently being undertaken to ensure that expenditure is targeted effectively.

9.0 SERVICE CHARGES – CONTRACT PRICE INCREASES

9.1 As well as core rent charges, some tenancies are also subject to service charges as they receive services which are specific to their circumstances. These charges are made in line with actual costs. Contracts in respect of services to tenants, such as door entry maintenance and communal way cleaning, are normally subject to an annual Retail Price Index (RPI) or equivalent increase. This increase is passed on to tenants receiving those services by way of an equivalent increase in their weekly service charge. Some costs have to be retendered and not all increases are applied at the beginning of a financial year. This means that such increases cannot be incorporated into the annual rent increase process and additional costs are incurred in notifying tenants separately and amending Housing Benefit entitlements when such an increase arises.

9.2 Members are therefore requested to delegate to the Head of Housing and the Chief Financial Officer in consultation with the Executive Member, Customer Services, authority to set service charges.

10.0 REALLOCATIONS OF SALARIES AND CENTRAL COSTS

10.1 All salaries, staff expenses, administration buildings and central support services are collated centrally within the Adur and Worthing Joint services and the Council's general fund budget. It is then re-allocated to services to show the full-cost of service provision. A more detailed explanation of this is included in the Budget Book for Adur and Worthing Councils. The Housing Revenue Account has benefited in recent years from savings achieved from joint shared support services. These costs are reviewed each year as part of the budget setting process.

11.0 LEVEL OF RESERVE BALANCES

11.1 In line with a more sustainable long term business approach the HRA is adopting a prudent approach to the level of reserves maintained.

Reserves	Estimated balance at 01/04/19	Increase	Decrease	Forecast balance at year end 2019/20
	£000's	£000's	£000's	£000's
HRA - working balance	1,604	-	-726	878
Discretionary Assistance Fund	116	-	-	116
New Development and Acquisition Fund	1,383	-	-	1,383
Business Dev. Fund	109	-	-109	0
Major Repairs Reserve	3,008	4,021	-3,164	3,865
TOTAL	6,220	4,021	-3,999	6,242

11.2 HRA general reserve balances are forecast to be £0. 878m at 1st April 2020 and 6.42% of total expenditure. This is over the target level explained detailed in paragraph 11.3 below, but reflective of the emphasis placed in securing resources to underpin revenue operations and capital expenditure in future years.

11.3 In the General Fund a target level of balances of between 6-10% of net expenditure has been set. The general principles behind retaining a minimum target level of balances are similar for both the General Fund and HRA in that it should be sufficient to withstand foreseeable 'worst case' scenarios but not so large as to constitute unnecessary retention of tenants monies.

11.4 Therefore, in principle, given that the large majority of the costs and incomes of the HRA are relatively stable (or effectively fixed at the start of each year) it should be possible to operate on a reserve balance within the 6-10% range. However, the future risks surrounding revenues and costs (including the impact of the impending welfare reforms, the impact of rent limitation and RTB regime) are uncertain. Also, given the uncertainty of costs and timings relating to the Council's new build proposals a cautious approach is justified in striving to provide adequate reserves to build capacity for the future as part of a longer term strategy.

11.5 Any balance in the Major Repairs Reserve (MRR) is utilised to fund in-year capital

expenditure. The final position at year end may fluctuate to reflect the spend on the capital programme. Altogether, the 2019/20 capital budget includes provision for £3.9m to be utilised for financing HRA capital expenditure, comprising the carried forward balances and in-year contributions.

12.0 IMPACT ON FUTURE YEARS

12.1 Attached at appendix 2 is the 30-year financial forecast. The focus for the 2019/20 budget has been to ensure that the HRA remains sustainable in the longer term whilst ensuring that the issues raised by the condition survey are addressed. The proposed budget allows for a high level of investment in the maintenance of properties than has been afforded prior to the self-financing regime. The first priority for the new freedoms has to be the continued maintenance of the Council homes for the benefit of our existing tenants.

12.2 The financial plan assumes that the rent will decrease again in 2019/20 and thereafter rent increases are in line with the Council's rent policy and the Government's proposals (i.e. CPI plus 1%). The rent decrease places the HRA under significant financial pressure at the very time when the Council needs to invest more in maintaining the housing stock and need to invest in new affordable homes for local residents.

12.3 The Council has managed the impact of the falling rent levels in the first two years, setting a balanced budget in 2016/17 and with only a limited withdrawal from reserves planned in 2017/18. However the HRA will become increasingly reliant on reserves since 2018/19 whilst the rent level remain constrained drawing down funds from the reserve. Once rent limitation comes to an end, the Council should be able to restore the reserves to the previous levels.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Balance at the start of the year	2,074	1,939	1,604	878	492
Expected drawdown	-135	-335	-726	-386	-105
Balance at the end of the year	1,939	1,604	878	492	387

12.4 To bring all of these considerations together, it is proposed to refresh the Adur Homes Business Plan periodically, and incorporate into the plan an assessment of the future of

the housing stock – including the outcome of the the feasibility investigation into the new build proposals. This will also include an update to the asset management plan which will validate the assumptions in the 30-year forecast about the capital programme and maintenance provision.

13 SUMMARY

13.1 The Council has no option but to decrease rents for 2019/20 for the majority of properties, however despite this, the HRA remains in a financially viable position over the longer term. However, caution will need to be exercised over the coming years as the financial position will be difficult until such time as the Council regains control over its rent increases, the income to the HRA increases and the HRA becomes financially sustainable.

14 FINANCIAL IMPLICATIONS

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

15 LEGAL IMPLICATIONS

15.1 The Welfare Reform and Work Act 2016 has introduced the requirement to reduce social rents by 1%

‘In relation to each relevant year, registered providers of social housing must secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing in England is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months.’

15.2 The Housing and Planning Act give the Secretary of State the power to issue a determination that requires any Local Housing Authority in England to make a payment to the Secretary of State in respect of any given financial year that represents an estimate of:

1. the market value of the authority’s interest in any higher value housing that is likely to become vacant during the year, less
2. any costs or other deductions of a kind described in the determination.

15.3 There are no other legal implications arising from the proposed budget other than those relating to :

- (i) the use of capital receipts under Right To Buy regulations, and emanating from the Local Authorities (Capital Financing and Accounting)(England) Amendment Regulations (SI 2012/711 & 2012/1324)
- (ii) maintain borrowing with the imposed debt ceiling limit arising from the Limits on Indebtedness Determination issued under the powers conferred upon the Secretary of State by S168 to 175 of the Localism Act, 2011.

Background Papers:

Reinvigoration the Right to Buy and one for one replacement

Laying the Foundations: A Housing Strategy for England

Guidance On Rents for Social Housing

Adur Capital Investment Programme 2019/20 - 2021/22

Welfare Work and Reform Act 2016

2017/18 Housemark Benchmarking Survey

Autumn Budget 2018

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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

Appendix I

HOUSING REVENUE ACCOUNT		
	ORIGINAL ESTIMATE 2018/19	ESTIMATE 2019/20
EXPENDITURE	£	£
General Management	3,891,890	4,217,600
Special Services	214,570	258,040
Rent, Rates, Taxes & Other Charges	26,300	31,690
Repairs and Maintenance Depreciation	2,823,320	2,999,030
Bad/Doubtful Debt	4,600,000	4,021,300
Capital Financing Costs	50,000	50,000
Interest charges	2,308,980	2,289,860
TOTAL EXPENDITURE	13,915,060	13,867,520
INCOME		
Dwelling Rents	(11,991,720)	(11,826,860)
Heating and Service Charges	(566,920)	(581,430)
Non-Dwelling Rents	(374,210)	(482,330)
Leaseholder Service Charges	(219,640)	(224,350)
Interest Received	(28,000)	(28,000)
TOTAL INCOME	(13,180,490)	(13,142,570)
NET (SURPLUS)/DEFICIENCY	734,570	724,950

APPENDIX 2

HRA - 30 Year Forecast

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
EXPENDITURE					
General Management	3,892	4,218	4,323	4,431	4,542
Special Services	215	258	264	271	278
Rents, Rates, Taxes & Other Charges	26	32	32	33	34
OVERALL RUNNING COSTS	4,133	4,508	4,619	4,735	4,854
Annual Revenue Maintenance Costs	2,823	2,999	2,966	2,930	2,883
Revenue Contribution to Capital	0	0	0	0	0
Depreciation	4,600	4,021	4,111	4,200	4,276
Interest payable					
Interest - on historic debt	974	974	974	974	974
Interest - on assumed debt	1,280	1,262	1,245	1,227	1,210
Interest - on capital programme	55	54	0	0	0
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	13,915	13,868	13,965	14,116	14,247
INCOME					
Dwelling Rents	-11,992	-11,826	-12,210	-12,595	-12,948
Other Rents and Charges	-1,161	-1,289	-1,332	-1,378	-1,426
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-13,181	-13,143	-13,570	-14,001	-14,402
NET COST OF SERVICES / SURPLUS (-)	734	725	395	115	-155

APPENDIX 2

HRA - 30 year forecast

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
General Management	4,655	4,772	4,891	5,013	5,139
Special Services	285	292	299	307	315
Rents, Rates, Taxes & Other Charges	35	36	37	38	39
OVERALL RUNNING COSTS	4,975	5,100	5,227	5,358	5,493
Annual Revenue Maintenance Costs	2,881	2,932	2,979	3,029	3,096
Revenue Contribution to Capital	200	400	600	700	900
Depreciation	4,348	4,421	4,495	4,571	4,671
Interest payable					
Interest - on capital programme	974	974	963	938	932
Interest - on assumed debt	1,193	1,175	1,158	1,140	1,123
Interest - on historic debt	0	1	7	14	43
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	14,621	15,053	15,479	15,800	16,308
INCOME					
Dwelling Rents	-13,295	-13,652	-14,017	-14,393	-14,778
Other Rents and Charges	-1,475	-1,526	-1,579	-1,634	-1,690
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-14,798	-15,206	-15,624	-16,055	-16,496
NET COST OF SERVICES / SURPLUS (-)	-177	-153	-145	-255	-188

APPENDIX 2

HRA - 30 year forecast

	2028/29	2029/30	2030/31	2031/32	2032/33
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
General Management	5,267	5,399	5,534	5,672	5,814
Special Services	322	330	339	347	356
Rents, Rates, Taxes & Other Charges	40	41	42	43	44
OVERALL RUNNING COSTS	5,629	5,770	5,915	6,062	6,214
Annual Revenue Maintenance Costs	3,163	3,232	3,301	3,374	3,447
Revenue Contribution to Capital	1,000	1,200	1,300	1,400	1,600
Depreciation	4,773	4,877	4,983	5,091	5,202
Interest payable					
Interest - on capital programme	932	932	932	932	932
Interest - on assumed debt	1,089	1,037	985	933	882
Interest - on historic debt	95	146	197	247	294
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	16,731	17,244	17,663	18,089	18,621
INCOME					
Dwelling Rents	-15,174	-15,580	-15,997	-16,424	-16,863
Other Rents and Charges	-1,749	-1,810	-1,873	-1,939	-2,007
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-16,951	-17,418	-17,898	-18,391	-18,898
NET COST OF SERVICES / SURPLUS (-)	-220	-174	-235	-302	-277

APPENDIX 2

HRA - 30 year forecast

	2033/34	2034/35	2035/36	2036/37	2037/38
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
General Management	5,959	6,108	6,261	6,418	6,578
Special Services	365	374	383	394	402
Rents, Rates, Taxes & Other Charges	45	46	47	48	49
OVERALL RUNNING COSTS	6,369	6,528	6,691	6,860	7,029
Annual Revenue Maintenance Costs	3,522	3,598	3,676	3,757	3,838
Revenue Contribution to Capital	1,800	2,000	2,200	2,400	2,700
Depreciation	5,315	5,430	5,548	5,668	5,791
Interest payable					
Interest - on capital programme	932	932	932	932	932
Interest - on assumed debt	830	778	727	675	623
Interest - on historic debt	337	377	413	443	466
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	19,155	19,693	20,237	20,785	21,429
INCOME					
Dwelling Rents	-17,314	-17,776	-18,250	-18,737	-19,237
Other Rents and Charges	-2,077	-2,150	-2,225	-2,304	-2,385
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-19,419	-19,954	-20,503	-21,069	-21,650
NET COST OF SERVICES / SURPLUS (-)	-264	-261	-266	-284	-221

APPENDIX 2

HRA - 30 year forecast

	2038/39	2039/40	2040/41	2041/42	2042/43
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
General Management	6,743	6,911	7,084	7,261	7,442
Special Services	413	423	433	444	455
Rents, Rates, Taxes & Other Charges	51	52	53	55	56
OVERALL RUNNING COSTS	7,207	7,386	7,570	7,760	7,953
Annual Revenue Maintenance Costs	3,920	4,006	4,093	4,181	4,272
Revenue Contribution to Capital	3,000	3,300	3,600	3,900	4,200
Depreciation	5,917	6,045	6,176	6,310	6,447
Interest payable					
Interest - on capital programme	932	932	932	932	932
Interest - on assumed debt	572	520	468	416	378
Interest - on historic debt	480	484	478	471	442
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	22,078	22,723	23,367	24,020	24,674
INCOME					
Dwelling Rents	-19,750	-20,276	-20,816	-21,371	-21,939
Other Rents and Charges	-2,469	-2,556	-2,646	-2,740	-2,837
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-22,247	-22,860	-23,490	-24,139	-24,804
NET COST OF SERVICES / SURPLUS (-)	-169	-137	-123	-119	-130

APPENDIX 2

HRA - 30 year forecast

	2043/44	2044/45	2045/46	2046/47	2047/48
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
General Management	7,629	7,819	8,015	8,215	8,420
Special Services	467	478	490	503	515
Rents, Rates, Taxes & Other Charges	57	59	60	62	63
OVERALL RUNNING COSTS	8,153	8,356	8,565	8,780	8,998
Annual Revenue Maintenance Costs	4,364	4,460	4,555	4,654	4,754
Revenue Contribution to Capital	4,500	4,800	5,100	5,400	5,800
Depreciation	6,586	6,728	6,873	7,021	7,172
Interest payable					
Interest - on capital programme	932	932	932	932	932
Interest - on assumed debt	378	378	378	378	378
Interest - on historic debt	390	339	288	238	191
Provisions For Bad Debt	50	50	50	50	50
TOTAL EXPENDITURE	25,353	26,043	26,741	27,453	28,275
INCOME					
Dwelling Rents	-22,523	-23,122	-23,737	-24,367	-25,015
Other Rents and Charges	-2,938	-3,042	-3,151	-3,263	-3,379
Interest Received	-28	-28	-28	-28	-28
TOTAL INCOME	-25,489	-26,192	-26,916	-27,658	-28,422
NET COST OF SERVICES / SURPLUS (-)	-136	-149	-175	-205	-147

APPENDIX 3**HRA TREASURY MANAGEMENT STRATEGY****I.0 INTRODUCTION**

- I.1 This Appendix sets out the HRA Treasury Management Strategy Statement for 2019/20. The requirement to produce a separate strategy specifically for HRA is a direct consequence of the introduction of the self-financing regime, as it reflects the underlying principle that borrowing and debt management decisions should operate equitably and independently from the General Fund.
- I.2 The treasury management and investment strategies presented and proposed for 2019/20 are unchanged from 2018/19, as it has been accepted by the Council's external auditors as an appropriate method of apportioning debt management costs and interest accrued from balances and investments between HRA and General Fund. However, in order to provide additional capital funding to address a backlog of maintenance, the Voluntary Revenue Provision will be suspended until 2028/29.
- I.3 Underpinning all Treasury Management activity of the Council is the CIPFA Treasury Management Code of Practice, which was revised in November 2011 to address the implications for introducing HRA Self-financing from 2012/13. An updated Code published in December 2017 did not include any changes to the HRA guidance.
- I.4 The published Code identified the need for local authorities "...to allocate existing and future borrowing costs between housing and General Fund as the current statutory method of apportioning debt charges between the General Fund and HRA will cease".
- I.5 The Council has adopted the "Two-Pooled Approach". This entailed allocating historic debt at 31 March 2012 between HRA and General Fund, with any new debt acquired after this date to be assigned to the HRA or General Fund according to the purpose for which it is acquired.
- I.6 Additionally, the Strategy aims to achieve borrowing outcomes that are affordable, sustainable and prudent in keeping with the requirements of the Prudential Code for Capital Finance in Local Authorities. This Code requires the Council to consider the impact of borrowing as well as address a number of other fundamental principles, being:
- (i) The splitting of loans (i.e. debt) at the HRA Settlement transition date must be of

no detriment to the General Fund.

- (ii) The Council is required to deliver a solution that is broadly equitable between the HRA and the General Fund;
- (iii) Future charges to the HRA in relation to borrowing are not influenced by General Fund decisions, giving the HRA greater freedom, independence, certainty and control;
- (iv) Uninvested balance sheet resources which allow borrowing to be below the CFR are properly identified between General Fund and HRA.

1.6 Points (i) – (iii) above were addressed by adopting the “Two-Pool Approach”. The last point is met in the Strategy in accordance with the CIPFA Treasury Management Code recommendation that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.

1.7 With these background principles and approaches in place the HRA Treasury Management Strategy aims to cover:

- Overall Objectives
- The Current & Future Position – Underlying Need to Borrow compared to Actual Borrowing
- The Debt Maturity Profile
- How to allocate debt and attributable financing costs between HRA and General Fund equitably
- How to recognise HRA cash balances and reserves which form part of the Council’s total investments
- How to recognise any costs or revenues generated from over/under borrowing

1.8 Accordingly, these aspects of the Strategy are approached in turn.

2.0 OVERALL OBJECTIVES OF THE HRA TREASURY MANAGEMENT STRATEGY

2.1 The central aim of the Strategy agreed for 2018/19 and unchanged for 2019/20 is:

- to provide borrowing that is affordable, sustainable and prudent, as required by The Prudential Code, and which underpins the requirements of the HRA Capital

Investment Programme, 30 year Business Plan, and any other corporate plans.

- to manage the HRA investments and cash flows, its banking, money market and capital market transactions within the purview of the Council's overall Treasury Management Strategy, and to provide effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- to support budget and service delivery objectives for the benefit of tenants at no detriment to the General Fund or council taxpayers generally.

3.0 THE CURRENT POSITION – UNDERLYING NEED TO BORROW COMPARED TO ACTUAL BORROWING

- 3.1 The underlying need to borrow for capital investment is called the Capital Financing Requirement (CFR) and relates to the amount of planned capital expenditure that is not financed from internal resources, which for HRA are primarily capital receipts, revenue contributions, and the Major Repairs Reserve.
- 3.2 Capital expenditure in any year above the amount allocated to be used from these resources must be financed from borrowing or other credit arrangements (e.g. leasing), and results in an increase to the CFR. By comparing the CFR to the amount of actual borrowing, the extent to which the Council is under or over borrowed is determined, and this provides a key prudential indicator for performance management. The current estimates, based on the capital investment programme for the next three years, are shown in the table below:

Adur District Council	2017/18 Actual £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Capital Financing Requirement (CFR)					
General Fund	28.500	84.380	102.304	101.068	99.746
Housing Revenue Account	60.103	60.103	62.473	65.970	68.303
Total CFR	88.603	144.483	164.777	167.038	168.049
Actual Debt					
General Fund	(27.263)	(82.454)	(101.902)	(101.405)	(99.804)
Housing Revenue Account	(57.875)	(56.168)	(56.833)	(59.625)	(62.252)
Total Debt Amount	(85.138)	(138.622)	(158.735)	(161.030)	(162.056)
(Over)/Under Borrowing					
General Fund	1.237	1.926	0.402	(0.337)	(0.058)
Housing Revenue Account	2.228	3.935	5.640	6.345	6.051
Total	3.465	5.861	6.042	6.008	5.993
HRA Borrowing Headroom (N/A now)	11.037	12.744	12.079	9.287	7.660

(Note that the General Fund position is shown for comparative purposes and is extracted from the Annual Treasury Management & Annual Investment Strategy Report 2019/20-2021/22 submitted to the meeting of the Joint Strategic Committee on 31st January 2019).

- 3.3 The comparison shows the HRA was under borrowed at the end of 2017/18 by £3.465m, reflecting the amount by which debt outstanding and Minimum Revenue Provision (MRP) has reduced over and above the incidence of new capital expenditure financed from borrowing since 2012/13. In the following years the amount by which actual borrowing is below CFR changes as the value of debt repaid in each year exceeds the amount of new borrowing anticipated to fund capital investment.
- 3.4 The propensity to bring actual borrowing into line with the CFR was previously constrained by the requirement to stay within the HRA Debt Limit of £68.912m imposed by Central Government. However this cap was removed in October 2018. For

all years from 2019/20 to 2021/22 the HRA CFR is projected to be below the debt as reflected in the capital investment proposals to be approved by the meeting of the Joint Strategic Committee on 31st January 2019.

4.0 HOW TO ALLOCATE DEBT AND ATTRIBUTABLE FINANCING COSTS BETWEEN HRA AND GENERAL FUND EQUITABLY – THE TWO POOLED APPROACH

4.1 The methodology adopted in the Strategy draws upon CIPFA guidance relating to the two pooled approach, the essence of which is:

- to disaggregate historic debt at the HRA Debt Settlement transition date by the CIPFA methodology and allocate the respective portions to the HRA and General Fund. To each share is added new debt arising after the transition date according to the purpose for which it was incurred.

4.2 In adopting this methodology, the Council was mindful of its Treasury Management Consultant's comments that "The two pool approach is the preferred option by CIPFA and DCLG. It is relatively simple and allows the HRA to present a preferred funding structure to the Treasury Management team. It allocates a greater proportion of fixed rate borrowing to the HRA, which may suit its needs as it provides a greater degree of certainty over initial costs".

4.3 Another reason for adopting the two pool approach was that an assessment was made of the impact of the resultant financing costs at transition on the HRA and it was concluded that the effect was negligible.

4.4 For historic debt at the transition date, the two pooled approach assumed the HRA was fully borrowed at the level of its CFR, with the residual debt attributed to the General Fund. Thus, any over borrowing at that date was attributed to the General Fund, rather than shared with the HRA. The effect at 31 March 2012 of applying the two pooled approach was:

CFR Allocations at Transition Date		Debt Allocations Date at Transition	
	£000		£000
HRA	68,676	HRA	68,676
General Fund	11,160	General Fund	13,430
TOTAL	79,836	TOTAL DEBT	82,106

5.0 HOW TO RECOGNISE HRA CASH BALANCES AND RESERVES WHICH FORM PART OF THE COUNCIL'S TOTAL INVESTMENTS

- 5.1 Before 2012/13, the former subsidy system provided for a statutory determination – the Item 8 credit – to attribute interest on notional average HRA cash balances to the HRA Comprehensive Income and Expenditure statement.
- 5.2 This recognised the general principal that the HRA should benefit from its cash balances and reserves, and the introduction of the self-financing arrangements did not alter this principle.
- 5.3 The Strategy adopts the CIPFA recommended approach for all investments to be pooled, since it states that the “interest on cash balances calculation can be used to manage the charge between HRA and General Fund”. Accordingly, to do this the Strategy retains the use of the notional average cash balance approach used within the former Statutory Item 8 calculation as the basis for crediting the HRA share of interest receivable.

6.0 HOW TO RECOGNISE ANY COSTS OR REVENUES GENERATED FROM OVER/UNDER BORROWING

- 6.1 In practice it is recognised that there will be timing differences between the Council's underlying need to borrow (the CFR) and actual borrowing.
- 6.2 Where under borrowing occurs, the Council is drawing upon internal reserves and balances to fund capital expenditure, and therefore bears the cost of interest foregone on the amount of cash consumed that might otherwise be invested.
- 6.3 Conversely, where over borrowing occurs surplus cash to requirements is held that forms part of surplus cash available for investment. This may arise where borrowing for capital expenditure is undertaken in advance of actual expenditure to take advantage of low interest rates.
- 6.4 In both scenarios the CIPFA Treasury Management code states that the effect should be included in the interest on balances calculation to appropriately allocate the respective portions to HRA and General Fund.
- 6.5 Accordingly, the Strategy adopts the approach whereby the relevant credit or debit shall be computed with reference to the difference between the HRA and General Fund CFR

and the respective actual debt during the year. Where an over-borrowing position occurs interest shall be credited at the average rate of interest on all investments prevailing for the period during which the over borrowing was sustained. For an under-borrowed position, interest shall be charged to reflect the interest foregone through consumption of internal resources and at the average rate of all investments achieved during the period of under borrowing.



ADUR & WORTHING
COUNCILS

Directorates Budgets

Includes
Summary
Chief Executive
Director of Communities
Director of Digital and Resources
Director for the Economy

JOINT SERVICE BLOCK ACTIVITY RECHARGED TO ADUR AND WORTHING COUNCILS



ADUR & WORTHING
COUNCILS

SERVICE BLOCKS	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
Chief Executive, & Communications	432,650	500,910
Director for Communities	7,423,710	7,360,430
Director for Digital & Resources	11,006,380	11,581,650
Director for the Economy	3,418,140	3,575,670
TOTAL SERVICES	22,280,880	23,018,660
ALLOCATION OF COSTS		
Less: Allocation to Capital Programme previously included in allocations to Adur and Worthing	-	(986,000)
	22,280,880	22,032,660
Adur District Council	(9,213,250)	(8,885,380)
Worthing Borough Council	(13,067,630)	(13,147,280)
TOTAL SERVICE BLOCK ALLOCATIONS	(22,280,880)	(22,032,660)

ADUR BUDGET SUMMARY

SUMMARY OF DIRECTORATES

EXECUTIVE PORTFOLIO	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
Chief Executive & Communications	20,880	40,880
Director for Communities	4,889,440	4,938,630
Director for Digital and Resources	3,698,700	3,987,380
Director for the Economy	576,160	(359,380)
Allocations	141,760	193,510
NET SERVICE EXPENDITURE	9,326,940	8,801,020
Credit Back Depreciation / Impairments	(1,821,540)	(1,385,100)
Minimum Revenue Provision	1,097,860	1,242,940
	8,603,260	8,658,860
Transfer to / from Reserves	14,000	-
Balance Available to Transfer To / (From) Reserves	10,500	-
Total budget requirement before external support from government	8,627,760	8,658,860
Baseline Funding	(1,699,870)	(1,738,820)
Additional business rate income	(637,000)	(461,370)
Revenue Support Grant	-	-
Levy Surplus	-	(26,680)
Other unfenced grants (New homes bonus & Ctax Transition)	(202,440)	(125,990)
Contribution to/ (from) Collection Fund	(4,190)	40,950
Amount required from Council Tax - Adur District	6,084,260	6,346,950

WORTHING BUDGET SUMMARY

SUMMARY OF DIRECTORATES



WORTHING BOROUGH
COUNCIL

SERVICE BLOCKS	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
Chief Executive & Communications	210	210
Director for the Communities	7,919,310	7,915,120
Director for Digital and Resources	4,861,370	5,350,880
Director for the Economy	2,745,060	1,999,860
Allocations	88,700	82,810
NET SERVICE EXPENDITURE	15,614,650	15,348,880
Credit Back Depreciation	(3,633,620)	(3,224,030)
Minimum Revenue Provision	1,408,260	1,492,910
	13,389,290	13,617,760
Transfer to / from Reserves	86,250	86,250
Balance Available to Transfer To / (From) Reserves	41,050	-
Total budget requirement before external support from government	13,516,590	13,704,010
Baseline Funding	(2,590,030)	(2,649,390)
Additional business rate income	(769,100)	(826,340)
Revenue Support Grant	(7,680)	-
Levy Surplus	-	(40,650)
Other unfenced grants (New homes bonus)	(1,220,870)	(1,042,230)
Contribution to/ (from) Collection Fund	(54,880)	9,090
Amount required from Council Tax	8,874,030	9,154,490

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

CHIEF EXECUTIVE:

Strategic Management - Strategic risk assessment and monitoring.

