

Rother District Council

Report to:	Overview and Scrutiny Committee
Date:	16 October 2023
Title:	Medium Term Financial Plan 2024/25 to 2028/29
Report of:	Duncan Ellis – Interim Deputy Chief Executive (s151)
Ward(s):	All
Purpose of Report:	To review the financial issues affecting the Council and their impact on the financial forecast for the five years ending 2028/29

Officer

Recommendation(s): It be **RESOLVED**: That:

- 1) the financial forecast and proposed way forward be noted; and
- 2) recommendations be made to Cabinet as appropriate.

If supported, the recommendations underpin some of the key assumptions within the financial forecast presented in this report. This provides the basis for the development of the detailed revenue budget for 2024/25 and the Capital Programme for approval in February 2024. The forecast also forms the basis of the public consultation on next year's budget and council tax.

1. Proposals

- 1.1 Given the timing of this report this is an interim step in the development of fully balanced budget proposals. The updated Medium Term Financial Strategy (MTFS) is attached at Appendix 1. It currently shows a gap of just under £0.5m which needs to be addressed to balance the 2024/25 budget. To close this gap, it is currently proposed to use reserves.
- 1.2 The savings and efficiencies totalling £3.3m that the Council has identified to help support the 2024/25 budget can be found within Appendix 2. The draft capital budget is included within Appendix 3 while the fees and charge proposals for next year are covered by Appendix 4. Appendix 5 includes a risk assessment for next year's budget.
- 1.3 The assumptions that have currently been made in terms of future central Government funding will not be confirmed until the Provisional Settlement is announced, the date of which is currently anticipated to be around the end of December 2023 and as such are subject to change.

2. Alternative Options

- 1.4 Do nothing – this is not recommended as the Council is legally required to set a balanced budget. A further budget report will be submitted to Cabinet and Council in February 2024.

3. Consultation undertaken or proposed

- 1.5 Formal consultation with the business community will be undertaken. The Budget proposals contained in this report will be made available for comment on the Council's website from November 2023.

4. Overview and Scrutiny review

- 1.6 The Overview and Scrutiny Committee are asked to note and review the strategy and associated documents and make any recommendations through to Cabinet for consideration in November. For information the current recommendations to Cabinet will include the following:

Officer

Recommendation(s): It be **RESOLVED:** That Cabinet be requested to agree that:

- 1) the financial forecast and proposed way forward be noted;
 - 2) the Council maintain its policy of maximising the annual increase in Council Tax within the Government's referendum limit;
 - 3) the Council continues to be part of the East Sussex Business Rate pool in 2024/25 and that the Interim Deputy Chief Executive be given delegated authority to finalise the necessary agreement with the Member authorities in consultation with the Cabinet Portfolio Holder for Finance and Governance if the pool remains financially beneficial;
 - 4) officers continue to develop proposals that will enable the Council to maintain or replenish its level of revenue Reserves to £5m;
 - 5) approval is given to consult on;
 - (a) the draft savings proposals contained within Appendix 2; and
 - (b) the draft fees and charges contained within Appendix 4
 - 6) delegation be given to the Interim Deputy Chief Executive, in conjunction with the Cabinet Portfolio Holder for Finance and Governance, to;
 - a) finalise the wording of the budget consultation literature; and
 - b) set and agree any fees and charges not covered by this report (excluding environmental health and licencing which go to a separate committee); and
 - 7) that, given the requirements to consult on the proposals, the call-in procedure will not be accepted on the basis that the report has undergone pre-scrutiny.
- 1.7 If supported, the recommendations underpin some of the key assumptions within the financial forecast presented in this report. This provides the basis for the development of the detailed revenue budget for 2024/25 and the Capital Programme for approval in February 2024. The forecast also forms the basis of the public consultation on next year's budget and council tax.

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

Chief Executive:	Lorna Ford
Report Contact Officer:	Duncan Ellis – Interim Deputy Chief Executive (s151)
e-mail address:	duncan.ellis@rother.gov.uk
Appendices:	<ul style="list-style-type: none"> • Appendix 1: Medium Term Financial Strategy (MTFS) – General Fund Summary Forecasts • Appendix 2: Savings Summary • Appendix 3: Capital Programme • Appendix 4: Fees and Charges • Appendix 5: Risk Assessment • Appendix 6: Sensitivity and Scenario Planning
Relevant previous Minutes:	None
Background Papers:	None
Reference Documents:	None

Budget and Medium Term Financial Strategy 2024/25 to 2027/28

Rother District Council

Executive Summary

Rother District Council's Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan. The MTFS sets out how Council's priorities will be achieved by establishing the framework within which resources are available to the Council over the medium term and the financial challenges facing the Council in terms of future funding gaps. It looks at the coming 4 years and considers what might happen to the Council's financial resources over that period, linking this to service plans and corporate priorities as part of the budget process.

The report sets out the draft 2024/25 revenue and capital budgets and MTFS. The context within which these budget forecasts is being made is as complex as it has ever been with continuing pressure around the Net Zero agenda, the war in Ukraine impacting on inflationary pressures which are feeding into a cost-of-living crisis, political turmoil nationally and an uncertain future for local government funding off the back of Covid recovery and Brexit, all of which make forecasting challenging.

