

Report to	-	Cabinet
Date	-	14 December 2016
Report of the	-	Executive Director of Resources
Subject	-	Draft Revenue Budget 2017/18

**Recommendation:** It be **RESOLVED:** That the draft Revenue Budget for 2017/18 be considered by the Overview and Scrutiny Committee at its meeting on the 30 January 2017.

**Service Manager: Robin Vennard**

**Lead Cabinet Member: Councillor Lord Ampthill**

## Introduction

1. This report updates Members on preparation of the draft Revenue Budget for 2017/18; the report outlines the likely financial position and the key issues Members need to consider. Members should note that at the time of writing the report the local government grant settlement had not been announced. The Government have confirmed however that it is extremely unlikely that there will be major changes to grant amounts announced in February 2016. 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 2016/17 Budget. Appendix D provides details of the Council's Revenue Reserves.
2. 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. In line with the changes to the presentation of financial monitoring, the budgets are now shown on a departmental basis. This ensures Members are provided with a clear identifiable core cost for each service. Support services are shown separately in their own right.

## Government Grant Settlement

3. As Members will be aware the Government announced last December that Revenue Support Grant will be removed over the next four years. Therefore by 2020 Councils will be wholly reliant on income from business rates, council tax and charges for services. The grant expected for the next three years is 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**

4. Members will also be aware that the Government announced previously that local government would be able to retain 100% of Business Rates by 2020. The proposal suggested that power over £26bn of revenue from Business Rates will be devolved. The consultation closed on the 26 September and the outcome of the consultation is yet to be announced. Members are reminded however that the rate in the £ will still be determined nationally and councils will have the power to reduce rates but not increase them. Cities (and possibly devolved regions) that choose to move to systems of combined authorities with directly elected Mayors will be able to increase rates for specific infrastructure projects, up to a cap, likely to be set at 2p on the rate. This will require the support of local businesses.
5. The current system of top-up and tariffs remains to protect authorities with lower levels of Business Rate income. The current “safety net”, which protects local areas against big drops in revenue, will also remain in place, but the current levy on gains will end. The Government hope that the reform will incentivise local government to attract more business into their areas with the prospect that the growth in Business Rates will be retained locally.
6. The Government assessed baseline funding for Business Rate retention in Rother for 2017/18 is estimated to be £2.21m. This is based on the calculations of the Government using 2011 as the base year and then inflated each year in line with the Retail Price Index. As such, over time it is likely the baseline amount will diverge from the actual amount of Business Rates collectable each year. This will be caused by a number of factors including business premises being built / demolished and changes in the amount of relief and exemptions granted each year. Based on actual Business Rate income this year, the net income from Business Rates, retained by the Council for 2017/18 is estimated to be £2.6m.
7. Officers are currently reviewing the projected position to the end of March 2017. The Business Rates Collection Fund is predicted to be in deficit by approximately £0.321m which would be recovered in 2017/18. This is due to the deficit of £815,000 in 2015/16 brought forward which is offset by an in year surplus for 2016/17. If available, Members will be updated at Cabinet as to the latest estimates. Based on the predicted deficit/surplus, the Government would meet/retain 50%, Rother District Council 40% £0.128m, East Sussex County Council (ESCC) 9% and East Sussex Fire & Rescue (ESFR) 1%.
8. Members will see that movements in Business Rates income now have the potential to have a significant impact on the Council’s income, highlighting the importance of delivering commercial regeneration projects in the District.

## **Business Rates Revaluation**

9. The national revaluation of Business Rates has been completed for implementation from April 2017. Overall the rateable value (RV) for the Rother area has increased from £48.6m to £54.6m, a 12.4% increase. However within this there will properties where the RV will have increased significantly and those where it has fallen. At the time of writing, the proposed rate in the £ and any transitional arrangements for businesses had yet to be confirmed.