COMMUNICATIONS:

Media and Communications - External communications - press, social media and reputation issues. Internal communications - manager and staff conferences, & staff engagement.

Community Engagement- Citizen panels, community engagement task force, consultation, social media.

JOINT SUMMARY SERVICE BLOCK

Chief Executive and Communications



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
CHIEF EXECUTIVE		
Chief Executive Office	196,330	271,960
Vacancy Provision	(16,660)	(16,660)
	179,670	255,300
Head of Communications		
Head of Communications - Office	68,980	70,350
Communications	184,000	175,260
	252,980	245,610
TOTAL FOR CEO AND COMMUNICATIONS	432,650	500,910

JOINT VARIATIONS SERVICE BLOCK

Chief Executive and Communications



ADUR & WORTHING
COUNCILS

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	432,650
CHANGES TO BASE	
Virements between Directorates	(1,090)
INFLATION	
including Payroll Adjustments, Increments, Pension contribution increases	20,200
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Agreed Savings	
Fee income - Communications	(12,000)
Non Committed Growth	
Chief Executive secondment completed	61,000
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	150
APPROVED ESTIMATE 2019/20	500,910

JOINT SUBJECTIVE ANALYSIS

Chief Executive and Communications



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Services	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
CHIEF EXECUTIVE											
Chief Executive Office	3	247,060	0	2,200	6,040	0	0	255,300	0	0	255,300
Head of Communications											
Head of Communications - Office	1	70,350	0	0	0	0	0	70,350	0	0	70,350
Policy and Consultation	0	0	0	0	0	0	0	0	0	0	0
Communications	5	201,420	0	250	17,880	0	(44,290)	175,260	0	0	175,260
TOTAL COST	9	518,830	0	2,450	23,920	0	(44,290)	500,910	0	0	500,910
Percentage Direct Cost		95%	0%	0%	5%	0%					

ADUR SUMMARY SERVICE BLOCK
Chief Executive and Communications

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
CHIEF EXECUTIVE Head of Communications Strategic Planning TOTAL FOR CEO AND COMMUNICATIONS	£	£
	20,880	40,880
	20,880	40,880
	20,880	40,880

ADUR VARIATIONS SERVICE BLOCK
Chief Executive and Communications



ADUR DISTRICT
 COUNCIL

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2019/2020	ESTIMATE 2019/2020
ORIGINAL ESTIMATE 2018/2019	£ 20,880
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Bids for Investment in Services	
Funding to support culture and arts development	20,000
APPROVED ESTIMATE 2019/2020	40,880

ADUR SUBJECTIVE ANALYSIS

Chief Executive and Communications



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support Services	TOTAL BUDGET
Chief Executive Office		£	£	£	£	£	£	£	£	£
Head of Communications		0	0	0	40,000	0	0	40,000	880	40,880
Strategic Planning										
TOTAL COST	0	0	0	0	40,000	0	0	40,000	880	40,880
Percentage Direct Cost		0%	0%	0%	100%	0%				

WORTHING SUMMARY SERVICE BLOCK
Chief Executive and Communications



WORTHING BOROUGH
 COUNCIL

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
CHIEF EXECUTIVE Head of Communications Public Information	£ 210 210	£ 210 210
TOTAL FOR CEO AND COMMUNICATIONS	210	210

WORTHING VARIATIONS SERVICE BLOCK
Chief Executive and Communications

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
ORIGINAL ESTIMATE 2018/2019	£ 210
APPROVED ESTIMATE 2019/2020	210

WORTHING VARIATIONS SERVICE BLOCK

Chief Executive and Communications



WORTHING BOROUGH
COUNCIL

SERVICE / ACTIVITY	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
CHIEF EXECUTIVE										
Public Information	£ -	£ -	£ -	£ 210	£ -	£ -	£ 210	£ -	£ -	£ 210
TOTAL COST										
Percentage Direct Cost	0	0	0	100%	0		210	-	-	210

WELLBEING

Democratic Services and Community Engagement - Democratic Services, which includes Committee support, Member support and the Mayoral and Chairman's Offices, provide support to Members and Officers, to ensure that the decision-making process runs smoothly and effectively and that Members and the public receive relevant committee documentation in a timely fashion. They also assist the Mayor and Chairman by maintaining diaries, and organising some small Civic Head functions.

Public Health and Regulation - All aspects of Licensing including Taxi and private hire, premises and personal licensing. Includes environmental protection and noise, food safety and hygiene, health and safety enforcement, healthy workplace.

Communities and Wellbeing:

Early Help and Wellbeing - Support for Safer Communities Partnership, anti-social behaviour teams and co-ordination of the wider Safer Communities programme, police performance and intelligence liaison, young people and leisure development, Safeguarding of Children and Young People and Adults at Risk. **Early Help and Neighbourhoods** – Work and skills and neighbourhoods. **Families and Wellbeing** – Public health and Wellbeing, Think Family and Early Help, British Heart Foundation Hearty Lives. **Third Sector and Partnerships** – Local Strategic Partnership, development and delivery of Waves Ahead, workability, support and liaison with the Voluntary and community Sector, Administration of Adur Community Grants, Wellbeing Hubs.

Going Local Grants – New grants programme (redeveloped from Worthing's Money Tree and Adur's Pot of Gold) including £20,000 from Worthing and £20,000 from Adur to provide small grants for the voluntary and community sector to deliver the aims of Going Local Community Referral project. Application levels are being designed and are not yet agreed. Start date will be around summer time.

ENVIRONMENTAL

Parks and Foreshore - Providing a grounds maintenance and management service for both Council's parks, open spaces, allotments and play areas. Also includes Community Parks Rangers, event management on open spaces managing beach huts and chalets and Worthing Pier and foreshore management.

Bereavement Services - Provides a burial and cremation service that aims to meet the needs of the bereaved, in accordance with the ICCM's Charter for the Bereaved. In accordance with statutory legislation, set in safe and attractive environments for burials and cremations.

HEADS OF SERVICE

DETAILED SERVICES INCLUDED

ENVIRONMENTAL

Dog Warden Service - Dealing with Stray Dogs, investigating dog related complaints of ASB, Dog Fouling. Proactive engagement with the community regarding promoting responsible dog ownership and enforce Public Space Protection Orders for Dog related offences including issuing of Fixed Penalty Notices if offences committed.

Refuse and Recycling - Household refuse and recycling collection, including the provision of bulky waste and green garden waste collection services.

Street Cleansing - The cleaning of streets, twittens and footpaths through a combination of mechanical and manual sweeping, and the emptying of litter bins, Provision of the Pest Control service

Vehicle Maintenance - Procure, maintain and service most of the Councils' fleet of vehicles and plant. Carry out MOT testing and Private Hire and Hackney Carriage inspections for Worthing taxis. Provide administrative support to maintain the Councils' Operator's Licence.

Waste Strategy & Compliance - Street scene enforcement. Investigation and enforcement activity for fly-tipping, littering, abandoned vehicles, fly-posting, graffiti, street trading (Adur only), waste storage and management and other waste-related environmental crime.

Clinical Waste – The collection of clinical and hazardous waste.

Commercial Waste - Collection of waste from commercial properties including a recycling service.

HOUSING

Housing Solutions – Provides first point of contact for households who are homeless or at risk of becoming homeless. The service will initially look to see how homelessness can be prevented, and if there is a statutory duty to provide interim accommodation whilst a case is investigated and whether there's a duty to provide longer term accommodation. The service also maintains the Housing Register for both authorities and then subsequent allocation into social housing, either directly managed by the authority; transferred to a Registered Provider; or a nomination to a local Registered Provider..

Adur Homes – Providing tenancy management, estate management and resident engagement for people living in an Adur Homes property. Housing management incorporates both the sheltered and general needs stock; as well as other assets within the Housing Revenue Account, such as garages and shops. The service is responsible for the administration of Right to Buy and services to leaseholders, which will be funded through services charges or fees, rather than the HRA

**JOINT SUMMARY SERVICE BLOCK:
Communities Directorate**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019 £	ESTIMATE 2019/2020 £
DIRECTOR FOR COMMUNITIES		
Director for Communities office	167,890	177,870
Directorate Vacancy Provision	(329,350)	(329,350)
	(161,460)	(151,480)
Head of Housing		
Head of Housing	246,400	257,460
Housing Needs	824,350	834,860
Housing - Environmental Health / Protection Team	502,880	495,510
Housing Strategy	-	58,150
	1,573,630	1,645,980
Head of Environmental Services		
Head of Environment	101,280	110,800
Parks (including Cems/Crems/Admin & Grounds Mtce)	719,330	868,270
Foreshores	202,650	207,860
Waste Management	290,800	256,400
Commerce Way Depot	105,200	165,360
Clinical Waste Collection	(8,590)	3,930
Recycling	(1,368,150)	(1,615,140)
Refuse Collection	1,615,390	1,528,810
Street Cleansing, Grafitti & Pest Control	1,478,110	1,452,600
Trade Refuse Collection	439,040	462,200
Vehicle Workshop	516,640	556,050
Waste Strategy	78,190	74,400
Off Street Parking	343,240	391,290
	4,513,130	4,462,830
Less: Vehicle Works Trading A/c - recharged to services per job	(516,640)	(556,050)
Head of Wellbeing		
Head of Wellbeing	78,910	190,570
Community Wellbeing	546,940	477,980
Dog Warden	91,150	84,240
Environmental Health - Domestic	799,710	777,400
Licensing	229,890	234,860
Democratic Services	268,450	194,100
	2,015,050	1,959,150
TOTAL FOR COMMUNITIES	7,423,710	7,360,430

JOINT VARIATIONS SERVICE BLOCK:
Communities Directorate



ADUR & WORTHING
 COUNCILS

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	7,578,970
CHANGES TO BASE	
Virements	(17,060)
INFLATION	
including Increments, Pension contribution increase	290,440
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Decrease in Recycling payments from WSCC	300,000
Agreed Savings	
Review of Waste & Parks budgets	(20,600)
Delivery of Waste bins	(1,000)
Increase in Garden waste income	(92,800)
Increase in Bulky Waste income	(1,730)
Review of Wellbeing budgets	(13,000)
Service review of Wellbeing and Housing	(91,770)
Increased income for Public Health Services	(2,400)
Impact of change in refuse service	(505,000)
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	75,120
Fixed Allocations	(138,740)
Other minor transfers	-
APPROVED ESTIMATE 2019/2020	7,360,430

JOINT SUBJECTIVE ANALYSIS: Communities Directorate



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR OF COMMUNITIES											
Director of Communities Office	2	(156,400)	0	1,110	3,810	0	0	(151,480)	0	0	(151,480)
Head of Housing											
Head of Housing	2	158,760	0	300	98,400	0	0	257,460	0	0	257,460
Housing Needs	20	826,540	0	840	7,480	0	0	834,860	0	0	834,860
Housing - Environmental Health / Protection Team	6	483,710	0	3,200	8,600	0	0	495,510	0	0	495,510
Housing Strategy	5	58,150	0	0	0	0	0	58,150	0	0	58,150
Head of Environment											
Head of Environment	1	109,880	0	920	0	0	0	110,800	0	0	110,800
Parks (incl Cems/Crems/Admin & Grounds Mtce)	55	1,923,760	0	288,680	270,900	0	(1,615,070)	868,270	0	0	868,270
Foreshores	6	207,830	0	150	0	0	(120)	207,860	0	0	207,860
Waste Management	3	259,000	100	160	17,040	0	(19,900)	256,400	0	0	256,400
Commerce Way Depot	1	0	156,660	4,120	10,910	0	(6,330)	165,360	0	0	165,360
Clinical Waste Collection	1	27,620	0	6,540	12,010	0	(42,240)	3,930	0	0	3,930
Recycling	23	683,560	0	151,790	59,530	0	(2,510,020)	(1,615,140)	0	0	(1,615,140)
Refuse Collection	42	1,366,780	0	267,460	21,030	0	(126,460)	1,528,810	0	0	1,528,810
Street Sweeping & Cleansing	53	1,497,390	0	239,180	127,020	0	(410,990)	1,452,600	0	0	1,452,600
Trade Refuse Collection	10	338,020	0	101,470	28,120	0	(5,410)	462,200	0	0	462,200
Vehicle Workshop	7	274,620	270	8,510	308,180	0	(35,530)	556,050	0	0	556,050
Waste Strategy	2	62,440	0	11,960	0	0	0	74,400	0	0	74,400
Off Street Parking	13	391,290	0	0	0	0	0	391,290	0	0	391,290
Less: Vehicle Works Trading Account - recharged to services per job		0	0	0	0	0	(556,050)	(556,050)	0	0	(556,050)
Head of Wellbeing											
Head of Wellbeing	1	162,660	0	860	27,050	0	0	190,570	0	0	190,570
Community Wellbeing	30	1,218,570	0	840	32,710	0	(774,140)	477,980	0	0	477,980
Dog Warden	2	72,790	0	4,060	11,870	0	(4,480)	84,240	0	0	84,240
Environmental Health- Domestic	15	755,140	0	7,550	17,110	0	(2,400)	777,400	0	0	777,400
Licensing	7	229,400	0	500	4,960	0	0	234,860	0	0	234,860
Democratic Services	5	177,320	0	20	16,760	0	0	194,100	0	0	194,100
TOTAL COST	309	11,128,830	157,030	1,100,220	1,083,490	0	(6,109,140)	7,360,430	0	0	7,360,430
Percentage Direct Cost		83%	1%	8%	8%	0%					

**ADUR SUMMARY SERVICE BLOCK:
Communities Directorate**



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR COMMUNITIES		
Leisure Client	514,640	490,820
	514,640	490,820
HEAD OF HOUSING		
Housing Including Homelessness	822,110	957,460
Housing Strategy	174,320	165,250
	996,430	1,122,710
HEAD OF ENVIRONMENT		
Parks	883,420	833,290
Foreshores	(27,960)	(35,490)
Allotments	(25,880)	(23,470)
Cemeteries	130,690	151,990
Abandoned Vehicles	5,830	5,850
Clinical Waste Collection	(3,130)	1,430
Recycling	(340,860)	(433,020)
Refuse Collection	903,710	828,980
Street Sweeping & Cleansing	566,820	570,620
Trade Refuse Collection	(213,240)	(207,530)
Graffiti: Visual Quality Initiative	7,760	4,480
Waste Strategy	1,030	940
	1,888,190	1,698,070
HEAD OF WELLBEING		
Community Development, Fishersgate & Grants	345,440	350,570
Community Safety	261,020	237,060
Food Safety, Commercial Environmental Health and Dog Control	191,400	192,670
Public Health and Regulation & Pollution Control	194,960	309,740
Licensing	124,290	148,140
Democratic Services	373,070	388,850
	1,490,180	1,627,030
TOTAL FOR COMMUNITIES	4,889,440	4,938,630

ADUR VARIATIONS SERVICE BLOCK:
Communities Directorate

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2019/2020	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	4,889,440
CHANGES TO BASE	
Virements	10,670
INFLATION	5,810
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Increased homelessness caseload	150,000
Impact of lower members allowance increase	(2,000)
Fallout of Playing Pitch and built facilities review	(20,000)
Net reduction in cemetery income	16,650
Net fall in bowls and outdoor sport income	36,410
Reduction in Allotment Income	1,840
Agreed Savings	
ADC grant to Impulse leisure reduction	(10,000)
Increase in net income from trade waste	(15,190)
Increase in fees & charges	(13,520)
Food Inspection Service review	(8,000)
Increased rental income from Adur Activity Centre	(4,000)
Review of base budgets	(6,080)
Changes in allocation of recharge from other services	(774,150)
Asset Hire/Impairment	680,750
APPROVED ESTIMATE 2019/2020	4,938,630

ADUR SUBJECTIVE ANALYSIS: Communities Directorate



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES												
Leisure Client		0	0	51,490	0	4,150	135,000	(9,740)	180,900	13,210	296,710	490,820
HEAD OF HOUSING	3											
Community Alarm		0	0	0	0	0	0	0	0	0	0	0
Housing Including Homelessness		0	279,050	263,090	440	943,210	112,060	(905,630)	692,220	265,240	0	957,460
Housing Strategy		118,400	170,530	0	5,340	47,300	41,050	(323,730)	58,890	89,070	17,290	165,250
HEAD OF ENVIRONMENT												
Parks		0	(7,230)	660,690	0	47,660	0	(152,790)	548,330	243,770	41,190	833,290
Foreshores		0	0	11,620	0	8,910	0	(116,390)	(95,860)	29,150	31,220	(35,490)
Allotments		0	0	21,080	0	0	0	(47,390)	(26,310)	0	2,840	(23,470)
Cemeteries		0	119,670	79,750	0	0	0	(179,080)	20,340	125,410	6,240	151,990
Abandoned Vehicles		0	0	0	0	5,850	0	0	5,850	0	0	5,850
Clinical Waste Collection		0	1,430	0	0	0	0	0	1,430	0	0	1,430
Recycling		0	(587,920)	0	0	0	0	0	(587,920)	55,010	99,890	(433,020)
Refuse Collection		0	556,490	0	0	0	0	0	556,490	175,370	97,120	828,980
Street Sweeping & Cleansing		0	572,330	0	0	0	0	(133,950)	438,380	87,790	44,450	570,620
Trade Refuse Collection		0	138,660	0	0	250,990	0	(652,530)	(262,880)	22,520	32,830	(207,530)
Vehicle Workshop		0	0	0	0	0	0	0	0	0	0	0
Graffiti: Visual Quality Initiative		0	3,070	0	0	0	0	0	3,070	1,410	0	4,480
Waste Strategy		0	0	0	0	0	0	0	0	0	940	940
HEAD OF WELLBEING												
Community Development, Fishersgate & Grants	1		80,260	850	0	217,920	0	(15,300)	283,730	62,400	4,440	350,570
Community Safety		0	126,150	1,370	0	8,820	0	0	136,340	100,720	0	237,060
Food Safety, Commercial Environmental Health and Dog Control		0	1,910	0	0	950	0	0	2,860	188,350	1,460	192,670
Public Health and Regulation & Pollution Control		0	5,720	0	0	15,430	4,820	(13,090)	12,880	292,730	4,130	309,740
Licensing		8,160	126,330	0	0	13,410	0	(122,030)	25,870	122,270	0	148,140
Democratic Services		214,880	85,260	0	0	12,280	0	(15,600)	296,820	92,030	0	388,850
TOTAL COST		341,440	1,671,710	1,089,940	5,780	1,576,880	292,930	(2,687,250)	2,291,430	1,966,450	680,750	4,938,630
Percentage Direct Cost		7%	32%	23%	0%	32%	6%					

**WORTHING SUMMARY SERVICE BLOCK:
Communities Directorate**



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR COMMUNITIES		
Lido/Pier/Southern Pavilion	168,810	169,190
Leisure	1,341,210	1,155,380
	1,510,020	1,324,570
HEAD OF HOUSING		
Housing including Homelessness	1,752,970	2,086,900
Home Improvement Assistance	113,040	116,320
	2,140,000	2,474,150
HEAD OF ENVIRONMENTAL SERVICES		
Parks and Open Spaces	1,702,410	1,929,850
Foreshores	706,540	726,960
Allotments	12,480	14,090
Cemeteries	14,530	15,420
Crematorium	(1,462,520)	(1,650,800)
Clinical Waste Collection	(5,470)	2,810
Recycling	(737,440)	(760,630)
Refuse Collection	1,590,570	1,373,620
Street Sweeping & Cleansing	738,940	717,350
Trade Refuse Collection	(467,150)	(341,290)
	2,092,890	2,027,380
HEAD OF WELLBEING		
Community Wellbeing & Community Centres	470,500	461,520
Community Safety	324,830	311,960
Health & Food Safety	209,990	188,570
Public Health & Regulation includes Dog Control	542,870	542,580
Licensing	102,750	136,460
Member & Mayoral services	525,460	447,930
	2,176,400	2,089,020
TOTAL FOR COMMUNITIES	7,919,310	7,915,120

WORTHING VARIATIONS SERVICE BLOCK:
Communities Directorate



WORTHING BOROUGH
 COUNCIL

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	7,919,310
CHANGES TO BASE	
Virements	(1,370)
INFLATION	(27,320)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of pension valuation for SDLT - Fall out of pension costs.	(18,000)
Playing pitch and built facilities review - reversal of one off growth item	(50,000)
Increased Waste Disposal costs	129,970
Increasing demand for emergency accommodation	270,000
Loss of income from Outdoor sports	49,660
Increase in Medical Referee Fees	19,310
Additional Crematorium Technician	28,700
Loss of income to the Crematorium	14,170
Closure of Brooklands Par 3 golf course	90,100
Agreed Savings	
Increase in parks & rec. grounds fees and charges income	
Base Budget review of Environmental & Wellbeing services	(26,650)
Increased rental income from Beach Huts	(13,060)
Increase in net income from trade waste	(42,200)
Fee increase Crematorium	(197,500)
Saving in Agency costs	(6,000)
Advertising of Notices saving	(1,500)
Changes in allocation of recharge from other services	(2,292,340)
Asset Hire/Impairment	2,061,580
Other minor transfers	8,260
APPROVED ESTIMATE 2019/2020	7,915,120

WORTHING SUBJECTIVE ANALYSIS: Communities Directorate

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR COMMUNITIES											
Lido/Pier/Southern Pavilion	0	0	255,350	0	6,220	0	(115,700)	145,870	0	23,320	169,190
South Downs Leisure	114,750	0	232,930	0	0	0	(104,010)	243,670	41,990	869,720	1,155,380
HEAD OF HOUSING											
Housing including Homelessness	0	662,530	126,000	0	1,988,050	15,840	(983,980)	1,808,440	278,460	0	2,086,900
Home Improvement Assistance	0	0	0	0	0	0	0	0	116,320	0	116,320
HEAD OF WELLBEING											
Community Wellbeing & Community Centres	0	128,840	22,360	0	182,010	0	0	333,210	125,810	2,500	461,520
Community Safety	0	167,220	3,820	0	21,220	0	0	192,260	119,700	0	311,960
Health & Food Safety	0	9,540	0	0	9,750	0	(3,910)	15,380	173,190	0	188,570
Public Health & Regulation includes Dog Control	0	9,540	0	0	26,070	0	(4,510)	31,100	505,810	5,670	542,580
Licensing	0	177,110	0	0	3,930	0	(227,030)	(45,990)	182,450	0	136,460
Member & Mayoral services	280,260	131,700	0	3,740	23,530	0	0	439,230	8,700	0	447,930
HEAD OF ENVIRONMENTAL SERVICES											
Parks and Open Spaces	0	179,880	1,101,290	0	152,230	0	(167,680)	1,265,720	390,890	273,240	1,929,850
Foreshores	0	207,860	411,540	6,150	31,720	0	(443,890)	213,380	241,970	271,610	726,960
Allotments	0	0	16,000	0	0	0	(4,570)	11,430	0	2,660	14,090
Cemeteries	0	104,150	131,440	0	4,960	0	(274,010)	(33,460)	23,540	25,340	15,420
Crematorium	263,560	108,690	488,720	10	197,360	0	(2,992,400)	(1,934,060)	213,100	70,160	(1,650,800)
Clinical Waste Collection	0	2,500	0	0	0	0	0	2,500	0	310	2,810
Recycling	0	(1,027,220)	0	0	0	1,400	0	(1,025,820)	74,220	190,970	(760,630)
Refuse Collection	0	972,320	0	0	1,800	0	(1,850)	972,270	213,330	188,020	1,373,620
Street Sweeping & Cleansing	0	880,260	0	0	0	0	(338,660)	541,600	102,840	72,910	717,350
Trade Refuse Collection	0	323,540	0	0	645,630	0	(1,404,560)	(435,390)	28,950	65,150	(341,290)
Percentage Direct Cost	7%	32%	28%	0%	33%	0%	(7,110,060)	2,961,270	2,892,270	2,061,580	7,915,120

HEADS OF SERVICE	DETAILED SERVICES INCLUDED
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LEGAL SERVICES

The **Legal Services Section** provides legal advice to the Councils, its internal client departments, Officers and Members; it supports the decision-making process and governance arrangements of the Councils; it acts on behalf of the Councils in legal proceedings in the criminal and civil courts. The Legal Services Team proactively enables the Councils to achieve its corporate objectives, whilst protecting it by ensuring the Councils always act lawfully. Legal Services Officers provide general advice, draft legal documents, including contracts and conveyancing documents, issue legal proceedings and represent the Council in Courts and Tribunals.

The **Monitoring Officer**, within the Legal Services Section, provides corporate governance advice to Members and Senior Officers, ensures that high standards of ethics and behaviour are maintained, provides training in respect of the democratic process, deals with standards complaints and ensures that the Councils' Constitutions are maintained to provide an agile, enabling framework.

HUMAN RESOURCES

The HR Team provides strategic HR business focussed advice to all Directorates of the Council. Offers an HR Business Partner linked to each directorate to advise managers in understanding and implementing the Council's employment policies and procedures, in accordance with employment legislation.

Organisational Development - Leads cultural and people development activities across the Councils; manages organisation-wide learning and e-learning; facilitates training within Directorates; supports apprenticeships and work experience; and develops and maintains partnerships with other public and third sector learning communities.

BUSINESS AND TECHNICAL SERVICES

Engineering and Surveying - Non-housing property repairs, maintenance, refurbishment, improvements, new build, seats in streets, public conveniences, energy management and sustainability. Coast protection, surface water management, flood prevention, coastal monitoring, land drainage, bus shelters, road nameplates, hard surfaces, highways liaison.

Procurement and Contracts. Facilities – facility management, building cleaning, superintendents/porters, telephony, desktop printing and reprographics and corporate health and safety.

Corporate and Emergency Planning and business continuity.

HEADS OF SERVICE DETAILED SERVICES INCLUDED

**CUSTOMER AND
DIGITAL SERVICES**

Electoral Services - provide support to the Returning Officer during all elections and help to ensure the smooth running of elections and support the Electoral Registration Officer in maintaining the electoral register through the annual canvass. Undertake formal consultation as part of the democratic franchise with the citizens of Adur & Worthing Councils'

Business Support – workflow and fulfilment operations: administrative support operations.

