

Report to	-	Cabinet
Date	-	19 December 2018
Report of the	-	Executive Director
Subject	-	Draft Revenue Budget 2019/20

Recommendation: It be **RESOLVED:** That:

- 1) the draft Revenue Budget for 2019/20 be considered by the Overview and Scrutiny Committee at its meeting on the 28 January 2019; and
 - 2) financial provision of up to £40,000 be made in the draft Revenue Budget for 2019/20 to meet the cost charged by East Sussex County Council for maintaining the number of grass verge cuts at the same frequency as 2018/19.
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Assistant Director Resources: Robin Vennard
Lead Cabinet Member: Councillor Lord Ampthill

Introduction

1. The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by Government Grant, Business Rates and Council Tax.
2. The 2016/17 settlement offered local authorities a four year deal, giving greater certainty over their funding. This was accepted by Rother District Council. On 5 December 2018, the Government announced that the actual settlement for 2019/20 would not be announced as planned on the 6 December 2018 but would be delayed to beyond the consideration by Parliament of the BREXIT proposals. Therefore it is assumed for the purposes of this report that the settlement will be in accordance with the original four year deal.
3. This report updates Members on preparation of the draft Revenue Budget for 2019/20; the report outlines the likely financial position and the key issues Members need to consider. Appendix A details the summary draft Revenue Budget, Appendix B gives summary information for each service area and Appendix C details the main changes from the 2018/19 Budget. Appendix D provides details of the Council's revenue reserves. Appendix E shows details of identified savings and additional income.
4. All Budgets, for the purposes of Cabinet and Overview and Scrutiny Committee presentation, are shown at "Net Operational Expenditure Levels", that is, to exclude capital charges, central costs and support service

recharges. This ensures Members are provided with a clear identifiable core cost for each service.

Government Grant Settlement

5. As Members will be aware that for 2019/20, the Council will no longer receive Revenue Support Grant and will be wholly reliant on revenue from business rates, council tax, charges for services and income generation. The grant reductions over the last four year settlement were as follows:

Revenue Support Grant	16/17 Current	17/18	18/19	19/20
	£m	£m	£m	£m
Proposed Grant £m	1.07	0.45	0.07	0.00
Reduction in Grant £m		-0.62	-0.38	-0.07
Change % - year on year		-58%	-84%	-100%

Business Rates

6. The Medium Term Financial Strategy (MTFS) makes provision for a small overall increase in the amount of business rates (£3m) retained by the Council. Members will be aware that the Government invited local authorities to submit proposals to pilot 75% business rates retention in 2019/20. Rother, as part of the East Sussex Business rates Pool, submitted an expression of interest to the Government and will know the outcome as part of the 2019/20 settlement. As this is delayed there is no information at the time of writing as to whether the application has been successful. The advantage of this pilot is that Rother will retain a greater share of any business rates growth, as currently only 50% is retained. If the Government accepts the East Sussex expression of interest, then further reports will be made to Members detailing the financial effect and the governance arrangements. Ahead of any decision, no provision has been made for additional income from the pilot 75% business rate retention scheme. In addition it is not possible at this point to predict the impact of the Government fair funding review and the business rate reset both planned to take effect from 2020. Mounting pressures on Councils with social care responsibilities increase the level of uncertainty over funding. It is possible that funding and growth in business rate income will be diverted away from district and borough councils to the county councils to help meet these pressures.

New Homes Bonus

7. The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. In December 2016, the Government announced a reduction of the number of year's new homes bonus is paid to 5 in 2017-18 and 4 in 2018-19. They also introduced a national baseline for growth of 0.4% of council tax base and payments of the bonus would only be made above this level. The Government expects this baseline to increase in 2019-20 which is also the final year of funding agreed through the Funding Review 2015. It is the Government's intention to explore how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward or incentivise plans that meet or exceed local housing need. Government will consult on any changes

prior to implementation. The five year forecast assumes that reliance on New Homes Business Grant will be reduced from £714,000 in 2019/20 to nil by 2022/23, as shown in Appendix A.