10. The 2017 revaluation RVs (effective at April 2017), were published in September 2016, and are only a draft. The final list will not be finalised until early in 2017. It is likely that a number of appeals and changes will occur before the final list is published. This is too late for the local government finance settlement and therefore, the 2017/18 tariff/top up adjustments will need to be based on a draft list, with a correction in 2018/19 i.e.
- (i) 2017/18 – based on draft list
  - (ii) 2018/19 – based on final list + one off correction for 2017/18
  - (iii) 2019/20 – based on final list
11. The amount of appeals against the values proposed by the Valuation Office Agency is likely to be significant. The Government are estimating that the effect of the appeals will reduce the overall RV by 4.7%. This is similar to previous experience of the 2010 revaluation. In finalising the budget in the New Year, once the final revaluation list is published, the appeals provision and the Council's Business Rate equalisation reserve level will be reviewed.

### **New Homes Bonus**

12. New Homes Bonus is currently funded by the Government from the redistribution of business rate income. With the move to 100% Business Rate retention, it is expected that New Homes Bonus will need to be removed from the funding system by 2020 in its current form. The outcome of the Government consultation on the future of New Homes Bonus is still awaited as are details of the 2017/18 grant. Based on the grant received to date, the income is projected to be £1.1m assuming the Government implement the proposed reduction in the period of payment from six years to four.
13. The base Revenue Budget restricts the amount of grant used to support services to approximately £1m with the balance being set aside in Earmarked Reserves.

### **Council Tax and Referendum Limit**

14. The Council Tax Collection Fund position for 2016/17 is currently being reviewed but based on the position at the end of September 2016 it is expected there will be a surplus £1.187m with our share being £0.152m by the end of the financial year end. If possible, Members will be updated at the meeting on the outcome of the review.
15. The 2017/18 Council Tax base has been calculated at 37,260.97 and shows an increase of 452 band D equivalents over the 2016/17 figures. The main reason for the change is an increase in the number of properties on the rating list plus a reduction in the number of households claiming Council Tax Reduction support.
16. Members need to consider whether to introduce any changes to the current exemptions and discretions within their control. In 2013, the empty property exemption was reduced from six months to one month. Its full removal has two benefits, a predicted increase in income for the Council plus a reduction in the administrative actions required in managing council tax accounts. Members' views are sought as to whether they wish to reduce the one month exemption for empty properties to zero.

17. At the time of writing this report, the Government has not reaffirmed the referendum limit for Council Tax increases. In 2016/17, the limit was £5 or 2% whichever was the highest and it has been assumed that this will be the case for 2017/18.
18. In order to assist Members' understanding of the financial impact of an increase in Council Tax, a £5 increase would deliver additional income of £186,400. A £5 increase would equate to a Council tax charge of £169.32, an increase of 3%.
19. A 1.94% increase would deliver an additional £118,900 of income based on the 2017/18 tax base. A 1.94% increase would see the average annual Council Tax charge increase from £164.32 to £167.51, an increase of £3.19 which equates to six pence per week.
20. Any increase above £5 or 2%, would require a referendum to be held. The draft budget assumes an increase of £5 at Band D. To avoid the referendum limit the increase would in reality need to be just below £5.
21. It is estimated that the cost of a referendum would be between £60,000 to £70,000, similar to the cost of holding a district council election.

### Other Financial Risks

22. Universal Credit – Officers have recently become aware that full implementation of Universal Credit will come into place from 14 December 2016 for those residents who come under Hastings Job Centre Plus. This Job Centre covers a substantial part of Rother. For the rest of Rother, the expectation is that the implementation of full Universal Credit will happen during the summer of 2017. Aside from the practical impact on the Council's housing benefit/housing needs teams and customer contact centre, there is a likely additional cost to the Council in relation to the use of temporary accommodation for those applying to the Council for accommodation as they are homeless. Universal Credit will be paid at Local Housing Allowance rates which are below the current charges by temporary accommodation providers. Under the previous arrangements, housing benefit was paid at a higher rate for temporary accommodation, recognising the extra cost of securing and managing this type of property. The impact is currently being assessed as this change will only relate to new claims from working age residents. This will also affect those who come out of benefit temporarily (say through short term employment) as these people will be treated as new claimants.