Parking Services - provide On and Off street parking management including enforcement. Management of off street car parks including multi storey` car parks in Worthing

Digital and Design - The Digital and Design Service is responsible for enabling digital transformation through service design and innovation programmes within the Councils. It is also responsible for ensuring the smooth running of the underpinning technology infrastructure services alongside our partners and suppliers. Digital and Design are a key resource for the maintenance and upkeep of the Councils' websites, geographic information systems and the continued development and management of the cloud platform solutions that support the growing technology needs of the Councils.

**REVENUES AND
BENEFITS**

Revenues and Recovery – the billing, collection and enforcement of Council Tax, National Non-Domestic Rates and the Business Improvement District (BID) levies throughout Adur and Worthing. The service delivers a tailored high-quality customer-centric approach that balances the need to maximise income for the Councils whilst supporting customers in meeting their financial commitments. Collection of the BID Levies enables Lancing Business Park and the Town Centre Initiative and to enhance and promote their respective areas, thereby supporting businesses.

Housing Benefit and Council Tax Support - the assessment, payment and maintenance of claims throughout Adur and Worthing. The high-quality service ensures that claims are administered as swiftly as possible whilst maintaining accuracy to provide customers with appropriate financial support to enable them to pay their rent and Council Tax. The team works closely with both internal and external partners to ensure that appropriate support is provided to residents who are subject to national welfare reforms including the introduction of Universal Credit.

Benefit Adjudication - the administration of discretionary awards (Discretionary Housing Payments throughout Adur and Worthing plus Discretionary Council Tax Support in Worthing only), recovery of overpaid Housing Benefit and consideration of Benefit appeals.

HEADS OF SERVICE DETAILED SERVICES INCLUDED

FINANCE

Management and Technical Accounting - Professional accounting service whose key tasks include:

- Financial advice for managers;
- Production of the annual statement of accounts;
- Production of the annual budget;
- Investment and borrowing of funds;

Strategic Accounting

Exchequer and Fraud - Payments and income service, including debt management. Payment of salaries to staff and allowances to members. Front line cash receipting service operating out of the Town Hall. Investigation into all types of fraud and theft including Housing Benefit Fraud and Single Person Discount.

Internal Audit Service which ensures that the Councils processes are fit for purpose and safeguard the Council's financial assets. Fraud for Worthing Borough Council.

**JOINT SUMMARY SERVICE BLOCK:
Digital and Resources Directorate**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Director for Digital and Resources office	145,240	139,880
Directorate Vacancy Provision	(299,400)	(299,400)
Sustainability	47,200	73,390
	(106,960)	(86,130)
Finance		
Head of Finance office	159,580	260,180
Management, Technical and Strategic Accounting	916,150	963,610
Exchequer and Fraud	423,640	438,440
Procurement	146,740	154,270
	1,646,110	1,816,500
Head of Legal Services		
Legal Services	700,160	674,640
	700,160	674,640
Head of Human Resources		
Human Resources	404,460	413,620
Organisational Development	230,920	245,270
	635,380	658,890
Head of Business and Technical Services		
Head of Business and Technical Services	96,980	96,780
Business Services	291,240	288,050
Engineers	575,270	588,260
Surveyors	778,320	791,760
Facilities - Admin Buildings	521,120	482,550
Centralised Costs	363,810	451,700
	2,626,740	2,699,100
Head of Customer & Digital Services		
Head of Digital and Design	94,600	-
ICT, Systems Support and Development Team	2,019,740	2,298,770
Customer Services	1,249,950	1,278,200
Parking Services	155,260	155,660
Business Support	124,130	132,620
Elections	167,670	206,820
	3,811,350	4,072,070
Head of Revenues & Benefits		
Revenues & Benefits	1,693,600	1,746,580
	1,693,600	1,746,580
TOTAL for DIGITAL AND RESOURCES	11,006,380	11,581,650

**JOINT VARIATIONS SERVICE BLOCK:
Digital and Resources Directorate**



ADUR & WORTHING
COUNCILS

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	11,006,380
CHANGES TO BASE	
Virements between Directorates	60,920
INFLATION	
including Increments, Pension contribution increases	536,360
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	158,170
Increase in payroll system costs following renewal of contract	9,330
Deferral of expected Treasury Management Service contract.	
Agreed Savings	
Deletion of secretarial post	(12,110)
Extension of payroll contract with SDLT until December 2019	(16,370)
Review of staffing following flexible working	(10,000)
Income from legal work undertaken for HRA and the capital programme.	(35,000)
Reduction in staff costs	(63,720)
Microsoft licencing saving	(30,000)
Reprocurement of energy contracts	(50,000)
Review of allocations to the capital programme	(70,000)
Consolidation of purchase ordering onto the new FMS.	(2,100)
Non Committed Growth	
Increased Hours for Strategic Sustainability Officer	15,840
Junior Developer role	24,380
BUDGET TRANSFERS	
Recharges to Capital	(727,140)
Changes in allocation of recharge from other services	786,710
APPROVED ESTIMATE 2019/20	11,581,650

JOINT SUBJECTIVE ANALYSIS:

Digital and Resources Directorate



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE	Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES											
Director Office	1	(164,350)	0	1,060	3,780	0	(10)	(159,520)	0	0	(159,520)
Sustainability	1	73,320	0	70	0	0	0	73,390	0	0	73,390
Head of Finance											
Head of Finance office	1	144,730	0	130	115,350	0	(30)	260,180	0	0	260,180
Management, Technical & Strategic Accounting	18	912,910	0	1,450	80,170	0	(30,920)	963,610	0	0	963,610
Exchequer and Fraud	14	437,450	0	270	87,530	0	(86,810)	438,440	0	0	438,440
Procurement	3	154,260	0	10	0	0	0	154,270	0	0	154,270
Head of Legal Services											
Legal Services	16	795,750	0	290	50,480	0	(171,880)	674,640	0	0	674,640
Head of Human Resources											
Human Resources	8	395,910	0	290	17,420	0	0	413,620	0	0	413,620
Organisational Development	1	229,270	0	730	15,270	0	0	245,270	0	0	245,270
Head of Business & Technical Services											
Head of Business & Technical Services	1	96,780	0	0	0	0	0	96,780	0	0	96,780
Business Services	6	294,470	50	2,950	77,510	0	(86,930)	288,050	0	0	288,050
Engineers	12	625,650	0	3,540	11,100	0	(52,030)	588,260	0	0	588,260
Surveyors	17	788,220	0	3,960	19,150	0	(19,570)	791,760	0	0	791,760
Facilities - Admin Buildings	0	0	553,270	0	26,570	0	(97,290)	482,550	0	0	482,550
Centralised Costs	0	0	0	42,880	408,820	0	0	451,700	0	0	451,700
Head of Customer and Digital Services											
ICT, Systems Support and Development Team	25	1,274,950	0	820	962,500	60,500	0	2,298,770	0	0	2,298,770
Customer Services	39	1,266,470	0	500	11,230	0	0	1,278,200	0	0	1,278,200
Parking Services	4	155,660	0	0	0	0	0	155,660	0	0	155,660
Business Support	5	134,930	0	0	87,050	0	(89,360)	132,620	0	0	132,620
Elections	5	204,500	0	130	2,190	0	0	206,820	0	0	206,820
Head of Revenues & Benefits											
Revenues & Benefits	52	1,741,510	0	5,070	0	0	0	1,746,580	0	0	1,746,580
TOTAL COST	229	9,562,390	553,320	64,150	1,976,120	60,500	(634,830)	11,581,650	0	0	11,581,650
Percentage Direct Cost		78%	5%	1%	16%	0%					

**ADUR SUMMARY SERVICE BLOCK:
Digital and Resources Directorate**



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Corporate Management	1,775,910	1,945,200
Treasury Management	889,130	1,052,820
Exchequer and Insurance	283,130	297,280
Internal Audit	69,430	63,270
	3,017,600	3,358,570
Head of Legal Services		
Legal Services	(3,370)	(4,320)
	(3,370)	(4,320)
Head of Customer & Digital Services		
Elections	204,170	195,070
Parking	(200,500)	(238,550)
ICT, Systems Support and Development Team	295,870	224,890
	299,540	181,410
Head of Business and Technical Services		
Emergency Planning	51,710	27,180
Bus Shelters, Highways, Street Lighting, Coast Protection & Ditch Clearing	213,990	210,370
Public Conveniences and Sustainability	261,860	259,730
Community Centres	129,970	124,760
Administrative Buildings	192,620	140,550
	850,150	762,590
Head of Revenues & Benefits		
Benefits	92,610	84,980
Revenues	216,920	270,480
	309,530	355,460
Recharged to other services	(774,750)	(666,330)
TOTAL for DIGITAL AND RESOURCES	3,698,700	3,987,380

ADUR VARIATIONS SERVICE BLOCK:
Digital and Resources Directorate

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2019/2020	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	3,698,700
CHANGES TO BASE	
Virements - Adjustments to Treasury Management for Investments	293,390
INFLATION	63,000
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Contingency for further increases to cost of homelessness	90,000
Impact of Pension contribution changes	4,000
Additional pension strain costs arising from the departure of staff.	7,600
Bids for Investment in Services	
Increased hours for Sustainability post	6,340
Share of Joint bids for investment in services	24,450
Additional Income	
Treasury Management Investment Income	(60,000)
Reopening of Riverside Car Park	(20,000)
Agreed Savings	
Increased investment in the CCLA property fund	(60,000)
Reduction in pension paid to past employees	(5,000)
Reduction in external audit fees following tender exercise	(10,720)
One Off / Non Recurring Items	
Local Elections (held every other year)	(18,000)
Impact of Capital Programme	3,000
Changes in allocation of recharge from other services	(506,140)
Asset Hire/Impairment	476,760
APPROVED ESTIMATE 2019/2020	3,987,380

ADUR SUBJECTIVE ANALYSIS

Digital and Resources Directorate



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Transfer to/from Reserves	Capital Charges	TOTAL BUDGET
	£	£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR DIGITAL & RESOURCES												
Head of Finance												
Corporate Management	1,321,730	62,200	125,890	0	308,370	15,450	(612,200)	1,221,440	786,280	(62,520)	0	1,945,200
Treasury Management	0	0	0	0	0	0	(267,710)	(267,710)	880	0	1,319,650	1,052,820
Exchequer and Insurance	162,390	0	78,600	56,290	0	0	0	297,280	0	0	0	297,280
Internal Audit	0	0	0	0	69,430	0	(6,160)	63,270	0	0	0	63,270
Head of Legal Services												
Legal Services	0	0	0	0	51,480	0	(55,800)	(4,320)	0	0	0	(4,320)
Head of Customer & Digital Services												
Elections	7,000	76,520	2,000	0	59,380	0	(3,280)	141,620	50,650	0	2,800	195,070
Parking	0	0	111,290	0	131,160	57,800	(643,650)	(343,400)	97,300	0	7,550	(238,550)
ICT, Systems Support & Development Team	0	0	0	0	0	0	0	0	0	0	224,890	224,890
Business Support	0	0	0	0	0	0	0	0	0	0	0	0
Performance and Scrutiny	0	0	0	0	0	0	0	0	0	0	0	0
Head of Business and Technical Services												
Emergency Planning	0	5,580	0	0	0	0	0	5,580	21,600	0	0	27,180
Bus Shelters, Highways, Street Lighting, Coast Protection & Ditch Clearing	0	0	44,820	0	21,760	0	(7,910)	58,670	46,690	0	105,010	210,370
Public Conveniences and Sustainability	0	0	162,820	0	120	0	(360)	162,580	42,760	0	54,390	259,730
Community Centres	0	35,550	34,290	0	4,230	0	0	74,070	35,490	0	15,200	124,760
Administrative Buildings	65,500	0	41,180	0	18,310	0	(42,800)	82,190	0	0	58,360	140,550
Head of Revenues & Benefits												
Benefits	0	405,260	0	150	73,120	20,887,820	(21,352,590)	13,760	62,660	0	8,560	84,980
Revenues	53,000	309,020	0	1,910	95,080	0	(260,360)	198,650	71,830	0	0	270,480
Recharged to other services									(666,330)			(666,330)
TOTAL COST	1,609,620	894,130	600,890	58,350	832,440	20,961,070	(23,252,820)	1,703,680	549,810	(62,520)	1,796,410	3,987,380
Percentage Direct Cost	7%	4%	2%	0%	3%	84%						

**WORTHING SUMMARY SERVICE BLOCK:
Digital and Resources Directorate**



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE 2018/2019	ESTIMATE 2019/2020
	£	£
DIRECTOR FOR DIGITAL AND RESOURCES		
Head of Finance		
Corporate Management, Pensions & Non Distributed Cost	2,765,840	3,311,380
Management, Technical and Strategic Accounting	59,520	9,780
Treasury Management	733,230	966,480
Insurance	2,560	396,850
Internal Audit	-	73,750
Fraud, Verification & Adjudication	33,900	240,900
Less: Recharges to services	-	(672,530)
	3,595,050	4,326,610
Head of Legal Services		
Legal Services	(3,180)	(3,930)
	(3,180)	(3,930)
Head of Customer and Digital Services		
Car Parking	(1,119,650)	(1,209,330)
Elections	327,200	354,160
ICT, Systems Support and Development Team	283,830	233,940
	(508,620)	(621,230)
Head of Revenues & Benefits		
Benefits	519,510	534,200
Revenues	246,280	246,520
	765,790	780,720
Head of Human Resources		
Human Resources	10,620	5,500
	10,620	5,500
Head of Business and Technical Services		
Emergency Planning	68,210	35,480
Flood Defence, Coast Protection, Footway Lighting, Drainage & Bus Shelters	241,790	246,900
Public Conveniences, Depot, Seats & Sustainable Development	441,280	418,060
Admin Buildings	250,430	162,770
	1,001,710	863,210
TOTAL for DIGITAL AND RESOURCES	4,861,370	5,350,880

WORTHING VARIATIONS SERVICE BLOCK:
Digital and Resources Directorate



WORTHING BOROUGH
 COUNCIL

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	4,861,370
CHANGES TO BASE	
Virements & Transfers between Joint Account	225,160
INFLATION	210,610
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Impact of Pension Fund Triennial valuation	(57,000)
Contingency for further increases to cost of homelessness	210,000
Net increase in pension costs	22,320
Additional Income	
Investment income	(43,000)
Agreed Savings	
Reduction in external audit fees following tender exercise	(17,720)
Increased investment in the CCLA property fund	(30,000)
Base Budget review	(18,540)
Car Parks income	(105,000)
Bids for Investment in Services	
Increased hours for Sustainability post	9,500
Share of Joint bids for investment in services	36,680
Impact of Capital Programme	21,000
Changes in allocation of recharge from other services	(587,280)
Asset Hire/Impairment	612,780
APPROVED ESTIMATE 2019/2020	5,350,880

WORTHING SUBJECTIVE ANALYSIS

Digital and Resources Directorate



WORTHING BOROUGH
COUNCIL

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 Finance											
Corporate Management, Pensions & Non Distributed Cost	2,161,320	187,390	(49,010)	0	653,520	0	(144,730)	2,808,490	502,800	90	3,311,380
Management, Technical and Strategic Accounting	0	0	0	0	0	0	0	0	0	9,780	9,780
Treasury Management	0	0	0	0	262,410	0	(410,250)	(147,840)	650	1,113,670	966,480
Insurance	85,270	0	242,250	67,620	(10)	0	0	395,130	0	1,720	396,850
Internal Audit	0	0	0	0	73,750	0	0	73,750	0	0	73,750
Fraud, Verification & Adjudication	103,290	0	0	2,660	215,480	0	(81,370)	240,060	0	840	240,900
Recharged to other Worthing services							(672,530)	(672,530)	0	0	(672,530)
Head of Legal Services											
Legal Services	0	0	0	0	48,140	0	(52,070)	(3,930)	0	0	(3,930)
Head of Customer and Digital Services											
Car Parking	0	391,290	695,890	4,140	151,730	0	(2,888,600)	(1,645,550)	330,010	106,210	(1,209,330)
Elections	33,000	130,300	3,000	0	106,760	0	(5,470)	267,590	82,910	3,660	354,160
ICT, Systems Support and Development Team	0	0	0	0	0	0	0	0	0	233,940	233,940
Head of Revenues & Benefits											
Benefits	0	794,250	0	0	63,370	36,687,160	(37,529,170)	15,610	518,590	0	534,200
Revenues	0	441,690	0	0	93,820	0	(549,010)	(13,500)	260,020	0	246,520
Head of Human Resources											
Human Resources	0	0	0	0	0	0	0	0	0	5,500	5,500
Head of Business & Technical Services											
Emergency Planning	0	8,380	0	0	0	0	0	8,380	25,390	1,710	35,480
Flood Defence, Coast Protection, Footway Lighting, Drainage & Bus Shelters	0	0	178,070	0	4,890	0	(24,270)	158,690	69,560	18,650	246,900
Public Conveniences, Depot, Seats & Sustainable Development	0	13,300	348,850	0	3,390	80	(103,440)	262,180	58,700	97,180	418,060
Admin Buildings	0	0	43,900	0	0	0	(14,630)	29,270	0	133,500	162,770
	2,382,880	1,966,600	1,462,950	74,420	1,677,250	36,687,240	(42,475,540)	1,775,800	1,848,630	1,726,450	5,350,880
Percentage Direct Cost	5%	5%	3%	0%	4%	83%					

DETAILED SERVICES INCLUDED

**ECONOMY
DIRECTORATE:**

The Economy Directorate is focussed on providing a platform upon which our places can grow and thrive.

Our starting point is to use regulatory activity sensibly and creatively to support local business. We are striving to be a 'trusted partner' with a strong reputation for securing public and private investment to deliver the infrastructure that is necessary to support growth. We aim to ensure that a rich and vibrant cultural offer is a vital part of the attraction of our places to residents and businesses.

CULTURE

Culture is a key driver for the economic development of Adur and Worthing with £7 spent in restaurants and shops for every £1 invested by the Council. A high quality cultural offer that balances the challenging and cutting edge with the joy of entertainment has challenged perceptions and attracted great support from visitors and our businesses.

We aim to improve the cultural offer still further and build on our reputation for excellence and innovation. We intend to maximise the opportunities to develop the commercial business, lead the sector in outstanding customer experience and to seek external funding for capital improvements and creative projects.

Museums - In 2018/19 the service will deliver a new Costume Research Centre to provide much greater access to this important collection. A wider project 'Let the Light In' will be developed to radically improve access to the collections.

Worthing Museum & Art Gallery holds the most extensive costume collection outside the V&A which is of national significance. It also has a local history collection with particular areas of strength in children's toys and archaeology.

The Museum & Art Gallery ensures the appropriate rotating display of the collection in addition to storing, cataloguing and maintaining the artefacts. It works in partnership with other museums and educational establishments to maximise exposure of our collections.

Theatres - Worthing Theatres includes the Pavilion Theatre and Cafe Bar, Connaught Theatre/Cinema, Connaught Studio Theatre / Cinema and the Assembly Hall providing a varied, high quality cultural offer across the four venues. All venues are hired for community events and commercial activities.

Both Theatres and Museum are expanding their volunteer programme, creating a cultural community of supporters.

DETAILED SERVICES INCLUDED

PLACE AND INVESTMENT

Place and Investment works with partners to help improve and grow the local economy. This includes identifying needs and opportunities to develop the skills of the local workforce, ensuring that businesses have the information and support they need to be successful and grow, and attracting new investment to improve infrastructure or develop new housing and employment space.

The team works with partners to help support the retail and visitor economy and improve the quality of our 'places' for all to enjoy. This includes improving the public realm, bidding for funding to develop new facilities, developing stronger partnerships with business, and attracting and developing high quality events and markets - all helping to raising the profile of Adur & Worthing as a great place to live, visit, invest and work.

This service is responsible for strategic property investments and management of the Councils' commercial property portfolio, with a focus on securing efficiencies and revenues for reinvestment into Council services.

PLANNING AND DEVELOPMENT

Planning Policy - The Planning Policy team responsibilities include the vital role of preparing an up to date statutory planning framework to guide the development and growth of our places. The team also prepare Area Action Plans, Master Plans, Neighbourhood Plans, Policy Guidance, Development Briefs, Conservation Areas, Community Infrastructure Levy and Transport Policy. Also responsible for ensuring cross boundary strategic issues are addressed through the duty to co-operate as contained in the Localism Act.

Development Management - The development management group play a fundamental role in ensuring that development activity of the right type in the right place can take place without delay. This planning function is one of the 'cornerstones' of the councils roles and important for the reputation of Adur and Worthing.

Building Control - Building Regulation applications and notices, Dangerous Structures, Demolitions and enforcement of the Building Acts. Processing of Initial Notices and Competent Persons data and maintenance of statutory registers. Provision of Fire Safety Advice and Fire Risk Assessments to both internal and external customers and control of Access for All to the built environment.

Street Naming and Numbering/ LLPG - Provision of Street Names and property numbers in accordance with DEC Rules and BS7666. Maintenance of the corporate register of compliant property address data.

Land Charges - The Local Land Charges Team maintain the register of local land charges and provide them to persons upon request. The service also provides the CON29 and LLCI search response to customers.

DETAILED SERVICES INCLUDED

PLACE AND INVESTMENT

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**JOINT SUMMARY SERVICE BLOCK:
Economy Directorate**



ADUR & WORTHING
COUNCILS

SERVICE	ESTIMATE 2018/2019 £	ESTIMATE 2019/2020 £
DIRECTOR FOR ECONOMY		
Director of Economy Office	168,220	174,910
Directorate Vacancy Provision	(92,710)	(92,710)
	75,510	82,200
Head of Planning & Development		
Head of Planning & Development	98,860	96,640
Planning Policy	312,940	318,340
Development Control	1,015,770	1,153,930
Building Control	496,600	506,660
LLPG	23,350	22,880
Land Charges	108,440	107,180
	2,055,960	2,205,630
Head of Major Projects & Investment		
Estates	356,480	363,620
Major Projects	349,080	315,620
	705,560	679,240
Head of Place & Economy		
Head of Place & Economy	93,900	70,680
Economic Development	384,130	428,950
	478,030	499,630
Head of Culture		
Head of Culture	103,080	108,970
	103,080	108,970
TOTAL for ECONOMY	3,418,140	3,575,670

**JOINT VARIATIONS SERVICE BLOCK:
Economy Directorate**



ADUR & WORTHING
COUNCILS

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	3,418,140
CHANGES TO BASE	
Virements between Directorates	(17,340)
INFLATION	
including Increments, Pension contribution increases	103,480
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Agreed Savings	
Reduction in salary costs following restructure of team	(21,040)
Increased income from filming	(1,500)
Committed Growth	
Impact of creation of Lead Project Officer	7,640
Bids for Investment in Services	
Additional Senior Planning Officer	49,000
Additional Estates Officer	36,750
BUDGET TRANSFERS	
Changes in allocation of recharge from other services	540
Other minor transfers	
APPROVED ESTIMATE 2019/2020	3,575,670

JOINT SUBJECTIVE ANALYSIS:

Economy Directorate



ADUR & WORTHING
COUNCILS

SERVICE / ACTIVITY	Staff FTE		Employees	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Direct Recharges	Support	Capital Charges	TOTAL BUDGET
			£	£	£	£	£	£	£	£	£	£	£
DIRECTOR OF ECONOMY													
Director of Economy Office	2		80,240	0	510	1,450	0	0	82,200	0	0	0	82,200
Head of Planning & Development	1		95,770	0	110	760	0	0	96,640	0	0	0	96,640
Head of Planning & Development Planning Policy	6		382,500	0	1,770	3,020	0	(68,950)	318,340	0	0	0	318,340
Development Control	24		1,088,590	0	2,930	62,410	0	0	1,153,930	0	0	0	1,153,930
Building Control	10		485,730	3,020	5,910	48,000	0	(36,000)	506,660	0	0	0	506,660
LLPG	1		50,350	0	30	16,430	0	(43,930)	22,880	0	0	0	22,880
Land Charges	3		103,720	0	0	3,460	0	0	107,180	0	0	0	107,180
Head of Major Projects & Investment													
Estates	6		359,200	0	1,530	2,890	0	0	363,620	0	0	0	363,620
Major Projects	4		268,480	0	1,050	81,790	0	(35,700)	315,620	0	0	0	315,620
Head of Place & Economy													
Head of Place & Economy	1		70,680	0	0	0	0	0	70,680	0	0	0	70,680
Economic Development	11		405,060	0	950	36,380	0	(13,440)	428,950	0	0	0	428,950
Head of Culture													
Head of Culture	1		108,060	0	910	0	0	0	108,970	0	0	0	108,970
TOTAL COST	74		3,498,380	3,020	15,700	256,590	0	(198,020)	3,575,670	0	0	0	3,575,670
Percentage Direct Cost			93%	0%	0%	7%	0%						

**ADUR SUMMARY SERVICE BLOCK:
Economy Directorate**



ADUR DISTRICT
COUNCIL

SERVICE	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	203,750	352,770
Development Control	657,080	660,130
Building Control	166,550	202,660
Land Charges	(14,210)	(20,070)
	1,013,170	1,195,490
Major Projects & Investment		
Major Projects	-	-
Estates	(817,060)	(1,958,380)
	(817,060)	(1,958,380)
Place & Economy		
Economic Development	380,050	403,510
TOTAL for ECONOMY	576,160	(359,380)

**ADUR VARIATIONS SERVICE BLOCK:
Economy Directorate**

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2019/2020	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	576,160
CHANGES TO BASE	
Virements - Commercial Property rents	(565,790)
INFLATION	(11,910)
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Reduction in building control income	45,000
Bids for Investment in Services	-
Additional Senior Planning Officer	19,600
Agreed Savings	
Predicted additional income on commercial property	(200,000)
Increase in pre-application fees	(10,000)
Increased income from farmers markets	(20,000)
Increased advertising income from bus shelters	(10,000)
Increased fire safety income	(2,640)
Additional Income	
Impact of Capital Programme	
Changes in allocation of recharge from other services	(407,390)
Asset Hire/Impairment	227,590
Other minor transfers	-
APPROVED ESTIMATE 2019/2020	(359,380)