Council Tax

8. Officers have made an estimate of the projected position to the end of March 2018. Based on the position at the end of September 2018, it is expected there will be a surplus of £0.125m on the 2018/19 collection fund. This is made up of a surplus on Council Tax of £1.26m and a deficit of £1.14m on business rates. Due to having to meet 40% of the business rate deficit, Rother's share of the collection fund represents a cost of around £270,000 by the end of the financial year.
9. The 2019/20 council tax base has been calculated at 38,053.99 and shows an increase of 327 Band D equivalents over the 2018/19 figures. The main reason for the change is an increase in the number of properties on the rating list and changes to discounts. For the forecast for future years average growth of 2% per annum has been assumed. As a result of the recovery performance being slightly behind in 2018/19 it has been assumed that the recovery rate will return to 98.5% for 2019/20. The tax base calculation assumes that the revised Council Tax Reduction Scheme (CTRS) for 2019/20, considered by Members at their meeting on the 3 December 2018 (Minute CB18/40 refers), is approved by full Council at its meeting on the 17 December 2018. Members will recall that the proposed scheme cost was broadly the same as the 2018/19 scheme and therefore has minimal impact on the council tax base.
10. It has been assumed that the Government will not change the council tax referendum principles used in 2018/19 for all classes of authority. For Shire districts, like Rother, they can increase council tax by £5 or 3% whichever is the highest as was the case for 2018/19.
11. As Council Tax is a major source of income to the Council, the draft Revenue Budget and forecast assumes that the Council will increase Council Tax by the maximum allowed before a referendum is required. The forecast applies a 2.99% increase which will see the Council Tax rise from its current £174.32 to £179.55 for 2019/20 and ultimately to £199.53 by 2023/24. This increase equates to additional income next financial year in the region of £0.200m based on the 2019/20 taxbase and in total delivers £6.8m of income to the Council.

New Waste Collection and Street Cleansing Contract from June 2019

12. Members are aware that the new waste collection and street cleaning contract due to commence from late June 2019 will cost significantly more than the current contract. Provision had been made in the financial forecast for an increase of £750,000 and this has been built into the cost of services shown in Appendix A and B to this report. In addition, a further £750,000 provision has been made following consideration of the final bids (reported to Cabinet on 3 December 2019 (Minute CB18/41 refers) and this is shown on a separate line in Appendix A. Whilst it is hoped that this additional cost can be reduced, it is prudent at this stage to assume this will not be achieved before setting the 2019/20 Revenue Budget.

Other Financial Risks

13. In preparing the draft Revenue Budget there are a number of financial issues that are still uncertain. In 2019/20 around £200,000 of income (net after borrowing costs) will be delivered through the Property Investment Strategy in support of the Rother 2020 programme. This is dependent on a number of purchases currently in progress and therefore there is a risk that they will not be delivered. The forecast budget further increases the income expectation in subsequent years to approximately £1m (net of borrowing costs) per annum which, if not achieved, represents a significant risk.
14. Planning income has fallen in 2018/19 and is currently projected to be under budget by the financial year end. This has not been reflected in the draft Revenue Budget yet as a further review will be undertaken to understand whether this is likely to continue into 2019/20 and whether there is any impact on associated staffing resources.
15. The last year has been particularly challenging for councils, as the number of homeless households up and down the country has grown substantially. Rother has seen a significant increase in households presenting themselves as homeless to the Council. The Council's gross cost of providing emergency and temporary accommodation has risen from £0.261m in 2015/16 to £0.670m in 2017/18. It is predicted that the base Revenue Budget will have to increase by a further £72,000 (net of housing benefit) in 2019/20 based on the first six months of spending in 2018/19 and this has been reflected in Appendix A. The Council is undertaking and considering a number of measures to improve the outcome for the homeless and reduce the Council's costs. This will be reported through updates to Members on progress with the recommendations made by the Housing Issues Task and Finish Group and any financial implications considered later in the budget process.
16. The Council has received a request from East Sussex County Council (ESSC) as to whether it wishes to continue with the funding arrangements put in place in 2018/19 to maintain the number of grass verge cuts in Rother, following their decision to fund only two per annum. Members will recall that it was agreed to fund this expense across the district for 2018/19 only and this cost was met through earmarked reserves. No specific costs have been included in the draft Revenue Budget pending Members' consideration of this request. The likely cost will be in the region of £40,000 and if incorporated into the base Revenue Budget, would require compensatory savings to be identified, due to the expected Revenue Budget funding shortfall over the next five years. Members previously requested officers investigate if the grass cuts in Bexhill could be funded through the use of Special Expenses. However, as maintaining highway grass verges are not a concurrent function of either District or Parish and Town Councils, it is not considered possible to treat this cost as a Special Expense. Members are therefore requested to decide whether to fund this cost for a further year and identify compensating savings elsewhere in the Revenue Budget.

