

Report to	-	Cabinet
Date	-	12 February 2018
Report of the	-	Executive Director of Resources
Subject	-	Draft Revenue Budget Proposals 2018/19 and Capital Programme 2018/19 to 2022/23

Recommendation to COUNCIL: That consequent to the deliberations of the Overview and Scrutiny Committee:

- 1) the level of special expenses as set out in Appendix C, be approved;
 - 2) a net expenditure level for 2018/19 of £14,322,000 be approved;
 - 3) the amount of earmarked reserves set out at Appendix D, be approved;
 - 4) a Council Tax for 2018/19 at Band D be increased by £5 (2.95%) and set at £174.32;
 - 5) the revised Capital Programme and funding of this programme at Appendix H be approved; and
 - 6) the investment of a further £3 million into a property fund be noted.
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Service Manager: Robin Vennard

Lead Cabinet Member: Councillor Lord Ampthill

Introduction

1. This report updates Members on the draft Revenue Budget 2018/19 following its consideration at the meeting of the Overview and Scrutiny Committee on the 29 January 2018. The minutes of that meeting (Appendix E) should be read in conjunction with this report. Details of the responses to the budget consultation are also outlined in the report. The report contains a number of Appendices as follows:

Appendix A – Revenue Budget Summary
Appendix B – Detailed Budgets for each service
Appendix C – Special Expenses
Appendix D – Earmarked Reserves
Appendix E – Minutes of the Overview and Scrutiny Committee
Appendix F – Revenue Budget consultation
Appendix G – Forecast Revenue Budget 2018/19 to 2022/23
Appendix H – Capital Programme 2018/19 to 2022/23

Revenue Support Grant

2. On the 19 December 2017, the Government confirmed the Council's Revenue Support Grant settlement for 2018/19. The total grant will be £111,000 inclusive of £38,000 Rural Services Delivery Grant. This is consistent with the four year settlement deal announced by the Government in December 2015.

3. The Government has committed that local authorities will retain most of the business rates collected by 2020/21. However, whilst East Sussex as a whole is a net importer of Business Rates, this does not mean all of the business rates collected in East Sussex will remain in the county; there will still be a distribution of rates income according to the Government's assessment of need. The Council's financial strategy for dealing with the loss of Government grants is contained in the Rother 2020 plan (Sustainability and Efficiency plan). The plan centres on delivering further efficiencies and also delivering significant new sources of income. One of the income sources is through the investment in property which is expected to generate a sustainable income stream as part of investing in the District's future.

Government Grants

4. The table below demonstrates how the Government intends local authority spending power to return to 2015/16 levels by 2019/20 with overall growth at 1.2%. (Source Ministry of Housing, Communities and Local Government, MHCLG – Core Spending power).

England					
Core Spending Power of Local Government;					
	2015-16 £ millions	2016-17 £ millions	2017-18 £ millions	2018-19 £ millions	2019-20 £ millions
Settlement Funding Assessment ²	21,249.9	18,601.5	16,632.4	15,598.8	14,584.3
Council Tax of which;	22,035.9	23,247.3	24,623.2	26,082.1	27,629.0
<i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	22,035.9	22,858.5	23,789.7	24,760.7	25,773.5
<i>Potential additional revenue from referendum principle for social care</i>	0.0	381.8	814.2	1,289.6	1,811.5
<i>Potential additional Council Tax from £5 referendum principle for all Districts</i>	0.0	7.0	19.4	31.7	44.0
Improved Better Care Fund	0.0	0.0	1,115.0	1,499.0	1,837.0
New Homes Bonus ³	1,200.0	1,485.0	1,251.9	938.0	900.0
Rural Services Delivery Grant	15.5	80.5	65.0	50.0	65.0
Transition Grant	0.0	150.0	150.0	0.0	0.0
The 2017-18 Adult Social Care Support Grant	0.0	0.0	241.1	0.0	0.0
Core Spending Power	44,501.3	43,564.2	44,078.6	44,167.8	45,015.3
Change over the Spending Review period (£ millions)	514.0				
Change over the Spending Review period (% change)	1.2%				

5. However the Government's estimation of Rother's spending power is shown in the table below and this shows a decrease of 12.8%.

Rother					
Illustrative Core Spending Power of Local Government;					
	2015-16 £ millions	2016-17 £ millions	2017-18 £ millions	2018-19 £ millions	2019-20 £ millions
Settlement Funding Assessment ²	4.0	3.2	2.7	2.4	2.0
Compensation for under-indexing the business rates multiplier	0.0	0.0	0.0	0.0	0.1
<i>Council Tax Requirement excluding parish precepts (including base and levels growth)</i>	6.5	6.8	7.0	7.3	7.6
New Homes Bonus ³	1.3	1.7	1.1	0.7	0.5
Rural Services Delivery Grant	0.0	0.1	0.0	0.0	0.0
Transition Grant	0.0	0.1	0.1	0.0	0.0
Core Spending Power	11.8	11.8	11.0	10.5	10.3
Change over the Spending Review period (£ millions)	-1.5				
Change over the Spending Review period (% change)	-12.8%				

6. A major feature of the settlement figures is a shift from the funding of shire districts to the upper tier authorities which is presumed to help funding pressures in social care.
7. The Government's most recent proposals have changed on business rates retention with the original intention of 100% of business rates being retained by local government now revised to 75%. The Fair Funding Review is planned to be implemented in 2020/21. There is an open consultation by the MHCLG which invites responses by the 12 March. There will be further consultations after this. Officers are preparing a response to the consultation which will be shared with Members.
8. In 2020/21 the business rates baseline will be reset based on the new methodology. There is the potential for individual authorities to see significant gains/losses in resources. There may be gains from increasing population but there may be losses as growth from business rates that Rother are currently benefiting from could be added to upper tier services or re-distributed elsewhere in the country. Business rate growth in Rother has outperformed the annual RPI increase in the Government's baseline estimate.

New Homes Bonus Grant

9. The Government has also announced that the provisional amounts of New Homes Bonus Grant to be awarded to each Council. For Rother the amount of grant will be £714,305 which includes an award for 2018/19 of £11,938 which will be paid for four years. This is illustrated in the table below:

Cumulative Payments	2017/18	2018/19	2019/20	2020/21	2021/22
Year 1	160,185				
Year 2	254,693				
Year 3	297,075	297,075			
Year 4	333,134	333,134	333,134		
Year 5	72,158	72,158	72,158	72,158	
Year 6		11,938	11,938	11,938	11,938
Year 7					
Total	1,117,245	714,305	417,230	84,096	11,938

10. No additional New Homes Bonus has been assumed within the financial forecast for 2019/20 or beyond.

Business Rates

11. The Government has confirmed the Business Rate Retention Baseline for the Council for 2018/19 at £2,284,959. This is used by the Government in determining the safety net for the Council i.e. the minimum income the Council can retain from business rates before the Government will provide additional funding. For Rother the safety net will be £2,216,410 for 2018/19. The estimated retention of business rates included in the draft Revenue Budget is £3,112,400 including compensatory grants in relation to additional reliefs previously granted by the Government.
12. There will inevitably be a significant number of appeals but at this stage it has been difficult to estimate what this will be as very few have come through to

date. Nationally, the expectation is that overall rateable values will reduce by 4.7% as a result of settling appeals and this has been factored into the forecast income for both 2017/18 and 2018/19.

