Rother District Council

Report to:	Cabinet
Date:	11 January 2021
Title:	Draft Revenue Budget 2021/22
Report of:	Antony Baden – Finance Manager
Cabinet Member:	Councillor Dixon
Ward(s):	All
Purpose of Report:	To present the draft Revenue Budget 2021/22 for approval
Decision Type:	Key
Officer Recommendation(s):	It be **RESOLVED**: That the draft Revenue Budget for 2021/22 be considered by the Overview and Scrutiny Committee at its meeting on the 25 January 2021.
Reasons for Recommendations:	To agree the draft Revenue Budget 2021/22

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. This report updates Members on preparation of the draft Revenue Budget for 2021/22; 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 2020/21 Budget. Appendix D provides details of the Council's Revenue Reserves.

3. 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

4. As Members will be aware, the Council no longer receives any Revenue Support Grant and is wholly reliant on revenue from business rates, council tax, specific grants, charges for services and income generation in meeting its net budget. The draft settlement was announced by the Government on the 17

December 2020. The settlement confirmed that the assumed baseline for the Council's share of business rates remains unchanged from 2020/21. The settlement did however confirm a specific additional COVID-19 grant of £519,000 to support the ongoing effects of the pandemic in 2021/22. The announcement also included extra support to extend the extra support for residents through the Council Tax Reduction Support scheme (CTRS). Based on the provisional numbers, this is approximately £146,000 for Rother, £1.46m in total including preceptors. This funding only effects the Collection Fund and does not meet the loss of income due to the increase in the number of households claiming CTRS.

5. As part of the settlement, indicative New Homes Bonus grant was confirmed. For Rother the total grant is expected to be £271,770 which is higher than in the previous forecast. In line with the previous agreement of Cabinet, this has been incorporated into the draft budget to reduce the use of reserves. However as this is just a one-year grant, no ongoing reliance of this income can be assumed, pending the outcome of the review of this grant.

Business Rates

6. Members will be aware that the Council is part of a 50% Business Rate pooling arrangement with the other East Sussex local authorities. Due to the COVID-19 pandemic, the Government significantly increased the amount of rate relief for businesses and charities and this is reflected in the forecast outturn for 2020/21. For 2021/22, the estimate is based on the assumption that there will be a return to normal exemptions and reliefs of business rates. Further work is in progress to refine the business rate estimate in time for the final approval of the Revenue Budget in February. This will include an updated estimate of the amount of Section 31 grants if the Government extends further the additional reliefs for businesses and charities.

Council Tax Base

7. The 2021/22 council tax base has been calculated at 37,606.6 and shows a reduction of 518 Band D equivalents over the equivalent December 2019 figures. The main reason for the change is an increase in the number of Council Tax Reduction claimants expected in 2021/22 due to the pandemic. The in-year recovery rate has been reduced to 98.2% for 2020/21 compared to 98.5% in the current financial year. This is to take account of the increased risk of non-payment due to the effects of the pandemic on employment. The calculation makes little allowance for potential growth during 2021/22 but for future years average growth of 2% per annum has been assumed. This is felt to be a prudent estimate but will be updated to reflect the effectiveness of the push for housing delivery by the Government and when the timing of delivery by the Council's own housing company becomes clearer.

8. The draft settlement confirms the 2021/22 council tax referendum principles for Shire districts, like Rother, will allow an increase in council tax of £5 or 2% whichever is the highest. 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. For 2020/21 to ensure the Council remains within this limit, including the effect of special expenses, it is assumed, after taking account of any changes in Special Expense charges, that an increase of £4.94 to £189.04 will be agreed

for a Band D property. This increases the income from Council tax by £90,000 to an estimated total of £7.109m.

Financial Risks

9. Members are aware that there are a number of financial risks that may affect the Council's finances. These are discussed below.

10. **Homelessness demands** – the Council continues to experience pressure on this budget as a result of an increase in the number of cases and as at quarter 2, it is projected that there will be a £430,000 overspend in 2020/21. High levels of demand are expected to continue into 2021/22 although Members will be aware that the Council is trying to hold costs through the purchase of high-quality temporary accommodation. This is designed to alleviate budget pressure by reducing the use of more expensive private rented accommodation. The draft Revenue Budget assumes an increase of £299,000 over the current year budget.