ADUR SUBJECTIVE ANALYSIS: Economy Directorate



ADUR DISTRICT
COUNCIL

SERVICE / ACTIVITY	Employees £	Direct Recharges £	Premises £	Transport £	Supplies & Services £	Third Party £	Income £	Service Controlled Budget £	Support £	Transfer to/from Reserves	Capital Charges £	TOTAL BUDGET £
DIRECTOR FOR ECONOMY												
Head of Growth												
Regeneration	0	0	0	0	0	0	0	0	0	0	0	0
Planning Policy	138,340	6,140	0	0	17,790	0	(143,100)	19,170	333,600	0	0	352,770
Development Control	0	439,470	0	0	8,620	5,380	(261,850)	191,620	468,510	0	0	660,130
Building Control	0	235,570	0	0	0	0	(179,040)	56,530	146,130	0	0	202,660
Land Charges	0	33,230	0	0	20,200	0	(103,220)	(49,790)	29,720	0	0	(20,070)
Head of Major Projects & Investment												
Major Projects	0	0	0	0	0	0	0	0	0	0	0	0
Estates	0	15,360	148,720	0	15,240	0	(2,359,330)	(2,180,010)	108,580	0	113,050	(1,958,380)
Head of Place & Economy												
Economic Development	0	122,600	0	660	96,360	0	(70,910)	148,710	140,260	0	114,540	403,510
TOTAL COST	138,340	852,370	148,720	660	158,210	5,380	(3,117,450)	(1,813,770)	1,226,800	0	227,590	(359,380)
Percentage Direct Cost	11%	65%	11%	0%	12%	1%						

**WORTHING SUMMARY SERVICE BLOCK:
Economy Directorate**



WORTHING BOROUGH
COUNCIL

SERVICE	ESTIMATE	ESTIMATE
	2018/2019	2019/2020
	£	£
DIRECTOR FOR ECONOMY		
Growth		
Planning Policy	463,780	482,070
Development Control	876,140	859,870
Building Control	128,030	171,700
Land Charges	8,970	6,580
	1,476,920	1,520,220
Major Projects & Investments		
Major Projects	71,750	53,750
Estates	(1,323,320)	(2,205,950)
	(1,251,570)	(2,152,200)
Placce & Economy		
Economic Development	579,580	584,450
Culture		
Theatres	1,520,830	1,625,730
Museums	419,300	421,660
	1,940,130	2,047,390
TOTAL for ECONOMY	2,745,060	1,999,860

DETAILS OF CHANGES SINCE THE ORIGINAL BUDGET 2018/2019	ESTIMATE 2019/2020
	£
ORIGINAL ESTIMATE 2018/2019	2,745,060
CHANGES TO BASE	
Virements	(637,900)
INFLATION	
including Increments, Pension contribution increases	12,160
APPROVED VARIATIONS REPORTED TO JOINT COMMITTEE	
Committed Growth	
Building Control income shortfall	55,000
Reprocurement of theatres and culture	100,000
Agreed Savings	
Reduction in operational costs	(18,000)
Additional Theatres Income	(12,000)
Strategic Property Investment Fund	(205,000)
Increase in pre-application fees	(15,000)
Net fire safety income	(5,360)
Bids for Investment in Services	
Additional Senior Planning Officer	29,400
Changes in allocation of recharge from other services	(598,170)
Asset Hire/Impairmnt	549,670
APPROVED ESTIMATE 2019/2020	1,999,860

WORTHING SUBJECTIVE ANALYSIS: Economy Directorate

SERVICE / CTIVITY	Staff FTE	Employees	Direct Recharges	Premises	Transport	Supplies & Services	Third Party	Income	Service Controlled Budget	Support	Capital Charges	TOTAL BUDGET
		£	£	£	£	£	£	£	£	£	£	£
DIRECTOR FOR ECONOMY												
Head of Growth												
Planning Policy	3	78,480	7,370	0	0	19,790	0	0	105,640	376,430	0	482,070
Development Control	0	0	670,280	0	0	50,190	5,380	(495,070)	230,780	623,190	5,900	859,870
Building Control		0	288,560	0	0	4,020	0	(337,670)	(45,090)	216,790	0	171,700
Land Charges		0	85,030	0	0	46,710	0	(184,040)	(52,300)	58,880	0	6,580
Head of Major Projects & Investments												
Major Projects	0	0	0	0	0	53,750	0	0	53,750	0	0	53,750
Estates	0	0	0	425,240	0	27,340	0	(2,853,410)	(2,400,830)	42,490	152,390	(2,205,950)
Head of Place & Economy												
Economic Development	0	0	227,700	8,810	0	134,270	0	0	370,780	191,240	22,430	584,450
Head of Culture												
Theatres	54	1,781,780	85,420	460,040	10,740	2,211,650	0	(3,611,930)	937,700	376,290	311,740	1,625,730
Museums	8	181,300	27,240	102,020	1,080	44,120	0	(67,520)	288,240	76,210	57,210	421,660
	65											
Percentage Direct Cost		29%	20%	14%	0%	37%	0%	(7,549,640)	(511,330)	1,961,520	549,670	1,999,860



ADUR & WORTHING
COUNCILS

Capital Investment Programme

Includes

Capital Appraisal Report
Joint Investment Programme
Adur Investment Programme
Worthing Investment Programme

CAPITAL PROGRAMME 2018/19

Three Year Capital Investment Programme

The main purpose of the both Council's Capital Investment Programmes is to provide assets for the provision of services and to deliver both Council's Corporate Priorities. They are prepared by considering resources available and then prioritising capital schemes in line with Corporate Objectives and other criteria.

Definition of Capital

Expenditure included in the Capital Investment Programmes is for the construction purchase, enhancement or replacement of a component of one the following:

- Property, plant and equipment: assets with physical substance (tangible assets) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one year.
- Infrastructure: inalienable assets, expenditure on which is only recoverable by continued use of the asset created, examples include footways, cycleways, coast protection works and street furniture.
- Investment Property: property held to earn rentals or for capital appreciation.
- Intangible Assets: assets which lack physical substance but which are identifiable and can be separated and sold, examples include computer software.

In addition the following criteria must also be met:

- It is probable that the future economic benefits or service potential associated with the expenditure will flow to the authority. The authority does not have to own the item, but it must be more than likely that it has gained the rights to generate cash from the asset or to use it in the provision of services.
- The cost of the item can be measured reliably; costs must be identifiable and not an integral of some wider expense.



Investing for the future: Capital Programme 2019/20 to 2021/22

Report by the Director for Digital & Resources

Executive Summary

I. Purpose

- I.1 Last year the members approved a two year capital programme for the first time with the aim of improving how the capital programme was delivered and managed. The report recommends the schemes for inclusion in the overall Capital Investment Programmes for 2020/21 and 2021/22 and changes to the approved 2019/20 Capital Investment Programme for Adur District Council, Worthing Borough Council and the Joint Strategic Committee.
- I.2 The report informs the Joint Strategic Committee of the resources available for future capital investment, and updates Members about the financing of the proposed 2020/21 and 2021/22 programmes.
- I.3 The following appendices have been attached to the report:
 - i) Appendix 1 The approved joint prioritisation system;
 - ii) Appendix 2 The Adur District Council proposed changes to the 2019/20 Capital Investment Programme and proposed 2020/21 and 2021/22 Capital Investment Programmes of new General Fund schemes which is recommended for approval;
 - iii) Appendix 3 The Worthing Borough Council proposed changes to the 2019/20 Capital Investment Programme and proposed 2020/21 and 2021/22 Capital Investment Programmes of new General Fund schemes, which is recommended for approval;
 - iv) Appendix 4 The Joint Strategic Committee proposed programme of new

Adur District Council and Worthing Borough Council partnership schemes, which is recommended for approval;

- v) Appendix 5 The approved Adur District Council Adur Homes Housing Renovation Programme 2019/20 - 2021/22;
- vi) Appendix 6 Amendments and additions to the Adur District Council reserve List.
- vii) Appendix 7 Amendments and additions to the Worthing Borough Council reserve List.

2. Recommendations

2.1 The Joint Strategic Committee is recommended to:

- a) Consider the General Fund Capital Investment Programmes for 2020/21 and 2021/22 and confirm the schemes to be included as detailed in Appendix 2, 3 and 4;
- b) Agree the addition of the cost of the refurbishment of the High Street Multi-Storey Car Park to the Worthing Borough Council General Fund Capital Investment Programme for 2020/21 as reported to JSC 6.11.18 and detailed Section 4.1.d);
- c) Agree the changes to the General Fund Capital Investment Programme for 2019/20 as detailed in Appendix 2 and 3;
- d) Agree the amendments and additions to the reserve lists as detailed in Appendices 6 and 7;
- e) Recommend the 2020/21 and 2021/22 Programmes for approval by the respective Councils on the 13th December 2018 (Adur) and 11th December 2018 (Worthing).
- f) Recommend to Council that the budget for 2019/20 for the Strategic Property Investment Fund can be bought forward with the approval of the Executive member of Resources.

Context

3.1 The Adur and Worthing Capital Strategy 2019-2022 was updated and agreed by the Joint Strategic Committee (JSC) on 10th July, 2018. The financial impact of the proposed Capital Investment Programme was set out in the outline forecast included in the “Achieving financial Sustainability - Budget Strategy for 2019/20 and beyond” report and was agreed by JSC at the same meeting.

3.2 The Capital and Budget Strategies set out the following:

- (a) A maximum level of funding available per year for the next 5 years to fund new General Fund schemes:

Adur District Council	£1.0m (plus £5.2m in 2019/20 increasing to £5.5m in 2020/21 for the Housing Investment Programme)
Worthing Borough Council:	£2.5m

- (b) The Budget Strategy highlighted concerns about affordability in the medium term. Members of both Councils were made aware that the number, age and condition of both Councils’ assets continue to be a cause for concern. The funding of the programmes is to be comprised of prudential borrowing, capital grants, revenue/ reserve funding and capital receipts.
- (c) Additional capital expenditure will only be agreed where additional funding from capital grants, contributions, earmarked receipts, approved additional prudential borrowing or use of reserves has been secured.

3.3 The Capital Strategy agreed in July 2018 confirmed the approach to setting the capital investment programme. The programme is now set on a two year basis to enable better programming of schemes and to ensure cost effective procurement is undertaken. The strategy confirmed the following resource allocations:

- £650,000 set aside for partnership schemes principally to fund the planned vehicle replacements.
- £150,000 for essential IT replacement .

- £225,000 to be set aside for essential capital maintenance schemes.
- £225,000 set aside for the delivery of the digital strategy.
- The Strategic Property Investment Fund to remain at £25m for each Council per year to support the delivery of the Budget Strategy capped at an overall investment amount of £75 m per Council

3.4 As the July 2018 Capital Strategy explained, the top slicing of the capital programmes in each year to ensure funding for key strategic issues such as ICT and the other partnership programmes will mean that, of the overall resources available in 2020/21, only the following resources will remain for other schemes:

Adur District Council: £489,000

Worthing Borough Council: £1,761,000

4.0 Strategic Issues Affecting The Development Of The Programme:

4.1 The following paragraphs are an update on the key strategic issues which affect the development of the capital programme:

(a) **Corporate Condition Surveys**

These condition surveys have been externally commissioned. This important piece of work will be used to inform the development of the capital programme in the future

(b) **Adur and Worthing Affordable Housing**

The need for a budget provision:

The Councils have a duty to assess and deal with housing need. They have a Core Strategy requiring affordable provisions on housing developments. Both Council currently have resources that could be utilised for this purpose:

- i) Adur District Council has £409,000 of S106 receipts and can also use Right to Buy receipts that have been set-aside for the replacement of affordable homes under the agreement with the Department of Communities and Local Government.
- ii) Worthing currently has £4.7m capital receipts set aside as a result of Right to Buy clawback from Worthing Homes and from time to time there are ring

fenced S106 receipts for both Councils from developers in lieu of providing affordable housing on site of which £1.2m remain currently unallocated.

These are useful sources of funding to top-up schemes part funded from elsewhere, in order to ensure that schemes actually happen and get people off the Housing Register. The use of the Council's own assets to enable affordable housing development is becoming increasingly important as the more traditional funding sources, such as the Homes and Communities Agency (HCA) now known as Homes England decreases. The Housing Strategy targets 50 new affordable homes per annum.

The Councils continue to work closely with our Registered Provider (RP) partners to find and part fund sites where there is a compelling case. It is important to sustain an ongoing budget to enable the Council to input where appropriate when a site becomes available.

In theory the more affordable homes that are available, the less pressure there would be on the authority to source and pay for temporary accommodation. Though the direct effect on these budgets is relatively small, increased availability of affordable housing will reduce the length of time households stay on the housing register bidding for suitable homes as the Councils have nomination rights to the properties and at subsequent relets

Homes England contributions to housing developments:

The £2.8 billion Affordable Homes Programme (AHP) 2015-18 functions in a similar way to the current 2011-15 programme which saw a significantly reduced budget from previous programmes. Registered Providers who register with the programme will be expected to relet an increasing number of current properties at the "affordable rent" level, which is up to 80% of open market rents. This is aimed at ensuring that Registered Providers (RPs) can use the increased rental stream to borrow more and thus save capital grant funding. Grant levels under the upcoming AHP programme are expected to be circa £20-25,000 per rented unit, which is similar to the previous programme.

In November 2018, Homes England published its strategic plan 'Making Homes Happen' for 2018/19-2022/23 which includes the statement 'Ultimately, we need to disrupt the housing market'. Clearly there is ambition to support the delivery of

more affordable housing and as such the strategy covers a range of areas including:

- Supporting the affordable housing market
- Providing investment products
- Unblocking and enabling land
- Delivering home ownership products
- Supporting modern methods of construction
- Addressing barriers for smaller builders and
- Providing expert support to priority locations

The Councils have a positive relationship with our Homes England who are committed to supporting our ambition to increase the supply of affordable homes in Adur and Worthing.

(c) **Adur Homes Investment Programme**

The condition surveys of the housing stock have revealed that the Councils need to invest over £33m in the next 5 years. The programme approved recently by JSC addresses the most immediate of the issues identified in 2017/18 and 2018/19, further work is underway to develop the capital works programme for the following three years.

However, the amount that can be invested in the housing stock is constrained by the affordability to the Housing Revenue Account due to the impact of rent limitation. Rents are due to fall by 1% per year in 2019/20 which reduces income to the Housing Revenue Account by some £500,000 per year.

(d) **Worthing Borough Council – Multi Storey Car Parks (MSCPs)**

As part of the Worthing's economic regeneration programme, there continue to be changes to parking infrastructure in the short to medium term. In relation to council owned car parks these include:

- Demolition of Teville Gate MSCP (344 spaces/ currently reduced to 114 spaces by partial closure) which will be replaced with a smaller surface car park later this year.
- The redevelopment of Grafton MSCP (450 spaces) with an indicative time-

scale of 3 to 5 years. Additional parking spaces will be provided elsewhere in the Town Centre.

- Retention and refurbishment of Buckingham Road (288 spaces) and High Street (644 spaces) car parks.

The condition surveys have confirmed some long term concerns with regards to the condition of the structures of the MSCPs. The programme of works recommended for 2017/18 and beyond was designed to address immediate maintenance issues. Members considered the draft maintenance programme at the Joint Strategic Committee on 4th April 2017. More recently, a strategic report regarding the future of the car parks was considered as the Joint Strategic Committee on the 6th November 2018 which informs the future refurbishment programme at Buckingham Road and High Street MSCPs.

Below is the indicative programme for the first four years of the programme:

	2017/18	2018/19	2019/20	2020/21	Total
	£	£	£	£	£
Structural Works	135,558	1,600,000	200,000		1,935,558
CCTV	42,725				42,725
Lift Refurbishment		62,000	100,000		162,000
Total for Grafton MSCP	178,282	1,662,000	300,000		2,140,282
Structural Works/Lifts	184,216	50,400	126,560		
LED Lighting	77,069				
Refurbishment	42,725		1,533,000		
Total for Buckingham MSCP	304,010	50,400	1,538,530		1,892,940
Structural Works	42,897	50,400	134,400		
LED Lighting	110,480				
CCTV	42,725				
Refurbishment				3,507,270	
Total for High Street MSCP	196,102	50,400	134,400	3,507,270	3,888,172
OVERALL TOTAL	678,394	1,762,800	1,972,930	3,507,270	7,921,394

The majority of the maintenance investment is allocated to concrete repairs in Grafton MSCP to keep it operational for the next 5 - 7 years. These works were identified from the recent condition surveys. The remaining funding has been used for lift replacements at Buckingham Road, replacement of CCTV, application of protective coatings and some aesthetic improvements to stairwells and the entrance lobbies mainly at Buckingham Road and High Street.

- * A full refurbishment programme for Buckingham Road and High Street car parks is planned for the next two years. Improvements will include deck coatings, way finding, cladding at High Street, new edge barriers, and replacement lifts at High Street car park. The report to the Joint Strategic Committee 6th November provided full details of these works and recommended the refurbishment of Buckingham Road MSCP at a cost of £1,533,000. It is now recommended that the refurbishment works at the High Street MSCP are included in the 2020/21 Capital Investment programme funded by borrowing. The outline budget for 2020/21 has been amended to reflect the cost of this additional borrowing.

However to put this level of investment into some context, all of the main car parks generate significant annual profit which justifies the level of spend currently being incurred:

Net annual income	2018/19 budget
	£'000
Grafton MSCP	468
Buckingham MSCP	217
High Street MSCP	681
Total net income	1,366

(f) Public conveniences

The Capital Investment Programme generally includes a provision to fund minor refurbishment of the public conveniences in Adur and Worthing. The programme recommended for approval includes the following sums:

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Adur	50	50	50 (tbc)
Worthing	200	100	100

The condition of the public toilets is kept under review through regular inspections by our own Cleansing section who monitor the standards of cleaning currently carried out by an external cleaning contractor (this service is soon to be bought in house), and the Technical Service team who will deal with any responsive repairs or vandalism issues.

The corporate condition survey work currently being undertaken will include the public conveniences. This will help us to prioritise future capital and revenue expenditure. Until we have this information (anticipated in late in 2018), Technical Services have identified a priority list of sites across Adur and Worthing using local knowledge. This list has been discussed with each Executive Member.

The following list indicates the budget required to bring the facilities up to a good standard. This list has been prepared in the absence of detailed condition surveys and gives the Councils a three year programme of works for refurbishing our public toilets matched to the proposed capital improvement budgets.

Adur Toilets	Year	Proposed Budget
		£'000
Fort Haven, Shoreham by Sea	2018/19	30
Widewater, West Beach Road, Lancing	2018/19	25
Southwick Square, Southwick Street, Southwick	2019/20	50
Beach Green Shoreham, Shoreham by Sea	2020/21	80

Worthing Toilets	Year	Proposed Budget
		£'000
High Street MSCP, High Street, Worthing	2018/19	100
Pier (Parade Access), Worthing	2019/20	50
Lido, Marine Parade, Worthing	2019/20	30
Brooklands, Western Road, Worthing	2020/21	40
Sea Lane Cafe Car Park, Goring, Worthing	2020/21	25
Marine Gardens, Worthing	2020/21	30

(g) **Playgrounds**

For both Councils, there is a play area prioritisation list in place which details the order in which each Council's play areas are selected to be put forward for refurbishment. The criteria used to determine the order in which the play areas are refurbished was scrutinised at the Joint Overview and Scrutiny Committee (JOSC) in July 2017, with no recommendations or alterations to the process suggested.

The recommended programme for playground improvements for the next 3 financial years is as follows:

2019/20

Adur: Middle Road Recreation Ground Play Area (£100.8k)

Worthing: Palatine Park Play Area (£118.1k)

2020/21

Adur: Sompting Recreation Ground Play Area (£100.8k)

Worthing: i) Brooklands Pleasure Park Play Area (£140k)
ii) Replacement of rubber safety surfacing across various sites (£60k)

2021/22

Adur: Southwick Recreation Ground Play Area (£100.8k)

Worthing: Durrington Recreation Ground (£100.8k)

5.0 Resources

5.1 There are two influences on the overall size of the capital programmes, namely:

- (i) the level of available capital resources to fund the programmes;
- (ii) the extent to which the revenue consequences of the programmes in terms of the cost of borrowing, lost investment income and any associated running costs can be accommodated within the revenue budget.

5.2 The financial position for both Councils remains challenging over the next five years. The need to invest in existing assets, as well as provide for partnership working and new

initiatives, means that both Councils will need to sustain relatively modest programmes as outlined in paragraph 3.2 for the foreseeable future. However, the Worthing programme in particular, is under pressure. The need to increase the level of investment has to be balanced against the difficult financial position of the Councils.

- 5.3 There is little change in the method of financing the programmes planned over the next 3 years. In addition, both Councils have approved a 'Strategic Property Investment Fund' which is an invest-to-save provision and specific investments which meet the criteria will be funded through prudential borrowing.
- 5.4 Both proposed programmes assume a phased use of the available prudential borrowing, capital receipts, reserves and the Major Repairs Reserve for Adur Homes which is generated from the depreciation set aside on an annual basis. These are discussed in more detail below:

5.5 Usable Capital Receipts derived from the sale of assets

5.5.1 Usable capital receipts are generated through the sale of Council owned assets. Both Councils are actively looking for opportunities to increase the available receipts as follows:

i) Adur District Council

In the past, the main source of capital receipts for Adur District Council has come from council housing sales which are used to support the HRA Investment Programmes. However the potential sale of Adur Civic Centre could lead to a substantial capital receipt, the use of which will be determined by Members.

Adur has signed up to the DCLG agreement allowing 100% of Right to Buy (RTB) receipts to be retained to finance new affordable homes within the Adur area. However, the receipt can only provide 30% of the cost of any new build which means that the remaining 70% has to be financed from other sources including borrowing. A condition of being able to retain capital receipts arising from RTB sales was that they must be spent within a 3 year time limit. Receipts have to be returned after 3 years if we cannot allocate the receipts to any new homes. Properties may be built by Adur Homes or another Registered Provider.

Other Housing Revenue Account property or land sales fall outside the requirements of RTB receipts and may be retained by Adur provided it is spent on affordable housing, regeneration or the paying off of Housing Revenue Account debt.

ii) Worthing Borough Council

Worthing Borough Council has used receipts generated from the sale of specific sites (Aquarena and Eirene Road) to pay down debt following the £9.6m borrowing undertaken to finance the ‘Splashpoint’ swimming pool including the receipt recently received from the sale of the Aquarena site. Other general receipts are used to fund the capital investment programme.

Worthing Borough Council also has the right to a proportion of the receipts generated from the sales of homes by Worthing Homes. These receipts have been set aside to fund the delivery of affordable housing

5.5.2 Whilst, the revenue implication of using any capital receipts is by no means as much as those incurred by borrowing, this is by no means a ‘free’ source of

	Year 1 £	Year 2 £
Interest at say 0.5%	2,500	5,000

funding. The annual revenue costs of using £1m of capital receipts are as follows:-

In the past capital receipts have been a major source of funding for both Councils’ capital programmes. Members will be aware that the Councils now have only limited access to capital receipts as:

- a) Neither Council owns large tracts of land that can be easily disposed of when capital receipts are needed. Indeed, any such tracts of land may afford the Council will the opportunity to either directly or indirectly improve the supply of affordable housing. There are some disposals which are currently taking place and which could be made available in time, but these are unlikely to meet all the investment needs of either Council in the immediate future;
- b) There are very few other options for future disposals of operational assets, owned by either council, without service provision implications;

- c) Any benefits that might accrue from the sale of non-operational assets, such as the commercial properties, will be largely negated by the loss of significant rental and lease income. Consequently, the disposal of such assets can only be undertaken when there is a clear business case to justify such an action;

5.5.3 In addition, due to the pressure on the reserves, some of the receipts generated in the period 2016 - 2019 have been set aside to fund the costs associated with delivering the savings necessary to balance the revenue budget. Whilst no funding is due to be released for 2019/20, given the financial challenges ahead it will be prudent to keep some receipts aside for future costs.

5.5.4 In light of the budget strategy and the limitations on generating additional capital receipts, the estimated balance of capital receipts to fund the 2020/21 and 2021/22 Capital Investment Programmes will be:

Adur District Council

Adur District Council		Balance at 1st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31st March £'000
2020/21	General Ring-fenced	-	-	-	-
	HRA	745	800	(1039)	506
	General Fund	219	16	(57)	178
	Total	964	816	(1,096)	684
2021/22	General Ring-fenced	-	-	-	-
	HRA	506	800	(458)	848
	General Fund	178	16	(6)	188
	Total	684	816	(464)	1,036

Worthing Borough Council

Worthing Borough Council		Balance at 1st April £'000	* Receipts Generated £'000	Planned Use £'000	Balance at 31st March £'000
2020/21	General	-	-	-	-
	Ring-fenced	4,384	212	(1,432)	3,164
	Total	4,384	212	(1,432)	3,164
2021/22	General	-	-	-	-
	Ring-fenced	3,164	212	(1,002)	2,374
	Total	3,164	212	(1,002)	2,374

The lack of capital receipts as a source of funding is a problem for both Councils. It is inevitable that both Councils will need to borrow to sustain their respective capital programmes with inevitable higher revenue consequences as a result.

5.6 Prudential Borrowing

5.6.1 For the General Fund, the Prudential Code generally gives an unlimited ability to borrow, provided it is 'affordable, sustainable and prudent'. In practical terms the amount of the borrowing is inhibited by the impact of the associated revenue consequences on the revenue budget and on council tax.

5.6.2 Historically, the position for Adur's Housing Revenue Account was different. Since April 2012, any future borrowing for capital investment in the housing stock, would only be allowable subject to repaying existing debt and creating headroom between actual debt and the borrowing limit of £68.9 million. Recently, the debt cap on the HRA has been removed and so the limitation on any future borrowing will be the affordability of the revenue consequences of the borrowing.

5.6.3 Whilst, the HRA has the option to make a voluntary revenue provision (VRP) for the repayment of debt, at the moment this option is not being exercised due to the financial position of the HRA. This will be reassessed once the current government policy on rent levels of a 1% annual reduction comes to an end. The

repayment of debt can also be funded from the depreciation which is set aside into the Major Repairs Reserve (see 5.7.1 below).

5.6.4 The annual revenue costs of each additional £1m of Prudential Code borrowing are estimated to be as follows:-

	Year 1 £	Year 2 £
Principal repayment based on the annuity method *	0	53,770
Interest at say 3%	15,000	30,000
Total costs	15,000	83,770

* Both Councils have a policy of repaying any debt over the life of the asset acquired. On average the assets funded will have a life of 15 years which is equivalent to a 7% revenue provision each year.

MRP = Minimum Revenue Provision - the amount of 'capital' that has to be repaid each year, notionally this is the amount set aside to repay debts which have accumulated to finance schemes.

5.7 Adur Housing Revenue Account - Major Repairs Reserve contribution

5.7.1 The Council is allowed to set-aside amounts into a Major Repairs Reserve, equivalent to at least the annual depreciation charge for the housing stock made to the Housing Revenue Account. This can be used to fund the repayment of debt or to finance capital expenditure. The major repairs allowance calculation for 2018/19 is initially estimated at £3.8m which will be used to finance the capital programme.

5.7.2 New capital expenditure on housing will be financed from direct revenue contributions, capital receipts, the Major Repairs Reserve or from Prudential Borrowing (if overall borrowing is less than the 'borrowing limit' of £68.9 million). Any new borrowing will require amounts to be set aside from the Major Repairs Reserve for repayment of debt.

5.8 Revenue Contributions and Reserves

5.8.1 Worthing Borough Council has a specific capital reserve set aside to fund the capital improvements at the Crematorium. The Crematorium makes an annual contribution to the reserve from the additional income generated by the agreed

improvements.