The MTFS Aims to:

- provide a high-level assessment of the resources available and outlines the projections for the following four financial years;
- refresh the financial projections considering local, national, and global factors. These will include known spending pressures and commitments, along with forecast future funding reductions and the impact of the national economic outlook;
- provide preparatory work for the following year's budget;
- explore the demands on the capital programme both in terms of ambition and resources along with the impact on the revenue account and reserve levels held by the Council;
- address the sustainability of the Council's financial position.

The MTFS is fundamentally linked to the Corporate Plan 2020 - 2027, a summary of which can be found [here](#). The following diagram provides an overview of the financial processes undertaken by the Council to ensure value for money for the tax payers.



The updated high level funding forecasts in this strategy build on previous figures from the 2023/24 budget setting exercise, which were forecasting future year deficits in the region of £3.3m in 2023/24 (including Financial Stability Programme (FSP) savings) and £3.0m in 2024/25, reducing to an almost balanced position by 2027/28. This was however based on assumed recurring savings from the FSP of £1.9m.

The updated budget gap has improved significantly from previous forecasts as can be seen in the table below. In the main this is due to significant work having been undertaken on a revised savings programme to help offset significant economic inflationary pressures, delays to previous funding reviews and some key service pressures, all of which are impacting on the medium-term projections (Appendix 1).

Updated Funding Forecasts

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Net Cost of Service	17,295	15,055	14,697	13,353	13,377
Special Expenses	(751)	0	0	0	0
Business Rates - retained share	(4,473)	(4,709)	(4,709)	(4,709)	(4,709)
Non-Specific Revenue Grants (Government)	(1,796)	(1,926)	(1,536)	(1,558)	(1,533)
Council Tax Requirement (Rother only)	(7,650)	(7,967)	(8,292)	(8,673)	(9,093)
(Surplus)/deficit	2,625	453	160	(1,588)	(1,958)
Previous 2023/24 MTFS	2,035	1,083	704	(223)	(259)
Movement	590	(630)	(544)	(1,365)	(1,699)

Following on from savings, income and efficiency proposals put forward by officers as part of the 2024/25 service planning exercise, a detailed budget review has taken place over previous months to identify efficiencies and additional income to help support frontline services and to balance the Council's financial position. For next year this totals (£3.4m) (Appendix 2), supported by various proposed increases to fees and charges (Appendix 4). Based on current forecasts this leaves a deficit of just under £0.5m, which will need to be supported by reserves if further efficiencies cannot be identified. Based on the projections above and the spending estimates and use of reserves in the current year the reserves are forecast to drop just below the minimum recommended balance (£5m) in 2025/26 before recovering in future years.

The capital spending projections for future years (Appendix 3) are included and assume borrowing of £30m for the Housing Company and various other capital schemes. However, with the recent instability of the financial markets and increases to borrowing costs it will be necessary to fundamentally review schemes with borrowing requirements to ensure they remain affordable and still deliver the anticipated benefits and outcomes. In summary the key messages are as follows:

- Estimated budget gap of just under £0.5m for 2024/25 based on savings and fee increases.
- We can deliver our statutory services with current income levels but nothing more.
- To fund non-statutory services, we need to find more income/savings/reserves.
- Our reserves will help set a balanced budget for the period of this MTFS.
- Funding from reserves is not a sustainable way to manage our budget.
- We need to identify more efficiencies and income to make the budget sustainable.
- The current projections are based on multiple assumptions which can and do change.

Contents

1. Medium Term Financial Strategy (MTFS)
2. Corporate Plan 2020-2027
3. Context
4. National and global Pressures
5. Local Pressures
6. Inflation
7. Funding changes
8. Income
9. Links to other strategies
10. Looking forward
11. Closing the budget gap
12. Consultation
13. Risk, scenario, and sensitivity assessment
14. Conclusions

Tables, Charts and Graphs

Increase in waste and cleansing contract costs
Increase in temporary accommodation costs
Increase in staffing costs
Inflation forecasts August 2023
Inflation projections August 2023
Interest rate increases
National Core Spending Power (CSP) – 2015/16 – 2023/24
Rother Core Spending Power (CSP) – 2015/16 – 2023/24
National Core Spending Power (CSP) compared to Net Revenue Budget
New Homes Bonus
Council tax shares
Updated financial forecasts
Statutory and discretionary budget splits
Useable reserves
Updated reserves forecasts – quarter 1 budget monitoring report
Updated reserves forecasts – updated MTFS forecasts
Capital Programme 2023/24
Capital Programme 2024/25 – 2027/28
Financial Stability Programme (FSP) savings delivery and projections
How do we change it
Fit for the Future
Garden bin charges
Budget cycle
Budget timetable

Appendix 1: Medium Term Financial Strategy (MTFS) – General Fund Summary Forecasts
Appendix 2: Savings Summary
Appendix 3: Capital Programme
Appendix 4: Fees and Charges
Appendix 5: Risk Assessment
Appendix 6: Sensitivity and scenario planning

1. Medium Term Financial Strategy (MTFS)

[The document that guides the Council's strategic financial planning and forecasting]

1.1 Rother District Council's Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes and helps ensure a focus on the Council's medium term budget position. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council plans translates its long-term goals into action by considering:

- Where the Council is now.
- Where the Council wants to be.
- What the Council's plans are to get there.

1.2 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It also provides a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?' The aim should be to provide a framework to support and inform the medium term planning considerations and the budget setting process. The MTFS should include consideration of a broad range of factors that influence the Council's long-term financial success.