11. **Staffing Costs** – the forecast assumes an increase of 2% each year for the annual pay award (excluding increment increases), estimated to add £88,000 (part year from September 2021), to the overall budget requirement. Members will be aware of the recent Government announcement regarding a public sector pay freeze for 2021/22. Rother is not part of the national pay negotiations and can set its own pay award. It is likely however, that there will be an expectation by Government that the Council will be in line with the national position. No decisions are required as of now and the national position will be monitored. Staff budgets are calculated at their expected grade including any in-grade increment increases, but a decrease of 3% has also been applied to the overall cost of salaries, which allows for staff turnover. This reduces the Revenue Budget requirement by £288,000 for 2021/22.

12. **COVID-19 impact** – there are a number of areas that have potential to increase costs or reduce income through the ongoing impact of COVID-19. These include:

    a. Commercial Tenants – the Council supported its commercial tenants through the COVID-19 lockdown period by deferring their rental payments. The ongoing trading difficulties now suggests that part of this income will be foregone and potentially there will be protracted period of voids with some of the Council's older commercial property stock. At the time of writing, no additional provision has been made in the draft Revenue Budget for loss of rental income above the standard allowance. However, this will need to be kept under review until the Revenue Budget is set and into next financial year.

    b. Leisure, Swimming Centres, Cultural Services – the Council largely delivers these through two charitable trusts, Freedom Leisure is focused on Sports and the De La Warr Pavilion Trust is focused on the arts and culture. The Council has committed significant resources to supporting these two organisations. Should COVID-19 restrictions continue into 2021/22 then this will severely curtail their recovery and may require the Council to maintain a level of financial support, even if to only ensure buildings and plant are adequately maintained. Cabinet has also agreed to a new 3-year contract for the continued provision of leisure services in Rother at an

expected cost of £130,000 per annum and this has been reflected in the draft Revenue Budget.

13. **Corporate Plan** – the Council is in the process of developing its next Corporate Plan. There is expected to be an emphasis within the plan to:

    a. Accelerate the development of new housing in Rother, both market and affordable.
    b. Deliver on the commitment to be a carbon neutral district by 2030.
    c. Regenerate the local economy through investment.

14. To deliver on these ambitions will cause the Council's borrowing commitment to increase substantially and this brings a risk to the Revenue Budget if the projects fail to cover their costs and deliver the returns expected. The financial framework that will underpin the Corporate Plan is currently being developed. At this stage no additional provision has been included in the draft Revenue Budget.

Budget Assumptions

15. 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. The following assumptions were made when calculating the draft Revenue Budget:

    a. **Inflation** – inflation of up to 1.5% has been applied except for contracts where specific indices are applied.
    b. **Salaries** – salaries have been assumed to increase by 2% from September 2021.
    c. **Growth** – Appendix C to the report includes details of any growth built into the base 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

16. The net Revenue Budget before Government grants, use of reserves and other funding is expected to be £16.206m. This is an increase of £604,000 over the revised 2020/21 Revenue Budget. This is analysed in Appendix C. The capital expenditure charged to revenue will be funded from earmarked reserves. Appendix A summarises the Revenue Budget and the Council Tax calculations.

17. There has been a positive change of £1.6m between the financial forecast presented to Cabinet on the 2 November and the latest forecast. The main reasons are shown overleaf:

	November Forecast 2021/22	Draft Budget 2021/22	change
	£000	£000	£000
Total Net Cost of Service	**16,940**	**16,206**	**(734)**
Freedom Leisure	285	130	(155)
Temporary Accommodation increase	92	308	216
Reduced cost of borrowing	2,263	1,530	(733)
Other	N/A	N/A	(62)
Total Income	**12,447**	**13,270**	**(823)**
Council Tax	7,090	7,109	(19)
Collection Fund deficit	0	(115)	115
COVID Grant		519	(519)
New Homes Bonus	12	272	(260)
Reserves – Capital Expenditure	184	324	(140)
Total Change			**1,557**

Reserves and General Fund Balance

18. The draft Revenue Budget for 2021/22 utilises £3.2m of reserves in order to meet specific costs. Of this, £0.324m will be used to support capital expenditure with the remaining £2.9m being used to support service expenditure. The draft Revenue Budget identified savings and increased income of £0.956m, excluding the reduction in use of revenue reserves to fund capital. If these are not delivered, it may be that to balance the Revenue Budget during the year, further use of reserves may be required.