13. The Government has announced that it is committed to working with local authorities to consider how best to implement its manifesto commitments to continue to give councils greater control over the money they raise and address concerns about the fairness of current funding distributions. The Government invited local authorities as pilots in 2018/19 for 100% rates retention. Rother are not proposing to be a pilot but are re-joining the East Sussex Business Rate Pool (ESBRP) for 2018/19.
14. No benefit from a share of surpluses from ESBRP has been built into the budget at this stage, although it should be noted that any share received will need to be directed to economic regeneration projects in accordance with the agreement with the Government.

Council Tax and Referendum Limit

15. The Council's medium term financial strategy relies on increasing locally generated income in order to help to mitigate the loss of central government funding. Council tax generates over £6.6m of income annually, twice as much as retained business rates, and therefore forms an essential part of the Council's income. Council Tax is also a relatively stable source of income for the Council and relatively cost effective to collect.
16. The Government has confirmed the Council Tax referendum limits for 2018/19. For District Councils the maximum increase is up to 3% or £5 whichever is the greatest. The Council's draft Revenue Budget consultation (Appendix F) assumed a £5 increase in Council Tax, which based on the taxbase, will generate an additional £186,305 of income. This compares to £188,640 if an increase of 2.99% was adopted.

Total funding from taxation

17. The table below shows the comparison of the total funding from taxation over time.

	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	Change
Revenue Support Grant	1,800	1,073	450	73	(1,727)
New Homes Bonus	1,329	1,660	1,117	714	(615)
Retained Business Rates	2,946	2,874	2,786	3,113	167
	6,075	5,607	4,353	3,900	(2,175)
Council Tax Income	5,756	6,048	6,310	6,580	824
	11,831	11,655	10,663	10,480	(1,351)
Annual reduction		(176)	(992)	(183)	

18. While the Council has reduced the workforce and made efficiencies, the scope for significant efficiency savings is limited without harming or losing further services. The overall reduction in income from taxation and government grant is £1.351m before considering the impact of inflation. Clearly, council tax increases and efficiency savings alone cannot balance the Councils budget.

2020 Efficiency Savings

19. The Council planned to save £1.8 million over the 3 years to 2019/20 to balance the future budget. Good progress has been made against this plan with increases in income from business rates due to growth of over £200,000, £100,000 of income from the return on investment in a property fund and £500,000 savings delivered as part of the 2018/19 budget process through efficiencies and income growth.
20. Further savings and income generation of almost £1 million are built into the forward financial plan as summarised in the table below.

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Savings from 2020 exercise:					
(i) Increase income - Investment in property fund £3 million	(150)	(150)	(150)	(150)	(150)
(ii) Increase income - investment in property	(240)	(965)	(2,257)	(2,257)	(2,257)
(iii) MRP	0	121	871	871	871
(iv) Interest payments	97	297	694	677	660
(v) Service Prioritisation, Demand Management, Lean and Organisational Form			(120)	(120)	(120)
TOTAL	(293)	(697)	(961)	(979)	(996)

21. A further £3million investment will be made into a property fund with an estimated annual return of 5%. There will be an initial notional loss on entry into the property fund as the sale price is lower than the buy price which, due to changes in accounting rules under International Financial Reporting Standard 9, will be a real charge to the General Fund due to the Government not allowing a statutory override.
22. Over £700,000 net income has been estimated as part of the Council's strategy to invest in property. This strategy involves borrowing up to £35 million to invest in property locally. Rother already owns over £10 million of investment property locally, generating a net return of over 6%. It is planned that further property investment will be made and that the difference between the gross return of up to 6.5%, less the cost of interest and minimum revenue provision, will help meet the 2020 efficiency targets and help maintain future sustainability of the Council. The minimum revenue provision is a charge to revenue so that effectively the Council will pay back the cost of the investment in property over the next 40 to 50 years.
23. An additional £120,000 of further efficiency savings will need to be made in future years. The strategy is to continue work through the demand and lean projects to identify savings that can be released later in the financial plan. This is in recognition that the Council will find it difficult to reduce staffing resources

at present and any capacity released through this work should be directed to supporting service delivery. This can then be reviewed once the impact of the fair funding review is clearer.

Final Draft Budget

24. The net Revenue Budget before Government grants and other funding is expected to be £14.322m. The draft Revenue Budget includes inflation and necessary growth. However, any overall increase in cost has been more than offset by savings and additional income. In addition the draft Revenue Budget includes £2.36m contribution to capital expenditure, mainly relating to investment requirements for Rother 2020 and disabled facility grants. The cost will however be met from earmarked reserves. The underlying revenue spend within the Revenue Budget is therefore £11.962m.
25. Currently for the Council Tax part of the Collection Fund, a surplus of £562,204 is predicted for 2017/18 and the Council's share is estimated to be £72,645. A deficit is predicted for Business Rates in 2017/18 of £168,304 and the Council's share is estimated to be £67,322.
26. Appendix A to the report summarises the draft Revenue Budget. Appendix B to the report shows the detailed budgets over the various services the Council provides. Appendix C to the report details the proposed Special Expenses for 2018/19.

Reserves

27. The draft Revenue Budget for 2018/19 utilises £2.507m of reserves (net of contributions to reserves) in order to meet specific costs including £2.36m to support the Capital Programme as described above. Details of the use and contributions to reserves are set out in Appendix D.
28. The total predicted Earmarked Reserves, by the end of March 2019 is estimated to be just over £12.690m (Appendix D). The minimum level of reserves is considered to be £5m to avoid the need for temporary borrowing to meet cashflow needs.

Budget Consultation

29. The Council commenced its eight week consultation on the 11 November 2017 with residents and businesses on its proposals for the Revenue Budget and Council Tax. This year there was a lower response from residents. The results of the survey show a majority support for raising Council Tax by £5 based on a Band D property. The survey also asked questions concerning the priority areas and how services should be judged by way of importance. The analysis of the consultation is shown at Appendix F.

Revenue Financial Forecast

30. The five year financial forecast to 31 March 2023 has been updated and is shown at Appendix G. The forecast includes a number of assumptions, the main one being the delivery of £1m further savings/additional income from the Council's Rother 2020 programme
31. For the purposes of the forecast, the taxbase has also been projected to increase over the period by 2% per annum. This may be optimistic and the

actual change largely depends on the delivery of new developments in the north of Bexhill. This will continue to be monitored closely and the financial forecasts updated as necessary. The forecast does however assume that the New Homes Bonus will be phased out by 2021/22. In addition, the forecast assumes an annual £5 increase in Council Tax each year. Clearly this is affected by local and central government policy and therefore may not be achievable.