The MTFS Aims to:

- Provide a high-level assessment of the resources available to support the Corporate Plan outcomes, outlining the high-level funding projections for the following four financial years (beyond the current year).
- Explore the financial context in which the Council operates, considering local, national, and increasingly, global factors. These will include known spending pressures and commitments, along with forecast future funding reductions and the impact of the national economic outlook.
- Explore the demands on the capital programme both in terms of ambition and resources along with the impact on the revenue account and reserve levels held by the Council.
- Highlight how the strategy links in with and supports other Council strategies and policies.
- Assess the risks on which the plan is based.
- Provide preparatory work for the following year's budget.
- Address the sustainability of the Council's financial position.

1.3 The MTFS is fundamentally linked to the Corporate Plan, a summary of which can be found on the Council's website [here](#).

1.4 The Council is currently projecting small deficits over the next two years with surpluses from 2026/27 onwards. Forecasting the deficit allows the Council time to plan mitigating actions more effectively, meaning we are more likely to be successful, enabling us to reduce the reliance on reserves to plug any budget gaps which is not a sustainable position. This strategy will explore some of the Council's plans for addressing this deficit and consider some of the assumptions included. Future year projections can be found within Appendix 1.

2. Corporate Plan 2020 - 2027

['To put residents at the heart of all we do']

- 1.5 The current Corporate Plan sets out the intent and ambition of the authority for the period 2020 – 2027, putting residents at the heart of all we do. The Plan details the Council's vision up until 2027, providing the framework and context for the Council's service provision, project interventions and resource allocation (financial and staffing) during that period. It reflects the essential needs and aspirations of our customers and communities and how we feel the Council can best use its resources to deliver services and outcomes that make a positive difference for everyone who lives in, works in, or visits the district of Rother.
- 1.6 Following the recent elections in May 2023, the Cabinet will be working on a new Corporate Plan, and this is expected to be in place by March 2024 and will therefore influence the financial planning from 2025/26 onwards.
- 1.7 Despite the district having several incredibly positive attributes we also have some big challenges: – responding to environmental change, increasing affordable housing supply, supporting economic growth and decent jobs, tackling deprivation, and ensuring the Council is fit to deliver the best possible services within current budget constraints.

Our Purpose

- 1.8 To develop a long-term plan, every organisation needs to set an aspiration of where the organisation is aiming to be in the future – putting residents at the heart of all we do. This enables everyone to be united in a shared direction and purpose. [The Council's Corporate Plan](#) identifies six key priorities to respond to the challenges our district faces in the years to come as follows:



1.9 These six key themes result in in ten priority objectives as follows;

- *Climate emergency* – ensuring Rother is carbon neutral by 2030.
- *Financial sustainability* – ensuring a sound financial footing by the end of 2025/26.
- *Increasing the supply of affordable housing* - delivering 400 affordable rent homes by end 2023.
- *Housing list reduction* - from 1,600 (as of December 2019) to 1,200 by the end of 2023.
- *Housing* – achieve the 5-year land supply by the end of 2023.
- *Empowered organisation* – create a clearer, more effective resident focused organisation by the end of 2023.
- *A fairer society* – to promote acceptance and equality, collaborating with others to reduce poverty and hardship.
- *Development of Rother’s economy* - To lift the average indexed wage in the Rother District from the bottom of the national league table by the end of 2023.
- *An open Council* - improve access to Council meetings, ensuring increased transparency, meaningful consultation, and better visibility by the end of 2023.
- *A town council for Bexhill-on-Sea* - to form a Parish (Town) Council for Bexhill from 1 April 2021 with the first elections in May 2021.

Investment in Priority Areas

- 1.10 Planning is challenging, especially given the broad range of services we provide, and the competing demands for increasingly scarce resources. All our services are committed to making improvements and finding savings, so that the Council remains efficient, effective and meets the day to day needs of the communities we serve. The purpose of the Corporate Plan is to focus on those priorities to which we need to give specific attention. It will help us better target our dwindling capital and revenue resources and help direct and focus any bids for external grant support. The Plan also provides a framework against which we can assess our progress to support the needs of our customers and communities.
- 1.11 Underpinning the Corporate Plan is the day-to-day business that departments undertake, and which will be reflected in departmental Service Plans. All Service Plans are linked to the Corporate Plan. These plans also include the performance measures by which the delivery of wider improvement activity can be managed. The priorities within the Corporate Plan were developed by talking with, and listening to, the community, Elected Members, staff, and other key stakeholders all of whom have helped to shape the content of the Plan.
- 1.12 Whilst the overall level of the Council's resources is decreasing it is important that a clear focus is maintained on matching funding to priorities. This will remain a key focus over the coming years to ensure the aspirations contained within the Corporate Plan are realised.