19. The total earmarked reserves by the end of March 2022 is estimated to be £7.1m including the General Fund balance. Over the five-year financial forecast, earmarked reserves are predicted to fall to a minimum of £3.2m, rising to £3.8m by 2025/26. This is in excess of the minimum level of cash backed reserves and balances promoted by the Council's external auditors, Grant Thornton, but is below the minimum level previously agreed by Members at £5m and does not provide for any revenue reserves required to support the future Corporate Plan.

Budget Consultation

20. The budget consultation is due to close in January 2021 and interim results will be reported to the Overview and Scrutiny Committee at their meeting on the 25 January 2021. If possible, a verbal update will be given to Members at this meeting.

Conclusion

21. The draft Revenue Budget shows an increase of £604,000 in the cost of services over the 2020/21 position. As explained in the report, the Revenue Budget includes a number of assumptions relating to income generation and savings, which if not delivered, will result in an increased call on reserves. Cabinet is aware of the actions Members and Officers are putting in place to

deliver these, some of which will be difficult to deliver. The Government's fair funding review and business rate reset coming in from 2022 adds to the very uncertain backdrop to Council funding for some time to come.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	Yes
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

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Appendices:	Appendix A - 2021/22 Revenue Budget Summary and Five-Year Forecast Appendix B - Revenue Budget Summary - Cost of Services Appendix C - Main changes in net cost of services between 2020/21 and 2021/22 Appendix D - Earmarked Reserves
Relevant Previous Minutes:	None
Background Papers:	Local Government Settlement 2021/22
Reference Documents:	None

Appendix A

2021/22 REVENUE BUDGET SUMMARY AND FIVE-YEAR FORECAST

	Original 2020/21 Budget £ (000)	Revised 2020/21 Budget £ (000)	Projected 2020/21 Outturn at Qtr 2 £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)
Chief Executive and Corporate Core	2,042	1,981	2,136	2,034	1,870	1,870	1,870	1,870
Environmental Services	698	505	680	658	513	513	513	513
Strategy and Planning	993	971	1,198	1,090	1,121	1,121	1,121	1,121
Acquisitions, Transformation and Regeneration	(188)	(313)	55	(299)	(940)	(2,354)	(3,506)	(3,682)
Housing and Community Services	8,374	8,312	9,799	8,715	8,308	8,308	8,308	8,308
Resources	3,402	3,178	4,361	3,400	3,140	3,140	3,140	3,140
Total Cost of Services	**15,321**	**14,634**	**18,229**	**15,598**	**14,013**	**12,598**	**11,446**	**11,271**
Non-Pay Inflation	0	0	0	0	102	153	204	255
Pay Inflation	0	0	0	0	376	564	752	940
Vacancy Provision	(282)	0	0	(288)	(299)	(316)	(338)	(366)
Interest from Investments	(400)	(400)	(302)	(326)	(370)	(370)	(370)	(370)
Capital Expenditure Charged to Revenue	1,359	1,359	1,839	324	185	186	187	130
MRP and Interest - Property Investment Strategy	242	242	160	523	934	1,228	1,241	1,209
MRP and Interest - Other	610	610	368	1,007	1,283	1,231	1,128	1,111

	Original 2020/21 Budget £ (000)	Revised 2020/21 Budget £ (000)	Projected 2020/21 Outturn at Qtr 2 £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)
Savings and Income generation								
(i) Increase income - Property Investment Strategy	(544)	(544)	0	0	0	0	0	0
(ii) Increase income (net) - other	(14)	(14)	0	(107)	(202)	(202)	(202)	(202)
(iii) Lean and Demand	(90)	(90)	0	(180)	(180)	(180)	(180)	(180)
(iv) Service Prioritisation/Devolvement	(100)	(100)	0	(250)	(1,600)	(1,660)	(1,720)	(1,720)
(v) Reduced Staffing Structure	(500)	(95)	0	(95)	(95)	(95)	(95)	(95)
(vi) Shared Services	0	0	0	0	0	0	0	0
Net Cost of Services	**15,602**	**15,602**	**20,294**	**16,206**	**14,147**	**13,137**	**12,053**	**11,982**