5.8.2 The HRA has set up a 'New Acquisition and Development' reserve specifically to fund initiatives to increase the supply of affordable housing.

5.9 Capital Grants and other external funding

5.9.1 The following capital grants and other contributions are expected and have been taken into account within the overall resources for the 2020/21 capital programmes:

Adur District Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	350,000

Worthing Borough Council External Funding

	£
Disabled Facilities Grant (Better Care Fund)	750,000
S106 Receipts	20,000
Theatres Restoration Levy	60,400

5.9.2 Disabled Facilities grants are mandatory and each Council has to approve all eligible grants. All approvals are for 12 months and works can be undertaken at any time in this period. Any unspent grant can be carried forward to future years to fund outstanding grant commitments at 31st March.

6.0 DRAFT PROGRAMMES

General Fund Programme

6.1 The 2020/21 and 2021/22 draft General Fund programmes are attached at Appendix 2 and 3 and include the proposed changes to the 2019/20 programme. The indicative programmes have been prepared on the basis of the agreed guidelines and the estimated resources. Each scheme has been scored using the priority scoring system devised under the Capital Strategy, producing a balanced programme in accordance with the overall available funding. At this stage, the schemes recommended for inclusion 2021/22 are indicative only and will be reassessed next year.

6.2 Members are asked to consider the proposed programmes. Members can remove schemes if they consider that they should not be supported at this time or add schemes which merit support provided that the overall programme remains affordable. Additional information is provided below on the proposed invest to save schemes and other issues which members should be aware of when considering the overall programme.

6.3 Invest to save schemes

The Councils will consider 'invest to save' capital proposals which produce revenue savings that exceed the cost of borrowing by at least 10% over the life of the investment.

(i) Empty Properties

Historically, this scheme has been funded from New Homes Bonus. However this will cease to be paid to the Councils from 2020/21 and is due to be fundamentally reformed. Consequently, this scheme will be funded in future from the repayment of empty property grants and loans. The effectiveness of the scheme is reviewed annually.

The Councils continue to build on the working relationship with the nominated private sector letting agent that we are currently in partnership with to manage our guaranteed rent scheme. We have already achieved one of our objectives by developing a Guaranteed Rent Scheme with Northwood's letting agent. This is proving successful with 23 properties to date being referred to them and the housing options team receiving the nomination rights. There has been a growing number of empty home owners interested in the schemes and new approaches continue to be sought to promote the funding to Empty Property owners. Increasing the supply of private sector rental properties available at Local Housing Allowance levels remains a key objective.

Close working with our Legal Team to develop and finalise the Enforced Sales Procedure is nearing fruition which will allow us to proceed with the sale of three long term empty properties, we anticipate using this procedure on further properties in the future.

A number of projects are currently underway with the YMCA, who still have HCA

grant funding. The councils funding from the Empty Property Assistance Programme will see an empty run down property of over three years being renovated and brought back into occupancy as a four bed HMO nomination rights to this property will be awarded to the council for the next five years.

The Councils will continue to focus on achieving the objectives set out in the Empty Property Strategy and working with partners in the charitable sector as well as individual empty property owners to increase the supply of affordable housing as these properties are let at social rents.

The success of this initiative will be monitored.

(ii) Strategic Property Investment Fund

Both Councils have committed to investing in Commercial Property to produce a long term sustainable income for the Council. The investment in such property is governed by the Annual Investment Strategy - Commercial Property which was approved by the Joint Strategic Committee on the 10th July 2018

To enable this objective to be met, as part of the Capital Strategy, each Council has set aside funding for a Strategic Property Investment Fund. Each investment should generate income which exceeds the potential borrowing costs associated with the purchase or development of the new property

Whilst under the constitution the Head of Major Projects has the delegated authority to purchase property provided that a budget exists; given the nature of these investments, each individual purchase or development is the subject of a business case which is approved by the relevant Leader and Executive Member of Resources.

The amount that can be invested in any given year by each Council is currently capped at £25m with an overall cap in the level of investment at £75m. However there may be instances when property becomes available during the year which meets the investment objectives but which will mean that the cap will be breached in a given year. Consequently it is recommended that the budget from the following year can be bought with the approval of the Executive Member of Resources.

(iii) Temporary accommodation

The cost of temporary and emergency accommodation has been escalating. In response to this, the Councils have each created a budget to purchase temporary accommodation for residents who the Council has a duty to house temporarily. Each proposal is assessed for financial and operational viability before a business case is approved by the Executive Member. Elsewhere on this agenda is a full update report on the progress of the Council's initiatives to improve the supply of affordable housing.

6.4 Schemes currently below programme financial cut-off

6.4.1 This year there are a few schemes which fall below the proposed cut-off for each of the programmes. These are detailed in appendices 2 and 3.

6.5 Adur Housing Investment Programme

6.5.1 The estimated resources available to fund the 2019/20 - 2021/22 HRA Investment Programme are sufficient to fund all the schemes detailed in Appendix 5.

6.5.2 The first priority for the programme is the continued maintenance of Council homes to address issues arising from the condition survey. Members have recently approved the programmes for 2019/20 - 2021/22, which are detailed in Appendix 5.

6.6 Overall

The following assumptions have been used in preparing the draft programmes:

- (a) Maximise use of external funding where possible.
- (b) Continuation of Specific Grant Aided Funding for Mandatory Disabled Facilities Grants.
- (c) The proposed Capital Programme and Reserve Lists include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are included.

6.7 The following tables are a summary of total resources used to fund the new schemes included in the draft programmes for 2020/21 and 2021/22.

Adur District Council

Programme Year	Revenue Con'tributions & Reserves £	Major Repairs Reserve £	Capital Grants and Con'tributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2020/21						
General Fund	491,120	-	350,000	6,000	994,000	1,841,120
HRA	-	3,900,000	-	140,000	1,460,000	5,500,000
Total	491,120	3,900,000	350,000	146,000	2,454,000	7,341,120
2021/22						
General Fund	81,920	-	350,000	6,000	994,000	1,431,920
HRA	-	4,000,000	-	140,000	1,380,000	5,520,000
Total	81,920	4,000,000	350,000	146,000	2,374,000	6,951,920
TOTAL						
General Fund	573,040	-	700,000	12,000	1,988,000	3,273,040
HRA	-	7,900,000	-	280,000	2,840,000	11,020,000
Total	573,040	7,900,000	700,000	292,000	4,828,000	14,293,040

6.8 Members will note that the total planned new spending for 2020/21 and 2021/22 is £14,293,040. The table above indicates how this proposed programme will be financed. However, the Council is applying for external funding from Homes England which would substantially reduce the HRA borrowing included above; the bid is for 20% funding for 2 of the Council's development properties.

6.9 Members are also asked to approve changes to the 2019/20 Capital Investment Programme where urgent investment has been identified. Full details are included in Appendix 2 and are summarised below:

Schemes to be added to 2019/20 Capital Investment Programme	Funding (Council Resources Borrowing or Capital Receipts)
Lancing Manor Main Hall Floor Replacement	£60,000
Wadurs Swimming Pool - Replacement boiler and plant	£90,000
Condition Surveys of Commercial Leased Out Properties	£14,030
Funding Required	£164,030
Schemes not proceeding to be removed from 2019/20 Capital Investment Programme	
Lancing Manor Leisure Centre - External Cladding	(£13,500)
Land Drainage Improvements - Larkfield playing field	(£22,400)
Underspend c/f from 2018/19 (2 refuse and recycling vehicles not now required)	(£128,130)
Funding Available	(£164,030)

Worthing Borough Council

Programme Year	Revenue Contributions & Reserves £	Major Repairs Reserve £	Capital Grants and Contributions £	Usable Capital Receipts £	Borrowing £	TOTAL £
2020/21 General Fund	69,080	770,000	60,400	1,000,000	2,500,000	4,399,480
2021/22 General Fund	69,080	750,000	310,000	1,000,000	2,018,000	4,147,080
Total	138,160	1,520,000	370,400	2,000,000	4,518,000	8,546,560

6.9 Members will note that the total planned new spending for 2020/21 and 2021/22 is £8,546,560. The table above indicates how this proposed programme will be financed.

6.10 Members are also asked to approve changes to the 2019/20 Capital Investment Programme where urgent investment has been identified. Full details are included in Appendix 3 and are summarised below:

Schemes to be added to 2019/20 Capital Investment Programme	Funding (Council Resources Borrowing or Capital Receipts)
Condition Surveys of Commercial Leased Out Properties	£45,000
Installation of new water supply to foreshore splash pad	£22,400
MSCPs - Upgrade of payment machines to include contactless facility barcode readers	£59,250
Pavilion Theatre - Sound proofing between auditorium and cafe / bar. Total cost of scheme £50,200. Funded £15,000 from a business investment, Theatres Restoration Levy £16,000, and Council Resources £19,200.	£19,200
Public Conveniences Refurbishment Programme	£200,000
Additional funding required for the removal of asbestos from the Town Hall roof space	£128,500
Contingency for urgent priority schemes, inflation increases and unavoidable overspends	£70,650
Funding Required	£545,000
Underspend c/f from 2018/19 (2 refuse and recycling vehicles not now required)	(£45,000)
Additional borrowing / capital receipts agreed July 2018	(£500,000)
Funding Available	(£545,000)

7.0 Revenue Implications

7.1 The revenue implications (excluding the revenue impact of financing the Capital Investment Programme) of all the capital projects in the draft programmes are shown in last column of appendices 2 and 3. An assessment of the revenue implications of the planned programme has already been built into the Medium Term Financial Plan. This has already been recognised as a genuine expenditure within the overall revenue budget. There is, of course, no obligation to spend merely because resources are available. In considering the merits of any capital investment proposal, the opportunity cost of using the resources, the revenue cost associated with any borrowing and the interest earnings

foregone by utilising capital receipts and reserves, require full consideration.

7.2 The full year revenue impact of financing the capital programme is shown below:-

Adur District Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	Borrowing £	Capital Receipts £	Borrowing £	Capital Receipts £	
2020/21	99,430	146,700	99,340	146,700	2021/22
2021/22	99,430	138,700	198,860	285,400	2022/23

Worthing Borough Council

Programme Year	Revenue Impact		Cumulative		Full-Year Impact in
	Borrowing £	Capital Receipts £	Borrowing £	Capital Receipts £	
2020/21	99,430	146,700	99,340	146,700	2021/22
2021/22	99,430	138,700	198,860	285,400	2022/23

The above figures, for both councils, do not include any other direct revenue implications, which could be either positive or negative, depending on the particular schemes. The draft programmes show the other ongoing annual running costs of servicing and maintaining the proposed schemes and savings generated from the capital investment.

8.0 Prudential Indicators

8.1 The statutory framework for the Prudential System is set out in Chapter I of the Local Government Act 2003 and in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA

- The Treasury Management Code prepared by CIPFA
- The Statutory Guidance on Local Authority Investments prepared by MHCLG
- The Statutory Guidance on Minimum Revenue Provision prepared by DCLG

8.2 Part of the core process for the Prudential Code is for Members to set Prudential Indicators as detailed in the Prudential Code against which the performance of the Capital Investment Programme and Treasury Management can be measured and monitored throughout the year. These indicators will be calculated once the programme has been fixed and reported to the Executive and Council as part of the Revenue Budget report.

8.3 Members should be aware that the Prudential Code has been revised with the aim of creating more openness and transparency around investment in non-financial instruments. New requirements for reporting include:

- i) Local authorities should formally approve the capital strategy
- ii) The Chief Financial Officer must now formally report on the risks associated with the capital strategy.
- iii) Local authorities will need to disclose the contribution that investments make to the delivery of core activities.
- iv) The key principles of security, liquidity and yield will be extended to all investment activity, including commercial and regeneration investments.
- v) There will be an extended requirement for the local authority to comment on the skills and training of decision makers, be they senior officials, Members or Treasury Management staff.

8.4 In parallel to the changes in the Prudential Code, the Government has issued revised guidance on Minimum Revenue Provision for the 2019/20 financial year. The main changes proposed are that:

- i) Local authorities can still overpay in any specific year, and offset that overpayment against charges in future years, provided the overpayment is disclosed in the MRP Policy with the cumulative amount overpaid.
- ii) Where local authorities use a methodology based on the Useful Life of assets, the maximum Useful Life is 50 years, except in specific circumstances. The Council

already complies with this requirement.

- iii) In respect of investment properties, from 1st April 2019 the provision must be spread over the lifetime of the debt taken on to acquire the property.

9.0 Engagement and Communication

- 9.1 Members were consulted on the capital bids to be included in the draft programmes. Their comments are included in this report. The final recommendations for the capital programmes will be made to Adur District Council on the 13th December, 2018 and Worthing Borough Council on the 11th December, 2018.

10.0 Conclusion

- 10.1 Whilst both Councils have only limited resources with which to fund the capital programme, it has been possible to provide for a modest core programme of £1.0m for Adur District Council, £2.5m for Worthing Borough Council each year and £5.2m for Adur Homes. In addition, Worthing Borough Council has committed to a refurbishment programme for the car parks which has initially been funded through increased income from fees and charges.
- 10.2 Both Councils have insufficient capital resources available to meet all of the identified demands for capital investment for 2020/21 and 2021/22, and therefore some schemes must remain on the respective Reserve List.
- 10.3 The implication of this restriction in capital investment is that some maintenance needs are not currently being met. Both Councils will need to continue to critically review their asset base over the coming years with a view to retaining a sustainable level of assets to support service delivery.
- 10.4 The continuing constraints on the availability of capital resources in the medium to long term and the direct impact on the revenue budget leaves little room for manoeuvre. Work needs to commence now to ensure sufficient resources are available to both Councils to provide adequate funds for financing the respective Capital Investment Programmes from 2019/20 onwards. In any event, the revenue consequences of spending scarce resources must always be borne in mind in judging the merits of any capital investment proposal.

11.0 Financial Implications

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

Finance Officer: Sarah Gobey Date: 19th November 2018

12.0 Legal Implications

12.1 Part 1 of the Local Government Act, 2003 sets out the framework for capital finance and expenditure.

12.2 The Local Government (Capital Finance and Accounting) (England) Regulations 2003 provide more detailed requirements.

12.3 Section 111 of the Local Government Act, 1972 allows the Council to do anything which is intended to facilitate or is conducive to or ancillary to any of its functions.

12.4 The Local Government Act 2003, Sections 16(2)(b) and 20: Treatment of costs as capital expenditure allows Councils to use any capital receipts generated in 2016/17 – 2018/19 to fund revenue expenditure which will generate an on-going saving via a direction from the Secretary of State which was issued on 17th December 2015.

Legal Officer: Date:

Background Papers

CIPFA Prudential Code for Capital Finance in Local Government Capital Estimates 2019/20 – Working papers

Investing for the future - Our Capital Strategy 2019/22 – Report to Joint Strategic Committee on 10th July 2018

Achieving Financial Sustainability - Budget Strategy for 2019/20 and beyond – Report to Joint Strategic Committee on 10th July 2018

2nd Capital Investment Programme and Projects Monitoring 18/19 – Report to Joint Strategic Committee on 6th November 2018

HRA Capital Programme 2017-2019 – Report to Joint Strategic Committee on 12th September 2017

Adur District Council - Housing Revenue Account Capital Programme 2019-2022– Report to Joint Strategic Committee on 9th October 2018

Worthing multi-storey car park improvement programme: approval to commence capital works – Report to Joint Strategic Committee on 4th April 2017

Investing in Worthing Town Centre - Approach to Car Parking Provision – Report to Joint Strategic Committee on 6th November 2018

Improving supply of temporary accommodation - Report to Joint Strategic Committee on 13th September 2016

Commercial Property Investment Strategy - Report to Joint Strategic Committee on 10th July 2018

Contact Officer:

Sarah Gobey

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SUSTAINABILITY AND RISK ASSESSMENT

I. ECONOMIC

Matter considered and no issues identified

2. SOCIAL

2.1 Social Value

Matter considered and no issues identified

2.2 Equality Issues

Individual schemes within the three proposed capital programmes have been subjected to equalities impact assessment. Schemes which have a positive impact on equalities include:

Affordable housing schemes – Schemes are targeted at the most vulnerable;

Disability Discrimination Act - Works to improve accessibility of Council buildings;

Disabled Facilities Grants – Improvements and adaptations to private housing to meet specific needs;

Home Repair Assistance Grants – Grants to enable those in need to stay in their homes;

Resurfacing of hard surfaces – Provides an improved surface for wheelchair users and other people with reduced mobility;

Parks – Replacement of play area and outdoor fitness equipment which is designed to be more accessible and inclusive;

ICT Hardware Replacement Programme – Provision of special keyboards and screens where required;

Empty Property Grants – Increase the supply of affordable housing in the locality.

Public Conveniences – Upgraded and new facilities include DDA improvements and facilities.

There will be no negative equalities and diversity outcomes arising from the proposed programmes.

2. SOCIAL

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

Capital Approval Report

Capital Investment Programme



ADUR & WORTHING
COUNCILS

INDEX OF LEAD OFFICERS	
AA	Akin Akinyebo Head of Housing
AE	Andy Edwards Head of Environmental Services
AN	Andy Northeast Transport Manager
AO	Amanda O'Reilly Head of Culture
AW	Andy Willems Head of Place and Economy
BR	Bruce Reynolds Team Leader, Environmental Health
CC	Cian Cronin Head of Major Projects and Investment
CJ	Chris Jones Planning Policy Officer
DM	Derek Magee Engineering and Surveying Manager
JA	James Appleton Head of Growth
JJ	Jan Jonker Head of Customer and Digital Services
MG	Mike Gilson Head of Communications
PT	Paul Turner Monitoring and Systems Support Team Leader
SG	Sarah Gobey Chief Finance Officer
SS	Steve Spinner Head of Business and Technical Services
TP	Tony Patching Waste Management and Cleansing

1 **Financial Control** - In view of the requirements of the Councils' Financial Regulations concerning the control of capital expenditure, the Capital Investment Programmes have been prepared in order to distinguish between:

- (a) **Committed Schemes** - Schemes which the Councils intend to undertake in the next 2 years.
- (b) **Future Programme** - Schemes which the Council intends to undertake in future years depending on resources available and the Council's Priorities & Strategic Objectives.
- (c) **New Schemes** - These schemes are shown in bold.

2 **Capital Strategy** - The Councils approved the Joint Capital Strategy 2019 - 2022 in July 2018 and the preparation of the 3 year Capital Investment Programmes have been carried out in line with the principles contained in the agreed strategy. The strategy sets out the basis for the prioritisation of bids for schemes to be included in the three-year programmes covering all services, including Housing.

3 **Prioritisation of Schemes** - The programmes have been prepared in light of the scoring mechanism agreed in the Joint Capital Strategy and is used by Officers as a guide to identify the schemes recommended to the Joint Strategic Committee for inclusion in the programmes.

4 **Contingency for Inflation and Fluctuations** - The Housing Programmes, which provide resources to meet the needs identified in the Councils' Housing Strategies, are estimated at outturn prices. Estimates for all other schemes are at November 2018 prices as, for most projects, it is not practical at this stage to forecast the effects of future inflation. In order to ensure that adequate finance is available to meet inflationary increases over the three years, a general contingency has been included in the Executive Member for Resources programme.

5 **VAT** - Adur District Council and Worthing Borough Council have no VAT liability.

6 **Annual Revenue Costs** - The schedules indicate in column (12) the estimated amount of interest foregone in utilising resources, which are currently invested and earning much needed interest to support the General Fund Revenue Budgets, or the cost of using Prudential Borrowing to fund the Capital Investment Programmes. Additional costs (or savings) of servicing and maintaining the proposed schemes are shown in column (13).

7 **Worthing Borough Council and Adur District Council Partnership Schemes** Capital schemes which enhance the partnership between the Worthing and Adur Councils are included in each Executive Member's portfolio and are listed in the partnership scheme schedule.

8 **Capitalised Planned Maintenance Schemes** - The Capital Investment Programmes include a number of the larger planned maintenance schemes. Only schemes which meet the criteria for capital funding are approved.

JOINT:

Capital Investment Programme



ADUR & WORTHING COUNCILS

ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES THREE YEAR CAPITAL INVESTMENT PROGRAMME											
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						
					2018/2019		2019/2020		2020/2021 Draft Estimate £	2021/2022 Future Estimate £	
					Original £	Current £	Original £	Current £			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
PARTNERSHIP SCHEMES											
Cemeteries											
Grave Shoring Equipment	98077	AE	26,760	0	0	26,760	0	0	0	0	0
Replacement of 1 vehicle	98077	AE	28,000	0	0	0	0	0	28,000	0	0
Compliance Service											
Replacement of one vehicle	98068	AN	13,000	0	0	13,000	0	0	0	0	0
Dog Warden Service											
Replacement of one vehicle	98067	AN	25,000	0	0	0	0	25,000	0	0	0
Grounds Maintenance											
Rolling programme of equipment replacements	98066	AE	175,000	0	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Vehicle replacements	98067	AN	590,500	0	132,000	155,500	151,000	151,000	0	133,000	0
Information and Communications Technology											
Corporate Compliance System	98076	JJ	43,000	20,900	5,000	22,100	0	0	0	0	0
Corporate ICT hardware and infrastructure replacement programme	98065	JJ	1,057,160	0	200,000	206,840	215,000	470,320	65,000	100,000	0
Digital Strategy general provision to facilitate delivery of the digital strategy	98073	JJ	1,274,330	0	300,000	55,840	225,000	543,490	225,000	225,000	225,000
Financial Management System - Replacement including Total Licence extension	98000	SG	565,000	460,320	0	51,680	0	53,000	0	0	0
Payroll System - Replacement	98081	SG	175,000	0	175,000	0	175,000	0	0	0	0

JOINT:

Capital Investment Programme



ADUR & WORTHING
COUNCILS

ADUR DISTRICT COUNCIL AND WORTHING BOROUGH COUNCIL PARTNERSHIP SCHEMES THREE YEAR CAPITAL INVESTMENT PROGRAMME										
Scheme	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						
				Prior to 1.4.2018 £ (5)	2018/2019		2019/2020		2020/2021 Draft Estimate £ (10)	2021/2022 Future Estimate £ (11)
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)		
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
PARTNERSHIP SCHEMES (Cont.)										
Parks and Open Spaces Street litter and dog bins replacement programme	98200	AE	40,000	0	0	0	0	0	20,000	20,000
Refuse/Recycling Service Procurement of 2 new refuse/recycling vehicles which are not now required following a service restructure.	98061	AN	0	0	352,000	0	0	0	0	0
Provision of wheeled bins	98047	TP	250,000	-	50,000	50,000	50,000	50,000	50,000	50,000
Street Cleansing / Refuse / Recycling Service Vehicle Replacements	98062 / 98061	AN	2,153,180	-	607,500	185,080	336,000	824,100	431,500	376,500
TOTAL			6,415,930	481,220	1,856,500	801,800	1,187,000	2,151,910	854,500	939,500

SUMMARY												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Column Reference (1)	CAPITAL ESTIMATES										ANNUAL REVENUE COSTS	
	Total Estimate £	2018/2019		2019/2020		2020/2021 Draft Estimate £	2021/2022 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £			
		Prior to 1.4.2018 £	Original £	Current £	Original £					Current £	(11)	(12)
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
BUDGETS												
Executive Member for Customer Services	0	13,654,810	6,093,670	8,286,000	17,750,740	10,331,900	7,630,130	3,435,260	(14,000)			
Executive Member for Environment	1,067,820	1,720,990	737,380	477,650	1,692,240	621,650	240,070	327,880	0			
Executive Member for Health and Wellbeing	7,000	184,900	221,950	220,000	274,450	33,600	0	54,350	0			
Executive Member for Regeneration	112,140	3,047,700	3,434,410	1,162,900	1,286,800	134,630	185,170	16,580	0			
Executive Member for Resources	1,516,900	48,807,050	35,063,340	26,577,070	52,157,040	50,308,670	50,329,320	21,560,140	0			
	50,092,440	2,703,860	67,415,450	45,550,750	73,161,270	61,430,450	58,384,690	25,394,210	(14,000)			
FINANCING												
Capital Grants and Contributions												
Communities and Local Government		405,000	1,271,243	350,000	410,000	425,000	500,270					
Environment Agency		12,500	64,410	1,140,500	1,140,500	12,500	12,500					
S106 Contributions from Planning Agreements		499,680	161,500	0	288,500	409,200	0					
Other Contributions		3,431,500	3,353,320	0	227,000	0	0					
Prudential Borrowing		55,120,810	35,750,367	28,881,400	63,908,370	55,556,580	53,326,450					
Revenue Contributions and Reserves												
Revenue Contributions		81,920	115,880	81,920	81,920	81,920	81,920					
Revenue Reserves		5,823,810	3,912,000	4,400,000	3,800,000	3,900,000	4,000,000					
Usable Capital Receipts		2,040,230	922,030	1,869,800	3,304,980	1,045,250	463,550					
	67,415,450	45,550,750	36,723,620	73,161,270	61,430,450	58,384,690	25,394,210	(14,000)				

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
Column Reference (1)	CAPITAL ESTIMATES					
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
(6)	(7)	(8)	(9)	(10)	(11)	
DETAILED FUNDING						
Capital Grants and Contributions						
Communities and Local Government						
Better Care Fund						
(Disabled Facilities Grants)						
Local Enterprise Partnership (Governments Growth Deal)						
(Adur Civic Centre Redevelopment)	0	535,713	0	0	0	0
(Shoreham Harbour Walls Project)	0	15,280	0	0	0	0
Planning Delivery Grant						
(Ferry Road Environmental Improvements)	0	5,250	0	0	0	0
Shoreham Harbour Growth Point Grant						
(Shoreham Harbour Projects)	55,000	10,000	0	60,000	75,000	150,270
Environment Agency						
Coast Protection Grant						
(Strategic Monitoring Project for the South East Phase 4)	12,500	12,500	12,500	12,500	12,500	12,500
(Shoreham Harbour Walls Project)	0	51,910	1,128,000	1,128,000	0	0
S106 Contributions from Planning Agreements						
(Affordable Housing - Unallocated provision)	104,170	0	0	0	409,200	0
(Contribution to the Sir Robert Woodward Academy for the provision of CCTV cameras)	0	5,000	0	0	0	0
(Contribution to the Globe School for the provision of a pool cover)	0	45,000	0	0	0	0
(Buckingham Park Pavilion - Replacement)	150,000	11,500	0	138,500	0	0
	405,000	1,271,243	350,000	410,000	425,000	500,270
	12,500	12,500	12,500	12,500	12,500	12,500
	0	51,910	1,128,000	1,128,000	0	0
	12,500	64,410	1,140,500	1,140,500	12,500	12,500