Our Values

- 1.13 The Council is currently working on a set of revised values which will represent the beliefs and expected behaviour of everyone working for Rother District Council and will support and enable delivery of quality services to our residents

3. Context

[Demographic and landscape issues that set the scene for the budget and financial strategy]

- 1.14 For the greater part, Rother is rural in character, forming the south-eastern part of the High Weald. However, it also embraces low-lying coastal areas at both the eastern and western ends of the district. The district covers some 200 square miles and, apart from Bexhill-on-Sea with its distinctive town centre and seaside character and the historic towns of Battle and Rye, the area is mainly rural.
- 1.15 Much of the countryside located within the district falls within the High Weald Area of Outstanding Natural Beauty. Rother has around 4,600 businesses, with small and micro businesses forming a fundamental part of the Rother economy with 88% of businesses in Rother employing less than nine people.
- 1.16 Between the last two censuses (held in 2011 and 2021), the population of Rother increased by 2.8%, from just under 90,600 in 2011 to around 93,100 in 2021. This compares to a 7.5% South East average and 6.6% nationally, with residents dispersed across the rural area, but with half living in Bexhill.
- 1.17 The average (median) age of Rother increased by three years, from 50 to 53 years of age. The area had the highest average (median) age in the South East and a higher average (median) age than England (40 years).
- 1.18 The number of people aged 65 to 74 years rose by just over 2,900 (an increase of 23.8%), while the number of residents between 35 and 49 years fell by around 3,200 (19.3% decrease).
- 1.19 The 2019 Index of Multiple Deprivation gives an overall rank for Rother of 135 out of the 317 English local authorities, with the most deprived local authority ranked as 1. Rother has seen a slight improvement in the ranking since 2010, when Rother was higher in the ranking of most deprived local authorities at 132.
- 1.20 Rother has a much higher proportion of owner occupancy and a much lower proportion of social housing compared to the national, regional, and county averages. According to the 2021 Census, in Rother, 72.7% of households are owner-occupiers (down slightly from 73.5% in 2011). Just one in six households (16.2%) rented privately, compared with 14.0% in 2011. The percentage of Rother households that lived in a socially rented property decreased from 10.4% to 10.2%.
- 1.21 Although not a wealthy area relative to other more affluent parts of the South East, Rother is an attractive and safe place to live. It benefits from a blend of some of the most beautiful countryside and coastline in South East England and contains the historic market towns of Battle and Rye, the Victorian/Edwardian seaside town (and administrative centre) of Bexhill and many picturesque villages.
- 1.22 However, despite the district having several positive attributes we also have some big challenges; increasing affordable housing supply and reducing reliance on temporary accommodation (TA), responding to environmental change, supporting economic growth and decent jobs, tackling deprivation, and ensuring the Council is fit to deliver the best possible services within current budget constraints.

4. National and Global Pressures

Some financial pressures are driven nationally and indeed globally and are beyond the control of the Council. Some of these which impact Rother are shown below

Global issues

- 1.23 The Net Zero agenda represents a significant global issue, not just a national or local one and at the present time some of the emerging green technologies, which are undoubtedly the way to go for the future, can be significantly more expensive to deliver. The ongoing impact of the war in Ukraine, together with the highest inflation for the last 40 years, rising interest rates, uncertainties over government policy, and an uncertain economic outlook, continue to impact on the Council's business.

Political

- 1.24 Following Liz Truss' resignation Rishi Sunak was announced as the new Prime Minister in October 2022. During a period of instability and change, resources are redirected to other areas, particularly within the civil service and other priorities are reduced. There has been little progress with the Fair Funding Review and business rates retention, so we have no more clarity regarding local government funding than we did four or five years ago. The result of these changes will impact on Government spending priorities for future years but until these new policies are developed this is still unknown.

Central Government Funding

- 1.25 For the 2023/24 financial year we were hoping for a multi-year settlement, but this did not materialise, although a steer was provided in respect of 2024/25. It will be interesting to see what announcements are made as part of the Autumn Statement expected in November. While the government has signalled there will be no Fair Funding review implementation in this Spending Review period, this was under the previous Prime Minister, and this has not been formally confirmed. A business rates reset can technically be implemented without a Fair Funding review and the government's position on any likely future reset remains unclear, but we are anticipating the funding reforms now taking place in 2025-26 or later.

Inflation

- 1.26 Annual core Consumer Price Index (CPI) rose by 6.9% in the year to June 2023, down from 7.1% in May. The rate in May was the highest since March 1992. This puts pressure on the Council's finances and erodes spending power with several of the Council's largest contracts increasing in line with indices that are often index linked to inflation, so we are effectively having to pay more money just to stand still.

Covid-19 Recovery

- 1.27 We are still recovering both nationally and globally from the impacts of Covid and the country is working out what the 'new normal' is. The recovery does however offer opportunities as well as local government has demonstrated how well we are able to continue to operate services and indeed in some cases improve them during Lockdown. New Ways of Working can provide further opportunities in terms of efficiencies and working differently in the future, with more flexibility around remote and home working and less reliance on office space, travelling to meetings etc which also supports the Council's Net Zero ambitions.

5. Local Pressures

These arise from local circumstances and demand for services. The financial effects of these must be dealt with by the Council, as there is often no external funding

Local Economic changes

- 1.28 Rother derives significant sums of income from fees and charges for services such as car parking and planning. These will be affected by factors outside the Council's control, such as consumer confidence, the general health of the economy, the cost-of-living crisis, and the weather in the case of car parking income.

Waste Management

- 1.29 Waste management and street cleansing currently represent significant budget pressure with a contract cost of c£5.9m for the current 2023/24 financial year. This rose due to inflationary pressures this year by £0.46m (an 8.4% increase on the previous year).
- 1.30 The various inflationary indices within the contract are linked to the levels as at June each year. The current assumption is for an inflationary increase of 4.5% which has been built in for 2024/25 equating to an additional full year cost of £0.2m. This is lower than the 7% assumption used as part of the 2023/24 MTFS so this provision has been reduced.
- 1.31 The 7-year contract commenced in June 2019 and ends on 30 June 2026. There is an option for a further 7-year extension as part of the contract terms although this is subject to agreement by both parties. The Council would have the option to go out to the market again at this point if it chose to do so. At present there are no additional costs built into the MTFS from July 2026 to reflect higher contract costs other than inflation. The chart below shows how the contract costs have increased over recent years, with around an 18% increase since 2020/21.