	Original 2020/21 Budget £ (000)	Revised 2020/21 Budget £ (000)	Projected 2020/21 Outturn at Qtr 2 £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)
Special Expenses	(687)	(687)	(687)	(687)	0	0	0	0
Business Rates								
Local Share of business rates 44% 2019/20 and 40% thereafter	(7,157)	(7,157)	(2,868)	(7,043)	(7,043)	(7,043)	(7,043)	(7,043)
s31 Grants	(1,892)	(1,892)	(6,161)	(2,019)	(2,019)	(2,019)	(2,019)	(2,019)
Tariff	5,121	5,121	5,121	5,121	5,121	5,121	5,121	5,121
Pooling Levy	195	195	195	195	195	195	195	195
Non-Specific Revenue Grants								
New Homes Bonus Grant	(247)	(247)	(247)	(272)	0	0	0	0
Rural services delivery grant	(50)	(50)	(31)	(31)	(32)	(32)	(33)	(34)
Local Council tax Support Grant	(102)	(102)	(102)	(104)	(106)	(108)	(110)	(113)
Benefits Administration Grant	(238)	(238)	(215)	(215)	(219)	(224)	(228)	(233)
New Burdens Grant and other non-specific Grants	0	0	(30)	0	0	0	0	0
Homelessness Grant - New Burdens	(126)	(126)	(126)	(129)	(131)	(134)	(136)	(139)
Homelessness Grant - Preventions	0	0	0	0	0	0	0	0
Flexible Homeless Support Grant	(275)	(275)	(276)	(281)	(286)	(292)	(298)	(304)
COVID-19 Support Grants	0	0	(2,372)	(519)	0	0	0	0
Council Tax Requirement (Rother only)	(7,019)	(7,019)	(7,019)	(7,109)	(7,227)	(7,397)	(7,620)	(7,850)
Other Financing								
Collection Fund (Surplus)/Deficit	(849)	(849)	(849)	115	115	115	0	0
Contribution from reserves to fund capital expenditure	(1,359)	(1,359)	(1,839)	(324)	(185)	(186)	(187)	(130)
Total Income	**(14,685)**	**(14,685)**	**(17,506)**	**(13,301)**	**(11,818)**	**(12,004)**	**(12,359)**	**(12,548)**
Contribution from Reserves/Funding Gap	**917**	**917**	**2,788**	**2,905**	**2,329**	**1,134**	**(305)**	**(565)**

Appendix B

REVENUE BUDGET SUMMARY – COST OF SERVICES

Revenue Budget Summary – Cost of Services	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Acquisition, Transformation and Regeneration	(313,000)	1,771,015	(2,069,945)	(298,930)
Environmental Services, Licensing and Community Safety	505,390	937,850	(280,350)	657,500
Chief Executive and Corporate Core	1,980,930	2,155,190	(120,870)	2,034,320
Housing and Community	8,312,070	12,702,720	(3,987,465)	8,715,255
Resources	3,177,250	23,277,750	(19,878,240)	3,399,510
Strategy and Planning	970,610	2,080,110	(990,000)	1,090,110
Total	**14,633,250**	**42,924,635**	**(27,326,870)**	**15,597,765**