### Budget Assumptions

23. As the Section 151 Officer, the Service Manager – Finance and Welfare confirms that, in accordance with section 25 of the Local Government Act 2003, these estimates have been prepared on a robust basis. The following assumptions were made when calculating the draft Revenue Budget:
  - a. **Inflation** – inflation of 1.5% CPI or 2.5% RPIX has been applied to contracts as appropriate.
  - b. **Salaries** – salaries have been increased in line with the 1% pay award previously agreed by Council. In addition, a further 1% award from September 2017 has been provided for. Provision has been made for increased employer pension contributions of up to 1%.

- c. **Growth** – Appendix C to the report details growth included in the draft Revenue 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.
- f. **Contributions to Reserves** – at present it is proposed that any excess New Homes Bonus above that already in the base budget be set aside in Earmarked Reserves to support the Business Rate Equalisation Reserve and the Rother 2020 Plan.
- g. **Parish Council Tax Reduction Grant** – it has been assumed that the grant paid to Parish Councils will reduce by 50% in 2017/18 to reflect the loss of Revenue Support Grant received by the Council.

## Draft Budget

24. The net Revenue Budget before Government grants, use of reserves and other funding is expected to be £12.729m. This is an increase of £910,000 over 2016/17. This is analysed below:

	<b>£'000</b>
Increase in Cost of Services	137
Capital Expenditure Financed from Revenue	925
Investment income	(100)
Contingency items	(52)
<b>Total Increase in Revenue Budget</b>	<b>910</b>

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 2016/17 Budget is explained in Appendix C to the report.

## Reserves and General Fund Balance

26. The draft Revenue Budget for 2017/18 utilises £1,114,000 of reserves in order to meet specific costs. Of this £925,000 will be used to support capital expenditure previously agreed by Members and £150,000 to support work on the local development framework. The draft Revenue Budget identified savings in excess of £400,000. If these are not delivered it may be that to balance the Revenue Budget during the year, further use of reserves may be required. However, if these savings can be achieved the underlying ongoing annual support from reserves for the Revenue Budget relates to the Community Grant Scheme (£65,000). Contributions to reserves of £129,000 are planned and includes the setting aside of New Homes Bonus grant. The net use of Reserves is £986,000.
27. The total predicted Earmarked Reserves by the end of March 2017, is estimated to be £10.4m plus a £1m General Fund balance. The minimum level of reserves is considered to be £5m.

## **Sustainability and Efficiency Plan/Rother 20/20**

28. Members will be aware that since 2010, the Council has achieved significant savings of £4.6m through its service resetting programme and latterly the staff restructure.
29. The revised Medium Term Financial Strategy, to be approved by Council at its meeting being held on 12 December, incorporates the Council's Sustainability and Efficiency Plan and details the financial framework for increasing income and reducing costs. The draft Revenue Budget incorporates the outcome of a detailed Budget Review following the significant surplus the Council achieved in 2015/16. Additionally, the Review looked at areas of the Council where the Council has cost and growth pressures and these are set out in Appendix C.

## **Budget Consultation**

30. Members agreed the Budget Consultation at their meeting on the 7 November 2016. The Consultation is due to close on the 6 January 2017 and Members will receive a verbal update on responses received at their meeting. It will be possible to report the final outcome of the consultation to the Overview and Scrutiny Committee at their meeting on the 30 January 2017.