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
Column Reference (1)	CAPITAL ESTIMATES					
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
(6)	(7)	(8)	(9)	(10)	(11)	
DETAILED FUNDING (Continued)						
Capital Grants and Contributions (Continued)						
S106 Contributions from Planning Agreements (Continued)						
(Southwick Leisure Centre - Upgrade of tennis courts)	150,000	0	0	150,000	0	0
(Wadurs Swimming Pool - Expansion of changing facilities)	95,510	100,000	0	0	0	0
Other Contributions	499,680	161,500	0	288,500	409,200	0
Donations						
(Shoreham Air Crash Memorial)	131,500	60,500	0	0	0	0
Homes England						
(HRA Development Programme)	0	0	0	227,000	0	0
Impulse Leisure						
(Works now being undertaken by Impulse Leisure)	50,000	0	0	0	0	0
Shoreham Parish Council						
(Contribution towards DDA access improvements at St. Julian's Church)	0	8,100	0	0	0	0
Worthing Borough Council						
(Flood Defences at Shoreham's Western Harbour Arm)	3,250,000	3,284,720	0	0	0	0
Prudential Borrowing	3,431,500	3,353,320	0	227,000	0	0
Housing Revenue Account - Housing Capital Investment Programme	3,095,600	499,480	536,200	6,664,650	3,497,450	2,332,450
Invest to Save Schemes						
(Property Acquisition - Acquisition of emergency or temporary property for the homeless)	2,200,000	0	1,000,000	3,169,940	0	0
(Strategic Property Investment Fund for investments in commercial property)	40,000,000	26,400,000	25,000,000	50,000,000	50,000,000	50,000,000

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
	CAPITAL ESTIMATES					
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (Continued)						
Prudential Borrowing (Continued)						
General Fund Schemes						
(Construction of a new office building)	8,200,000	8,354,520	1,200,000	1,200,000	0	0
(Other Schemes)	1,625,210	496,367	1,145,200	2,873,780	2,059,130	994,000
	55,120,810	35,750,367	28,881,400	63,908,370	55,556,580	53,326,450
Revenue Contributions and Reserves						
Revenue Contributions						
Community Alarm Service	50,000	57,140	50,000	50,000	50,000	50,000
(Purchase of community alarm equipment)						
New Homes Bonus	21,000	47,820	21,000	21,000	21,000	21,000
(Empty Properties - Grants and loans to bring empty properties back into use)						
Adur and Worthing Refuse and Recycling Service	10,920	10,920	10,920	10,920	10,920	10,920
(Wheeled bin replacements)						
	81,920	115,880	81,920	81,920	81,920	81,920
Revenue Reserves						
Reserve for Development and Refurbishment of Housing	1,705,610	160,000	0	0	0	0
(Development and refurbishment of Council Dwellings)						
Major Repairs Reserve	4,118,200	3,752,000	4,400,000	3,800,000	3,900,000	4,000,000
(Adur Homes Capital Investment Programme)						
	5,823,810	3,912,000	4,400,000	3,800,000	3,900,000	4,000,000

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
CAPITAL ESTIMATES						
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
DETAILED FUNDING (Continued)						
Usable Capital Receipts						
Affordable Housing	1,276,430	0	1,000,000	1,276,430	0	0
Adur Homes Capital Investment Programme	663,800	791,350	863,800	2,022,550	1,039,250	457,550
Non Ring-Fenced	0	25,330	6,000	6,000	6,000	6,000
Ring-Fenced						
(Shoreham Renaissance - Shoreham Air Crash Memorial)	0	11,500	0	0	0	0
(Shoreham Renaissance - Lower Beach Car Park refurbishment)	100,000	36,600		0	0	0
(Adur Civic Centre Redevelopment - Phase II South)	0	57,250	0	0	0	0
	2,040,230	922,030	1,869,800	3,304,980	1,045,250	463,550

CABINET MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21	2021/22	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)	Draft Estimate £ (10)	Future Estimate £ (11)			
Affordable Housing		18080	AA	3,208,930	0	1,380,600	0	1,000,000	1,380,600	1,409,200	419,130	16,040	0
Grants to Registered Social Landlords for the provision of affordable housing (Funded from S106 receipts and capital receipts)													
Community Alarm Service		18307	BR	207,140	0	50,000	57,140	50,000	50,000	50,000	50,000	0	0
Purchase of community alarm equipment to replace old equipment (Funded from the Community Alarm Service)													
Housing		18403	BR	110,820	0	21,000	47,820	21,000	21,000	21,000	21,000	0	(14,000)
Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use)													
Housing Renewal Assistance		18006	BR	210,880	0	70,000	80,880	65,000	65,000	65,000	0	21,090	0
Discretionary Grants Home Repair Assistance Grants Mandatory Grants													
Disabled Facilities Grants (Funded by DCLG Better Care Fund)		18005	BR	1,755,000	0	350,000	705,000	350,000	350,000	350,000	350,000	0	0
Property Acquisitions		18632	AA	3,169,940	0	2,200,000	0	1,000,000	3,169,940	0	0	316,990	0
Acquisition of emergency interim or temporary accommodation for the homeless (Invest to Save Scheme)													
TOTAL GENERAL FUND SCHEMES				8,662,710	0	4,071,600	890,840	2,486,000	5,036,540	1,895,200	840,130	354,120	(14,000)

CABINET MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME														
Scheme	Column Reference (1)	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
						2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £	
						Original £	Current £	Original £	Current £					
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
ADUR HOMES - HOUSING INVESTMENT PROGRAMME														
1	Disability Adaptations for Homes On-going programme providing access and home facilities for Council tenants with disabilities	18056	AA	981,100	0	280,000	231,100	280,000	250,000	250,000	250,000	250,000	98,110	0
2	External Structural Works i) Flat Roof Recovering/Replacement Programme ii) Re-Pointing Programme and Structural Works Essential work to keep buildings water tight and maintain structures iii) Pitched Roofs Recovering/Replacement Renewal of roof coverings, timber structures, chimney stacks and firewalls iv) External Joinery and Window Replacements Replacement of double glazed windows, external doors and timber frames v) Replacement/Upgrade of door entry systems	18522	AA	10,042,340	0	3,480,000	563,340	1,946,000	4,698,000	2,265,000	2,516,000	1,004,230	0	
3	Kitchen and Bathroom Improvements Refurbishment programme to meet Government decency standards	18060	AA	1,018,150	0	326,800	418,150	850,000	200,000	200,000	200,000	101,820	0	
4	Environmental Improvements Projects that enhance or improve the estate, immediate surroundings and/or facilities as part of the Decent Homes Programme	18063	AA	250,120	0	85,000	10,120	60,000	140,000	50,000	50,000	25,010	0	

CABINET MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Column Reference (1)	Cost Centre (2)	Lead Office (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
ADUR HOMES - HOUSING INVESTMENT												
5	Communal Area Works (Included in external works programme)	18064	AA	0	210,000	0	100,000	0	0	0	0	0
6	Fire Safety Order Works Rolling programme of works to meet Regulatory Reform (Fire Safety) Order 2005 identified from Fire Risk	18505	AA	6,526,830	1,900,000	1,206,830	800,000	2,550,000	1,550,000	1,220,000	652,680	0
7	Central Heating Installation Programme Full central heating installation	18070	AA	494,190	5,800	44,190	50,000	150,000	150,000	150,000	49,420	0
8	Boiler Replacements Boilers, heating controls, gas fires or existing heating systems found to be failing or beyond repair are replaced with high efficiency boilers with improved	18072	AA	520,000	130,000	130,000	130,000	130,000	130,000	130,000	52,000	0
9	Stock Condition Survey To inform a planned programme of structural works	18508	AA	183,010	40,000	63,010	40,000	40,000	40,000	40,000	18,300	0
10	Asbestos Management Management and removal of asbestos found in council	18524	AA	311,090	40,000	86,090	40,000	75,000	75,000	75,000	31,110	0
11	Responsive Capital Repairs Urgent capital repairs identified in advance of planned	18525	AA	400,000	100,000	100,000	100,000	100,000	100,000	100,000	40,000	0

CABINET MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Column Reference (1)	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
ADUR HOMES - HOUSING INVESTMENT PROGRAMME (continued)												
12	Capital Works on Empty Properties Over the course of a year approximately 120 council dwellings become vacant and require capital works before they can be re-let	18523	AA	400,000	0	100,000	100,000	100,000	100,000	100,000	40,000	0
13	Sheltered Accommodation - Community Alarms Systems Replacement of existing community alarm communication/alert system	18512	BR	199,800	0	199,800	60,000	139,800	0	0	19,980	0
14	ICT Systems Essential upgrades to the current Housing Management System	18526	PT	85,000	0	20,000	85,000	0	0	0	8,500	0
15	Software to assess and enable the development of building schemes for Adur District Council	18527	AA	20,000	0	20,000	20,000	0	0	0	2,000	0
16	Development of Properties The development of new properties for let by Adur Homes. (Funded from the new Development and Acquisition Reserve)	18506	AA	8,968,000	0	2,141,810	1,541,300	3,220,000	2,936,700	1,270,000	663,570	0
17	Equipment Power equipment replacements and new ladders	18529	AA	25,000	0	0	25,000	0	0	0	2,500	0
18	Building Services Vehicle replacements	18607	AA	99,000	0	0	0	0	0	99,000	9,900	0

CABINET MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Office (3)	Total Estimate £ (4)	CAPITAL ESTIMATES							ANNUAL REVENUE COSTS	
					Prior to 1.4.2018 £ (5)	2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Forgone/ Cost of Borrowing £ (12)	Net Other £ (13)
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
ADUR HOMES - HOUSING INVESTMENT													
19 Professional and Consultancy Services		18075	AA	2,620,100	0	504,000	518,700	622,000	921,400	590,000	590,000	262,010	0
TOTAL HOUSING INVESTMENT PROGRAMME				30,523,630	504,000	9,597,910	5,306,130	6,099,400	12,382,800	8,436,700	6,462,010	2,819,130	0
TOTAL				39,186,340	504,000	13,669,510	6,196,970	8,585,400	17,419,340	10,331,900	7,302,140	3,173,250	(14,000)

CABINET MEMBER FOR ENVIRONMENT												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21	2021/22	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £		
					(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Allotments												
Rolling programme of replacements and improvements (Works to include pathways, old water pipes and fencing)	18085	AE	50,400	0	16,800	16,800	16,800	16,800	16,800	0	5,040	0
Car Parks												
Lower Beach Road Car Park - Enhancements (Funded from a WSCC contribution of £143,000,	18095	DM	697,000	608,340	100,000	88,660	0	0	0	0	1,860	0
Cemeteries												
Procurement of grave shoring equipment (Partnership scheme with Worthing Borough Council. Total	18240	AE	14,720	0	0	14,720	0	0	0	0	1,470	0
Replacement of 1 vehicle (Partnership scheme with Worthing Borough Council. Total	18240	AE	15,400	0	0	0	0	0	15,400	0	1,540	0
Compliance Service												
Replacement of one vehicle (Partnership scheme with Worthing Borough Council. Total	18212	AN	5,200	0	5,200	0	0	5,200	0	0	520	0
Cultural Projects												
Shoreham Air Crash Memorial Project - Creation of a fitting and lasting memorial to the eleven men who lost their lives as a result of the tragic incident at (Funded from donations and ring fenced capital receipts)	18409	CC	93,500	21,500	131,500	72,000	0	0	0	0	130	0

CABINET MEMBER FOR ENVIRONMENT THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Sche	Column Reference (1)	Cost Centre	Lead Officer	Total Estimate	Prior to 1.4.2018	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
						2018/2019		2019/2020		2020/21 Draft Estimate	2021/22 Future Estimate	Interest Foregone/ Cost of Borrowwin	Net Other
						Original	Current	Original	Current				
						£	£	£	£	£	£	£	£
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Dog Warden Service													
Replacement of 1 vehicle (Partnership scheme with Worthing Borough)	18207	AN	12,500	0	12,500	0	0	12,500	0	0	1,250	0	
Foreshore													
Kingston Beach - Environmental improvements	18304	AE	20,000	2,000	0	18,000	0	0	18,000	0	2,000	0	
Grounds Maintenance Service													
Replacement of vehicles (Partnership scheme with Worthing Borough)	18207	AN	175,800	0	52,800	62,200	60,400	60,400	0	53,200	17,580	0	
Rolling programme of equipment replacements (Partnership scheme with Worthing Borough)	18207	AE	56,000	0	14,000	14,000	14,000	14,000	14,000	14,000	5,600	0	
Lancing Manor Leisure Centre													
Car Park Extension	18514	DM	186,700	181,700	0	5,000	0	0	0	0	18,670	0	
* Electrical rewiring	18514	DM	34,000	0	0	0	34,000	34,000	0	0	3,400	0	
* External cladding replacement (Works funded from the revenue budget)	18514	DM	0	0	0	0	13,500	0	0	0	0	0	
* Main hall floor replacement	18514	DM	60,000	0	0	0	0	60,000	0	0	6,000	0	
* Renewal of flat roof area over the entrance hall and	18514	DM	90,620	5,620	40,000	5,000	0	80,000	0	0	9,060	0	

CABINET MEMBER FOR ENVIRONMENT													
THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
						2018/2019		2019/2020		2020/21	2021/22	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)	Draft Estimate £ (10)	Future Estimate £ (11)		
						Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £		
Landscaping													
Ferry Road footpath access to Shoreham		18404	AE	27,000	21,750	0	5,250	0	0	0	0	0	0
Beach Nature Reserve landscaping (Funding: Rampion Offshore Wind Ltd £20,500 and Planning)													
Parks and Open Spaces													
Buckingham Park - Contribution to the replacement of the (£150,000 funded from S106 receipts)		18224	AE	172,000	0	172,000	0	0	0	0	0	2,200	0
Buckingham Park - Replacement of fencing, resurfacing of footpaths and other hard landscaping to improve access,		18224	AE	56,000	0	0	0	0	0	56,000	0	5,600	0
Fishersgate Recreation Ground - Car Park resurfacing		18200	DM	140,000	0	0	0	0	0	140,000	0	14,000	0
Outdoor Fitness Equipment													
Fishersgate Recreation Ground		18222	AE	20,000	0	20,000	20,000	0	0	0	0	2,000	0
Sites to be agreed		18222	AE	20,000	0	0	0	20,000	20,000	0	0	2,000	0
Signage - Rolling programme of replacements		18215	AE	20,000	0	0	0	0	0	20,000	0	2,000	0
Southern Water compliance works to water stand pipes to ensure the Council's parks' water supplies comply with water regulations and to avoid the potential risk of contamination of		18215	DM	104,000	51,220	0	52,780	0	0	0	0	10,400	0

CABINET MEMBER FOR ENVIRONMENT													
THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £	
					Prior to 1.4.2018 £	Original £	Current £	Original £					Current £
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
Parks and Open Spaces (Cont.)													
* Southwick Recreation Ground - Resurfacing of hard surfaces		18113	DM	33,500	1,000	32,500	1,000	0	31,500	0	0	3,350	0
Street litter and dog bins replacement programme		18215	AE	15,200	0	0	0	0	0	7,600	7,600	1,520	0
(Partnership scheme with Worthing Borough Council. Total cost £20,000p.a.)													
Play Area Improvements													
Adur Memorial Recreation Ground		18209	AE	130,800	0	100,800	30,800	0	100,000	0	0	13,080	0
Elmgrove Open Space		18209	AE	87,500	16,830	0	70,670	0	0	0	0	8,750	0
Middle Road Recreation Ground		18209	AE	100,800	0	0	0	100,800	100,800	0	0	10,080	0
Quayside Play Area		18209	AE	156,800	13,310	81,800	143,490	0	0	0	0	15,680	0
(New play area for children up to the age of 12 years)													
Sompting Recreation Ground		18209	AE	100,800	0	0	0	0	0	100,800	0	10,080	0
Public Conveniences													
Rolling programme of upgrades and improvements													
(2018/19) Fort Haven Site Refurbishment		18097	DM	100,000	0	0	0	50,000	50,000	50,000	0	10,000	0
(2017/18 Refurbishment of Southwick Cemetery Site)													
(2018/19) Widewater Site Refurbishment													
Refuse/Recycling Service													
Provision of wheeled bins													
(Partnership scheme with Worthing Borough Council. Total cost £50,000p.a. Part funded from a revenue contribution of £10,920p.a.)		18100	TP	72,800	0	18,200	18,200	18,200	18,200	18,200	18,200	4,000	0

CABINET MEMBER FOR ENVIRONMENT													
THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Cost Centre	Lead Officer	Total Estimate £	(4)	(5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
						2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
						Original £	Current £	Original £	Current £				
Prior to 1.4.2018 £	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)					
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Refuse/Recycling Service (Cont.)													
Procurement of 2 new refuse/recycling vehicles (Partnership scheme with Worthing Borough Council. Total cost £352,000. Vehicles not required due to a	18202	AN	0	0	128,130	0	0	0	0	0	0	0	
Southwick Leisure Centre	18520	DM	12,000	0	0	12,000	0	0	0	0	1,200	0	
Installation of a height barrier to prevent incursions from	18520	DM	123,850	118,850	0	5,000	0	0	0	0	12,390	0	
* Renewal of flat roof areas	18520	DM	322,000	0	322,000	11,500	0	310,500	0	0	32,200	0	
Replacement of the eastern set of tennis courts with an (£150,000 funded from S106 receipts)													
Street Cleansing / Refuse / Recycling Service	18102	AN	704,180	0	234,250	72,920	131,950	319,340	164,850	147,070	70,420	0	
Replacement vehicles (Partnership scheme with Worthing Borough Council.													
Street Lighting	18216	DM	30,000	1,000	28,000	2,000	0	27,000	0	0	3,000	0	
Enhancements to WSCC lighting in Conservation Areas or													
Wadurs Swimming Pool	18513	DM	124,490	4,490	145,510	0	0	120,000	0	0	2,450	0	
Contribution to expansion of changing facilities (Funded from S106 receipts)													
* Boiler and plant replacement	18513	DM	90,000	0	0	0	0	90,000	0	0	9,000	0	
			4,359,160	1,067,820	1,720,990	737,380	477,650	1,692,240	621,650	240,070	327,880	0	

CABINET MEMBER FOR HEALTH AND WELLBEING THREE YEAR CAPITAL INVESTMENT PROGRAMME																		
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS							
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Forgone/ Cost of Borrowing £ (12)	Net Other £ (13)						
					Prior to 1.4.2018 £ (5)	Original £ (6)	Current £ (7)	Original £ (8)					Current £ (9)					
Air Monitoring																		
Replacement analyser for the air monitoring equipment in Shoreham		18311	BR	10,000	0	10,000	0	0	0	0	0	0	0	2,450	0			
Community Safety																		
Replacement of 4 town centre CCTVs		18310	CC	18,380	0	18,380	0	0	0	0	0	0	1,840	0				
Equalities																		
Disability Discrimination Act Improvements - St Julian's Church access improvements (Contribution of £8,100 from Sompting Parish)																		
Disability Discrimination Act Improvements - Extension of the coastal footpath linking the existing access points along the Shoreham Beach		18031	DM	380,000	5,000	140,000	155,000	220,000	220,000	220,000	0	0	38,000	0				
(Phase 3 2017/2018 and 2018/2019 The Burrells to the old fort)																		
(Phase 4 2019/2020 Ferry Road to the existing concrete path)																		
Disability Discrimination Act																		
Improvements - Rolling programme of improvements to Council		18031	DM	16,800	0	0	0	0	0	0	16,800	0	1,680	0				
Disability Discrimination Act																		
Improvements - Shoreham Centre provision of self levelling stair crawlers to enable the disabled or		18031	DM	22,000	0	22,000	0	0	0	0	0	0	2,200	0				
Public Health																		
Asbestos Removal - Provision for removal of asbestos from Council		18039	DM	74,050	800	44,900	2,000	0	0	54,450	16,800	0	7,410	0				
TOTAL				537,000	7,000	184,900	221,950	220,000	274,450	33,600	0	54,350	0					

CABINET MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)					
		Prior to 1.4.2018 £ (5)											
Adur Town Centre Public Space Improvements													
Rolling programme of works to improve the environment		18096	AW	143,430	0	130,000	10,000	0	86,300	47,130	0	14,340	0
Coast Protection Works													
Shoreham Harbour Walls Project (Funded from the Governments Growth Deal and the		18407	DM	4,565,660	85,750	2,850,200	3,351,910	1,128,000	1,128,000	0	0	0	0
Strategic Monitoring Project for the South East Phases 4 (Contribution to the Maritime Authorities Partnership		18306	DM	76,390	26,390	12,500	12,500	12,500	12,500	12,500	12,500	0	0
Land Drainage													
Realignment of the ditch and stabilisation of banks in the		18410	DM	22,400	0	0	0	22,400	0	0	22,400	2,240	0
Shoreham Harbour Projects (Approved by the Shoreham Harbour Project Board and funded from Shoreham Harbour Growth Point		18054	CJ	295,270	0	55,000	10,000	0	60,000	75,000	150,270	0	0
Sport and Recreation Facilities in the Community S106 Contributions: i) CCTV Cameras at the Sir Robert Woodard Academy ii) Swimming pool cover at the Globe School		18083	JA	50,000	0	0	50,000	0	0	0	0	0	0
TOTAL				5,153,150	112,140	3,047,700	3,434,410	1,162,900	1,286,800	134,630	185,170	16,580	0

CABINET MEMBER FOR RESOURCES												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate	Prior to 1.4.2018	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate	2021/22 Future Estimate	Interest Foregone/ Cost of Borrowing	Net Other
					Original	Current	Original	Current				
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Corporate Buildings												
Commerce Way - Replacement of external CCTV	18602	DM	28,000	0	28,000	28,000	0	0	0	0	2,800	0
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a	18628	DM	82,260	0	26,800	37,460	0	0	22,400	22,400	8,230	0
Rolling programme of installation of solar panels and	18681	SS	355,000	0	205,000	30,000	150,000	325,000	0	0	35,500	0
Leased Out Properties	18692	CC	75,630	0	0	0	0	14,030	30,800	30,800	7,560	0
* Condition Surveys (To provide an assessment of the current condition of the Council's leased out properties to inform a												
Office Equipment												
Microphone system replacement	18680	SS	14,100	0	0	0	0	14,100	0	0	1,410	0
Information and Communications Technology												
Corporate Compliance System (Partnership scheme with Worthing Borough	18627	JJ	22,000	12,220	5,000	9,780	0	0	0	0	2,200	0
Corporate ICT hardware and infrastructure (Partnership scheme with Worthing Borough	18121	JJ	398,630	0	94,000	100,030	101,050	221,050	30,550	47,000	39,860	0

CABINET MEMBER FOR RESOURCES												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Forgone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Information and Communications Technology (Cont.)												
Digital Strategy - General Provision (Partnership scheme with Worthing Borough Council. Total cost £1,155,080)	18625	JJ	594,690	0	141,000	22,000	105,750	255,440	105,750	105,750	59,470	0
Financial Management System - Replacement (Partnership scheme with Worthing Borough Council. Total cost £565,000)	18619	SG	265,550	216,350	0	24,300	0	24,900	0	0	26,560	0
Payroll System - Replacement (Partnership scheme with Worthing Borough Council. Total cost £175,000)	18682	SG	82,250	0	82,250	0	0	82,250	0	0	8,230	0
Property Development												
Adur Civic Centre Redevelopment - Phase 1 Construction of a new office building on the Civic Centre Car Park	18631	CC	12,000,100	1,245,580	8,200,000	8,354,520	1,200,000	1,200,000	0	0	1,200,010	0
Adur Civic Centre Redevelopment - Phase 2 Construction of a new office building on the former Adur Civic Centre site	18631	CC	100,000	42,750	0	57,250	0	0	0	0	0	0
Phase 2 Construction of a new office building on the former Adur Civic Centre (Funded from ring-fenced capital receipts)												
Strategic Property Investments												
Investments in commercial property to generate rental income	18630	CC	201,400,000	0	40,000,000	26,400,000	25,000,000	50,000,000	50,000,000	50,000,000	20,140,000	Variable Income
Contingency: Inflation, Fluctuations and Urgent Schemes	18650	SG	283,080	0	25,000	0	20,270	20,270	119,170	123,370	28,310	0
TOTAL			215,701,290	1,516,900	48,807,050	35,063,340	26,577,070	52,157,040	50,308,670	50,329,320	21,560,140	0

	Estimates £
(a) <u>YEARS 4-7</u>	
ADUR HOMES BUILDING SERVICES	
Provision for the replacement of operational vehicles when they reach the end of their useful lives	261,900
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	1,000,000
DISABLED FACILITIES GRANTS	
Mandatory grants for adaptations to private housing (Annual provision)	350,000
HOME REPAIR ASSISTANCE GRANTS	
Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	65,000
HOUSING	
Empty Properties - Provision of grants and loans to bring empty properties back into use (Annual provision)	21,000
N/C = Not Costed * = New Scheme	

-	Estimates £
(a) YEARS 4-7	
ADUR AND WORTHING SERVICES' DEPOTS	
Replacement of the weighbridge at the Meadow Road Depot (Partnership scheme with Worthing Borough Council. Total cost £47,000)	17,110
ALLOTMENTS	
Rolling programme of improvements to include replacements and improvements to pathways, old water pipes and fencing (Annual provision)	16,800
CAR PARKS	
Rolling programme of works to resurface car parks' hard surfaces (Annual provision)	22,000
CEMETERIES AND CHURCHYARDS	
Rolling programme of works to resurface hard surfaces in cemeteries and churchyards (Annual provision)	16,500
GROUNDS MAINTENANCE	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council. Total cost £503,200)	201,280
* Rolling programme of equipment replacements (Partnership scheme with Worthing Borough Council. Total annual provision £35,000)	14,000
HIGHWAYS	
Upgrading and enhancing WSCC new or planned highway street lights in Conservation Areas or near to Heritage Sites or Listed Buildings (Annual provision)	30,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
OPERATIONAL VEHICLES	
Provision for the replacement of vehicles for Adur services	32,000
Provision for the replacement of operational vehicles for Adur District Council and Worthing Borough Council joint services (Total estimated cost £146,000)	79,440
PARKS	
Adur Recreation Ground - Cycleway link between the railway bridge and the highway	70,520
* Buckingham Park - Replacement of fencing, resurfacing of footpaths and other hard landscaping to improve access across the site (Phase 2)	56,000
Buckingham Park - Replacement of groundsman's building	66,000
* Outdoor Fitness Equipment - Rolling programme of installations (Annual provision)	20,000
Play Areas - Rolling programme of replacements, upgrades and improvements (Annual provision)	100,800
Programme of works to resurface hard surfaces in the Council's parks (Annual provision)	22,000
* Rolling programme of replacement signage (Annual provision)	20,000
PUBLIC CONVENIENCES	
Programme of works to improve and upgrade the Council's public conveniences (Annual provision)	50,000
Lancing Manor Park - Provision of a public convenience	132,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
REFUSE/RECYCLING/STREET CLEANSING SERVICE	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Worthing Borough Council. Total cost £5,900,000)	2,153,960
Wheeled bins replacement programme - Annual provision (Partnership scheme with Worthing Borough Council. Total annual provision £50,000)	18,200
SOUTHWICK LEISURE CENTRE	
* Replacement of roof to the main hall store room	47,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7	
COMMUNITY ALARM SERVICE	
Purchase of community alarm equipment (Annual provision)	25,000
EQUALITIES	
Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)	16,800
PUBLIC HEALTH	
Asbestos removal from Council buildings (Annual provision)	16,800
ROPETACKLE COMMUNITY CENTRE	
* Replacement of main auditorium vinyl flooring	28,000
N/C = Not Costed * = New Scheme	