Acquisitions, Transformation and Regeneration	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Ancient Monuments and Gazebo	4,810	25,930	0	25,930
Business Improvement	304,870	316,580	0	316,580
Committee Property Account	(70,750)	41,700	(98,920)	(57,220)
Community Strategy	8,470	8,200	0	8,200
Cultural Development	23,340	23,350	0	23,350
Economic Development	251,250	326,340	(47,500)	278,840
Elva Business Centre, Bexhill	(163,250)	86,440	(235,100)	(148,660)
Environment Sustainability Strategy	42,500	42,500	0	42,500
Head of Service Acquisitions, Transformation and Regeneration	89,080	97,180	0	97,180
Housing Development Team	0	110,420	(62,080)	48,340
Housing Policy, Strategy and Development	31,300	6,795	0	6,795
Investment properties	(146,240)	17,580	(187,700)	(170,120)
Major Projects unit	61,540	169,970	(55,000)	114,970
Miscellaneous Land and Buildings	(12,020)	8,690	(16,970)	(8,280)
NLPG - E-Government	(18,000)	9,000	(20,000)	(11,000)
Peasmarsh Workshops	(11,520)	11,500	(22,120)	(10,620)
Performance Management	14,110	13,900	0	13,900
Programme and Policy Office	241,280	174,250	0	174,250
Property Investment Strategy	(847,300)	56,270	(953,810)	(897,540)
Property Management	62,900	8,750	0	8,750
Regeneration	54,440	57,240	(2,800)	54,440
Residual Housing Land	(240)	0	(125)	(125)
Tourism	127,850	125,750	0	125,750
Udimore Workshops	(3,660)	3,310	(7,090)	(3,780)
Watch Oak Estate	(39,500)	500	(40,000)	(39,500)
West Trading Estate	(318,260)	28,870	(320,730)	(291,860)
Total	**(313,000)**	**1,771,015**	**(2,069,945)**	**(298,930)**

Environmental Services, Licensing and Community Safety	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Alcohol Licencing	(19,580)	68,760	(89,000)	(20,240)
Animal Welfare	1,170	1,160	0	1,160
Caravan Licences and Travellers	18,100	18,100	0	18,100
Community Safety	17,260	17,330	0	17,330
Crime and Disorder Initiatives	8,300	31,750	(23,450)	8,300
Dog Control	35,530	35,560	0	35,560
Environmental Services-Admin	20,190	15,450	0	15,450
Food and Safety Team	(40,850)	0	0	0
Food Hyg/Idc/Water Purity	127,920	133,450	(900)	132,550
Health and Safety and IDs	91,680	91,030	0	91,030
Houses Multiple Occupation	(1,000)	0	(1,000)	(1,000)
Licences and Registration	34,540	69,770	(37,000)	32,770
Licensing Team	(34,340)	170	0	170
Pest Control	2,990	20,770	(18,000)	2,770
Pollution	269,370	378,110	(28,000)	350,110
Private Sector Housing	650	650	0	650
Sub Standard Housing	230	230	0	230
Taxi and Private Hire Licences	(27,970)	55,060	(83,000)	(27,940)
Watercourses, Ditches and Drains	1,200	500	0	500
Total	**505,390**	**937,850**	**(280,350)**	**657,500**

Chief Executive and Corporate Core	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Administrative Offices - Print Room	12,650	13,450	0	13,450
Administrative Offices - Rear Depot	2,330	2,380	0	2,380
Administrative Offices - T.H. Annex (NOT CHP)	(45,870)	44,000	(85,970)	(41,970)
Administrative Offices - Town Hall	195,390	195,920	0	195,920
Committee Service General Exp	173,870	175,180	0	175,180
Communications	50,810	51,490	0	51,490
Communications-Postages	67,510	62,200	0	62,200
Corporate Policy Making	4,330	4,550	0	4,550
District Council Elections	7,220	7,240	0	7,240
Electoral Registration	172,440	187,670	(8,500)	179,170
Emergency Planning	35,980	32,490	0	32,490
Chief Executive/Executive Directors	280,810	236,140	0	236,140
Facilities Management	126,740	132,450	0	132,450
Human Resources	271,970	324,050	(26,400)	297,650
Internal Audit	148,650	155,360	0	155,360
Joint Waste Contract Client Unit including contract procurement	(45,440)	0	0	0
Legal Services	265,600	265,600	0	265,600
Public Accountability C/Ex	700	980	0	980
Representing Local Interest	256,900	264,040	0	264,040
Sussex Training Partnership	(1,660)	0	0	0
Total	**1,980,930**	**2,155,190**	**(120,870)**	**2,034,320**