Cost Saving

17. In addition to income generation, there is a significant expectation that the Council will deliver significant cashable and non-cashable savings to help meet the reduction in Government funding and the increasing demands on

services. Appendix E provides details of savings identified and are further explained below:

18. **Lean and Demand** – as reported to Members in October, considerable progress has been made with the lean and demand reviews undertaken so far. Almost £100,000 of savings has been identified to date from lean and demand reviews and this has been built into the forecast. Services reviewed include Housing, Planning and Environmental Health. Part of this work includes further reducing the use of paper by the Council which has both cost and environmental benefits. Further proposals include from May 2019 providing all Members with the necessary IT infrastructure and support further reduce the reliance on paper copies of committee and other reports. The new technology will be flexible and easy to use.
19. **Procurement** – Rother are members of the East Sussex Procurement Hub (ESPH), hosted by Wealden District Council. The benefits of being members of the ESPH is that we can engage in collaborative procurement arrangements with the other members and benefit from the economies of scale that arise.
20. In order to gain the maximum benefit from the ESPH, it is important to review Rother's historic spend in order to facilitate collaborative procurements going forward to the mutual benefit of the partners. To this end, officers are conducting a spend analysis of the last three years.
21. Further details on this and potential savings will be brought forward later in the budget setting process.
22. **Service Prioritisation** – given the scale of the predicted financial deficit over the next five years, it will be necessary over the coming financial year to consider the scope and number of services the Council provides. The Rother 2020 programme recognises this and includes a workstream on service prioritisation. Some initial work was undertaken in 2017/18 and this will need to be updated to enable Members to develop proposals during the autumn of 2019.

Budget Assumptions

23. As the Section 151 Officer, the Assistant Director Resources confirms that, in accordance with section 25 of the Local Government Act 2003, these estimates have been prepared on a robust basis. Due to the high level of current year underspend at present most budgets have been cash limited at their 2018/19 level. This approach will be reviewed during the remainder of the budget setting process. The following assumptions were made when calculating the draft budget:
 - a. **Inflation** – inflation of 2.1% CPI, 3% RPI has been applied to contracts as appropriate.
 - b. **Salaries** – salaries have been increased in line with a further 2% award from September 2019.
 - c. **Growth** – Appendix C to the report details growth included in the draft Budget.
 - d. **Transfers** – the use of transfers between existing budgets has been encouraged to help enable funding to be re-directed into priority areas.

- e. **Income** – where the Council has discretion, increases should be in line with the increase in costs.

Draft Budget

24. The net Revenue Budget before Government grants, use of reserves and other funding is expected to be £16.36m before use of reserves. This is an increase of £1.9m over the revised 2018/19 Revenue Budget. This is analysed below:

	£'000
Increase in Cost of Services	1,577
Capital Expenditure Financed from Revenue	182
Other Budget Pressures – mainly Waste Contract	757
Rother 2020 Savings	(653)
Total Increase in Revenue Budget	1,863

25. The capital expenditure charged to revenue will be funded from earmarked reserves. Appendix A summarises the Budget and the Council Tax calculations. The increase in the cost of services from the 2018/19 Revenue Budget is explained in Appendix C to the report.

Reserves and General Fund Balance

26. The draft Revenue Budget for 2019/20 utilises £5m of reserves in order to meet specific costs. Of this £2.6m will be used to support capital expenditure with the remaining £2.4m being used to support service expenditure. The draft Revenue Budget identified savings and increased income in excess of £600,000. If these are not delivered it may be that to balance the Revenue Budget during the year, further use of reserves may be required.
27. The total earmarked reserves by the end of March 2018, is estimated to be £16.1m plus a £1m General Fund balance. Over the five year financial forecast, earmarked reserves are predicted to fall to £6.3m. The minimum level of cash backed reserves and balances are considered to be £5m although below £10m there would be negative implications for the current Council's treasury management strategy.

Budget Consultation

28. The previously approved budget consultation is due to close in early January 2019 and the results will be reported to the Overview and Scrutiny Committee at their meeting on the 28 January 2019.