## **Conclusion**

31. The draft Revenue Budget shows a decrease of £230,000 over the 2016/17 position. The review of underspends in 2015/16 and previous years, identified a number of savings and additional income that could be relied upon and were incorporated into the draft Budget. The draft Budget assumes an increase in Council Tax by £5. Once the Government have confirmed the settlement and the referendum rules for 2017/18, the increase in Council Tax may have to be reviewed. This will be incorporated into the Overview and Scrutiny Committee consideration of the draft Revenue Budget in the new year.
32. There is still great uncertainty over the Council's funding streams, particularly New Homes Bonus Grant and Business Rate Retention. Members will be updated with the implications of any changes as they become known.

Malcolm Johnston  
Executive Director of Resources

## **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.

**Rother District Council**  
**Draft Revenue Budget 2017/18**

	<b>2016/17 Budget £ (000)</b>	<b>2017/18 Budget £ (000)</b>
Community and Economy	4,334	3,999
Corporate Services and Human Resources	1,245	1,177
Executive Directors	781	795
Environmental Services	525	584
Finance and Welfare	2,331	2,700
ICT and Customer Services	1,834	1,903
Strategy and Planning and Development	904	933
<b>Total Cost of Services</b>	<b>11,954</b>	<b>12,091</b>
<b>Other Items:</b>		
Interest from Investments	(135)	(235)
Contingency items - Salary Turnover savings		(100)
- Apprentices		48
Capital Expenditure Charged to Revenue	0	925
<b>Net Cost of Services</b>	<b>11,819</b>	<b>12,729</b>
<b>Parish Precepts</b>	1,319	1,319
<b>Special Expenses</b>	(715)	(715)
<b>Business Rates</b>	(2,540)	(2,559)
<b>Revenue Support Grant</b>	(1,073)	(570)
<b><u>Non-Specific Revenue Grants</u></b>		
New Homes Bonus Grant	(1,655)	(1,111)
Rural services delivery grant		(49)
Transition Grant		(71)
Local Council tax Support Grant		(118)
Benefits Administration Grant		(216)
<b>Council Tax Requirement (Parishes and Rother)</b>	(7,367)	(7,629)
<b><u>Other Financing</u></b>		
Collection Fund (Surplus)/Deficit	171	(24)
Contributions to/(from) Earmarked Reserves	41	(986)
Contributions to/(from) General Fund		
Balance	0	0
<b>Total Income</b>	<b>(11,819)</b>	<b>(12,729)</b>
<b>Total</b>	<b>0</b>	<b>0</b>
<b><u>Calculation of Council Tax</u></b>		
Council tax Requirement	(6,048)	<b>(6,310)</b>
Divided by Council Tax Base (Band D Equivalent)	36,808.84	<b>37,260.97</b>
Council Tax Charge	£164.32	<b>£169.32</b>

## Budget Summary 2017/18

	Original Budget	Draft Budget		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Community and Economy	4,334,090	8,069,370	(4,069,940)	3,999,430
Corporate Services and				
Human Resources	1,245,330	1,234,660	(57,540)	1,177,120
Environmental Service	525,100	816,690	(232,450)	584,240
Finance and Welfare	2,330,780	32,410,600	(29,710,740)	2,699,860
ICT and Customer Services	1,834,210	1,976,100	(73,500)	1,902,600
Strategy and Planning				
Development	903,380	1,890,510	(958,000)	932,510
Corporate Core and				
Executive Directors	781,300	795,300	(60)	795,240
<b>TOTAL</b>	<b>11,954,190</b>	<b>47,193,230</b>	<b>(35,102,230)</b>	<b>12,091,000</b>



