

Report to	-	Cabinet
Date	-	18 December 2017
Report of the	-	Executive Director of Resources
Subject	-	Draft Revenue Budget 2018/19

Recommendation: It be **RESOLVED:** That the draft Revenue Budget for 2018/19 be considered by the Overview and Scrutiny Committee at its meeting on the 29 January 2018.

Service Manager: 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. The proposed 2018/19 settlement funding is therefore assumed to be in accordance with the agreed methodology announced by the Secretary of State at that time.
3. This report updates Members on preparation of the draft Revenue Budget for 2018/19; 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 2017/18 Budget. Appendix D provides details of the Council's revenue reserves.
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 2018/19 is the last year of Revenue Support Grant, Transition Grant and Rural Services Delivery Grant. Therefore by 2019/20 Councils will be wholly reliant on revenue from business rates, council tax, charges for services and income generation. The grant reductions over the 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 small business rate multiplier was 46.6p in 2017/18. The increase in business rates is usually linked to September Retail Price Index (RPIX) which was 3.9%. The Government has issued the provisional multipliers for 2018/19. These are 48p for small businesses and 49.3p for larger businesses. The Government has brought forward the switch in the indexation of business rates from RPI to the main measure of inflation (currently Consumer Prices Index) to April 2018 in the recent budget. The difference will be compensated by section 31 grants so the Council will be no worse off.
7. 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 idea being for local authorities to retain 100% of the business rates income. The Government invited local authorities as pilots in 2018/19 for 100% rates retention. Rother are not proposing to be a pilot but are joining a re-formed East Sussex Business Rate Pool (ESBRP) for 2018/19.
8. 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 hopes that the reform will incentivise local authorities to attract more business into their areas with the prospect that the growth in business rates will be retained locally. This is because as part of the ESBRP the levy that would usually be payable to Central Government is retained by the pool. This has not been built into the base budget.
9. The Government assessed baseline funding for business rate retention in Rother for 2018/19 is estimated to be £2.29m. This is based on the calculations of the Government using 2011 as the base year and then inflated each year in-line with the RPI. 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 or 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 2018/19 is estimated to be £2.98m.
10. Officers have made an estimate of the projected position to the end of March 2018. The business rates collection fund is predicted to be in deficit by approximately £0.336m which would be recovered in 2018/19. Firstly, the deficit is due to large number of appeals settled in the year, particularly in relation to the doctor's surgeries where the settlement was higher than the

provision Rother made. Secondly, the amount of relief given to small businesses was higher than expected. This is compensated in the year by section 31 grants as there is £193,000 more received than budgeted in 2017/18 but leaves a deficit in future years. Based on the predicted deficit/surplus, the Government would meet/retain 50%, Rother District Council 40% (£0.134m), East Sussex County Council (ESCC) 9% and East Sussex Fire & Rescue (ESFR) 1%.

11. Members will see that movements in business rates income now has the potential to have a significant impact on the Council's income, highlighting the importance of delivering new commercial regeneration projects in the district.

Business Rates Revaluation

12. The national revaluation of business rates was completed in April 2017. The Government has set the Business Rate Retention Baseline for the Council for 2018/19 at £2.29m. 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 £2.12m for 2018/19. The estimated retention of business rates included in the draft Revenue Budget is £2.98m including compensatory grants in relation to additional reliefs previously granted by the Government.
13. There will inevitably be a significant number of appeals but at this stage it has been difficult to estimate what this will be. 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.

New Homes Bonus

14. The recent consultation by the Department for Communities and Local Government (DCLG) confirms that there will be a baseline again for New Homes Bonus (NHB) in 2018/19. The baseline was set at 0.4% in 2017/18; only tax base growth above this baseline earned NHB payments. The actual baseline for 2018/19 will not be announced until the provisional settlement, and there is still no indication of the level at which it will be set. There was also an element of NHB given for affordable housing in 2017/18. No income for NHB for 2018/19 has been assumed in this budget at this stage due to this uncertainty of how it will be calculated.
15. Clearly the level at which the baseline is set is crucial for any authority who is trying to estimate how much NHB they are likely to achieve in 2018/19.
16. NHB is currently funded by the Government from the redistribution of business rate income. Although the results of the consultation have yet to be published it seems likely NHB will continue but the exact methodology for calculating the amounts to be received is not yet known.