Housing and Community	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Abandoned Vehicles	2,770	2,820	0	2,820
Allotments - Bexhill	1,350	2,980	(1,630)	1,350
Amenities Administration Account	550	0	0	0
Battle Community Help Point	5,270	5,270	0	5,270
Battle Sports Centre	6,000	6,000	0	6,000
Bexhill Leisure Centre	11,500	142,930	(1,520)	141,410
Bexhill Leisure Pool	12,450	41,520	(29,500)	12,020
Bexhill Parks and Open Spaces	814,790	874,950	(55,500)	819,450
Bexhill Promenade and Foreshore	21,600	107,060	(100,000)	7,060
Camber Beach and Foreshore	102,590	132,140	(25,660)	106,480
Car Parks	(1,180,530)	550,070	(1,624,450)	(1,074,380)
Care in the Community	5,100	5,100	0	5,100
Cemeteries	(14,880)	146,970	(160,800)	(13,830)
Churchyards	10,060	10,580	0	10,580
Coast Protection	38,860	42,190	(3,000)	39,190
Customer Services and Development	475,070	526,290	0	526,290
De La Warr Pavilion - Client	485,120	485,890	0	485,890
Head of Service Housing and Community Services	90,220	91,750	0	91,750
Housing Administration Account	560,130	615,580	(76,270)	539,310
Housing Loans Account	0	86,000	(86,000)	0
Housing Needs - Housing Benefit	792,800	1,550,800	(508,000)	1,042,800
Maintenance Services	35,330	37,510	0	37,510
Neighbourhood Services	786,990	806,090	0	806,090
Property Maintenance Team	213,840	215,930	0	215,930
Public Conveniences	417,270	424,950	(5,000)	419,950

Housing and Community – cont'd	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Recycling	(21,300)	1,700	(7,200)	(5,500)
Refuse Collection	3,120,840	3,927,090	(970,000)	2,957,090
Residual Highway Services	20,810	20,520	(3,000)	17,520
Rother Museum Services	26,680	32,790	(5,700)	27,090
Rother Tenant Finder (previously Rother Letting Service)	135,040	137,030	0	137,030
Rough Sleeping Initiative	0	69,290	(69,290)	0
Rural Open Spaces and Amenities	33,810	34,880	(95)	34,785
Rye Area Parks and Gardens	87,760	98,390	(7,620)	90,770
Rye Community Help Point	10,180	10,200	0	10,200
Rye Sports Centre and Pool	6,030	9,560	(3,240)	6,320
Sports Development	(3,400)	42,870	(45,490)	(2,620)
Street and Beach Cleansing	1,201,370	1,184,350	(24,000)	1,160,350
Syrian Refugees Support	0	137,230	(140,000)	(2,770)
Temporary Accommodation Properties	0	85,450	(34,500)	50,950
Total	**8,312,070**	**12,702,720**	**(3,987,465)**	**8,715,255**

Resources	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Accountancy	446,350	526,490	(9,060)	517,430
Benefit Investigation	(12,290)	0	(12,290)	(12,290)
Communications - Phones	80,000	65,530	0	65,530
Computer Services	763,370	790,840	0	790,840
Corporate Management	116,390	129,390	0	129,390
Cost of Collection	(156,660)	245,620	(402,280)	(156,660)
Internal Drainage Boards	130,000	130,000	0	130,000
Printing Services	62,580	141,260	(75,200)	66,060
Procurement	25,000	25,000	0	25,000
Public Accountability - Resources	6,000	6,000	0	6,000
Reliefs and Benefits - Council Tax Benefit	74,140	67,800	0	67,800
Reliefs and Benefits - Housing Benefit	(402,290)	18,938,120	(19,335,410)	(397,290)
Revenue and Benefits	1,043,520	1,164,130	0	1,164,130
Risk Management/Insurance	0	0	0	0
Service Manager Finance and Welfare	112,340	114,770	0	114,770
Stationery	0	44,000	(44,000)	0
Support to Elected Bodies/Grant	140,300	140,300	0	140,300
Treasury Management	8,500	8,500	0	8,500
Unapportion Central Overheads	740,000	740,000	0	740,000
Total	**3,177,250**	**23,277,750**	**(19,878,240)**	**3,399,510**