## Community and Economy

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Arts Development	49,810	23,560	(100)	23,460
Rother Museum Services	65,080	34,280	(8,300)	25,980
De La Warr Pavilion - Client	516,250	509,970	(6,580)	503,390
Ancient Monuments & Gazebo	5,450	5,590	0	5,590
Allotments- Bexhill	4,730	-430	0	(430)
Allotments-Rye	1,000	1,030	0	1,030
Camber Beach & Foreshore	116,700	140,920	(28,660)	112,260
Bexhill Promenade & Foreshore	113,980	124,660	(62,200)	62,460
Sports Development	53,150	58,600	(51,570)	7,030
Battle Sports Centre	6,000	6,000		6,000
Rye Sports Centre & Pool	2,540	9,650	(5,250)	4,400
Bexhill Leisure Centre	30,020	9,140	(2,000)	7,140
Bexhill Leisure Pool	16,680	35,380	(26,960)	8,420
Bexhill Parks & Open Spaces	796,030	789,190	(40,800)	748,390
Rye Area Parks & Gardens	120,200	98,200	(7,600)	90,600
Rural Open Spaces & Amenities	61,400	27,760	0	27,760
Amenities Administration Account	14,070	14,070	0	14,070
Tourism	147,070	127,850	0	127,850
Cemeteries	(70)	135,380	(180,000)	(44,620)
Churchyards	10,510	10,650	(1,780)	8,870
Coast Protection	53,890	39,400	0	39,400
Sub Standard Housing	29,670	300	0	300
Houses Multiple Occupation	14,730	40	0	40
Public Conveniences	431,560	387,830	0	387,830
Community Safety	32,460	16,510	0	16,510
Crime and Disorder Initiatives	40,310	31,880	(10,000)	21,880
Watercourses, Ditches & Drains	7,090	3,970	0	3,970
Street & Beach Cleansing	1,084,980	1,010,000	(24,000)	986,000
Refuse Collection	1,711,480	2,146,260	(740,000)	1,406,260
Recycling	(486,100)	33,570	(588,710)	(555,140)
Regeneration	144,040	61,780	(2,800)	58,980
			(1,250,490)	
Car Parks	(768,510)	372,840	)	(877,650)
Residual Highway Services	27,170	23,830	(2,700)	21,130
Abandoned Vehicles	20,520	3,110	0	3,110
Housing Policy, Strategy & Dev	71,430	10,730	0	10,730
Private Sector Housing	107,240	2,480	0	2,480
Performance Management	106,400	41,230	(22,000)	19,230
Community Strategy	92,160	-10,750	0	(10,750)
Property Management	129,810	12,400	0	12,400
Maintenance Services	186,200	38,450	0	38,450
West Trading Estate	(390,690)	18,490	(428,530)	(410,040)

## Appendix B

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
St Martins Battle	(19,140)	1,540	(20,570)	(19,030)
Misc. Land & Buildings	(9,440)	2,910	(13,460)	(10,550)
Residual Housing Land	(1,000)	0	(1,000)	(1,000)
Peasmarsh Workshops	(7,470)	13,310	(20,910)	(7,600)
Udimore Workshops	(3,460)	4,300	(7,800)	(3,500)
Watch Oak Estate	(32,000)	500	(32,500)	(32,000)
Elva Business Centre, Bexhill	(122,870)	74,400	(210,000)	(135,600)
Committee Property Account	(246,970)	25,420	(272,670)	(247,250)
Service Manager, Community and Economy	0	87,230	0	87,230
Neighbourhood Services	0	604,350	0	604,350
Programme and Policy Office	0	237,760	0	237,760
Economic Development	0	611,850	0	611,850
<b>TOTAL</b>	<b>4,334,090</b>	<b>8,069,370</b>	<b>(4,069,940)</b>	<b>3,999,430</b>