32. Assuming the Council is able to deliver the above savings, the forecast shows that over the five years, £4.423m of reserves will be used including £2.893m to support the capital programme. By 2022/23 the Revenue Budget will be in surplus and the remaining reserves are estimated to be £10.7m. If further savings or income can be achieved over the period then this will reduce the call on reserves. It is proposed that the Council's medium term financial strategy be updated to reflect the latest financial forecast.

Capital Programme

33. A revised Capital Programme is shown at Appendix H. Work continues to resolve outstanding issues with East Sussex County Council regarding the land swap for the former Bexhill High School site which is now likely to take place in 2018/19. Members will be aware, through the report to Overview and Scrutiny Committee (Minute OSC17/28) in October 2017, that as part of the Rother 2020 programme, a specific target of delivering an additional £900,000 of income annually has been agreed. This will mostly be delivered through Rother's Property Investment Strategy (PIS). The Council's focus will be on the acquisition of property both within and possibly outside the District with a view to meeting two main needs; stimulating economic activity for the benefit of residents and generating income to support the revenue budget. This means that any investment made must be assessed as making a positive return to be affordable. Initially the PIS adopted by Cabinet considered searching for and acquiring commercial industrial and residential property within a maximum 90 minutes driving distance of Bexhill as this is seen as a reasonable travel to work catchment area. This was seen as necessary to increase the size of the pool of available properties and create a more diverse portfolio of localities and commercial sectors. However, recent advice from the Council's treasury advisors suggests this approach would need to initially only seek to acquire within our own boundary or immediately adjacent to.
34. In addition recent changes to investment regulations mean that it is expected that most of the property investment will be funded by borrowing which is expected to peak at approximately £35m by 2021 in order to ensure affordability. This is explained in the Treasury Management Strategy Statement and Annual Investment Strategy reported elsewhere on this agenda.

Conclusion

35. The draft Revenue Budget has been balanced for 2018/19. To achieve this, savings and additional income of £0.5m have been identified. Reserves remain at good levels and will mean that should unexpected costs be incurred, the Council is likely to be able to meet these from existing resources.
36. The financial forecast is encouraging in that by 2022/23, the Council should be back in surplus. However, there are many dependencies within the budget

that mean this may not be achieved. In particular the risks around the outcome of the Fair Funding Review in 2020/21.

37. Delivering the Rother 2020 programme is therefore essential if the Council is to achieve a sustainable future and continue to deliver essential services to the public.

Malcolm Johnston
Executive Director of Resources

Risk Assessment Statement

The significant falls in Government grant and the volatility in business rate income present a major challenge for the Council. The Council needs to deliver the actions contained in its Sustainability and Efficiency Plan to deal with the continued pressures on its budgets. Due to the changing nature and scale of those pressures mean that those plans need to be regularly refreshed in order to assess the impact on service delivery. To ensure a sound financial future for the Council, the financial strategy needs to be robust and current.

Rother District Council – Draft Revenue Budget 2018/19

	2017/18 Budget £ (000)	2018/19 Budget £ (000)
Community and Economy	4,220	4,008
Corporate Services and Human Resources	1,129	1,109
Executive Directors and Corporate Core	817	809
Environmental Services	546	650
Finance and Welfare	2,718	3,236
ICT and Customer Services	1,856	1,861
Strategy and Planning and Development	898	944
Total Cost of Services	12,184	12,617
Interest from Investments	(235)	(362)
Salary inflation 1%		
Savings from 2020 exercise:		
(i) Increase income - Investment in property fund £3 million		(150)
(ii) Increase income - investment in property		(240)
(iii) MRP		0
(iv) Interest payments		97
(v) Service Prioritisation, Demand Management, Lean and Organisational Form		
Waste Collection and Street Cleansing Contract		
Capital Expenditure Charged to Revenue	900	2,360
Net Cost of Services	12,849	14,322
Parish Precepts	1,573	1,549
Special Expenses	(715)	(715)
Business Rates		
Local Share of business rates	(7,125)	(7,141)
s31 Grants	(836)	(1,350)
Tariff	4,783	4,926
Levy payment on account	392	452
Revenue Support Grant	(450)	(73)
Non-Specific Revenue Grants		
New Homes Bonus Grant	(1,117)	(714)
Rural services delivery grant	(49)	(38)
Transition Grant	(71)	
New Burdens Grant	(3)	
Local Council tax Support Grant	(108)	(100)
Benefits Administration Grant	(257)	(233)
Homelessness Grant - New Burdens		(41)
Flexible Homeless Support Grant		(203)
Council Tax Requirement (Parishes and Rother)	(7,883)	(8,129)
Other Financing		
Collection Fund (Surplus)/Deficit	(120)	(5)
Contributions to/(from) Earmarked Reserves	(863)	(2,507)
Contributions to/(from) General Fund Balance	0	0
Total Income	(12,849)	(14,322)
Total	0	0

	2017/18 Budget £ (000)	2018/19 Budget £ (000)
Council tax Requirement excluding Parishes	(6,310)	(6,580)
Divided by Council Tax Base (Band D Equivalent)	37,260.97	37,726.98
Council Tax Charge	169.32	174.32

Reserves	2017/18 Estimated outturn £ (000)	2018/19 Budget £ (000)
Earmarked Reserves and General Reserves	14,901	15,201
Use of Reserves	300	(2,507)
Total Reserves	15,201	12,694

Budget Summary 2018/19

	Original Budget	Draft Budget		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Community and Economy	4,219,490	8,231,360	(4,223,390)	4,007,970
Corporate Services and Human Resources	1,128,780	1,202,350	(93,600)	1,108,750
Environmental Service	546,110	899,740	(249,850)	649,890
Finance and Welfare	2,718,160	28,584,020	(25,348,070)	3,235,950
ICT and Customer Services	1,856,300	1,964,110	(103,200)	1,860,910
Strategy and Planning Development	898,680	2,031,450	(1,087,500)	943,950
Executive Directors and Corporate Core	816,500	837,210	(28,000)	809,210
TOTAL	12,184,020	43,750,240	(31,133,610)	12,616,630