Council Tax and Referendum Limit

17. Officers have made an estimate of the projected position to the end of March 2018. Based on the position at the end of September 2017, it is expected there will be a surplus of £0.603m on the 2017/18 council tax collection fund. Rother's share will be £0.077m by the end of the financial year.

18. The 2018/19 council tax base has been calculated at 37,726.98 and shows an increase of 466 Band D equivalents over the 2017/18 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. In addition a review of the long term recovery rate of council tax indicates it is possible to increase the recovery rate from 98.5% to 98.75%. This small change increases the number of Band D equivalent households by approximately 90.
19. The Government has proposed that there will be no change in 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 2% whichever is the highest as was the case for 2017/18.
20. In order to assist Members' understanding of the financial impact of an increase in council tax, based on the 2017/18 taxbase a £5 increase would deliver additional income of £186,305. A £5 increase would equate to a council tax charge of £174.32, an increase of 3%.
21. A 1.94% increase would deliver an additional £122,395 of income based on the 2017/18 tax base. A 1.94% increase would see the average annual council tax charge increase from £169.32 to £172.60, an increase of £3.28 which equates to 6p per week.
22. Any increase above £5 or 2% would require a Referendum to be held. The draft Revenue Budget assumes an increase of £5 at Band D. It is estimated that a Referendum would cost approximately £60,000 to £70,000 similar to the cost of holding a District Council election.

Other Financial Risks

23. In preparing the draft Revenue Budget there are a number of financial issues that are still uncertain. In addition to the commentary above, there remains uncertainty over the Government's proposal to allow councils to increase their planning fee charges by 20%. This was in return for increasing staffing resources to improve performance. The Council confirmed to the DCLG its commitment to increasing planning resources and has done so. However there have been delays in DCLG confirmation of the increase and therefore no price increase in fees has been built into the draft Revenue Budget. This could be in the order of £130,000.
24. The draft Revenue Budget assumes delivery of net additional income of £290,000 from its Rother 2020 programme. The expectation is that this will be delivered through the Property Investment Strategy although as Members are aware, recent government proposed changes to the capital financing regime may mean this is achieved in a different way to that previously envisaged. Further reports will be made to Members following publication of the final changes to be implemented from 1 April 2018.
25. No contingency provision has been included at this stage for pay awards above 1% or any vacancy allowance where there are delays in filling posts. Nationally there is a 2% pay increase being proposed for 2018/19 and 2019/20 by local government employers but is as yet to be agreed.

Budget Assumptions

26. 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 budget:
- a. **Inflation** – inflation of 3% CPI, 3.9% RPI and 4% RPIX has been applied to contracts as appropriate.
 - b. **Salaries** – salaries have been increased in line with a further 1% award from September 2018.
 - 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.
 - f. **Parish Council Tax Reduction grant** – it has been assumed that the grant paid to Parish Councils will reduce to nil in 2018/19 to reflect the loss of revenue support grant received by the Council.

Draft Budget

27. The net Revenue Budget before Government grants, use of reserves and other funding is expected to be £12.336m. This is a decrease of £538,000 over 2018/19. This is analysed below:

	£'000
Increase in Cost of Services	304
Capital Expenditure Financed from Revenue	(487)
Investment Income	(65)
Savings from 2020 Exercise	(290)
Total Decrease in Revenue Budget	(538)

28. 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

29. The draft Revenue Budget for 2018/19 utilises £728,000 of reserves in order to meet specific costs. Of this £438,000 will be used to support capital expenditure previously agreed by Members. 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.
30. The total predicted earmarked reserves by the end of March 2017, is estimated to be £14.3m plus a £1m General Fund balance. The minimum level of reserves is considered to be £5m.