## Corporate Services and Human Resources

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Representing Local Interest	275,780	251,680	(100)	251,580
Committee Service General Exp	190,320	143,270	0	143,270
Corporate Services Admin	3,410	3,410	0	3,410
Corporate Policy Making	4,630	4,640	0	4,640
Public Accountability C/Ex	19,660	190	0	190
Electoral Registration	117,130	142,480	(1,000)	141,480
District Council Elections	38,530	7,420	0	7,420
Individual Electoral Registration	0	0	(25,000)	(25,000)
Communications - Postages	97,440	80,330	0	80,330
Human Resources	162,730	153,060	(28,900)	124,160
Administrative Offices - Town Hall	250,130	185,370	0	185,370
Administrative Offices - T.H. Annex (NOT CHP)	67,280	40,030	0	40,030
Administrative Offices - Print Room	14,630	16,400	(2,540)	13,860
Administrative Offices - Station Road	2,410	2,410	0	2,410
Administrative Offices - Rear Depot	1,250	1,150	0	1,150
Service Manager, Corporate and Human Resources		87,590	0	87,590
Facilities Administration		115,230	0	115,230
<b>TOTAL</b>	<b>1,245,330</b>	<b>1,234,660</b>	<b>(57,540)</b>	<b>1,177,120</b>

**Environmental Services**

	<b>Original Budget</b>	<b>Budget Estimate</b>		
	<b>2016/17</b>	<b>2017/18</b>		
<b>Detail</b>	<b>Net</b>	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Food Hyg/Idc/Water Purity	120,000	10,510	0	10,510
Pollution	168,510	169,650	(12,100)	157,550
Dog Control	40,910	30,940	(1,250)	29,690
Pest Control	4,670	2,870	(19,000)	(16,130)
Animal Welfare	1,680	60	0	60
Health & Safety and ID's	79,830	90,680	(86,700)	3,980
Alcohol Licencing	(14,820)	-4,690	(78,000)	(82,690)
Taxi & Private Hire Licences	(11,090)	-35,820	(32,900)	(68,720)
Licences And Registration	42,740	-29,300	0	(29,300)
Caravan Licences & Travellers	69,490	16,210		16,210
Environmental Services-Admin	17,440	25,080	(500)	24,580
EH Environmental Services				
Admin	5,740	0	0	0
Service Manager Env Serv	0	46,120	0	46,120
Licensing Team	0	180,330	(2,000)	178,330
Food and Safety Team	0	314,050	0	314,050
<b>TOTAL</b>	<b>525,100</b>	<b>816,690</b>	<b>(232,450)</b>	<b>584,240</b>

## Finance and Welfare

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Housing Needs	202,310	383,890	(201,950)	181,940
Homelessness and Prevention	233,220	1,310	0	1,310
Housing Administration Account	2,420	386,450	(10,000)	376,450
Reliefs & Benefits-Housing Benefit	24,760	28,663,310	(29,060,920)	(397,610)
Care In The Community	19,940	5,250	0	5,250
Other Apportionable Overheads	131,900	125,550	0	125,550
Treasury Management	8,500	8,500	0	8,500
Public Accountability-Resources	13,260	3,590	0	3,590
Risk Management/Insurance	(18,040)	4,500	0	4,500
Procurement Strategy	30,410	25,010	0	25,010
Cost Of Collection	194,560	166,100	(412,800)	(246,700)
Reliefs & Benefits-Council Tax Benefit	56,350	96,660	(12,580)	84,080
Support To Elect Bodies/Grant	251,820	237,190	0	237,190
Benefit Investigation	65,660	140	(12,290)	(12,150)
Accountancy	324,770	319,230	(200)	319,030
Creditors	27,600	130	0	130
Payroll	24,760	280	0	280
Cashiers	49,740	4,800	0	4,800
Sundry Debtor	33,540	140	0	140
Internal Drainage Boards	122,000	122,000	0	122,000
Unapportion Central Overheads	531,300	516,300	0	516,300
Revenue and Benefits	0	1,241,200	0	1,241,200
Service Manager Finance and Welfare	0	99,070	0	99,070
<b>TOTAL</b>	<b>2,330,780</b>	<b>32,410,600</b>	<b>(29,710,740)</b>	<b>2,699,860</b>