Community and Economy

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Arts Development	23,460	23,340	0	23,340
Rother Museum Services	25,980	32,460	(7,450)	25,010
De La Warr Pavilion - Client	503,390	502,750	0	502,750
Ancient Monuments & Gazebo	5,590	5,460	0	5,460
Allotments - Bexhill	(430)	4,520	(1,800)	2,720
Allotments - Rye	1,030	0	0	0
Camber Beach & Foreshore	112,260	127,520	(26,660)	100,860
Bexhill Promenade & Foreshore	62,460	101,720	(77,200)	24,520
Sports Development	5,710	40,600	(40,610)	(10)
Battle Sports Centre	6,000	6,000	0	6,000
Rye Sports Centre & Pool	4,400	9,620	(5,250)	4,370
Bexhill Leisure Centre	7,140	9,270	(2,000)	7,270
Bexhill Leisure Pool	8,420	35,160	(26,960)	8,200
Bexhill Parks & Open Spaces	769,390	825,520	(55,210)	770,310
Rye Area Parks & Gardens	90,600	97,030	(8,650)	88,380
Rural Open Spaces & Amenities	27,760	32,680	(90)	32,590
Amenities Administration Account	6,630	2,050	(50)	2,000
Tourism	127,850	127,850	0	127,850
Service Manager - Community and Economy	85,170	86,020	0	86,020
Neighbourhood Services	632,040	647,010	0	647,010
Programme & Policy Office	232,660	204,530	0	204,530
Economic Development	600,810	668,470	0	668,470
Cemeteries	(44,620)	136,980	(180,000)	(43,020)
Churchyards	8,870	9,670	0	9,670
Coast Protection	39,400	42,470	(2,500)	39,970
Sub Standard Housing	300	230	0	230
Houses Multiple Occupation	40	0	(1,000)	(1,000)
Public Conveniences	409,130	404,500	0	404,500
Community Safety	16,510	0	0	0
Crime & Disorder Initiatives	21,880	0	0	0
Watercourses, Ditches & Drains	3,970	0	0	0
Street & Beach Cleansing	986,000	1,040,250	(24,000)	1,016,250
Refuse Collection	1,456,260	2,259,230	(790,000)	1,469,230
Recycling	(555,140)	4,920	(611,670)	(606,750)
Regeneration	54,640	57,240	(2,800)	54,440
Car Parks	(877,650)	395,380	(1,350,400)	(955,020)

Appendix B cont'd

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Residual Highway Services	21,130	23,530	(3,000)	20,530
Abandoned Vehicles	3,110	2,730	0	2,730
Housing Policy, Strategy & Development	67,470	30,310	0	30,310
Private Sector Housing	2,480	1,700	0	1,700
Performance Management	19,230	15,390	0	15,390
Community Strategy	8,880	8,570	0	8,570
Property Management	12,400	12,850	0	12,850
Maintenance Services	38,450	35,350	0	35,350
West Trading Estate	(386,040)	18,920	(423,850)	(404,930)
St Martins Battle	(19,030)	0	0	0
Misc Land & Buildings	(10,550)	2,660	(19,180)	(16,520)
Residual Housing Land	(1,000)	0	(530)	(530)
Peasmarsh Workshops	(7,600)	12,790	(17,900)	(5,110)
Udimore Workshops	(3,500)	4,600	(6,340)	(1,740)
Watch Oak Estate	(32,000)	500	(40,000)	(39,500)
Elva Business Centre, Bexhill	(135,600)	73,750	(224,340)	(150,590)
Committee Property Account	(216,250)	33,150	(66,120)	(32,970)
Investment Properties	0	14,100	(207,830)	(193,730)
TOTAL	4,219,490	8,231,350	(4,223,390)	4,007,960

Appendix B cont'd

Corporate Services and Human Resources

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Representing Local Interest	251,580	260,210	(100)	260,110
Service Manager - Corporate & HR	85,530	86,260	0	86,260
Committee Service General Expenses	143,250	144,670	0	144,670
Corporate Policy Making	4,640	4,640	0	4,640
Public Accountability - Chief Executives	190	0	0	0
Electoral Registration	139,250	142,750	(1,500)	141,250
District Council Elections	7,420	7,220	0	7,220
Communications - Postages	80,330	80,220	0	80,220
Human Resources	141,180	139,940	(90)	139,850
Facilities Management	112,840	108,110	0	108,110
Administrative Offices - Town Hall	185,370	180,580	0	180,580
Administrative Offices - T.H. Annex	(14,970)	35,170	(62,510)	(27,340)
Administrative Offices - Print Room	13,860	12,580	0	12,580
Administrative Offices - Rear Depot	1,150	3,850	0	3,850
Sussex Training Partnership	(250)	(3,850)	(4,400)	(8,250)
Individual Electoral Registration	(25,000)	0	(25,000)	(25,000)
Administrative Offices - Station Road	2,410	0	0	0
TOTAL	1,128,780	1,202,350	(93,600)	1,108,750

Finance and Welfare

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Housing Needs - HB (Housing Benefit)	181,940	420,340	(226,950)	193,390
Homelessness & Prevention	1,310	0	0	0
Housing Needs - Universal Credit	0	155,000	(40,000)	115,000
Housing Administration Account	371,810	375,550	0	375,550
Housing Loans Account	0	25,000	(25,000)	0
Reliefs & Benefits - Housing Benefit	(419,770)	24,167,650	(24,502,020)	(334,370)
Care In the Community	5,250	5,100	0	5,100
Other Apportionable Overheads	125,550	111,000	0	111,000
Treasury Management	8,500	8,500	0	8,500
Public Accountability - Resources	3,590	6,000	0	6,000
Risk Management/Insurance	4,500	210,030	(210,030)	0
Procurement Strategy	25,010	25,000	0	25,000
Unapportion Central Overheads	616,300	667,740	0	667,740
Revenue & Benefits	1,217,990	1,300,020	0	1,300,020
Cost of Collection	(246,240)	179,470	(319,000)	(139,530)
Reliefs & Benefits - Council Tax Benefit	84,080	95,800	(12,580)	83,220
Support to Elect Bodies/Grant	219,320	140,300	0	140,300
Benefit Investigation	(12,150)	0	(12,290)	(12,290)
Accountancy	312,300	337,690	(200)	337,490
Service Manager, Finance & Welfare	96,730	97,510	0	97,510
Sundry Debtor	140	0	0	0
Internal Drainage Boards	122,000	122,000	0	122,000
Temporary Homeless Accommodation - 41 Jameson Road Bexhill	0	134,320	0	134,320
TOTAL	2,718,160	28,584,020	(25,348,070)	3,235,950

ICT and Customer Services

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
E-Government	21,670	21,500	0	21,500
Nlpg - E-Government	(7,880)	0	(11,000)	(11,000)
Bexhill Community Help Point	3,930	0	0	0
Battle Community Help Point	19,000	19,550	0	19,550
Rye Community Help Point	11,590	11,350	0	11,350
Customer Services & Development	471,260	485,000	0	485,000
Contact Centre	1,470	0	0	0
Service Manager ICT & Customer Services	108,910	132,250	(22,000)	110,250
Computer Services	846,420	844,330	(5,000)	839,330
Printing Services	(9,550)	87,720	(65,200)	22,520
Stationery	(5,860)	0	0	0
Communications - Phones	139,060	110,000	0	110,000
Business Improvement	256,280	252,410	0	252,410
TOTAL	1,856,300	1,964,110	(103,200)	1,860,910