Conclusion

29. The draft Revenue Budget shows an increase of nearly £1.6m in the cost of services over the 2018/19 position. This is significantly higher than previously forecast and is largely due to the increase in costs of the new waste collection and street cleaning contract due to start in late June 2019. The draft Revenue Budget also assumes an increase in Council Tax by 2.99% which is based on the previously approved MTFS. Once the Government has confirmed the settlement and the referendum rules for 2019/20, the increase in Council Tax may have to be reviewed. This will be incorporated into the draft Revenue

Budget report being presented to the Overview and Scrutiny Committee for consideration in January 2019.

30. Members are also asked whether or not to continue with the funding arrangements put in place in 2018/19 to maintain the number of grass verge cuts across Rother following ESCC's decision to fund only two per annum. If made permanent, compensating savings will need to be identified within the Revenue Budget.
31. The predicted use of cash reserves required to support the Revenue Budget is not considered sustainable beyond 2020/21 and additional income or savings will need to be delivered. This could include service reductions with associated reductions in the number of officer posts. Whilst the Council has repeatedly underspent in recent years, this should not be relied upon to meet the increase in costs of the new waste and street cleaning contract. The Government's fair funding review and business rate reset coming in from 2020 add to the very uncertain backdrop to Council funding, meaning that maintaining healthy reserve levels is essential.

Malcolm Johnston
Executive Director

Risk Assessment Statement

The significant falls in Government support will continue and the potential volatility in business rate income present a major challenge for the Council. The Council needs to finalise its' plans to deal with the continued pressures on its budgets but 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.

DRAFT REVENUE BUDGET – 2019/20 TO 2023/24

	Revised 2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
Acquisitions, Transformation and Regeneration	376	335	336	337	338	340
Environmental Services	740	729	729	729	729	729
Executive Directors and Corporate Core	2,043	2,078	2,080	2,081	2,083	2,084
Housing and Community Services	5,420	6,833	6,942	7,055	7,169	7,286
Resources	3,286	3,433	3,432	3,433	3,433	3,433
Strategy and Planning	930	964	964	964	964	964
Total Cost of Services	12,795	14,372	14,483	14,599	14,716	14,836
Interest from Investments	(362)	(512)	(512)	(512)	(512)	(512)
Capital Expenditure Charged to Revenue	2,360	2,542	868	238	318	238
2020 Savings						
(i) increase income – investment in property fund £3m	(150)					
(ii) Increase income – investment in property	(240)	(876)	(2,257)	(2,257)	(2,257)	(2,257)
(iii) MRP	0	104	201	206	211	216
(iv) Interest payments	97	564	874	869	863	857
Financial Savings – Appendix E		(653)	(686)	(686)	(686)	(686)
Budget Pressures						
Homelessness		72	72	72	72	72
Salary Inflation			191	97	98	99
Waste Collection and Street Cleansing additional cost		750	750	750	750	750
Net Cost of Services	14,500	16,363	13,984	13,376	13,573	13,613

	Revised 2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
Parish Precepts	1,549	1,549	1,549	1,549	1,549	1,549
Special Expenses	(715)	(728)	(743)	(757)	(772)	(772)
Business Rates						
Local Share of Business Rates	(7,141)	(7,290)	(7,436)	(7,585)	(7,737)	(7,891)
s31 Grants	(1,350)	(1,378)	(1,406)	(1,434)	(1,462)	(1,492)
Tariff	4,926	5,029	5,130	5,232	5,337	5,444
Levy Payment on Account	617	630	643	655	669	682
Revenue Support Grant	(73)		0	0	0	0
Non-Specific Revenue Grants						
New Homes Bonus Grant	(714)	(417)	(84)	(12)	0	0
Rural Services Delivery Grant	(38)	(49)	0	0	0	0
Local Council tax Support Grant	(100)	(100)	(100)	(100)	(100)	(100)
Benefits Administration Grant	(233)	(233)	(233)	(233)	(233)	(233)
Homelessness Grant – New Burdens	(41)	(43)	(43)	(43)	(43)	(43)
Flexible Homeless Support Grant	(203)	(275)	(275)	(275)	(275)	(275)
Council Tax Requirement (Parishes and Rother)	(8,129)	(8,379)	(8,709)	(9,049)	(9,409)	(9,769)
Other Financing						
Collection Fund (Surplus)/Deficit	(5)	273	0	0	0	0
Contributions to/(from) Earmarked Reserves	(2,850)	(4,952)	(2,277)	(1,324)	(1,097)	(713)
Contributions to/(from) General Fund Balance	0	0	0	0	0	0
Total Income	(14,500)	(16,363)	(13,984)	(13,376)	(13,573)	(13,613)
Funding Gap	0	0	(0)	(0)	(0)	(0)