Budget Consultation

31. Members agreed the budget consultation at their meeting on the 6 November 2017. The consultation is due to close in early January 2018 and Members will receive a verbal update on any responses received at their meeting. The final outcome of the consultation will be reported to the Overview and Scrutiny Committee at their meeting on the 29 January 2018.

Conclusion

32. The draft Revenue Budget shows an increase of £304,000 in the cost of services over the 2017/18 position. This is lower than it could have been as a result of a thorough review of previous years underspends and review of future income, which identified a number of savings and additional income that could be relied upon and were incorporated into the draft Revenue Budget. A target of £290,000 in additional income has been assumed based on the Rother 2020 programme. The draft Revenue Budget also assumes an increase in Council Tax by £5 which is based on the previously approved Medium Term Financial Strategy. Once the Government has confirmed the settlement and the referendum rules for 2018/19, 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 2018.
33. There is still great uncertainty over the Council's funding streams, particularly NHB 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
2018/19-2022/23 Medium Term Financial Strategy

	2017/18 Budget £ (000)	2018/19 Budget £ (000)
Community and Economy	4,220	4,075
Corporate Services and Human Resources	1,129	1,112
Executive Directors and Corporate Core	817	809
Environmental Services	546	558
Finance and Welfare	2,718	3,102
ICT and Customer Services	1,856	1,822
Strategy and Planning and Development	898	1,010
Total Cost of Services	12,184	12,488
Interest from Investments	(235)	(300)
Contingency items		
Salary inflation 1%		
Savings from 2020 exercise:		
(i) Increase income		(290)
(ii) Service Prioritisation, Demand Management, Lean and Organisational Form		
Waste Collection and Street Cleansing Contract		
Capital Expenditure Charged to Revenue	925	438
Net Cost of Services	12,874	12,336
Parish Precepts	1,573	1,573
Special Expenses	(715)	(715)
Business Rates		
Local Share of business rates	(7,125)	(7,219)
s31 Grants	(836)	(974)
Tariff	4,783	279
Levy payment on account	392	4,937
Revenue Support Grant	(450)	(73)
Non-Specific Revenue Grants		
New Homes Bonus Grant	(1,117)	(702)
Rural services delivery grant	(49)	(38)
Transition Grant	(71)	
New Burdens Grant	(3)	
Local Council tax Support Grant	(108)	(108)
Benefits Administration Grant	(257)	(257)
Homelessness Grant - New Burdens		(44)
Flexible Homeless Support Grant		(177)
Council Tax Requirement (Parishes and Rother)	(7,883)	(8,153)
Other Financing		
Collection Fund (Surplus)/Deficit	(120)	63
Contributions to/(from) Earmarked Reserves	(888)	(728)
Contributions to/(from) General Fund Balance	0	0
Total Income	(12,874)	(12,336)

	2017/18 Budget £ (000)	2018/19 Budget £ (000)
Council tax Requirement	(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
	6,309,027	6,576,567

Reserves	2017/18 Budget £ (000)	2018/19 Budget £ (000)
Earmarked Reserves and General Reserves	12,364	11,476
Use of Reserves	(888)	(728)
Total Reserves	11,476	10,748
<u>Analysis of (Use of)/Contribution to reserves</u>		
To fund capital expenditure		(438)
Car Park Reserve		(23)
Estates staffing		
Revs and Bens improvement plan		
Other contributions		
To balance the budget		(267)
TOTAL	(888)	(728)

Budget Summary 2018/19

	Original Budget	Draft Budget		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Community and Economy	4,219,490	8,317,985	(4,243,345)	4,074,640
Corporate Services and Human Resources	1,128,780	1,205,790	(93,600)	1,112,190
Environmental Service	546,110	783,510	(225,500)	558,010
Finance and Welfare	2,718,160	31,661,150	(28,559,130)	3,102,020
ICT and Customer Services	1,856,300	1,924,710	(103,200)	1,821,510
Strategy and Planning Development	898,680	1,967,420	(957,500)	1,009,920
Executive Directors and Corporate Core	816,500	837,240	(28,000)	809,240
TOTAL	12,184,020	46,697,805	(34,210,275)	12,487,530