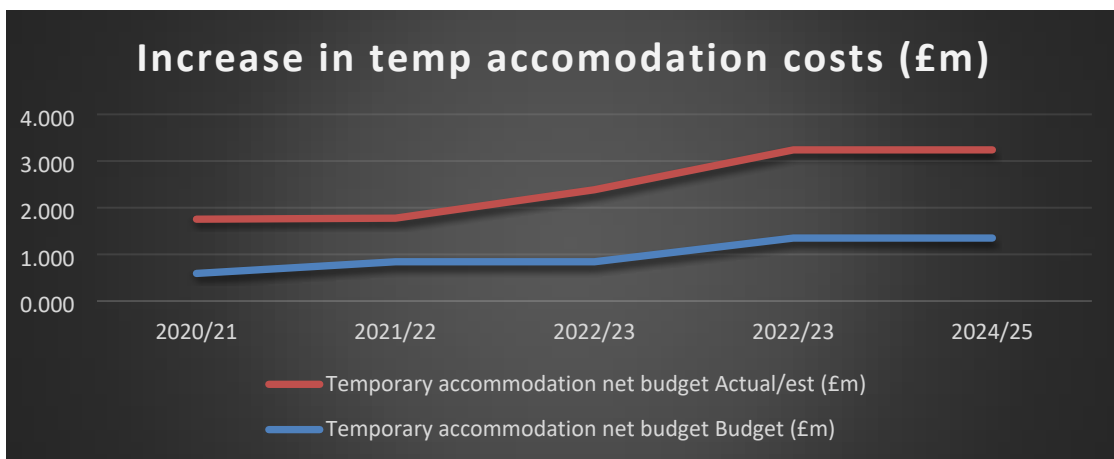
Temporary accommodation

- 1.32 The Council has a duty to provide emergency/temporary accommodation (TA) for homeless households whilst assessing their case and/or ahead of securing more permanent accommodation. This pressure has been increasing over recent years across the country but particularly in the south east where increasing demand is putting significant pressure on budgets.
- 1.33 Whilst some of the costs of this accommodation are covered by housing benefit this is only payable up to 90% of the Local Housing Allowance (LHA) which is the amount set by government that can be covered by housing benefit. The difference between the actual cost and housing benefit levels is borne by the Council.

1.34 A range of initiatives are in place to try and help manage this demand led pressure as follows;

- Over recent years the Council has used capital resources to invest in our own stock of TA which now stands at 35 units. The total budget stands at just over £12m with a remaining balance of £7m.
- A new private sector leasing scheme has been introduced.
- The Housing Allocations policy is currently under review to help the Council ensure that the most vulnerable are supported and expectations are managed.
- We have recruited a Resettlement Team Leader to support the team.
- Homelessness Prevention team collaborating with various partners.
- Our Rough Sleeper Accommodation Programme (RSAP).

1.35 The projected outturn for 2023/24 is £1.9m and has increased by £1.3m (219%) in the last three years as per the table below. This cost equates to 11% of the Council's Net Revenue Budget. Whilst officers are working hard to try and reduce the requirement for and cost of TA, we are at the present time still anticipating additional budget pressures of £0.5m in future years.



Council Tax Reduction (CTR) Scheme

1.36 The CTR scheme was implemented in April 2013 as a replacement for Council Tax Benefit. This change was part of wider welfare reforms to reduce expenditure, giving responsibility of the replacement scheme to Local Councils. CTR schemes should encourage people to work and be based on the ability to pay. Previously the Council Tax Benefit scheme was 100% funded through subsidies paid to the Council from the Department for Work and Pensions (DWP).

1.37 From April 2013 each billing authority was given the discretion to set their own scheme, although at the outset the government did stipulate that the scheme would not change the 100% maximum support for low-income pensioners i.e. they would receive the same level of support as they did under the system of Council Tax Benefit. Funding for CTR is no longer received as a separate subsidy grant but is now within the overall Local Government Funding system as non ring-fenced funding within baseline funding level. The local scheme for Rother has changed several times since the introduction of CTR in 2013/14. The local scheme means that those of working age previously entitled to 100% maximum council tax benefit are required to pay a minimum of 20% of their council tax liability.