Revenue Budget Summary – Cost of Services	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Acquisitions, Transformation and Regeneration	376,340	1,444,050	(1,108,890)	335,160
Environmental Services, Licensing and Community Safety	739,520	2,318,150	(1,589,420)	728,730
Executive Directors and Corporate Core	2,043,280	2,494,250	(432,220)	2,077,640
Housing and Community	5,419,890	9,696,590	(2,863,860)	6,832,730
Resources	3,285,960	30,011,860	(26,578,120)	3,433,740
Strategy and Planning	930,120	2,056,340	(1,092,500)	963,840
Total	12,795,110	48,021,240	(33,665,010)	14,371,840

	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
Executive Directors and Corporate Core				
	£	£	£	£
Administrative Offices – Print Room	12,580	12,770		12,770
Administrative Offices – Rear Depot	3,850	3,930		3,930
Administrative Offices – Town Hall	180,580	182,740		182,740
Administrative Offices – Town Hall Annex (not CHP)	(27,340)	35,160	(62,510)	(27,350)
Committee Services	168,030	170,970		170,970
Communications	50,810	50,810		50,810
Communications – Postages	80,220	80,220		80,220
Corporate Policy Making	4,640	4,640		4,640
District Council Elections	7,220	7,220		7,220
Electoral Registration	159,150	178,360	(15,500)	162,860
Emergency Planning	32,260	32,750		32,750
Executive Directors	340,720	340,050	(130)	355,530
Facilities Management	84,230	93,170		93,170
Human Resources	208,800	271,310	(22,090)	249,220
Internal Audit	144,030	146,940		146,940
Joint Waste Contract Client Unit including contract procurement	3,700	237,220	(231,390)	5,830
Legal Services	265,600	265,600		265,600
Representing Local Interest	260,110	260,210	(100)	260,110
Sussex Training Partnership	64,090	120,180	(100,500)	19,680
Total	2,043,280	2,494,250	(432,220)	2,077,640

Environmental Services, Licensing and Community Safety	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Alcohol Licencing	(23,500)	63,500	(87,000)	(23,500)
Animal Welfare	1,180	1,180		1,180
Caravan Licences and Travellers	29,460	29,460		29,460
Community Safety	16,070	16,070		16,070
Crime and Disorder Initiatives	8,300	31,750	(23,450)	8,300
Dog Control	41,470	41,470		41,470
Environmental Services – Admin	17,190	17,190		17,190
Food and Safety Team	6,590	655,180	(677,920)	(22,740)
Food Hyg/Idc/Water Purity	135,320	136,220	(900)	135,320
Head of Service Environmental Services	8,950	88,530	(77,950)	10,580
Health and Safety and ID's	90,320	90,320		90,320
Houses Multiple Occupation	(1,000)		(1,000)	(1,000)
Licences and Registration	34,400	69,400	(35,000)	34,400
Licensing Team	(2,470)	375,870	(383,610)	(7,740)
Pest Control	10,020	20,020	(10,000)	10,020
Pollution	384,890	616,660	(209,590)	407,070
Private Sector Housing	1,700	1,700		1,700
Sub Standard Housing	230	230		230
Taxi and Private Hire Licences	(23,560)	59,440	(83,000)	(23,560)
Watercourses, Ditches and Drains	3,960	3,960		3,960
Total	739,520	2,318,150	(1,589,420)	728,730

	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
Strategy and Planning				
	£	£	£	£
Building Control	51,530	51,530		51,530
Complaints, Compliance, Enforcement	128,530	131,110		131,110
Conservation and Preservation	11,200	11,200		11,200
General Planning Expenses	8,230	8,230		8,230
Head of Service Strategy and Planning	83,540	88,280		88,280
Land Charges	(95,720)	146,280	(242,000)	(95,720)
Local Development Framework	150,000	150,000		150,000
Planning Appeals	4,500	4,500		4,500
Planning Applications	154,800	936,050	(785,500)	150,550
Planning Business Support	237,010	289,000	(5,000)	284,000
Planning Department E-Government	4,000	4,000		4,000
Planning Enquiries	(52,000)	8,000	(60,000)	(52,000)
Planning Policy	244,500	228,160		228,160
Total	930,120	2,056,340	(1,092,500)	963,840