Strategy and Planning Development

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
General Planning Expenses	4,730	8,230	0	8,230
Planning Business Support	232,740	220,490	0	220,490
Planning Applications	66,750	840,050	(785,500)	54,550
Service Manager, Strategy & Planning	85,470	86,310	0	86,310
Complaints, Compliance & Enforcement	128,160	134,260	0	134,260
Planning Appeals	4,360	4,500	0	4,500
Planning Policy	303,110	366,600	0	366,600
Planning Enquiries	(48,380)	8,000	(60,000)	(52,000)
Conservation & Preservation	10,170	11,200	0	11,200
Planning Dept E-Government	6,130	4,000	0	4,000
Local Development Framework	150,000	150,000	0	150,000
Building Control	49,000	51,530	0	51,530
Land Charges	(93,560)	146,280	(242,000)	(95,720)
TOTAL	898,680	2,031,450	(1,087,500)	943,950

Appendix B cont'd

Environmental Services

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Community Safety	0	16,070	0	16,070
Crime and Disorder Initiatives	0	31,750	(23,450)	8,300
Food Hyg/Idc/Water Purity	10,510	136,220	(900)	135,320
Pollution	149,520	308,650	(8,000)	300,650
Dog Control	29,690	41,470	0	41,470
Pest Control	(16,130)	20,020	(10,000)	10,020
Animal Welfare	60	1,180	0	1,180
Health & Safety and ID's	3,980	90,320	0	90,320
Alcohol Licencing	(82,690)	63,500	(87,000)	(23,500)
Taxi & Private Hire Licences	(68,720)	59,440	(83,000)	(23,560)
Licences & Registration	(29,300)	69,400	(35,000)	34,400
Caravan Licences & Travellers	16,210	29,460	0	29,460
Environmental Services - Administration	24,580	17,190	0	17,190
Service Manager - Environmental Services	44,060	8,610	0	8,610
Licensing Team	166,880	0	0	0
Food and Safety Team	297,460	0	0	0
Watercourses, Ditches & Drains	0	3,960	0	3,960
TOTAL	546,110	899,740	(249,850)	649,890

Appendix B cont'd

Executive Directors and Corporate Core

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Communications	57,000	50,810	0	50,810
Emergency Planning	31,750	32,240	0	32,240
Internal Audit	139,800	143,620	0	143,620
Legal Services	265,790	265,600	0	265,600
Executives Directors	343,660	347,580	(130)	347,450
Joint Waste Procurement	36,600	41,790	(27,870)	13,920
Joint Waste Contract Client Unit	(58,100)	(44,430)		(44,430)
TOTAL	816,500	837,210	(28,000)	809,210

Special Expenses

	2017/18 £	2018/19 £
Bexhill		
Bexhill Parks	653,500	673,110
Bexhill Allotments	0	2,720
Christmas Lighting	17,480	15,000
Bexhill Museum	9,540	9,540
Bus Shelters	9,390	14,660
Bexhill Town Forum	4,270	4,270
Less: Council Tax Support Grant	-20,190	N/A
Less: saving target	-9,000	-54,300
Special Expenses for Bexhill	664,990	665,000
Rye		
Rye Parks	49,200	50,680
Rye Christmas Lights	1,590	1,500
Rye Museum SLA	640	640
Bus Shelters	620	340
Less: Council Tax Support Grant	-1,040	N/A
Less; saving target	-1,400	-3,160
Special Expense for Rye	49,610	50,000
Total Special Expenses (excl. Parish Precepts)	714,600	715,000

Reserves and Balances

RESERVE	Balance 31.3.17	Use of Reserves	Balance 31.3.18	Use of Reserves	Balance 31.3.19
	£	£	£	£	£
<u>Community and Economy</u>					
Economic Development Reserve	29,656		29,656		29,656
Repairs and Renewals Reserve	1,434,771	(18,000)	1,416,771	(23,000)	1,393,771
Grants Reserve	1,151,680	388,000	1,539,680	(1,206,000)	333,680
<u>Strategy and Planning</u>					
Planning Improvement Reserve	170,636	(100,000)	70,636		70,636
<u>Finance and Welfare - other</u>					
Affordable Housing Reserve	920,537		920,537		920,537
Homelessness Reserve	126,929		126,929		126,929
Housing Benefit Subsidy Reserve	54,990		54,990		54,990
<u>Corporate Reserves</u>					
Risk Management Reserve	146,678		146,678		146,678
Interest Equalisation Reserve	922,493		922,493		922,493
Corporate Plan Projects Reserve	539,806		539,806		539,806
Resetting Reserve (Invest to Save)	217,618		217,618		217,618
Corporate Development Reserve	1,559,746	(129,761)	1,429,985		1,429,985
New Homes Bonus Reserve	932,746	117,000	1,049,746		1,049,746
Business Rate Equalisation	1,121,000		1,121,000		1,121,000
<i>Medium Term Financial Strategy</i>					
Delegate Conference System		0		(50,000)	
IT Essential Maintenance Programme		(100,000)		(166,000)	
Corporate Document Image Processing System		(147,000)		(203,000)	
Enterprise Resource Planning System Upgrade		(464,000)		(36,000)	
New bins		(13,000)		(13,000)	
Community Grants - Capital		(115,000)		(130,000)	
De La Warr Pavillion - Capital Grant		(51,000)		(52,000)	
Rother 20/20 ICT Investment				(458,000)	
Capital - other		(10,000)		(71,000)	
Contribution -other		942,761		(99,000)	
<i>Total Medium Term Financial Strategy</i>	5,572,163	42,761	5,614,924	(1,278,000)	4,336,924
Total Earmarked Reserves	14,901,449	300,000	15,201,449	(2,507,000)	12,694,449
General Fund Balance	1,000,000		1,000,000		1,000,000
Total Reserves	15,901,449	300,000	16,201,449	(2,507,000)	13,694,449

Extract from Minutes of the Overview and Scrutiny Committee 29 January 2018

OSC17/45. DRAFT REVENUE BUDGET 2018/19

(6.1)

Members gave consideration to the report of the Executive Director of Resources on the draft Revenue Budget which detailed the financial settlement figures for 2018/19. The Committee had been requested to consider the draft budget and make recommendations to Cabinet, to be considered at its meeting on 12 February 2018. To ensure that Members were provided with a clear identifiable core cost for each service, all budgets were shown at “Net Operational Expenditure Levels”, excluding capital charges, central costs and support service recharges.

The Financial Services Manager provided an updated outline of the budget and Members noted the main considerations, constraints and variations within the budget setting process.