## ICT and Customer Services

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
E-Government	125,950	21,670		21,670
Nlpg-E-Government	54,890	120	(8,000)	(7,880)
Bexhill Community Help Point	126,880	4,230	(300)	3,930
Battle Community Help Point	62,910	19,100	(100)	19,000
Rye Community Help Point	51,990	11,590	0	11,590
Customer Services and Development	80,440	481,060	0	481,060
Contact Centre	203,890	1,470	0	1,470
Computer Services	800,820	938,010	0	938,010
Printing Services	(19,760)	(27,570)	(65,100)	(92,670)
Stationery	(2,770)	(5,860)	0	(5,860)
Communications-Phones	170,490	139,060	0	139,060
Business Improvement	178,480	262,020	0	262,020
Service Manager ICT and Customer Services	0	131,200	0	131,200
<b>TOTAL</b>	<b>1,834,210</b>	<b>1,976,100</b>	<b>(73,500)</b>	<b>1,902,600</b>

## Strategy and Planning Development

	Original Budget	Budget Estimate		
	2016/17	2017/18		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
General Planning Expenses	7,730	5,230	(500)	4,730
Planning Applications	97,020	539,170	(655,500)	(116,330)
Complaints, Compliance, Enforce	185,630	131,110		131,110
Planning Appeals	57,140	4,360	0	4,360
Planning Policy	272,110	480,470	0	480,470
Planning Enquiries	108,960	11,620	(60,000)	(48,380)
Conservation & Preservation	28,090	10,170	0	10,170
Planning Dept E-Government	29,120	6,130	0	6,130
Local Development Framework	150,000	150,000	0	150,000
BC Applications H+R Partnership	(31,840)	0	0	0
BC Access H+R Partnership	12,460	0	0	0
BC Dangerous Structures H+R Partnership	9,500	49,000	0	49,000
Land Charges	(22,540)	148,440	(242,000)	(93,560)
Planning Business Support	0	267,280	0	267,280
Service Manager Strategy and Planning	0	87,530	0	87,530
<b>TOTAL</b>	<b>903,380</b>	<b>1,890,510</b>	<b>(958,000)</b>	<b>932,510</b>

## Corporate Core and Executive Directors

	<b>Original Budget</b>	<b>Budget Estimate</b>		
	<b>2016/17</b>	<b>2017/18</b>		
<b>Detail</b>	<b>Net</b>	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Communications	58,260	57,000	0	57,000
Emergency Planning	31,940	32,380	0	32,380
Internal Audit	135,930	143,490	0	143,490
Legal Services	256,820	265,790	0	265,790
Strategic Management Team	391,930	351,650	(60)	351,590
Joint Waste Contract Client Unit	(43,580)	(55,010)	0	(55,010)
<b>TOTAL</b>	<b>831,300</b>	<b>795,300</b>	<b>(60)</b>	<b>795,240</b>



**Comparison of 2017/18 to 2016/17 Budget**

	<u>£</u>	<u>£</u>
Total Net Cost of Services 2017/18		12,091,000
Turnover savings		(100,000)
Revs and Bens grant below line		(215,000)
Apprentices		48,000
Interest		(100,000)
		<hr/>
Net cost of Revenue Services		11,724,000
		<hr/>
Total Budget 2016/17		11,954,190
		<hr/>
<b>Decrease in year on year budget</b>		<b>(230,190)</b>
		<hr/>

**Set out below are the major reasons for the net increase in the revenue budget:**

**Employee related costs** 490,030

**Contractual Inflation and Other Unavoidable Commitments**

Building Control Service Transfer	58,940	
Apprentices	48,000	
Legal Counsel Fees	30,000	
Grounds Maintenance Contract Inflation	20,700	
Inflation	1,080	
Insurance Inflation	5,800	
Insurance recharge	22,540	
Lifeguards on the Foreshore at Camber	51,000	
Print Service costs	30,000	
Reduced recovery of Temporary Accommodation costs, poor settlement rates and increased caseload	37,500	
Reduction in Homelessness Grants	0	
Replacement computers in Environmental Health Partnership	3,000	
Waste Contract Inflation	76,700	
Business rates increase on Council's own properties	6,970	
Street Cleansing Contract Inflation	36,580	
Loss of ESCC grant re: Rye Sports Centre	10,000	
Other	70,000	
	<hr/>	508,810