	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
Acquisitions, Transformation and Regeneration				
	£	£	£	£
Ancient Monuments and Gazebo	5,460	5,460		5,460
Business Improvement	283,900	289,980		289,980
Committee Property Account	(32,970)	33,300	(66,120)	(32,820)
Community Strategy	8,570	8,570		8,570
Cultural Development	23,340	23,340		23,340
Economic Development	343,900	357,510		357,510
E-Government	21,500	21,500		21,500
Elva Business Centre, Bexhill	(150,590)	74,690	(224,340)	(149,650)
Head of Service Acquisitions, Transformation and Regen	62,670	83,970		83,970
Housing Policy, Strategy and Development	30,310	30,310		30,310
Investment Properties	(193,720)	14,110	(296,830)	(282,720)
Miscellaneous Land and Buildings	(16,520)	2,660	(19,180)	(16,520)
NLPG – Street Naming	(11,000)		(11,000)	(11,000)
Peasmarsh Workshops	(5,110)	12,960	(17,900)	(4,940)
Performance Management	15,390	15,390		15,390
Programme and Policy Office	242,770	247,910		247,910
Property Management	12,850	12,850		12,850
Regeneration	54,440	57,240	(2,800)	54,440
Residual Housing Land	(530)		(530)	(530)
Tourism	127,850	127,850		127,850
Udimore Workshops	(1,740)	4,680	(6,340)	(1,660)
Watch Oak Estate	(39,500)	500	(40,000)	(39,500)
West Trading Estate	(404,930)	19,270	(423,850)	(404,580)
Total	376,340	1,444,050	(1,108,890)	335,160

	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
Housing and Community				
	£	£	£	£
41 Jameson Mews, Bexhill-on-Sea	134,320	134,320		134,320
Allotments – Bexhill	2,720	4,580	(1,800)	2,780
Amenities Administration Account	2,000	2,050	(50)	2,000
Battle Community Help Point	19,550	19,720		19,720
Battle Sports Centre	6,000	6,000		6,000
Bexhill Leisure Centre	7,270	9,330	(2,000)	7,330
Bexhill Leisure Pool	8,200	35,160	(26,960)	8,200
Bexhill Parks and Open Spaces	770,310	837,820	(55,210)	782,610
Bexhill Promenade and Foreshore	24,520	101,730	(77,200)	24,530
Camber Beach and Foreshore	100,860	127,520	(26,660)	100,860
Car Parks	(955,020)	401,160	(1,350,400)	(949,240)
Care In The Community	5,100	5,100		5,100
Cemeteries	(43,020)	138,810	(180,000)	(41,190)
Churchyards	9,670	9,760		9,760
Coast Protection	39,970	42,480	(2,500)	39,980
Customer Services and Development	504,200	486,620		486,620
De La Warr Pavilion – Client	502,750	502,750		502,750
Head of Service Housing and Community	63,980	79,690		79,690
Housing Administration Account	442,630	409,720		409,720
Housing Needs – Housing Benefit	193,390	420,340	(226,950)	193,390
Housing Needs – Universal Credit	115,000	155,000	(40,000)	115,000
Maintenance Services	35,350	35,350		35,350
Neighbourhood Services	784,840	766,170		766,170
Property Maintenance Team	210,140	217,020		217,020
Public Conveniences	404,500	410,640		410,640
Recycling	(606,750)		4,920	4,920
Refuse Collection	1,469,230	3,009,230	(790,000)	2,219,230
Residual Highway Services	23,260	26,330	(3,000)	23,330

	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
Housing and Community				
Rother Museum Services	25,010	32,460	(7,450)	25,010
Rural Open Spaces and Amenities	32,590	33,180	(90)	33,090
Rye Area Parks and Gardens	88,380	98,450	(8,650)	89,800
Rye Community Help Point	11,350	11,350		11,350
Rye Sports Centre and Pool	4,370	9,590	(5,250)	4,340
Sports Development	(33,030)	41,450	(40,610)	840
Street and Beach Cleansing	1,016,250	1,040,250	(24,000)	1,016,250
Syrian Refugee Support	0	35,460		35,460
Total	5,419,890	9,696,590	(2,863,860)	6,832,730