Appendix B

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	(8,260)	24,200
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	102,710	(77,200)	25,510
Sports Development	5,710	40,610	(40,610)	0
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	86,030	0	86,030
Neighbourhood Services	632,040	644,200	0	644,200
Programme and Policy Office	232,660	272,860	0	272,860
Economic Development	600,810	664,740	0	664,740
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	16,070	0	16,070
Crime and Disorder Initiatives	21,880	31,750	(23,450)	8,300
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)
Residual Highway Services	24,240	26,260	(3,000)	23,260
Housing Policy, Strategy & Dev	67,470	6,810	0	6,810
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

Appendix B

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Property Management	12,400	12,350	0	12,350
Maintenance Services	38,450	35,350	0	35,350
West Trading Estate	(386,040)	18,920	(423,990)	(405,070)
St Martins Battle	(19,030)	0	0	0
Misc. Land & Buildings	(10,550)	2,660	(19,330)	(16,670)
Residual Housing Land	(1,000)	0	(530)	(530)
Peasmarsh Workshops	(7,600)	12,790	(17,730)	(4,940)
Udimore Workshops	(3,500)	4,610	(6,340)	(1,730)
Watch Oak Estate	(32,000)	500	(40,000)	(39,500)
Elva Business Centre, Bexhill	(135,600)	73,745	(224,315)	(150,570)
Committee Property Account	(216,250)	33,150	(68,110)	(34,960)
Investment Properties	0	14,110	(201,440)	(187,330)
TOTAL	4,219,490	8,317,985	(4,243,345)	4,074,640

Appendix B

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 & Human Resources	85,530	86,270	0	86,270
Committee Service General Exp	143,250	144,710	0	144,710
Corporate Policy Making	4,640	6,900	0	6,900
Public Accountability C/Ex	190	0	0	0
Electoral Registration	139,250	142,790	(1,500)	141,290
District Council Elections	7,420	7,220	0	7,220
ESCC Elections	0	0	0	0
Parliamentary Elections	0	0	0	0
Police Crime Commissioners	0	0	0	0
EU Referendum	0	0	0	0
Communications-Postages	80,330	80,220	0	80,220
Human Resources	141,180	139,890	0	139,890
Facilities Management	112,840	108,150	(90)	108,060
Administrative Offices - Town Hall	185,370	180,580	0	180,580
Administrative Offices - T.H. Annex (NOT CHP)	-14,970	35,170	(62,510)	(27,340)
Administrative Offices - Print Room	13,860	13,650	0	13,650
Administrative Offices - Rear Depot	1,150	3,850		3,850
Sussex Training Partnership	-250	(3,820)	(4,400)	(8,220)
Individual Electoral Registration	-25,000	0	(25,000)	(25,000)
Administrative Offices - Station Road	2,410	0	0	0
TOTAL	1,128,780	1,205,790	(93,600)	1,112,190

Environmental Services

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Food Hygiene/Water Purity	10,510	136,220	0	136,220
Pollution	149,520	280,190	(8,000)	272,190
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 And Registration	(29,300)	69,400	(35,000)	34,400
Caravan Licences & Travellers	16,210	29,460	0	29,460
Environmental Services-Admin	24,580	17,190	0	17,190
Service Manager Env. Serv.	44,060	9,620	0	9,620
Licensing Team	166,880	(50,600)	0	(50,600)
Food and Safety Team	297,460	9,630	0	9,630
EH Licenses and Registration R + W Partnership	0	2,500	(2,500)	0
Watercourses, Ditches &Drains	0	3,970	0	3,970
TOTAL	546,110	783,510	(225,500)	558,010