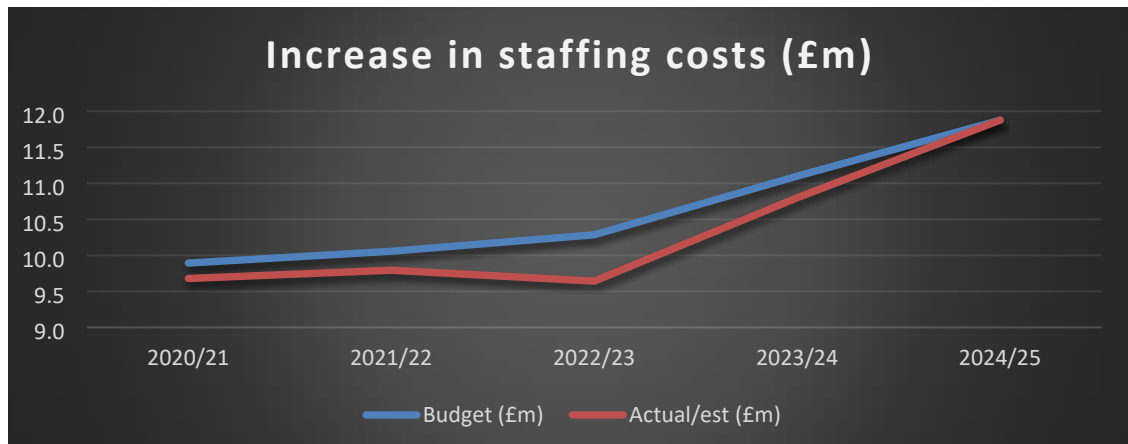
1.38 The Council is currently considering the scheme for 2024/25 and will be consulting on any proposed changes this winter. If any decisions are taken to change the scheme these will be built into the 2024/25 budget to be set in February 2025 but at present no changes have been built in to the current forecasts.

Internal Drainage Board (IDB) Levy

1.39 The IDB levy for 2023/24 is budgeted at £157k. This has been increased by 7% to £168k, there is however a risk that there will be a higher inflationary factor added by the Board and the Council has no control over the setting of this levy.

Workforce

1.40 We recognise that our staff are our most important resource at the heart of the services we provide. We currently have around 230 full-time equivalent posts and 260 actual members of staff. Our pay bill is our most significant area of direct spend and stands at £11.1m including pension contributions of £1.77m as per the 2023/24 budget. The paybill has increased by £2.0m since 2020/21, which is 20% and a significant pressure.



1.41 The pension fund is administered by East Sussex County Council (ESCC), employee contribution rates are set by the Government and range from 5.5% to 12.5%. The fund actuary Barnett Waddingham sets the employer contribution rate which is currently set at 24.85% (previously 25.85% – 17.6% primary rate, 7.5% secondary rate and 0.75%voluntary) and made up as follows:

- Primary rate (20.0%) – this rate is the employer’s contribution towards the cost of benefits accruing in each of the three years beginning 1 April 2023.
- Secondary rate (4.1%) – based on their circumstances and so individual adjustments are made for each employer.
- Additional contributions (0.75%) - towards the costs of non-ill health retirements rather than when they arise, which gives a total contribution rate of 24.85%.

1.42 The Fund is valued once every three years and the valuation as of 31 March 2022 disclosed fund assets to cover 123% of the accrued liabilities as at 31 March 2022, an increase from 107% at the 2019 valuation. The last actuarial valuation took place on 31 March 2022 and the change in contribution rates because of that valuation took effect from 1 April 2023. The movement from the previous contribution rate to the new one reduced the contributions slightly by around £43k.

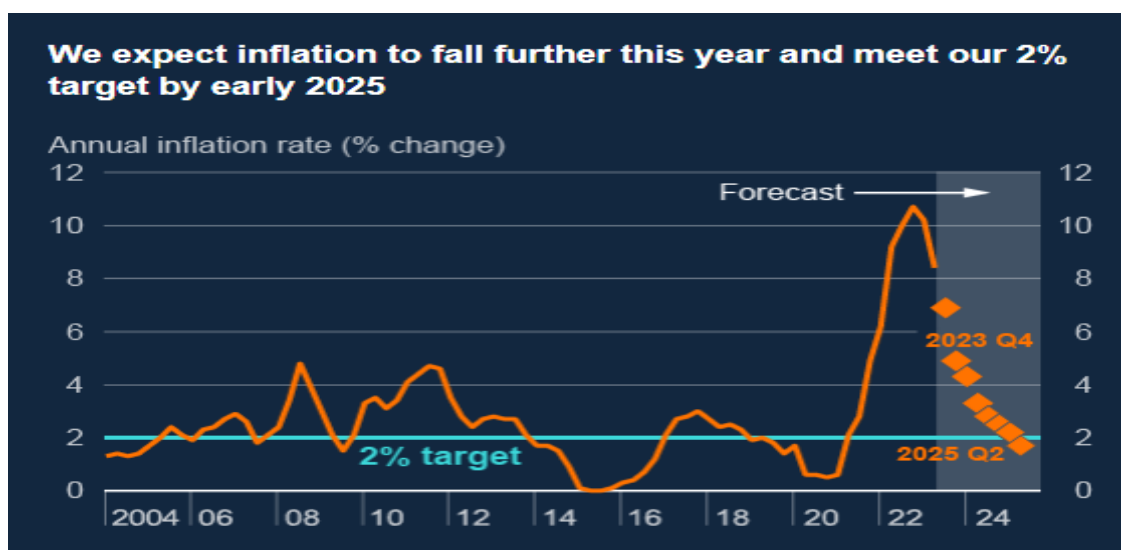
6. Inflation

[Inflation is the rate prices for goods and services the Council buys are expected to rise]

- 1.43 The ongoing impact on the UK from the war in Ukraine, together with the highest inflation for the last 40 years, rising interest rates, uncertainties over government policy and an uncertain economic outlook continue to impact on current treasury management activities. Inflation is significantly eroding the Council's spending power. The Bank of England's (BoE) Monetary Policy Committee's (MPC) latest projections show the annual CPI inflation rate falling back from its extremely high level, of around 10% since the summer of 2022 up to March 2023 to around 8.7% in May but the fall was not as sharp as previously hoped for.