The Government settlement was announced on the 19 December 2017. The Government confirmed the business rates baseline and Revenue support Grant for 2018/19 which was in line with the four year grant settlement. From 2019/20, the Council would be solely dependent on income from business rates. The Ministry of Housing, Communities and Local Government (MHCLG) launched a fair funding review consultation which was due to close on 12 March 2018. The review would calculate the new baseline funding levels based on an up-to-date assessment of the relative needs and resources of local authorities. Business rates would be redistributed according to the outcome of the new assessment, alongside the resetting of business rates baselines, subject to suitable transitional measures. Members agreed it was important that the Council fully engaged in the consultation process and highlighted Rother’s specific priorities / needs.

The Government had confirmed the Council’s Revenue Support Grant for 2018/19 as £72,506 which was consistent with the four year settlement deal announced in December 2015.

Rother’s New Homes Bonus (NHB) would be £714,306 for 2018/19 which included an additional grant of £11,938 payable over four years.

The Business Rate Retention baseline for 2018/19 was £2,284,959 which was used by the Government to determine the safety net for the Council i.e. the minimum income the Council could retain from business rates before the Government would provide additional funding. For 2018/19, the safety net for Rother would be £2,216,410. The estimated retention of business rates included in the draft Revenue Budget was £3,116,000 which included compensatory grants in relation to additional reliefs previously granted by the Government. During 2018/19, the East Sussex Business Rate Pool would be reforming and Rother would be re-joining. The aim was to incentivise authorities to attract more businesses into their areas with the prospect that the growth in business rates would be retained locally. This extra

resource would be specifically ring-fenced for economic regeneration activities.

The total Housing Benefit Administration Grant was confirmed as £232,665 which was inclusive of Universal Credit funding. The Homelessness New Burdens Grant was confirmed as £40,704 and £176,852 for Flexible Homelessness Support.

The Government had confirmed that planning fees could be increased by 20% from 17 January 2018 therefore the Council could achieve estimated additional income of £130,000 during 2018/19.

The report also detailed other changes to the draft Revenue Budget which included £25,000 payment to Action in Rural Sussex, additional £14,000 grant towards homelessness, transfer of £61,000 for the Community Grant Scheme to the Capital Programme and £17,880 reduction in the Local Council Tax Support Grant.

All of the above minor changes had been consolidated into the 2018/19 draft Revenue Budget which was appended to the report at Appendix A.

The Committee acknowledged that movements in business rates would have a significant impact on the Council's income, highlighting the importance of delivering commercial regeneration. Therefore, Members sought clarity on the Council's strategy for attracting businesses / commercial activities to the district. The Executive Director of Resources advised commercial activity was projected to increase as a result of the North East Bexhill and Barnhorn Road developments.

The Committee was supportive of a £5 per annum (2.95%) Council Tax increase which would deliver additional income of £186,305; an average annual charge of £174.32. Members suggested that Cabinet consider the feedback results of the public consultation appended at Appendix 3 to the report, prior to formulating its proposals to Council on the draft Revenue Budget for 2018/19.

The Council faced major challenges with the significant reduction of Government funding and volatility in business rate income. To ensure a sound financial future, Members noted that the Council would need to uphold a robust financial strategy.

RESOLVED: That Cabinet be requested to receive the comments made by the Committee when it formulates its proposals to Council on the 2018/19 draft Revenue Budget, at its meeting on 12 February 2018.

CONSULTATION ON ROTHER DISTRICT COUNCIL'S REVENUE BUDGET 2018/19

Consultation Period and Invitations

1. The Revenue Budget consultation opened on 11 November 2017 and closed on 5 January 2018. An invitation was sent out in 'My Alerts' during the eight weeks of the consultation period. 'My Alerts' emails go to over half the households in Rother. Personal invitations to consult were emailed to the Rother Citizens Panel and local business organisations including the Chambers of Commerce. A reminder was emailed before Christmas. Notifications and updates were included on the Council's Facebook and Twitter accounts.

Responses

2. The Council received 238 individual responses online from residents and no responses from local organisations or businesses. The breakdown of respondents is:
 - 49% lived in Bexhill and 51% lived in rural Rother, which is representative of Rother's population.
 - 63% were male and 37% were female, which means women were under represented from Rother's population.
 - 48% of respondents were of working age (18-64) and 52% were retired, which means working age people were slightly under represented from Rother's population.
 - Only 4% of respondents were disabled, which means disabled people were under represented from Rother's population.
 - 92% were white British, 8% were from another white background, 1.5% were mixed heritage and 0.5% were Black. This means white British respondents were very slightly under represented, other white background were over represented and Asian or Asian British people were not represented at all from Rother's population.
3. In the previous budget consultation, the Council received 355 responses over a similar period in 2016/17, so we had a 34% decrease in responses. The causes of the fall in responses and the under representation from parts of the community will be reviewed and if necessary changes to the consultation process considered.
4. All submissions used the online response form or a printed response form. Two emails were received with questions about the consultation but without a response to the consultation.

The Options for Council Tax in 2018/19

5. Overall 62% of the respondents supported raising Council Tax by an average of £5 based on a Band D property (and proportionately to the other bands). This is the same result as last year's consultation. The samples for ethnicity and disability are not large enough to make comparisons. There are no significant variations between men and women and from where people live in Rother. However, there is a difference between those who are over retirement age and those of working age (18-64). 72% of retired people

supported raising Council Tax where 50% of working age people supported raising Council Tax.

Table 1: Savings option – all responses

Option	Frequency	Percentage
Raise the Council Tax to RDC by £5 year	148	62%
No change to Council Tax	69	29%
Raise Council Tax but by less than £5 a year	21	9%
TOTAL	233	100%

6. In addition, 29% of respondents supported freezing Council Tax at the current level. This is a similar result to last year. Again, there is a difference in the responses between age groups. 41% of working age people supported no change to Council Tax compared to 29% of respondents over retirement age. Overall, 9% of all respondents supported a rise in Council Tax but by less than £5 (also similar to last year). There are no significant variations in demographic groups for this option.
7. The strong similarity to last year's responses suggests this sample has been large enough to be confident that these results reflect the opinions of the general population of Rother, within reason.

Why did the respondents choose their option?

8. As most people have chosen to raise Council Tax, those reasons dominate the comments received. Nearly half of those who commented said that they wanted to protect services and were prepared to raise their Council Tax payment to do so. A further 10% of respondents gave general comments that the amount was affordable or that it was the right or fair thing to do.
9. However, one quarter of people who answered the question had given their answer because they had a low or fixed income, both pensioners and of working age, or had not had any increase in their wages or not in line with inflation and rising bills. 9% of respondents felt the Council should make more savings instead of raising Council Tax. Most of these people selected to freeze Council Tax but a small number were prepared to pay more but commenting that the Council could make more savings as well.
10. 1% of respondents to this question made suggestions about changing the Council Tax system to one they considered to be fairer. Suggestions included replacing with a local income tax, charging each adult and not property and setting bands based on income. One person suggested that district councils were no longer viable and all authorities should be merged and re-organised into either unitary authorities or combined larger districts along the lines of Eastbourne Borough Council and Lewes District Council.
11. Three people mentioned having difficulty selecting an option because they could not be sure what the other precepting authorities were going to add to their parts of the Council Tax.