Resources	Revised Budget 2018/19	Budget 2019/20		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Accountancy	358,820	355,170		355,170
Benefit Investigation	(12,290)	(12,290)		(12,290)
Communications – Phones	110,000	110,000		110,000
Computer Services	879,420	874,210	(5,000)	869,210
Corporate Management	111,000	111,000		111,000
Cost of Collection	(139,530)	179,470	(319,000)	(139,530)
Financial Services	20,610	20,810	(200)	20,610
Assistant Director Resources	97,900	99,760		99,760
Internal Drainage Boards	122,000	122,000		122,000
Printing Services	23,190	154,210	(129,280)	24,930
Procurement	25,000	25,000		25,000
Public Accountability – Resources	6,000	6,000		6,000
Reliefs and Benefits – Council Tax Benefit	83,220	95,800	(12,580)	83,220
Reliefs and Benefits – Housing Benefit	(334,370)	25,567,660	(25,902,030)	(334,370)
Revenue and Benefits	1,118,450	1,229,320		1,229,320
Risk Management/Insurance	0	210,030	(210,030)	0
Support to Elect Bodies/Grant	140,300	140,300		140,300
Treasury Management	8,500	8,500		8,500
Unapportion Central Overheads	667,740	714,910		714,910
Total	3,285,960	30,011,860	(26,578,120)	3,433,740

MAIN CHANGES IN NET COST OF SERVICES BETWEEN 2018/19 AND 2019/20

	£'000	£'000
Revised Revenue Budget 2018/19		14,500
Draft Revenue Budget 2019/20		16,363
Net Increase in Cost of Services		1,863

Analaysis of Variations**Expenditure**

Waste Collection and Street Cleaning	1,500	
Staffng Costs	274	
Capital Expenditure charged to Revenue	182	
Homelessness	72	
Premises Costs and Business Rates	17	
Grounds Maintenance	16	
Efficiencies (Appendix E)	-269	
Lean and Demand (Appendix E)	-99	
Insurances	-3	1,690

Income

Recycling Credits	612	
Car Parking fees (Appendix E)	-250	
Rental Income	-89	
Property Investment net of borrowing	-65	
Grant Funding for Syrian Refugee support	-35	173

Total Increase in Cost of Services		1,863
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EARMARKED RESERVES

Reserves	Revised 2018/19 Budget £ (000)	2019/20 Budget £ (000)	2020/21 Budget £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)
Earmarked Reserves and General Reserves	16,731	13,881	8,929	6,652	5,328	4,231
Use of Reserves	(2,850)	(4,952)	(2,277)	(1,324)	(1,097)	(713)
Contributions to Reserves						
Total Reserves	13,881	8,929	6,652	5,328	4,231	3,518
<u>Analysis of (Use of)/Contribution to reserves</u>						
To fund Capital Expenditure	(2,360)	(2,542)	(868)	(238)	(318)	(238)
Car Park Reserve		(23)	(137)	(119)	(190)	
Community Housing Fund		(25)	(25)	(25)	(25)	
Estates Staffing						
Revenues and Benefits Improvement Plan						
Other contributions						
To balance the Budget	(490)	(2,362)	(1,247)	(942)	(564)	(475)
TOTAL	(2,850)	(4,952)	(2,277)	(1,324)	(1,097)	(713)

SAVINGS AND ADDITIONAL INCOME

	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
<u>Efficiencies</u>					
Executive Directors & Corporate Core – Savings following implementation of new financial system	(23,000)	(23,000)	(23,000)	(23,000)	(23,000)
Resources – Savings following implementation of new financial system		(30,000)	(30,000)	(30,000)	(30,000)
Acquisitions, Regeneration and Transformation	(33,900)	(33,900)	(33,900)	(33,900)	(33,900)
Removal of Contingencies	(80,410)	(83,410)	(83,410)	(83,410)	(83,410)
<u>Lean and Demand</u>					
Lean	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Demand	(84,000)	(84,000)	(84,000)	(84,000)	(84,000)
<u>Other Revenue Savings</u>					
Charging staff costs to Capital for DFG and Capital Projects	(101,000)	(101,000)	(101,000)	(101,000)	(101,000)
Recruitment freeze enabled through Lean/Demand	(30,640)	(30,640)	(30,640)	(30,640)	(30,640)
<u>Income</u>					
Car Parking Income	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
External Funding for Syrian Worker	(35,460)	(35,460)	(35,460)	(35,460)	(35,460)
Total	(653,410)	(686,410)	(686,410)	(686,410)	(686,410)