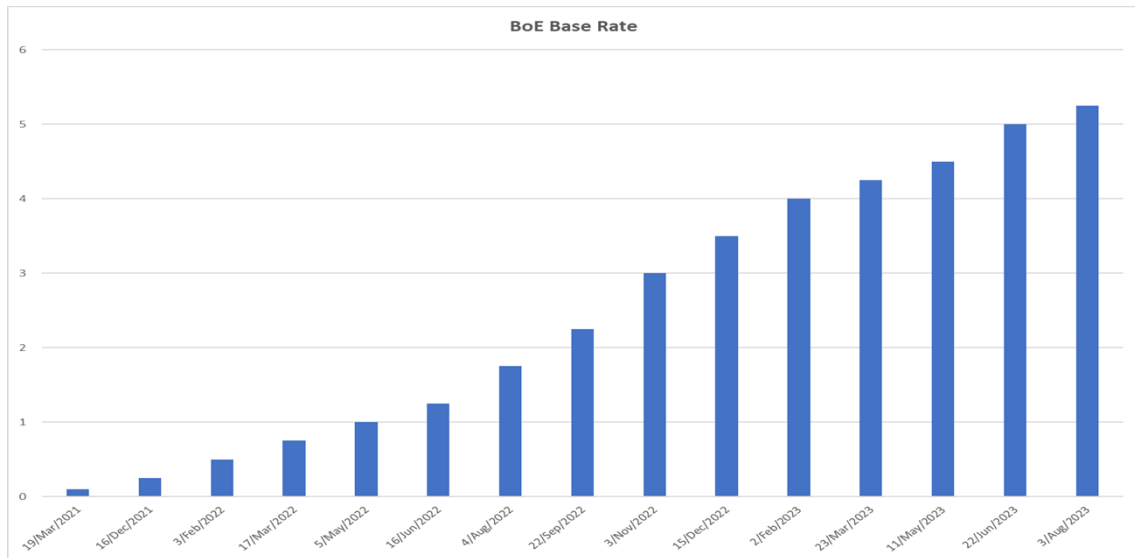


- 1.44 These charts are taken from the BoE's MPC report for August 2023. They are expecting inflation to continue to fall, to around 5% by the end of this year. The prices of things such as food are likely to rise faster than this, but energy bills should come down more as gas prices have fallen a lot recently. Higher interest rates will help to reduce the demand for goods and services in the economy. And this will help slow the rate of inflation down further, they expect inflation to keep falling next year and meet our 2% target by early 2025. That means prices would still be rising, but they would only be rising gradually.



- 1.45 At the meeting of the BoE's MPC in July 2023, it was agreed to increase the bank base rate by a further 0.25% to 5.25% to help control inflation, its highest rate in 15 years. For comparison, in December 2021 it was 0.1%. It was the 14th rise in interest rates since then

but was then frozen at 5.25% in September.



- 1.46 The UK economy grew by 0.1% between January and March 2023 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will be nil in the second quarter of the calendar year (back in February it was predicted to record a 0.7% decline) due to the squeeze on household income from stubbornly high energy costs and especially food prices. Some growth is then expected with predictions of 0.9% for Quarter 2 of 2024, 0.7% in 2025 and reaching 1.1% at the equivalent time in 2026 according to Monetary Policy Report May 2023.
- 1.47 Forecasting economic activity in the current climate is fraught with difficulties but the projections contained within this updated MTFS report have been updated with the best available information and forecasts available to us.
- 1.48 The impact on the Council of the above is higher costs of providing services, higher potential borrowing costs (PWL 50-year loan rate rose from under 2% at the end of 2021 to 5.5% at the time of writing) which may render some capital projects unviable and have a possible negative impact on council tax collection rates as the cost-of-living crisis hits thousands of families across the district.
- 1.49 There is however a positive effect in terms of the Council's investment income returns, which are increasing.
- 1.50 *Staff Pay* – the forecasts within the previous MTFS assumed a 3% pay award for 2023/24 and 2% in future years. The Council currently follows the National Joint Council (NJC) terms and conditions of employment but implements a local pay scheme. Apart from Wealden District Council (WDC), all other councils in East and West Sussex follow the national pay conditions. Any pay increases are set and agreed locally in negotiation with the Union and implemented in September each year. As a guide a 1% increase equates to approximately £0.1m annually. Therefore, should a higher pay award be agreed there will be an additional cost to be factored in.
- 1.51 At the meeting of the Human Resources Committee on 30 August 2023 Members considered the following pay proposal options;
- Option 1 – Recommended 3% pay award cost to the Council would be £333,000 per annum. This has already been built into the forecasts contained within the MTFS.
- Option 2 – £1,925 per annum or 3.88% to higher grades in line with the national NJC offer. Unison's proposal would cost in the region of £482,000 per annum approximately £150,000

over and above the recommended 3% and this additional funding would need to be identified to support the base budget.