12. Sample comments from those that want to protect services:

- "Services are already being cut and I do not think there is room for any more austerity. £5 a year is a small amount and I think it is worth keeping it to avoid more cuts."
- "To keep Council services I benefit from costs money and I should pay for that. However this does not mean efficiency savings and value for money should not still be high priority for RDC."
- "I do not feel we can afford to freeze or lose any local services."
- "I would like to see our services maintained to the highest level that the council can afford. Therefore we must be prepared to pay more."
- "Cutting services in the long run is a step that will see our towns and villages suffer to everyone's detriment, as we have seen with our very poor roads that have not been maintained properly for years."
- "Because you really must continue to provide all the services you do and I see no way in which you could reasonably do more to reduce your costs."

13. Sample comments from those that said it was affordable, reasonable or fair:

- "It is an affordable rise in locally raised Tax. It should be a lot more than this and the Tax should be per person over the age of 18."
- "If I've read it right and you are just talking about an increase of £5, that's peanuts. If you mean £50/year, that's still not a great amount."
- "It is reasonable and fair as a average rate increase. As you say A – C band will pay less others will pay more."
- "£5 is a small increase in our overall annual tax, and is worth paying to keep existing services. The vast majority of Council Tax payers can afford such an increase, and we must not be blindsided by the small percentage who have a genuine problem. Such households should be able to claim support where absolutely necessary."
- "This is a minimal increase and might prevent a much larger increase in the future."
- "Think this is a fair increase to limit the amount of cuts required to meet budget."
- "£5 a year extra on council tax is not going to hurt anyone."
- "Extra funding will need to come from 'us' while the Government continues to sort out the country's finances."

14. Sample comments from those who said it was not possible on their income or that they paid too much already:

- "We are retired pensioners with a very low income. We cannot afford to

pay more. Council tax should be scrapped and replaced by a local income tax. That would be much fairer.”

- “Because I do not have an income which has increased. And am being very frugal to pay the tax at the moment...I have reduced heating to only a few hours a week. Plus other economies. So any increase would be a frightening prospect. As this tax is not based on the ability to pay.”
- “Northiam Council's borrowings re the Blue Cross issue have greatly inflated our total council tax and I am unwilling for that reason to contemplate an overall council tax increase.”
- “Council tax is already too expensive. As a family we pay almost £300 per month for which we see no value in the service provided. The only service which we use is refuse collection and that is ineffective.”
- “We live in a Band D property, I had to retire early due to ill health & am not yet state pension age, our sole income is my company ill health pension which rises only by CPI. Living in a Band D property does not imply one is necessarily better off and I resent the idea of focussing on Band D Council Tax payers. Living in a rural area we lack pavements and street lights and do not benefit from all that some other residents do.”
- “Because the council tax was increased by £300 last year.”
- “Keep things as they are to match the lack of pay rises in recent years.”

15. Sample comments from those that said the Council should make more savings:

- “Savings by reducing numbers of highly paid staff and limiting top salaries to less than central government....”
- “Continue to find efficiency savings.”
- “Council could better manage its financial affairs by cutting waste, junkets, non-jobs and excessive bureaucracy.”
- “ALL of the short-fall in income could be met easily by chopping many of the higher paid individuals that you employ, and realising that this island is full up - that's not a racial statement, it's a fact! - so do not use any of our now-stretched infrastructure to support more people!”
- “I accept that inflation creates a need to increase the budget, but I also think that some services could be cut, or funded in other ways.”
- “Savings need to be made by the Council.”
- “From what I experience, I believe the Council could save money in some services and raise money from others, both of which I would like to see more of before thinking about putting up the Council Tax.”

Service Stopped or Reduced

16. Respondents were asked if there were any council services they would be prepared to see stop or reduced in order to make savings. 187 respondents answered this question but a number of people made several suggestions so the total number of mentions of different services was 256. Percentage calculations are based on the number of people answering this question.
17. A list of all the main council services was provided and most respondents quoted from that list. 29% wanted to keep all services and did not wish to see a reduction or cut in any of them. Not included in this count are any services or functions not currently provided by Rother District Council (RDC) that would not be provided by RDC in the future or not in the control of RDC. This includes suggestions around on-street car parking, East Sussex County Council and Sussex Police services and some parish councils. Unfortunately, a number of respondents persist in their misbelief that any income (and they believe there would be an income) from the introduction of civil parking enforcement would come to RDC. This has affected respondents' views on the options available to the Council. The top 18 suggestions are in the table below.

Stop or Reduce	% of respondents
Arts, culture, venues and events including De La Warr Pavilion and museums	18%
Housing benefit	9%
Tourism	8%
Allowances (including Councillor) and wages	6%
Developing affordable housing	5%
Public conveniences	4%
Economic development/regeneration	4%
Council Tax reduction scheme	4%
Car parks	4%
Helping homeless and those at risk of homelessness	4%
Sport	4%
Employees	4%
Charge more in car parks	3%
Planning services	3%
Leisure centres	3%
Street cleaning, litter bins	3%
'Efficiency' in general	3%

Services to be Protected

18. The consultation asked which services respondents would like to protect from any savings that have to be made. The list of the main RDC services was provided again and most people selected from the list. 200 respondents suggested their list of services they would protect. Percentage calculations are based on the number of people who answered this question. What was not included in this analysis are any services provided by other organisations or other unrelated statements. The results are in the table below and show higher levels of support for services than the previous question on which services should be cut. One in four respondents commented without giving any named priority service and said that all or almost all services were important and should be kept.

Important Services	% of respondents
Waste and recycling and bring centres	38%
Street cleaning, litter and dog bins	29%
All services	25%
Helping the homeless and at risk of homelessness	22%
Reducing crime and anti-social behaviour	21%
Public conveniences	17%
Environmental health services	14%
Arts, culture, venues and events	14%
Beaches, foreshores and seafronts	13%
Environmental crime, fly tips, graffiti, etc.	12%
Planning services	12%
Green spaces, parks, playgrounds	12%
Housing benefit	11%
Supporting the development of affordable housing	9%
Council Tax reduction scheme	8%
Tourism	8%
Economic development	7%
Collecting Council Tax and business rates	6%
Car parks	5%
Sport facilities	5%

Other Things to Take into Account

19. We asked respondents if there was anything they would like the Council to take into account when determining the budget and Council Tax. There were a further 119 comments. For the purpose of analysis comments about services not provided by RDC or actions that RDC cannot take have not been

counted. Also not counted are repeated comments or suggestions already covered in previous questions and analysis. New or additional suggestions to take into account are:

- I am willing to pay more Council Tax (five respondents).
- The Council should campaign or lobby the Government for fairer, more or improvements to funding arrangements (four respondents).
- The Council should keep in mind all the residents on low incomes, fixed incomes and those whose wages have not risen for years as well as the rise in other costs of living (five respondents).
- The Council should reduce funding elsewhere in order to provide free or reduced charges in car parks to support the local economy (four respondents).
- If the Council devolves more services to parish councils, those parishes need on-going support to build their capacity to make good quality decisions about those services (one respondent).
- A new Bexhill Town Council would help or would have helped through devolving services, filling in gaps in services and so on (11 respondents).
- The impact of public service cuts is visibly evident in my town or community, for the worse. I don't want them to go any further or I want to see improvements (four respondents).
- Sell the town hall and get a more efficient building (two respondents).
- Do more communication and tell residents what the Council is doing to reduce costs, support services, etc. (one respondent).
- Extend the number of shared services with other councils (one respondent).
- Remember the impact on younger people and young families because they are the future of the area (one respondent).