	Estimates
	£
(a) <u>YEARS 4-7</u>	
ADUR HOMES BUILDING SERVICES	
Provision for the replacement of operational vehicles when they reach the end of their useful lives	261,900
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	1,000,000
DISABLED FACILITIES GRANTS	
Mandatory grants for adaptations to private housing (Annual provision)	350,000
HOME REPAIR ASSISTANCE GRANTS	
Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	65,000
HOUSING	
Empty Properties - Provision of grants and loans to bring empty properties back into use (Annual provision)	21,000
N/C = Not Costed * = New Scheme	

SUMMARY														
THREE YEAR CAPITAL INVESTMENT PROGRAMME														
	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						2020/2021		2021/2022		ANNUAL REVENUE COSTS	
			2018/2019		2019/2020		Draft Estimate £	Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £				
			Original £	Current £	Original £	Current £								
Column Reference (1)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)				
BUDGETS														
Executive Member for Customer Services	22,599,870	17,310	5,953,400	5,707,960	4,053,830	4,248,770	4,178,600	4,393,400	419,540	(40,000)				
Executive Member for Digital and Environmental Services	12,653,030	825,490	2,835,050	2,365,950	2,142,180	4,853,180	1,325,950	1,140,280	797,670	0				
Executive Member for Health and Wellbeing	734,970	5,080	206,800	121,580	39,200	468,310	50,400	50,400	69,580	0				
Executive Member for Regeneration	16,871,330	817,360	5,726,760	6,180,010	703,720	5,088,440	3,935,900	145,900	1,309,000	(22,585)				
Executive Member for Resources	204,417,650	22,480	45,628,170	27,219,740	25,264,500	50,825,700	50,576,130	50,509,100	17,919,320	0				
	253,276,850	1,687,720	60,350,180	41,595,240	32,203,430	65,484,400	58,066,980	54,239,080	20,515,110	(62,585)				
FINANCING														
Capital Grants and Contributions														
Communities and Local Government			750,000	1,555,550	750,000	750,000	750,000	750,000	750,000					
Environment Agency			17,500	17,500	17,500	17,500	17,500	17,500	17,500					
S106 Contributions from Planning Agreements			440,070	310,560	20,000	538,800	20,000	20,000	0					
Other Contributions			200,000	121,500	918,300	1,901,800	0	250,000						
Prudential Borrowing			57,551,290	39,052,050	29,287,350	60,924,730	57,920,000	54,012,500						
Revenue Contributions and Reserves														
Revenue Contributions			149,080	224,080	149,080	149,080	289,080	149,080	149,080					
Revenue Reserves			108,000	150,000	61,200	210,590	70,400	60,000						
Usable Capital Receipts														
General			1,134,240	164,000	1,000,000	991,900	1,000,000	1,000,000						
			60,350,180	41,595,240	32,203,430	65,484,400	58,066,980	54,239,080						

SUMMARY										
THREE YEAR CAPITAL INVESTMENT PROGRAMME										
Column Reference (1)	CAPITAL ESTIMATES									
	2018/2019		2018/2019		2020/2021	2021/2022				
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £				
(6)	(7)	(8)	(9)	(10)	(11)					
DETAILED FUNDING										
Capital Grants and Contributions										
Communities and Local Government Better Care Fund (Disabled Facilities Grants)	750,000	1,555,550	750,000	750,000	750,000	750,000				
Environment Agency Coast Protection Grant (Contribution to the Strategic Monitoring Project for the South East Phase 4)	17,500	17,500	17,500	17,500	17,500	17,500				
S106 Contributions from Planning Agreements (Affordable Housing - Unallocated provision) (Contribution to WSCC Scheme - South Street Surfacing Improvements) (Highdown Gardens - Infrastructure Improvements) (Hillbarn / Rotary Recreation Ground - Refurbishment of changing rooms) (Homefield Park - Refurbishment of Tennis Courts) (Palatine Park - Provision of an artificial football pitch 3G) Outdoor Fitness Equipment (The Gallops Open Space, Findon) (Tarring Recreation Ground) (West Park) Play Area Improvements: (Palatine Park) (West Park)	50,000 4,400 100,000 0 94,870 0 20,000 0 70,000 0 100,800 70,000 440,070	50,000 4,400 30,000 0 131,880 0 0 0 0 0 20,000 74,280 310,560	0 0 0 0 0 0 20,000 0 0 0 0 0 20,000	0 0 70,000 0 0 340,000 0 0 0 0 108,800 0 538,800	0 0 0 20,000 0 0 0 0 0 0 0 0 20,000	0 0 0 0 0 0 0 0 0 0 0 0 0				
	440,070	310,560	20,000	538,800	20,000	17,500				

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
	CAPITAL ESTIMATES					
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
	(6)	(7)	(8)	(9)	(10)	(11)
Column Reference (1)						
DETAILED FUNDING (continued)						
Other Contributions						
Arts Council and other external funders (Pavilion Theatres - Seating replacement phase 2)	0	0	0	0	0	250,000
Chapman Group (Highdown Gardens - Resurfacing of vehicular access)	0	0	18,300	18,300	0	0
Football Foundation (Palatine Park - Provision of an artificial football pitch 3G)			0	500,000		
Heritage Lottery (Highdown Gardens - Infrastructure Improvements)	0	96,500	900,000	803,500	0	0
Lawn Tennis Association (Grant not awarded)	200,000	0	0	0	0	0
London and Continental Railways Ltd (Union Place Development)	0	20,000	0	580,000		
Southdowns National Parks (Highdown Gardens - Infrastructure Improvements)	0	5,000	0	0	0	0
	200,000	121,500	918,300	1,901,800	0	250,000
Prudential Borrowing						
Invest to Save Schemes						
Beach Huts (Building construction - New wellbeing and health hub)	0	0	0	34,220	0	0
(Buckingham Road MSCP - Refurbishment)	0	0	0	262,000	0	0
(General Provision)	0	0	74,500	0	0	74,500
(High Street MSCP - Refurbishment)	0	0	0	0	3,500,000	0
(Property Acquisition - Acquisition of emergency or temporary accommodation for the homeless)	3,800,000	3,740,060	2,000,000	2,000,000	2,000,000	2,000,000
(Solar renewable energy projects and other environmental improvements)	262,000	0	150,000	410,680	0	0
(Strategic Property Investment Fund for investments in commercial property)	45,000,000	27,000,000	25,000,000	50,000,000	50,000,000	50,000,000

SUMMARY									
THREE YEAR CAPITAL INVESTMENT PROGRAMME									
	CAPITAL ESTIMATES								
	2018/2019		2018/2019		2020/2021	2021/2022			
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £			
(6)	(7)	(8)	(9)	(10)	(11)				
Column Reference (1)									
DETAILED FUNDING (continued)									
Prudential Borrowing (Cont.)									
General Fund Schemes	8,489,290	8,311,990	2,062,850	6,684,830	2,420,000	1,938,000			
Revenue Contributions and Reserves	57,551,290	39,052,050	29,287,350	60,924,730	55,920,000	52,012,500			
Revenue Contributions									
AWCS Refuse/Recycling Service (Provision of wheeled bins)	19,080	19,080	19,080	19,080	19,080	19,080			
Crematorium Trading Account (Crematorium Improvement Scheme repaid from additional income estimated at the rate of £80,000p.a. over the next 5 years)	80,000	80,000	80,000	80,000	80,000	80,000			
Delivery of Major Projects (Development of a digital hub)	0	0	0	0	140,000	0			
New Homes Bonus (Empty Properties - Grants and loans to bring empty properties back into use)	50,000	100,000	50,000	50,000	50,000	50,000			
Treasury Management (West Sussex Credit Union Corporate Membership - Share acquisition)	0	25,000	0	0	0	0			
Revenue Reserves	149,080	224,080	149,080	149,080	289,080	149,080			
Leisure Lottery and Other Partnership Reserve (Costume Display House - Refurbishment)	0	25,000	0	25,000	0	0			
Museum Reserve (Museum and Art Gallery - Refurbishment)	0	0	0	88,190	0	0			
Theatres Restoration Levy (Worthing Theatres - Capital improvements)	108,000	125,000	61,200	122,400	70,400	60,000			

SUMMARY						
THREE YEAR CAPITAL INVESTMENT PROGRAMME						
	CAPITAL ESTIMATES					
	2018/2019		2018/2019		2020/2021	2021/2022
	Original £	Current £	Original £	Current £	Draft Estimate £	Future Estimate £
Column Reference (1)	(6)	(7)	(8)	(9)	(10)	(11)
Usable Capital Receipts						
Affordable Housing	991,900	0	1,000,000	991,900	1,000,000	1,000,000
Non Ring-Fenced	0	29,000	0	0	0	0
Ring-Fenced						
(EON Windfarm - Brooklands Park replacement of Par 3 Club House)	142,340	135,000	0	7,340	0	0
	1,134,240	164,000	1,000,000	999,240	1,000,000	1,000,000

EXECUTIVE MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					Prior to 1.4.2018 £ (5)	2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
Affordable Housing													
Grants to Registered Social Landlords for the provision of affordable housing (Funded by Right to Buy Clawback Receipts, Housing Capital Receipts and S106 Receipts)		58054	AA	2,991,900	0	991,900	0	1,000,000	991,900	1,000,000	1,000,000	14,960	0
Assembly Hall													
Curtain replacements (£10,000 funded from the Theatres Restoration Levy)		58501	AO	25,000	0	0	0	0	0	25,000	0	1,500	0
Auditorium - Replacement of seating (£40,000 funded from the Theatres Restoration Levy)		58501	AO	135,000	0	0	0	0	0	0	135,000	9,500	0
Public conveniences - Refurbishment (£50,400 funded from the Theatres Restoration Levy)		58501	AO	201,600	0	0	0	0	0	201,600	0	15,120	0
Connaught Theatre													
Main auditorium - installation of a ventilation system		58509	DM	66,080	0	0	0	66,080	66,080	0	0	6,610	0
Refurbishment of public toilets (£50,000 funded from Theatres Restoration Levy)		58509	DM	92,000	0	92,000	0	0	92,000	0	0	4,200	0
Housing													
Empty property grants and loans to bring empty properties back into use (Funded from additional 'New Homes Bonus' based on number of properties brought back into use)		58505	BR	250,000	0	50,000	100,000	50,000	50,000	50,000	50,000	0	(40,000)

EXECUTIVE MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Housing (Cont.)												
Property Acquisition	58632	AA	9,740,060	0	3,800,000	3,740,060	2,000,000	2,000,000	2,000,000	2,000,000	487,000	0
Acquisition of emergency interim or temporary												
Housing Renewal Assistance												
Discretionary Grants	58506	BR	305,000	0	95,000	95,000	70,000	70,000	70,000	70,000	30,500	0
Home Repair Assistance Grants												
Mandatory Grants	58049	BR	3,805,550	0	750,000	1,555,550	750,000	750,000	750,000	750,000	-	0
Disabled Facilities Grants (Funded by DCLG Better												
Museum and Art Gallery												
Costume Display House - Refurbishment (Funded from revenue reserves)	58503	AO	50,000	0	0	25,000	0	25,000	0	0	0	0
Redevelopment	58503	AO	104,500	16,310	26,500	0	0	88,190	0	0	10,450	0
Replacement of 3 display cases and purchase of additional	58503	AO	64,400	0	0	0	32,400	32,400	32,000	0	6,440	0
Richmond Room												
* Replacement of high level felted roof covering	58512	DM	28,000	0	28,000	28,000	0	0	0	0	2,800	0
Pavilion Theatre												
Auditorium - Provision of an internal DDA ramp	58512	AO	25,000	0	0	0	0	0	25,000	0	2,500	0

EXECUTIVE MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					Prior to 1.4.2018 £ (5)	2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
Pavilion Theatre (Cont.)													
* Drains - Realignment, relining and refurbishment		58512	DM	25,000	0	0	0	0	25,000	0	2,500	0	
Replacement of auditorium seating (£33,000 funded from the Theatres Restoration Levy)		58097	AO	52,350	0	52,350	0	52,350	0	0	1,940	0	
Replacement of auditorium seating Phase 2 (Funded from external funding bids to the Arts Council £180,000, other external funders £30,000, and Theatres Restoration Levy £10,000)		58097	AO	258,400	0	0	0	0	258,400	0	0	0	
Refurbishment of public conveniences (£60,000 funded from the Theatres Restoration Levy)		58097	DM	113,000	1,000	88,000	112,000	0	0	0	5,300	0	
Stage Lighting - Replacement with LED fittings		58097	AO	130,000	0	0	0	0	0	130,000	13,000	0	
Sound proofing between café / bar / auditorium (£15,000 funded from business investment in the café and £16,000 funded from Theatres Restoration Levy)		58097	AO	50,200	0	0	0	0	50,200	0	1,920	0	
Ritz Cinema (Connaught Studio)		58513	AO	33,000	0	0	0	33,000	0	0	3,300	0	
Installation of air conditioning													

EXECUTIVE MEMBER FOR CUSTOMER SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
				Prior to 1.4.2018 £	2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Theatres												
Capital improvements to Worthing Theatres (Ticketing System subsequently funded from revenue resources)	58507 58511	AO	0	0	32,000	0	0	0	0	0	0	0
			14,546,040	17,310	5,953,400	5,707,960	4,053,830	4,248,770	2,178,600	2,393,400	419,540	(40,000)

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME														
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
						2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)					
Allotments														
Rolling programme of improvements to pipes, paths and fencing which are outside the scope of the self-management agreement and which remain the Council's responsibility		58004	AE	67,200	0	16,800	16,800	16,800	16,800	16,800	16,800	6,720	0	0
Beach House Park														
Infrastructure improvements		58212	AE	224,000	0	0	0	0	0	0	0	22,400	0	0
* Palm Court Café - Replacement of doors and windows		58212	DM	63,200	0	39,200	30,000	0	33,200	0	0	6,320	0	0
Brooklands Park														
Environmental Improvements		58227	AE	723,490	403,490	50,000	320,000	0	0	0	0	72,350	0	0
(The removal of contaminated land silt from the water balancing facility known as Brooklands Lake, and associated planting in the area)														
Redevelopment of Brooklands Park as detailed in the Brooklands Master Plan		58227	AE	225,000	0	225,000	135,000	0	90,000	0	0	8,270	0	0
(Part funded from ring-fenced capital receipts)														
Cemeteries														
Durrington Cemetery - Extension of burial space		58213	AE	1,009,620	107,120	247,600	402,500	0	500,000	0	0	100,960	0	0
Durrington Cemetery - Improvements		58240	AE	92,400	0	0	0	0	0	92,400	0	9,240	0	0
i) Lighting, hearing loop upgrades and a music system														
ii) Catafalque														
Procurement of grave shoring equipment		58240	AE	12,040	0	0	12,040	0	0	0	0	1,200	0	0
(Partnership scheme with Adur District Council. Total cost £26,760)														

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME														
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
						2018/2019		2019/2020		2020/21	2021/22	Interest Foregone	Net Other	
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)	Draft Estimate £ (10)	Future Estimate £ (11)			Cost of Borrowing £ (12)
Cemeteries (Cont.)														
Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost		58240	AE	12,600	0	0	0	0	0	12,600	0	0	1,260	0
Compliance Service														
Replacement of one vehicle (Partnership scheme with Adur District Council. Total cost		58220	AN	7,800	0	7,800	0	0	0	0	0	0	780	0
Crematorium														
Improvement Works Phase 1: i) Revised office layout with kitchenette ii) Relocated and larger reception area with memorialisation iii) Conversion of existing store area and Vestry into a large iv) DDA access improvements to exterior public toilets v) DDA access improvements to the children's' garden		58217	AE	349,820	23,580	187,180	326,240	0	0	0	0	0	34,980	0
Improvement Works Phase 2: ii) New consistent signage with the new corporate logo iii) Muntham Chapel and Music Room air conditioning iv) Provision of ventilation to the building		58217	AE	132,600	0	0	0	0	0	132,600	0	0	13,260	0

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre	Lead Officer	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21	2021/22	Interest Foregone £ (12)	Net Other £ (13)	
					Prior to 1.4.2018 £ (5)	Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)	Draft Estimate £ (10)			Future Estimate £ (11)
Crematorium (Cont.)													
Provision of a walkway above the crematoriums to enable		58217	AE	218,000	0	60,000	2,000	112,000	216,000	0	0	21,800	0
Replacement and resiting of car park attendant's kiosk (Scheme under review)		58217	AE	0	0	11,300	0	0	0	0	0	0	0
Dog Warden Service													
Replacement of 1 vehicle (Partnership scheme with Adur District Council. Total cost £25,000)		58218	AN	12,500	0	12,500	0	0	12,500	0	0	1,250	0
Field Place													
* Tennis courts - Reconstruction and fence renewal		58204	DM	246,000	0	200,000	0	0	0	246,000	0	24,600	0
Grounds Maintenance													
Replacement of vehicles (Partnership scheme with Adur District Council. Total cost		58218	AN	263,700	0	79,200	93,300	90,600	90,600	0	79,800	26,370	0
Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total cost		58223	AE	84,000	0	21,000	21,000	21,000	21,000	21,000	21,000	8,400	0
Highdown Gardens													
Infrastructure improvements to buildings and gardens (Funded £100,000S106 receipts, Heritage Lottery Grant of £1m		58223	AE	1,081,500	0	100,000	181,500	900,000	900,000	0	0	0	0

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
				Prior to 1.4.2018 £	2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Column Reference (1)												
Highdown Gardens (Cont.)												
* Resurfacing of vehicular access (Contribution of £18,300 from the Highdown Towers Owners)	58223	DM	57,800	2,800	0	55,000	55,000	0	0	3,950	0	0
Hillbarn / Rotary Recreation Ground												
Refurbishment of changing rooms (Funded from S106 Receipts)	58200	AE	20,000	0	0	0	0	20,000	0	0	0	0
Homefield Park												
Refurbishment of tennis courts (£150,000 funded from S106 receipts)	58228	AE	280,130	18,130	200,000	254,980	7,020	0	0	13,010	0	0
Information and Communications Technology												
Corporate Compliance System (Partnership scheme with Adur District Council. Total cost £43,000)	58627	JJ	21,000	8,680	0	12,320	0	0	0	2,100	0	0
Corporate ICT hardware and infrastructure replacement programme (Partnership scheme with Adur District Council. Total cost £842,160)	58055	JJ	443,530	0	106,000	106,810	249,270	34,450	53,000	44,350	0	0
Digital Strategy General Provision (Partnership scheme with Adur District Council. Total cost £1,155,080)	58625	JJ	560,390	0	159,000	33,840	288,050	119,250	119,250	56,040	0	0
Financial Management System Replacement (Partnership scheme with Adur District Council. Total cost £565,000)	58060	SG	299,450	243,970	0	27,380	28,100	0	0	29,950	0	0
Payroll System - Replacement (Partnership scheme with Adur District Council. Total cost £175,000)	58682	SG	92,750	0	92,750	0	92,750	0	0	9,280	0	0

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES													
THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
						2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
Outdoor Fitness Equipment													
		58229	AE	20,000	0	0	0	0	0	0	20,000	2,000	0
		58229	AE	20,000	0	20,000	0	20,000	0	0	0	0	0
		58229	AE	20,000	0	0	20,000	20,000	0	0	0	0	0
		58242	AE	840,000	0	0	0	0	840,000	0	0	0	0
Parks and Open Spaces													
		58200	AE	24,800	0	0	0	0	0	12,400	12,400	2,480	0
		58200	AE	40,000	0	0	0	0	0	20,000	20,000	4,000	0
		58224	AE	140,000	0	0	0	0	0	140,000	0	14,000	0
		58224	AE	100,800	0	0	0	0	0	0	100,800	10,080	0
		58224	AE	100,800	0	100,800	0	100,800	0	0	0	0	0
		58224	AE	118,130	0	0	10,000	118,130	108,130	0	0	11,810	0

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
				2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £	
				Prior to 1.4.2018 £	Original £	Current £	Original £					Current £
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Play Area Improvements (Cont.)												
Replacements of existing wet pour safer surfacing and replacement of	58224	AE	60,000	0	0	0	0	0	60,000	0	6,000	0
West Park Recreation Ground (Funded from S106 receipts)	58224	AE	84,000	9,720	70,000	74,280	0	0	0	0	0	0
Public Conveniences												
Broadwater Green Pavilion - Refurbishment	58225	DM	89,600	0	0	0	89,600	89,600	0	0	8,960	0
Church House Ground Pavilion - Relocation and refurbishment	58225	DM	150,000	0	0	0	150,000	150,000	0	0	15,000	0
High Street MSCP - Refurbishment	58225	DM	100,000	0	100,000	0	0	100,000	0	0	10,000	0
Rolling programme of upgrades and improvements	58225	DM	500,000	0	0	0	100,000	300,000	100,000	100,000	50,000	0
Refuse / Recycling Service												
Procurement of 2 new refuse /recycling vehicles (Partnership scheme with Adur District Council. Vehicles not now	58208	AN	0	0	223,870	0	0	0	0	0	0	0
Provision of wheeled bins (Partnership scheme with Adur District Council. Total cost	58036	TP	127,200	0	31,800	31,800	31,800	31,800	31,800	31,800	7,000	0

EXECUTIVE MEMBER FOR DIGITAL AND ENVIRONMENTAL SERVICES THREE YEAR CAPITAL INVESTMENT PROGRAMME														
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
						2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)					
Refuse / Recycling / Street Cleansing Service														
Replacement vehicles (Partnership scheme with Adur District Council. Total		58209	AN	1,113,000	0	373,250	112,160	204,050	504,760	266,650	229,430	111,300	0	
Worthing Leisure Centre														
* Refurbishment of athletics track		58205	DM	150,000	8,000	100,000	142,000	0	0	0	0	15,000	0	
Worthing Parks Gateway Project														
Improvements to prominent seafront and town centre locations to include designing and implementing sustainable		58200	AE	112,000	0	0	0	0	0	0	112,000	11,200	0	
TOTAL				10,510,850	825,490	2,835,050	2,365,950	2,142,180	4,853,180	1,325,950	1,140,280	797,670	0	

EXECUTIVE MEMBER FOR HEALTH AND WELLBEING THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
					Prior to 1.4.2018 £ (5)	Original £ (6)	Current £ (7)	Original £ (8)					Current £ (9)
Community Safety													
Replacement of 14 town centre CCTVs		58303	CC	63,990	0	0	63,990	0	0	0	0	6,400	0
Equalities													
Disability Discrimination Act Improvements - Provision of		58301	DM	147,990	0	30,000	30,590	39,200	50,200	33,600	33,600	14,800	0
Disability Discrimination Act Improvements - Provision of self levelling stair crawlers for the Town Hall to enable the disabled or wheelchair users to be evacuated safely from		58301	DM	22,000	0	0	22,000	0	0	0	0	2,200	0
Public Health													
Asbestos removal from Council buildings		58302	DM	103,290	0	46,800	5,000	0	64,690	16,800	16,800	10,330	0
Town Hall - Removal of asbestos from roof space		58302	DM	358,500	5,080	130,000	0	0	353,420	0	0	35,850	0
TOTAL				695,770	5,080	206,800	121,580	39,200	468,310	50,400	50,400	69,580	0

EXECUTIVE MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME													
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS		
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)	
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)					
Boundary Signs													
Replacement of existing boundary signs on main entry routes into Worthing and additional signs on		58236	MG	42,000	2,000	40,000	0	0	40,000	0	0	4,200	0
Car Parks													
* Buckingham Road MSCP - Refurbishment		58123	JJ	1,533,000	0	0	0	1,533,000	0	0	153,300	0	0
* High Street MSCP - Refurbishment		58123	JJ	3,500,000	0	0	0	0	0	3,500,000	0	350,000	0
* MSCPs - Planned structural repairs and improvement		58123	JJ	2,693,200	369,030	2,040,640	1,923,210	260,960	400,960	0	0	269,320	0
MSCPs - Upgrade of payment machines to include		58123	JJ	59,250	0	0	0	0	59,250	0	0	5,930	0
Teville Gate MSCP demolition and creation of a surface car park (Funded from LEP Grant)		58413	CC	2,090,000	341,020	0	748,980	0	1,000,000	0	0	0	0
Coast Protection													
Contribution to Flood Defences at Shoreham's		58414	CC	3,352,380	67,660	3,250,000	3,284,720	-	0	0	0	335,240	0
(Local Growth Fund - Funding flexibilities)													
Strategic Monitoring Project for the South East		58403	DM	91,760	21,760	17,500	17,500	17,500	17,500	17,500	17,500	0	0
(Contribution to the Maritime Authorities Partnership Scheme. Funded by the Environment													

EXECUTIVE MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
Column Reference (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Economic Development												
Colonnade House Digital Hub	58608	CC	140,000	0	0	0	0	0	140,000	0	700	0
Acquisition of site to create a digital hub to provide additional flexible workspace for small												
Contribution to WSCC Scheme - South Street surfacing improvements (Total Cost £10,700.	58413	CC	4,400	0	4,400	4,400	-	0	0	0	0	0
Fulbeck Avenue - Development of site to provide	58409	CC	167,000	2,290	50,000	20,000	0	144,710	0	0	840	0
Development of a new health facility (Outline	58410	CC	262,000	0	0	0	0	262,000	0	0	26,200	0
Union Place Sire - Development (Funded by external funding)	58413	CC	600,000	0	0	20,000	0	580,000	0	0	-	-
Foreshore Management												
* Beach House Grounds Splash Pad - Installation of	58415	DM	22,400	0	0	22,400	0	0	0	0	2,240	0
* East Beach Walkway - Replacement railings	58000	DM	44,800	0	0	44,800	0	0	0	0	4,480	0
Purchase and installation of 32 new beach huts between Esplanade Court and Clarence Court	58000	AE	351,360	0	34,220	10,000	0	341,360	0	0	35,140	(17,585)

EXECUTIVE MEMBER FOR REGENERATION THREE YEAR CAPITAL INVESTMENT PROGRAMME																	
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	Prior to 1.4.2018 £ (5)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS					
						2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)				
						Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)								
Foreshore Management (Cont.)																	
* Seafront lighting - Upgrade to LED		58000	DM	25,000	0	0	25,000	0	0	0	0	0	2,500	(5,000)			
* Worthing Pier - Replacement of timber		58510	DM	156,800	0	0	0	0	78,400	78,400	78,400	78,400	15,680	0			
Street Lighting																	
Enhancements in Conservation Areas or near Heritage Sites (Upgrade of		58231	DM	30,000	1,000	0	29,000	0	0	0	0	0	3,000	0			
Worthing Pier, Southern Pavilion																	
* Fire safety compliance works		58510	DM	952,260	12,600	290,000	30,000	425,260	709,660	200,000	200,000	0	95,230	0			
Worthing Town Centre																	
Enhancements of public spaces and the improvement of facilities within the Town Centre, including secondary		58500	AW	50,000	0	0	0	0	0	0	0	50,000	5,000	0			
				16,167,610	817,360	5,726,760	6,180,010	703,720	5,088,440	3,935,900	145,900	1,309,000	(22,585)				