Strategy and Planning	Revised Budget 2020/21	Budget 2021/22		
		Gross Expenditure	Income	Net Expenditure
	£	£	£	£
Building Control	48,290	56,540	0	56,540
Complaints, Compliance, Enforcement	111,200	115,000	0	115,000
Conservation and Preservation	11,200	11,200	0	11,200
General Planning Expenses	0	9,330	0	9,330
Land Charges	(99,010)	81,610	(180,000)	(98,390)
Local Development Framework	150,000	150,000	0	150,000
Planning Appeals	4,500	4,500	0	4,500
Planning Applications	196,880	933,370	(710,000)	223,370
Planning Business Support	220,300	246,850	(10,000)	236,850
Planning Dept E-Government	4,000	4,000	0	4,000
Planning Enquiries	(42,000)	13,200	(50,000)	(36,800)
Planning Policy	267,370	362,920	(40,000)	322,920
Service Manager Strategy and Planning	97,880	91,590	0	91,590
Total	**970,610**	**2,080,110**	**(990,000)**	**1,090,110**

Appendix C

MAIN CHANGES IN NET COST OF SERVICES BETWEEN 2020/21 AND 2021/22

	£'000	£'000
Revised Revenue Budget 2020/21		15,602
Draft Revenue Budget 2021/22		16,206
Net Increase in Cost of Services		**604**

Analysis of Variations

Expenditure			Change Type
Staff restructuring	(110)		ongoing
Loss of Joint Waste Contract – contribution to corporate costs	46		ongoing
West Trading Estate roof repairs	10		one off
Budget adjustment for cyclical valuations undertaken every 5 years	(55)		ongoing
Landgate site clearance	20		one off
Rent voids	71		one off
Cessation of support for the Community Led Housing project	(19)		one off
Increase in Temporary Accommodation costs	299		one off
Extension of Leisure facilities contract	130		one off
New car parking machines	55		one off
Car parks maintenance	13		one off
Increased costs of car parking income collections	45		ongoing
Increase in volumes reducing price of Refuse and Street and Beach cleansing contracts	(141)		ongoing
Garden Waste Collection promotional material	30		one off
Reduced Recycling income	18		ongoing
Increase in business rates on car parks	14		ongoing
Additional post and temporary resource to provide technical support and advice to strategic projects	77		ongoing
Reduce use of external resource to manage the Council's ERP system	(10)		ongoing
Reduced Interest income from Investments	74		ongoing
Lower funding of capital expenditure from revenue	(1,035)		one off
Increase in MRP charge due to increased capital investment	281		ongoing
Increase in Interest Payments due to increased capital investment	397		ongoing
Property Investment Strategy rental income not achieved	544		ongoing
Lean and Demand	(90)		ongoing
Service Prioritisation/Devolvement	(150)		ongoing
Inflation	401		ongoing
Other Minor Changes	67	982	ongoing

Income	**£'000**	**£'000**	
Increase in staff costs charged to capital projects	(62)		
Increased rental income from properties	(61)		ongoing
Uplift in tenant recharges	(28)		ongoing
Housing and Community - additional Garden Waste collections	(100)		ongoing
Additional rental income - Bexhill promenade	(10)		ongoing
Housing and Community - additional car parking income	(24)		ongoing
Increase Income (net) - other	(93)		ongoing
		(378)	ongoing
Total Increase in Cost of Services		**604**	

Appendix D

EARMARKED RESERVES

Reserves	Quarter 2 2020/21 Forecast £ (000)	2021/22 Budget £ (000)	2022/23 Budget £ (000)	2023/24 Budget £ (000)	2024/25 Budget £ (000)	2025/26 Budget £ (000)
Earmarked Reserves and General Reserves	14,970	10,343	7,114	4,600	3,280	3,398
Use of Reserves	(4,627)	(3,229)	(2,514)	(1,320)	0	0
Contribution to Reserves	0	0	0	0	118	435
Total Reserves	**10,343**	**7,114**	**4,600**	**3,280**	**3,398**	**3,833**
Use of/Contribution to Reserves						
To fund Capital Expenditure	(1,359)	(324)	(185)	(186)	(187)	(130)
To balance the Revenue Budget	(3,268)	(2,905)	(2,329)	(1,134)	305	565
Total	**(4,627)**	**(3,229)**	**(2,514)**	**(1,320)**	**118**	**435**