Finance and Welfare

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
Housing Needs - HB (Housing Benefit)	181,940	408,890	(226,950)	181,940
Homelessness and Prevention	1,310	200	0	200
Rother Letting Service	0	0		0
Housing Needs - Universal Credit	0	260,000	(40,000)	220,000
Housing Administration Account	371,810	375,190	0	375,190
Housing Loans Account	0	25,000	(25,000)	0
Reliefs & Benefits-Housing Benefit	(419,770)	27,291,230	(27,713,080)	(421,850)
Care In The Community	5,250	5,210	0	5,210
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	25,010	0	25,010
Unapportion Central Overheads	616,300	667,740	0	667,740
Revenue and Benefits	1,217,990	1,225,690	0	1,225,690
Cost Of Collection	(246,240)	179,670	(319,000)	(139,330)
Reliefs & Benefits-Council Tax Benefit	84,080	95,800	(12,580)	83,220
Support To Elect Bodies/Grant	219,320	219,180	0	219,180
Benefit Investigation	(12,150)	0	(12,290)	(12,290)
Accountancy	312,300	322,290	(200)	322,090
Unclassified income and expenditure	0	0	0	0
Service Manager Finance and Welfare	96,730	97,520	0	97,520
Cashiers	0	0	0	0
Sundry Debtor	140	0	0	0
Internal Drainage Boards	122,000	122,000	0	122,000
Temporary Homeless Accommodation - 41 Jameson Road Bexhill	0	5,000	0	5,000
TOTAL	2,718,160	31,661,150	(28,559,130)	3,102,020

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 and Development	471,260	452,940	0	452,940
Contact Centre	1,470	0	0	0
Service Manager ICT & Customer				
Services	108,910	132,270	(22,000)	110,270
Computer Services	846,420	844,480	(5,000)	839,480
Printing Services	(9,550)	83,010	(65,200)	17,810
Stationery	(5,860)	(2,860)	0	(2,860)
Communications-Phones	139,060	110,000	0	110,000
Business Improvement	256,280	252,470	0	252,470
TOTAL	1,856,300	1,924,710	(103,200)	1,821,510

Strategy and Planning Development

	Original Budget	Budget Estimate		
	2017/18	2018/19		
Detail	Net	Expenditure	Income	Net
	£	£	£	£
General Planning Expenses	0	27,650	0	27,650
Planning Applications	4,730	663,730	(655,500)	8,230
Complaints, Compliance, Enforce	261,120	225,640	0	225,640
Planning Appeals	(128,250)	184,820	0	184,820
Planning Policy	85,470	86,320	0	86,320
Planning Enquiries	128,160	194,310	(60,000)	134,310
Planning Projects incl Interreg	4,360	4,500	0	4,500
Conservation & Preservation	469,730	269,440	0	269,440
Planning Dept E-Government	(48,380)	-52,000	0	(52,000)
Local Development Framework	10,170	11,200	0	11,200
BC Applications H+R Partnership	6,130	4,000	0	4,000
BC Access H+R Partnership	150,000	150,000	0	150,000
BC Dangerous Structures H+R Partnership	49,000	49,000	0	49,000
Land Charges	(93,560)	146,280	(242,000)	(95,720)
Building Control Applications R+H Partnership	0	2,530	0	2,530
Access R+H Partnership	0	0	0	0
TOTAL	898,680	1,967,420	(957,500)	1,009,920

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	32,050	0	32,050
Internal Audit	139,800	143,720	0	143,720
Legal Services	265,790	265,600	0	265,600
Executives Directors	343,660	347,650	(130)	347,520
Joint Waste procurement	36,600	41,800	(27,870)	13,930
Joint Waste Contract Client Unit	(58,100)	(44,390)	0	(44,390)
TOTAL	816,500	837,240	(28,000)	809,240

Comparison of 2018/19 to 2017/18 Budget

Total Net Cost of Services 2018/19	12,487,530
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Total Budget 2017/18	<u>12,184,020</u>
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Increase in year on year budget	<u><u>303,510</u></u>
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Set out below are the major reasons for the net increase in the revenue budget:

Employee related costs	257,300
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Contractual Inflation and Other Unavoidable Commitments

Contingency	83,020
Electricity	1,490
Printing	17,910
Grounds Maintenance Contract Inflation	27,290
Reduced income from allotments being devolved	5,080
Loss of funding Sports Development	10,960
Members Allowances	12,310
Homelessness Housing Benefit, 41 Jameson Road and Universal Credit (funded by external grant)	225,000
Loss of surcharge income	10,000
Waste and Street Cleaning Contract Inflation	93,470
Cost of Collection - Postage	15,000
Revenues and Benefits - Hardship Fund	33,000
Revenues and Benefits - Monies recovered from preceptors Fire, Police and ESCC for Council tax support Admin. Costs	60,800
Car Park Repairs Funded From Reserves	22,700
Fees and Charges - Investment properties	7,500
Lump Sum Pension Contribution	36,440
Environmental Heath Partnership - Pest Control Income	11,100
Environmental Heath Partnership - Dog Control Income	1,250
Cleaning Contract - indexation	5,950

680,270

Savings identified

Gas	(4,800)	
Premises - Repairs, NNDR, Water & Sewage	(10,605)	
Communications Marketing	(5,000)	
Insurance Inflation	(1,700)	
Bexhill Foreshore NNDR	(25,170)	
Wage Costs - Camber	(15,000)	
Postage Costs - Recycling	(23,660)	
Members costs	(1,700)	
Audit Fee	(26,500)	
Communications Costs	(45,840)	
IT Costs	(45,000)	
Bexhill Parks	(3,670)	
Housing Stock Condition Survey - one off 2017/18	(59,840)	
Environmental Health Partnership	(20,150)	
Stationery	(17,570)	
Other expenditure variances	(9,750)	
		<hr/>
		(315,955)

Income

Street Naming and Numbering	(3,000)	
Garden Waste Containers and Bulky Waste	(50,000)	
Income from additional beach huts	(15,000)	
Rental Income	(41,230)	
Car Park Income	(100,000)	
Recovery of costs re: lease of Amherst Road	(7,510)	
Licences - Houses of Multiple Occupation	(1,000)	
Donations - Bexhill Park	(2,800)	
Contribution from the Police and Crime commissioner for Crime and Disorder Initiatives	(13,450)	
Contribution from partners re: Waste procurement	(27,870)	
Indexation on recycling credits	(22,960)	
Environmental Heath Partnership - Alcohol Licencing Income	(300)	
Environmental Heath Partnership - Taxi Licensing	(5,000)	
Environmental Heath Partnership - Licences and Registration Income	(2,100)	
Sussex Training partnership	(9,960)	
Other Income	(15,925)	
		<hr/>
		(318,105)

Total increase in Revenue Budget 2018/19

303,510

Appendix D

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	315,000	1,466,680		1,466,680
<u>Strategy and Planning</u>					
Planning Improvement Reserve	170,636	(150,000)	20,636		20,636
<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	(58,000)	1,501,746		1,501,746
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		(50,000)			
Corporate Document Image Processing System		(100,000)			
Enterprise Resource Planning System Upgrade		(464,000)			
New bins		(13,000)			
Community Grants - Capital		(115,000)		(130,000)	
De La Warr Pavillion - Capital Grant		(51,000)		(52,000)	
Rother 20/20 ICT Investment				(200,000)	
Capital – other		(53,000)		(56,000)	
Contribution -other		690,000		(267,000)	
<i>Total Medium Term Financial Strategy</i>	5,572,163	(156,000)	5,416,163	(655,000)	4,761,163
Total Earmarked Reserves	14,901,449	(587,000)	14,951,449	(728,000)	14,273,449
General Fund Balance	1,000,000		1,000,000		1,000,000
Total Reserves	15,901,449	(587,000)	15,951,449	(728,000)	15,273,449