**Savings identified**

Benefit Investigations - used to fund staff	(50,000)
Environmental Health Partnership - changes in cost apportionment (mainly taxi licensing)	(18,900)
Computer Software licences - reduced costs	(56,000)

	<u>£</u>	<u>£</u>
E-Government - reduced costs	(10,000)	
Grants	(500)	
Members training and travelling	(11,680)	
Postage - reduced costs	(6,000)	
Printing	(39,440)	
Supplies and Services - reduced costs	(3,000)	
Waste Contingency	(211,320)	
Training - reduced costs	(10,000)	
	<hr/>	(416,840)

### **Income**

Individual Electoral Registration (IER) Grant	(25,000)	
Street Naming and Numbering	(4,000)	
Garden Waste Containers	(219,000)	
Income from additional beach huts	(6,000)	
Rental Income	(30,000)	
Income Funding for Apprentice Trainer - s106	(2,800)	
Grant funded posts for Active Rother	(51,570)	
Funded posts re: Sussex Training Consortium (STC)	(12,950)	
Income from DWP towards roll out of Universal credit	(11,880)	
Increase in planning applications	(100,000)	
Turnover Savings	(100,000)	
Interest Income	(100,000)	
Indexation on recycling credits	(18,710)	
Housing Benefit - overpayments recovery	(35,990)	
Income from preceptors to fund extra staff	(60,800)	
Income from preceptors for hardship fund	(33,000)	
Other	(490)	
	<hr/>	(812,190)

<b>Total decrease in Revenue Budget 2016/17</b>	<hr/>	<b>(230,190)</b>
	<hr/>	

## Appendix D

RESERVES	Balance 31.3.16	Use of Reserves	Balance 31.3.17	Use of Reserves	Balance 31.3.18
	£	£	£	£	£
<b><u>Community and Economy</u></b>					
Economic Development Reserve	29,656		29,656		29,656
Repairs and Renewals Reserve	1,134,745		1,134,745		1,134,745
<b><u>Strategy and Planning</u></b>					
Planning Improvement Reserve	169,636		169,636	(150,000)	19,636
<b><u>Finance and Welfare - other</u></b>					
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
<b><u>Corporate Reserves</u></b>					
Risk Management Reserve	146,678		146,678		146,678
Interest Equalisation Reserve	922,493		922,493		922,493
Corporate Plan Projects Reserve	549,806		549,806		549,806
Resetting Reserve (Invest to Save)	217,618		217,618		217,618
Corporate Development Reserve	1,418,606		1,418,606		1,418,606
New Homes Bonus Reserve	932,746		932,746	111,000	1,043,746
Business Rate Equalisation	787,000		787,000		787,000
<i>Medium Term Financial Strategy</i>					
Budgeted contributions to reserves		671,010			
Less: used for revenue running costs or to support council tax		(564,530)			
Delegate Conference System				(50,000)	
Corporate Document Image Processing System				(350,000)	
IT SAN replacement				(160,000)	
Rother 2020 ICT Investment				(300,000)	
Community Grants - Capital		(65,000)		(65,000)	
Estate surveyor - part funding				(18,930)	
Revs and Bens Staff - to improve performance				(21,000)	
Contribution -other				18,000	
<i>Total Medium Term Financial Strategy</i>	3,952,107	41,480	3,993,587	(946,930)	3,046,657
<b>Total Earmarked Reserves</b>	<b>11,363,547</b>	<b>41,480</b>	<b>11,405,027</b>	<b>(985,930)</b>	<b>10,419,097</b>
General Fund Balance	1,000,000		1,000,000		1,000,000
<b>Total Reserves</b>	<b>12,363,547</b>	<b>41,480</b>	<b>12,405,027</b>	<b>(985,930)</b>	<b>11,419,097</b>