EXECUTIVE MEMBER FOR RESOURCES												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Column Reference (1)	Cost Centre (2)	Lead Officer (3)	Total Estimate £ (4)	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £ (10)	2021/22 Future Estimate £ (11)	Interest Foregone/ Cost of Borrowing £ (12)	Net Other £ (13)
					Original £ (6)	Current £ (7)	Original £ (8)	Current £ (9)				
Admin Buildings												
* Portland House - Replacement of boiler and heating		58110	DM	148,000	0	0	0	0	148,000	0	14,800	0
* Portland House - Replacement of building management		58110	DM	175,000	0	0	0	0	175,000	0	17,500	0
Town Hall												
* Fire Alarms Replacement		58110	DM	25,000	0	25,000	0	0	25,000	0	2,500	0
Corporate Buildings												
* Condition Surveys (To provide an assessment of the current condition of the Council's corporate buildings to inform a		58629	DM	300,800	15,950	105,650	93,600	0	89,600	89,600	30,080	0
* Leased Out Properties - Condition Surveys (To provide an assessment of the current condition of		58692	DM	135,000	0	0	0	0	45,000	45,000	13,500	0
* Montague Street Site - Essential repairs Solar Renewable Energy Projects and other environmental improvements to corporate buildings (Invest to Save (Partnership scheme with Worthing Borough Council.		58631	DM	250,000	6,530	242,470	0	0	243,470	0	25,000	0
Corporate ICT hardware and infrastructure replacement (Partnership scheme with Worthing Borough Council.		58618	SS	410,680	0	252,100	150,000	0	410,680	0	41,070	0
		18121	JJ	398,630	0	100,030	101,050	221,050	30,550	47,000	39,860	0

EXECUTIVE MEMBER FOR RESOURCES												
THREE YEAR CAPITAL INVESTMENT PROGRAMME												
Scheme	Cost Centre	Lead Officer	Total Estimate £	Prior to 1.4.2018 £	CAPITAL ESTIMATES						ANNUAL REVENUE COSTS	
					2018/2019		2019/2020		2020/21 Draft Estimate £	2021/22 Future Estimate £	Interest Foregone/ Cost of Borrowing £	Net Other £
					Original £	Current £	Original £	Current £				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Invest to Save Schemes												
General Provision	58604	SG	74,500	0	0	0	74,500	0	0	74,500	7,450	0
Investments												
West Sussex Credit Union Corporate Membership - Share acquisition (Funded from a	58623	SG	25,000	0	25,000	0	0	0	0	0	2,500	0
Office Equipment												
Microphone system -	58680	SS	15,900	0	0	0	0	15,900	0	0	1,590	0
Strategic Property Investment												
Investments in commercial	58631	CC	177,000,000	0	45,000,000	27,000,000	25,000,000	50,000,000	50,000,000	50,000,000	17,700,000	Variable
Contingency: Inflation, Fluctuations and Urgent												
	58076	SG	633,270	0	40,000	64,090	40,000	110,650	118,530	300,000	63,330	0
TOTAL			179,193,150	22,480	45,628,170	27,219,740	25,264,500	50,825,700	50,576,130	50,509,100	17,919,320	0

	Estimates
	£
(a) YEARS 4-7	
AFFORDABLE HOUSING	
Partnership schemes with Registered Social Landlords to provide affordable housing (Annual provision)	1,000,000
ASSEMBLY HALL	
Boilers - Replacement of controls	20,000
Building - Repairs to asphalt roof	30,000
Dressing Rooms - Refurbishment	16,000
Flooring - New carpet and flooring to the main dance area, bar area, bar surround, foyer and reception area	85,000
Foyer and Auditorium - Refurbishment	40,000
Theatre - Renew blackout facilities	N/C
Theatre - Renewal of temporary storage rollalong units	N/C
Theatre - Seating replacement	120,000
Theatre - Stage extensions	15,000
Theatre - Stage lighting	30,000
CONNAUGHT THEATRE	
Building - Repairs to asphalt roof	15,000
Building - Repairs to external brickwork and rendering	27,000
Dressing Rooms - Refurbishment	40,000
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
DENTON LOUNGE	
Bar /Serving - Refurbishment	13,000
Ceilings - Repairs and redecoration to ornate ceiling	40,000
Central Space - Refurbishment	30,500
Entrance - Provision of a canopy	N/C
Toilets - Refurbishment	22,000
DISABLED FACILITIES GRANTS	
Mandatory grants for adaptations to private housing (Annual provision)	750,000
HOUSING	
Empty Properties - Provision of grants and loans to bring empty properties back	50,000
HOUSING RENOVATION ASSISTANCE	
Discretionary grants and loans to finance home repairs and home insulation works (Annual provision)	70,000
MUSEUM AND ART GALLERY	
Building - Refurbishment and redevelopment	1,800,000
Building - Renewal of existing electrics	N/C
* Refurbishment of roof lights on the Museum building	44,800
Toilets - Refurbishment and resiting	42,500
PIER AND PAVILION	
Dressing rooms - Refurbishment	30,000
Theatre - Improvements to auditorium ventilation	80,000
Theatre - Improvement to load-bearing floor	36,250
N/C = Not Costed * = New Scheme	

	Estimates
	£
(a) YEARS 4-7 (continued)	
PIER AND PAVILION (continued)	
Theatre - Technical refurbishment of aerial points, lighting infrastructure and replacement of lighting rig	89,500
Theatre - Upgrade of florescent fittings in the perimeter lighting to LED	15,000
Windows - Replacement of office windows	32,000
RICHMOND ROOM	
Internal screen door - Replacement	27,500
Main hall ceiling - Replacement	22,000
RITZ CINEMA	
Building - Renewal of existing electrics	N/C
Fire escape - Replacement	15,000
Slate Roof - Renewal	71,500
THEATRES	
Replacement of operational vehicle	20,000
N/C = Not Costed * = New Scheme	

	Estimates
	£
(a) YEARS 4-7	
ADUR AND WORTHING SERVICES' DEPOTS	
Replacement of the weighbridge at the Meadow Road	29,890
Depot (Partnership scheme with Adur District Council. Total cost £47,000)	
ALLOTMENTS	
Chesswood Allotment Site - Provision of toilet facilities	20,000
Rolling programme of improvements to include replacements and improvements to pathways, old water pipes and fencing (Annual provision)	16,800
BEACH HOUSE GROUNDS	
Chalets - Replacement of front elevations	95,000
BEACH HOUSE PARK	
Reconstruction of western access road	66,000
CREMATORIUM	
Main building fascias replacement	11,000
Toilet refurbishment	16,500
Window replacement	44,000
CYCLE STRATEGY	
Seafront Cycle Route Phase 3	256,000
Seafront Cycle Route Phase 4	35,000
GROUNDS MAINTENANCE	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council. Total cost £503,200)	301,920

	Estimates
	£
(a) YEARS 4-7 (continued)	
GROUNDS MAINTENANCE (continued)	
* Rolling programme of equipment replacements (Partnership scheme with Adur District Council. Total annual provision	21,000
HIGHWAYS	
Graham Road access improvements	29,000
Reconstruction of highway at Dale Road	N/C
Upgrading and enhancing WSCC new or planned highway street lights in Conservation Areas or near to Heritage or Listed Buildings	100,000
LIDO	
Major substructure repairs	N/C
Renewal of hand rails	50,000
MEADOW ROAD DEPOT	
Reconstruction of hard surfaces	50,400
OPERATIONAL VEHICLES	
Mayor's Car - Replacement	23,000
Provision for the replacement of operational vehicles for Adur District Council and Worthing Borough Council joint services (Total estimated cost £146,000)	66,560
Provision for the replacement of vehicles for Worthing services	42,000
PARKS AND OPEN SPACES	
Boundary Fencing Replacements (Annual provision)	30,000

	Estimates
	£
(a) YEARS 4-7 (continued)	
PARKS AND OPEN SPACES (continued)	
Hard surfaces refurbishment programme (Annual provision)	16,500
Homefield Park - Installation of a new public convenience	218,400
* Outdoor Fitness Equipment - Rolling programme of installations (Annual provision)	20,000
Play Areas - Rolling programme of replacements, upgrades and improvements to (Annual provision)	100,800
* Rolling programme of replacement signage (Annual provision)	20,000
West Durrington - Provision of a skateboard park	N/C
PAVILIONS	
Fernhurst Recreation Ground - Provision of a new pavilion	N/C
Highdown Field - Refurbishment of pavilion changing rooms	27,500
Highdown Field - Refurbishment of football pavilion	125,000
Hillbarn Recreation Ground - Separation of changing rooms and possible creation	N/C
PUBLIC CONVENIENCES	
Selected refurbishment programme (Annual provision)	100,000
REFUSE / RECYCLING / STREET CLEANSING	
Provision for the replacement of vehicles for the joint service (Partnership scheme with Adur District Council. Total cost £5,900,000)	3,746,040
Wheeled bins replacement programme - Annual provision (Partnership scheme with Adur District Council. Total annual provision)	31,800
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
REPROVISION OF LEISURE FACILITIES	
Refurbishment of the Durrington Leisure Centre	5,860,000
SPLASH POINT LEISURE CENTRE	
Pool terrace works phase 2	N/C
WORTHING LEISURE CENTRE	
Athletics Track - Replacement	220,000
Building - Renew external cladding	15,000
Building - Rewire whole complex	264,000
Entrance - Provision of a canopy	N/C
Garages - Conversion to social use	N/C
Roof Areas - Renewal of flat roof areas	300,000
N/C = Not Costed * = New Scheme	

	Estimates £
<p>(a) <u>YEARS 4-7</u></p> <p>COMMUNITY DEVELOPMENT</p> <p>West Durrington community leisure facility</p> <p>West Durrington sports changing rooms/pavilion</p> <p>EQUALITIES</p> <p>Disability Discrimination Act Improvements - Provision of minor alterations and improvements to Council properties (Annual provision)</p> <p>HEALTH PROTECTION</p> <p>Asbestos removal from Council offices (Annual provision)</p>	<p>N/C</p> <p>300,000</p> <p>22,000</p> <p>16,800</p>
<p>N/C = Not Costed * = New Scheme</p>	

	Estimates £
-	
(a) YEARS 4-7	
COAST PROTECTION WORKS	
Worthing Beach Management Plan Delivery	4,030,000
* Strategic Monitoring Project for the South East Phase 5. Contribution to the partnership scheme between Maritime Authorities (Funded by the Environment Agency)	87,500
FORESHORE MANAGEMENT	
Alinora Avenue Boat Launching Ramp - Extension to hard surface	14,300
Alinora Avenue Boat Launching Ramp - Renewal	N/C
Beach Huts - Refurbishment programme	126,000
Chalets and Kiosks - Renewal of fronts	60,000
Coastal Path (George V Avenue to Sea Lane, Goring) - Replacement	165,000
Inshore Water Speed Restriction/Byelaws Control Zone Markers - Replacement	15,000
Promenade - Provision of railing or walling along northern side	231,100
* Replacement of seafront decorative lighting east of West Buildings	112,000
TOWN CENTRE PUBLIC SPACE IMPROVEMENTS	
* Enhancements of public spaces and improving facilities within Worthing's Town Cen- (Annual provision)	50,000
WORTHING PIER	
* Replacement of timber decking	78,400
(b) LONG TERM LIST	
FORESHORE MANAGEMENT	
Sea Wall - Extension westwards of Splash Point	
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7	
ADMIN BUILDINGS	
Commerce Way	
Improvements to south car park area (Contribution to Adur District Council scheme)	N/C
Vehicle Workshop - Replacement of roof (Contribution to Adur District Council scheme. Total cost £253,000)	126,500
Portland House	
* Balconies - Window and door replacements	250,000
Building - Provision of comfort cooling	N/C
Building - Replacement of soffits and fascias	38,500
Door and Window - Replacements	126,000
Town Hall	
Building - Provision of independent electrical metering	14,500
* Building - Replacement of boilers and heating management system	173,600
Goods lift - Reactivation	55,000
New Ways of Working Phase II - Upgrade listed toilets	N/C
Roofing - Renewal of asphalt roofs	26,000
Roofing - Renewal of slate roof coverings	168,000
Windows - Replacement of 2nd floor windows with double glazing	74,800
N/C = Not Costed * = New Scheme	

	Estimates £
(a) YEARS 4-7 (continued)	
CORPORATE BUILDINGS	
* Condition surveys of corporate buildings (Annual provision)	22,400
* Condition surveys of commercial leased out properties (Annual provision)	30,800
INFORMATION AND COMMUNICATIONS TECHNOLOGY	
Desktop equipment, software and infrastructure replacement (Partnership scheme with Adur District Council. Total annual provision £100,000)	53,000
PROPERTY MANAGEMENT	
Colonnade House	
Renewal of metal windows	39,000
7 High Street	
Renew roof covering	33,000
Highdown Gardens Bungalow	
Conversion of former staff accommodation	N/C
Meadow Road	
Main Building - Replace asbestos cement roofs/walls	88,000
Office - Windows renewal	49,500
South Boundary Wall - Rebuild	33,000
Pier Southern Pavilion	
Renew main electrical panel	25,000
The Lodge Durrington Cemetery	
Renew roof covering	18,000
Sea Place Road	
Access improvements to Yacht Club	N/C
Woods Way	
Renew roof coverings to industrial units	50,000
N/C = Not Costed * = New Scheme	



ADUR & WORTHING
COUNCILS

Glossary of Terms

Band D Equivalents	This term relates to one of the Council Tax Valuation Bands (see Council Tax). The Bands A to C and E to H are weighted to the equivalent of Band D. The derived band D Equivalent is used as a basis for calculating the Council Tax.
Baseline Funding Level	The amount of an individual council's Start-up Funding Assessment for 2013-14 provided through the local share of the Estimated Business Rates Aggregate, uprated in line with the small business rates multiplier (set at the September forecast of the Retail Price Index, unless otherwise decided).
Billing Authorities	A unitary council, or a lower tier council in a two-tier area, which collects the council tax for its own activities, and for those of the precepting authorities in its area. The billing authority passes on the precept receipts to each precepting authority in its area. These are the 326 billing authorities that collect council tax and business rates: district councils, London boroughs, and unitary councils..
Business Rates – National Non-Domestic Rates (NNDR)	<p>A national rate levied on business and commercial property based upon rateable values measured every five years. Sums collected are paid to Central Government and redistributed to local authorities via the Business Rate Retention Scheme. The scheme allows the Council to retain a proportion of the total NNDR received. The Local Authority share is 40% with the remainder paid to the precepting body – West Sussex County Council (10%) and Department of Communities and Local Government (50%)</p>
Business Rates Baseline	Determined for individual councils at the outset of the business rates retention scheme by dividing the local share of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.
Business Rates Retention Scheme	The name given to the current system of funding local authorities through the local government finance settlement, set out in the Local Government Finance Act 2013. The local government sector retains 50% of the business rates they collect. In addition they also receive Revenue Support Grant to help support their services.
Capital Charges	Capital charges are borne by service revenue accounts. They comprise a depreciation charge for the use of tangible fixed assets, plus any impairment resulting from a significant decline in a fixed asset's market value, obsolescence or physical damage.

Capital Expenditure	Expenditure exceeding £10,000 in value on the creation, acquisition or enhancement of a fixed asset, or a rolling programme of improvements. A fixed asset is one which yields benefits to the local authority for a period exceeding one year.
Capital Financing Requirement	<p>The Capital Financing Requirement (CFR) measures the Councils' underlying need to borrow for capital purposes - i.e. capital expenditure funded from external borrowing or other credit arrangements. The CFR is derived from the amounts held in the Balance Sheet relating to capital expenditure and financing, being the amounts shown for non-Current Assets, Long-term debtors for capital transactions, the Revaluation Reserve, the Capital Adjustment Account, Donated Assets Reserve and any other balances treated as capital expenditure.</p>
Capital Receipts	Income exceeding £10,000 from the sale of land and buildings or other assets, which can be used to finance capital expenditure.
Capital Strategy	A corporate document setting out the policy framework for managing assets and deploying capital resources. It operates through strong partnership working to address corporate priorities.
Collection Fund	A fund administered by Adur and Worthing Councils as billing authority (each District/Borough Council in the County area is a billing authority). All proceeds from Council Tax are paid into the fund to meet the net budget requirements of the County, Police and Crime Commissioner, and District Council for the area (see note on Precepts).
Control Totals	These are the national totals for each of the individual elements within the local spending control total. They are determined as part of the Spending Review. It is also the name given to the size of each of the different elements within the Settlement Funding Assessment
Corporate Management	Corporate Management includes the head of paid service (Chief Executive), maintaining statutory registers, providing information to members of the public (e.g. Freedom of Information requests) Statement of Accounts and government returns, external audit, bank charges, treasury management costs and costs associated with supporting local partnerships.
Council Tax	Council Tax is paid on most residential properties in a local authority's area. Properties are valued within eight valuation bands

(A - H). Households of two or more adults normally pay the whole bill. Single adult households receive a personal discount of 25% of the bill.

Council Tax Bands

There are eight council tax bands. How much council tax each household pays depends on the value of the homes. The bands are set out below.

Value of home estimated at 1 April 1991	Proportion of the tax due April 1991 for a Band D property
Band A Under -£40,000	66.7%
Band B £40,001 - £52,000	77.8%
Band C £52,001 - £68,000	88.9%
Band D £68,001 - £88,000	100%
Band E £88,001 - £120,000	122.2%
Band F £120,001 - £160,000	144.4%
Band G £160,001 - £320,000	166.7%
Band H Over - £320,001	200%

Council Tax Base

This is the number of Band D equivalent dwellings in a council area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate.

Council Tax Benefit

An income related social security benefit designed to help people with low income to pay their Council Tax. It is administered and paid for by local authorities.

DCLG

Department for Communities and Local Government, the Central Government department which oversees the affairs and finances of local government.

Debt Limit for Housing Revenue Account (HRA)

With the introduction of Self-Financing for the Housing Revenue Account, the DCLG imposed debt limits for housing authorities in order to regulate public sector borrowing. For Adur Council the debt limit is £68.912m, and represents the maximum permitted amount of debt outstanding at any time to fund HRA capital expenditure.

Estimated Business Rates Aggregate

The total business rates forecast at the outset of the business rate retention scheme to be collected by all billing authorities in

England in 2013-14. The Estimated Business Rates Aggregate is updated year on year in line with the change in the small business multiplier (usually the September Retail Price Index).

External Finance From Government

The value of financial support received from Central Government via the Revenue Support Grant, Specific Grants and a contribution from the Business Rates Retention Scheme.

Fixed Assets

Land, building and equipment which have a value to the Council for more than one year.

Floor damping

A method by which stability in funding is protected through limiting the effect of wide variations in grant. A floor guarantees a lower limit to a year-on-year change in grant. The grant amounts of councils who receive changes above the floor are scaled back by a fixed proportion to help pay for the floor.

Housing Investment Programme (HIP)

The HIP is prepared annually together with Housing Strategy updates for the Council. The three year housing investment programme is submitted to the DCLG as a basis for distributing Housing Specified Capital Grants and Supported Capital Expenditure.

Housing Revenue Account (HRA)

A ring-fenced account of all expenditure in respect of Adur Council's housing stock.

Joint Strategic Committee On 25th July, 2007 Adur District Council and Worthing Borough Council agreed to embark on an extensive programme of partnership working. This committee has been set up with Members of both Councils to manage the services that are working in partnership.

Levy

Mechanism to limit disproportionate benefit from business rates. The levy is applied proportionally on a 1:1 basis (i.e. a 1% increase in business rates income results in an council getting a 1% increase in revenue from the rates retention scheme) but with a limit on the maximum levy rate that is imposed, at 50p in the pound. Levy payments are used to fund the safety net.

Local government finance settlement

The local government finance settlement is the annual determination of funding distribution as made by the Government

and debated by Parliament.

Local government spending control total

The total amount of expenditure for Revenue Support Grant in the Department for Communities and Local Government's Local Government Departmental Expenditure Limit plus the local share of the Estimated Business Rates Aggregate that is allocated to the local government sector by Government for each year of a Spending Review.

Local share

The percentage share of locally collected business rates that is retained by local government. This is set at 50%.

Lower tier councils

Councils that carry out the functions which in shire areas with two tiers of local government are carried out by shire districts. They are the same councils as billing authorities.

Multiplier

The business rates multiplier which, when multiplied by the rateable value of a property, determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. The small business multiplier is updated annually by the Retail Price Index, unless the Government decides otherwise and the other multiplier adjusted accordingly, to fund rate relief for small businesses.

Non-distributed Costs

Non-distributed costs include backfunded retirement benefit costs, redundancy payments and pension added years.

Outturn

The actual expenditure for a particular period.

P.C.C

Police and Crime Commission.

Precepting authority

An authority or body that does not collect council tax or business rates but is part of the business rates retention scheme. This is an authority which sets a precept to be collected by billing authorities. County councils, police authorities, the Greater London Authority, single purpose fire and rescue authorities and parish councils are all precepting authorities.

Precepts

The County Council and Police and Crime Commissioner make a charge, or "precept", on the District (Borough) Council's Collection Fund for the share of their net budget requirement relating to the borough's area. The net budget requirement is calculated after allowing for receipts from Formula Grant and Non-Domestic Rates.

Proportionate share

This is the percentage of the national business rates yield which a

council has collected on the basis of the average rates collected by councils over the two years to 2011-12. This percentage was applied to the local share of the 2013-14 Estimated Business Rates Aggregate to determine the billing authority business rates baseline.

Prudential Code for Capital Finance

The Local Government Act 2003 provided for a major change in the way councils finance capital expenditure. From 1st April, 2004, councils were given freedom under the CIPFA Prudential Code for Capital Finance in Local Authorities to determine their own borrowing for capital investment subject to the considerations of prudence, sustainability and affordability.

Receiving authorities Authorities that are eligible to receive Revenue Support Grant (billing authorities plus county councils and fire and rescue authorities).

Reserves Reserves are accumulated to finance future spending.

Revenue Expenditure This is expenditure on recurring items, including the running costs of services and the financing of capital spending.

Revenue Support Grant (RSG)

A Government Grant which can be used to finance revenue expenditure on any service.

Ringfenced grant A grant paid to councils which has conditions attached to it, which restrict the purposes for which it may be spent

Safety net Mechanism to protect any council which sees its business rates income drop, in any year, by more than 7.5% below its baseline funding level (with baseline funding levels being updated by the small business rates multiplier for the purposes of assessing eligibility for support).

Self-Financing for Housing Revenue Account (HRA)

From 1 April 2012 the Localism Act replaced the former HRA subsidy system with a new self-financing regime for housing authorities. The new regime allows Adur Council more freedom to determine its own budget and retain its rental income, albeit some financial restrictions still apply, most notably around the use of Right To Buy (RTB) capital receipts and prudential borrowing limits

Service Reporting Code of Practice (SRCOP)	Service Reporting Code of Practice is an authoritative guide to financial accounting for local authorities. The Code provides a framework for local authority accounting.
Sets of services	<p>There are four sets of services, corresponding to the services supplied by the four types of local authorities (although some councils may provide more than one tier of service). These are:</p> <ul style="list-style-type: none">• upper-tier services – those services, other than fire, supplied by county councils in two-tier areas, and described in this consultation as relating to ‘social care councils’.• police services• fire and rescue services• lower-tier services – those services supplied by district councils (‘non-social care councils’ in the consultation) in two-tier areas.
Settlement core funding	<p>The definition of settlement core funding for this purpose takes into account the main resources available to councils, which for this purpose comprise:</p> <ul style="list-style-type: none">• Council Tax income from 2015-16 (including any Council Tax Freeze Grant)• the Settlement Funding Assessment, comprising:<ul style="list-style-type: none">* estimated business rates income (baseline funding level under the rates retention scheme)* Revenue Support Grant.
Settlement Funding Assessment	Previously referred to as Start-Up Funding Assessment. It comprises at a national level the total Revenue Support Grant and the local share of Estimated Business Rates Aggregate for the year in question. On an individual council level it comprises each council’s Revenue Support Grant for the year in question and its baseline funding level, uprated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided
Specific grants	Grants paid under various specific powers, but excluding Revenue Support Grant or area-based grant. Some specific grants are ringfenced.

Specified body	This is the term used for a body or bodies which are directly funded from Revenue Support Grant, and which provide services centrally for local government as a whole.
Subjective Analysis	This is the analysis of income and expenditure by reference to its different sources e.g. employers pay.
Tariffs and top ups	Calculated by comparing at the outset of the business rate retention scheme an individual council's business rates baseline against its baseline funding level. Tariffs and top ups are self-funding, fixed at the start of the scheme and updated year-on-year in line with the September forecast of the Retail Price Index, unless otherwise decided.
Vacancy Savings	This is a target vacancy saving allocated to each service block but held centrally in Corporate Management. The achievement of these savings is dependent on staff turnover and the time lag that arises when vacancies are not filled immediately.
Virement	The transfer of budget provision from one budget to another (usually restricted to a particular service) to reflect changes in service requirements and spending patterns (see the Borough Council's Financial Regulation A.26 below for details including limits for delegation to members and officers).
A.26 (a)	A Budget Manager may, after consultation with the Chief Financial Officer, vire up to £10,000 within the approved revenue or capital budget.
(b)	A Director may, after consultation with the Chief Financial Officer, vire up to £25,000 within the approved revenue or capital budget.
(c)	A Cabinet Member may, after consultation with the Chief Financial Officer, vire up to £50,000 between any heads of income or expenditure within their approved revenue budget, or capital budget.
(d)	The Cabinet may incur, without Council approval, expenditure not within the approved budget provided that the following criteria applies: (i) the cost is to be met from external funding, contingency or reserve set up for the purpose; or (ii) it is to be met from proven savings elsewhere in the revenue budget and does not exceed £150,000; or (iii) it is to be met from proven savings in that financial year in the

Capital programme and does not exceed £150,000 per project;
and

(iv) the new project (revenue or capital) is fully funded by a grant or external contribution and resources already contained within the Councils' budgets provided that the cost of the project does not exceed £150,000.

(v) The expenditure does not have the effect of changing Council policy.

(e) Any proposal to vire, which is not covered in A26(d), must be approved by the Full Council.

Working Balance

A sum set aside for purposes such as general contingencies and cash flow management.

W.S.C.C.

West Sussex County Council

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**ADUR DISTRICT
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**WORTHING BOROUGH
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