Conclusion

20. In conclusion, the majority of respondents supported a rise in RDC's part of the Council Tax by £5 based on the average Band D property.

Programme Office and Policy Team
Community and Economy Department
12 January 2018

Rother District Council
2018/19-2022/23 Medium Term Financial Strategy

	2017/18 Budget £ (000)	2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)
Community and Economy	4,220	4,008	4,239	4,343	4,539	4,477
Corporate Services and Human Resources	1,129	1,109	1,106	1,109	1,112	1,116
Executive Directors and Corporate Core	817	809	809	795	795	795
Environmental Services	546	650	650	650	650	650
Finance and Welfare	2,718	3,236	3,190	3,190	3,190	3,190
ICT and Customer Services	1,856	1,861	1,861	1,861	1,861	1,861
Strategy and Planning and Development	898	944	944	944	944	944
Total Cost of Services	12,184	12,617	12,799	12,892	13,091	13,033
Interest from Investments	(235)	(362)	(362)	(362)	(362)	(362)
Salary inflation 1%			92	184	278	368
Savings from 2020 exercise:						
(i) Increase income - Investment in property fund £3 million		(150)	(150)	(150)	(150)	(150)
(ii) Increase income - investment in property		(240)	(965)	(2,257)	(2,257)	(2,257)
(iii) MRP		0	121	871	871	871
(iv) Interest payments		97	297	694	677	660
(v) Service Prioritisation, Demand Management, Lean and Organisational Form				(120)	(120)	(120)
Waste Collection and Street Cleansing Contract			750	750	750	750
Capital Expenditure Charged to Revenue	900	2,360	143	130	130	130
Net Cost of Services	12,849	14,322	12,725	12,633	12,908	12,923

	2017/18 Budget £ (000)	2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)
Parish Precepts	1,573	1,549	1,549	1,549	1,549	1,549
Special Expenses	(715)	(715)	(728)	(743)	(757)	(772)
Business Rates						
Local Share of business rates	(7,125)	(7,141)	(7,419)	(7,708)	(8,009)	(8,321)
s31 Grants	(836)	(1,350)	(1,402)	(1,457)	(1,514)	(1,573)
Tariff	4,783	4,926	5,113	5,312	5,519	5,734
Levy payment on account	392	452	470	488	507	527
Revenue Support Grant	(450)	(73)				
Non-Specific Revenue Grants						
New Homes Bonus Grant	(1,117)	(714)	(417)	(84)	(12)	
Rural services delivery grant	(49)	(38)	(49)			
Transition Grant	(71)					
New Burdens Grant	(3)					
Local Council tax Support Grant	(108)	(100)	(100)	(100)	(100)	(100)
Benefits Administration Grant	(257)	(233)	(233)	(233)	(233)	(233)
Homelessness Grant - New Burdens		(41)	(43)	(43)	(43)	(43)
Flexible Homeless Support Grant		(203)	(203)	(203)	(203)	(203)
Council Tax Requirement (Parishes and Rother)	(7,883)	(8,129)	(8,449)	(8,779)	(9,129)	(9,489)
Other Financing						
Collection Fund (Surplus)/Deficit	(120)	(5)	0			
Contributions to/(from) Earmarked Reserves	(863)	(2,507)	(814)	(632)	(483)	1
Contributions to/(from) General Fund Balance	0	0	0			
Total Income	(12,849)	(14,322)	(12,725)	(12,633)	(12,908)	(12,923)
Total	0	0	0	0	0	0
Council tax Requirement	(6,310)	(6,580)	(6,900)	(7,230)	(7,580)	(7,940)
Divided by Council Tax Base (Band D Equivalent)	37,260.97	37,726.98	38,481.52	39,251.15	40,036.17	40,836.90
Council Tax Charge	169.32	174.32	179.32	184.32	189.32	194.32

Reserves	2017/18 Estimated outturn £ (000)	2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)
Earmarked Reserves and General Reserves	14,901	15,201	12,694	11,884	11,256	10,777
Use of Reserves	300	(2,507)	(810)	(628)	(479)	1
Total Reserves	15,201	12,694	11,884	11,256	10,777	10,778

Capital Programme Summary 2017/18 to 2022/23

	2017/18 Budget £ (000)	2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)
Community and Economy						
Community Grants	115	130	130	130	130	130
De La Warr Pavilion - Capital Grant	51	52	0	0	0	0
Land Swap re Former High School Site	0	1,085	0	0	0	0
Bexhill Leisure Centre	0	2,190	0	0	0	0
Galley Hill Playground	37	0	0	0	0	0
Contribution to Affordable Housing funded by s106	133	0	0	0	0	0
New bins	13	13	13	0	0	0
Beach Huts	24	95	0	0	0	0
Property Investment Strategy	0	4,000	10,000	20,000	0	0
Community Led Housing Schemes	0	390	0	0	0	0
Sidley Sports and Recreation	0	300	0	0	0	0
Beeching Road						
East Parade - project A	0	295	0	0	0	0
East Parade - project D	0	8	0	0	0	0
Bexhill Leisure Centre Construction						
Corporate Services and Human Resources						
Delegate Conference System	0	50	0	0	0	0
Corporate Core						
Corporate Document Image Processing System	147	203	0	0	0	0
Finance and Welfare						
Disabled Facilities Grant	1,000	791	0	0	0	0
Enterprise Resource Planning System upgrade	464	36	0	0	0	0
ICT and Customer Services						
IT SAN replacement	150	0	0	0	0	0
IT Essential Maintenance Programme	100	166	0	0	0	0
Rother 20/20 ICT Investment	42	458	0	0	0	0
Total Capital Programme	2,276	10,262	10,143	20,130	130	130

	2017/18 Budget £ (000)	2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)
Funded By:						
Capital Receipts	0	3,057	0	0	0	0
Grants and contributions	1,376	0	0	0	0	0
Borrowing	0	4,845	10,000	20,000	0	0
Capital Expenditure Charged to Revenue	900	2,360	143	130	130	130
Total Funding	2,276	10,262	10,143	20,130	130	130