- 1.52 Members voted for option 1 to approve a 3% pay award in-line with the assumptions built into the budget and MTFS although it should be noted that the Union has not accepted this position.
- 1.53 It is important to note these costs are calculated on a full-year basis and will have an ongoing impact on the Council's budget in future years as they will be built into the base budget.
- 1.54 *Income (fees and charges)* – the budget for fees and charges is increased in line with CPI inflation unless there have been specific reasons for higher or lower increases or alternatively the Council was not able to influence them. Due to the budgetary and inflationary pressures experienced at the end of last year, fees and charges for 2023/24 were increased by 10% in line with inflation. The recommendation for this year follows on a similar basis with a general increase proposed of 6.8% based on CPI as of July 2023 (just to note the rate was only marginally lower in August at 6.7%).
- 1.55 As part of next year's efficiency work to address the pressures on future year's budgets, the finance team will be working with service managers in the run up to the 2025/26 budget setting process to undertake a more fundamental review of fees and charges. This will involve more detailed work and analysis to ensure that we fully understand our cost base so that we can ensure our charges are covering this as a minimum.
- 1.56 The process for setting the charges for the 2024/25 financial year has changed from previous years when a separate report was taken to Committee. This year consideration of the charges is included as part of the main MTFS report so that these can be considered alongside the budget pressures in a more joined up way. The draft fees and charges for the 2024/25 financial year are now contained within Appendix 4 and, subject to initial agreement, will be consulted upon over the winter prior to final approval.

7. Funding changes

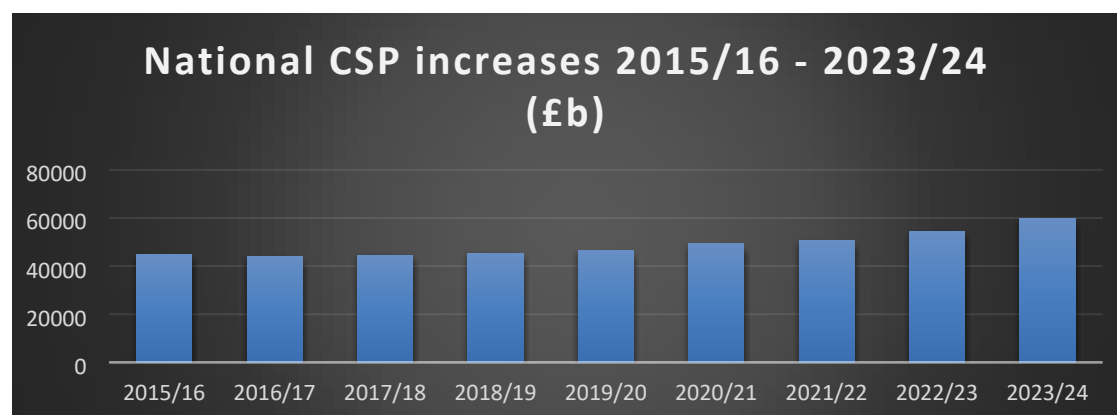
Local Government is currently going through a significant period of change in terms of the way it is funded and how this is to be calculated for the future

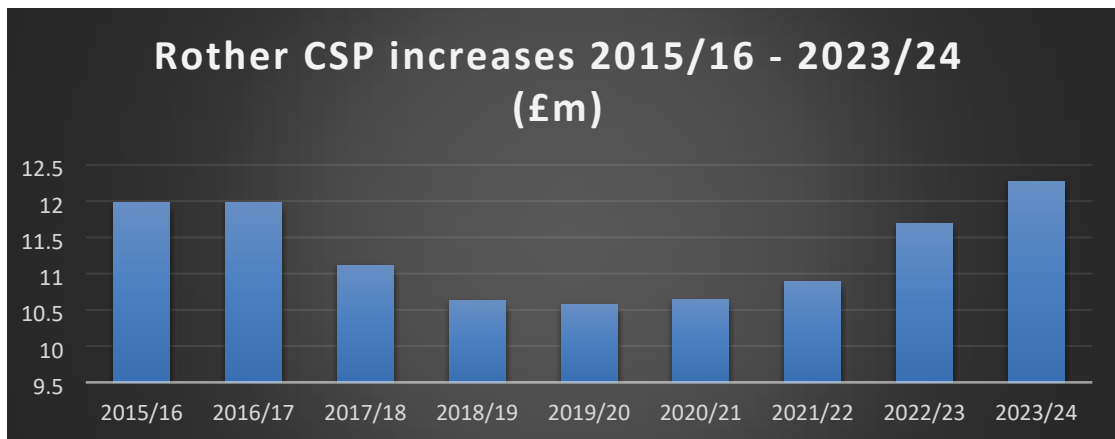
Local Government Funding Settlement Funding – last year’s forecasts

- 1.57 The settlement is issued by the Department for Levelling Up, Housing and Communities (DLUHC) and for Rother comprises several elements including New Homes Bonus (NHB), Baseline Funding Level (via the Business Rates Retention Scheme) and council tax (through the setting of referendum principles) but has more recently also included the Lower Tier Grant and Services Grant.
- 1.58 The Government had previously committed to undertake a Fair Funding review and a reset of the business rates system, but this was not addressed as part of this Spending Review. However, it has reaffirmed its commitment to do this in the next Parliament.
- 1.59 Despite previous indications coming from central Government, the settlement was once again for one year only for district councils, which impacts on our ability to plan for the medium-term. The draft settlement was published on 19 December and announced some additional grant funding and a further year’s allocation of NHB.
- 1.60 A new one-off Funding Guarantee Grant was introduced, to ensure that local authorities received a 3% increase in core spending power before any increase in council tax levels although the 3% assumed that councils increased council tax by the maximum allowed under the referendum principles.
- 1.61 The government announced that it would review NHB ahead of the 2024/25 settlement to help council’s medium term financial planning.

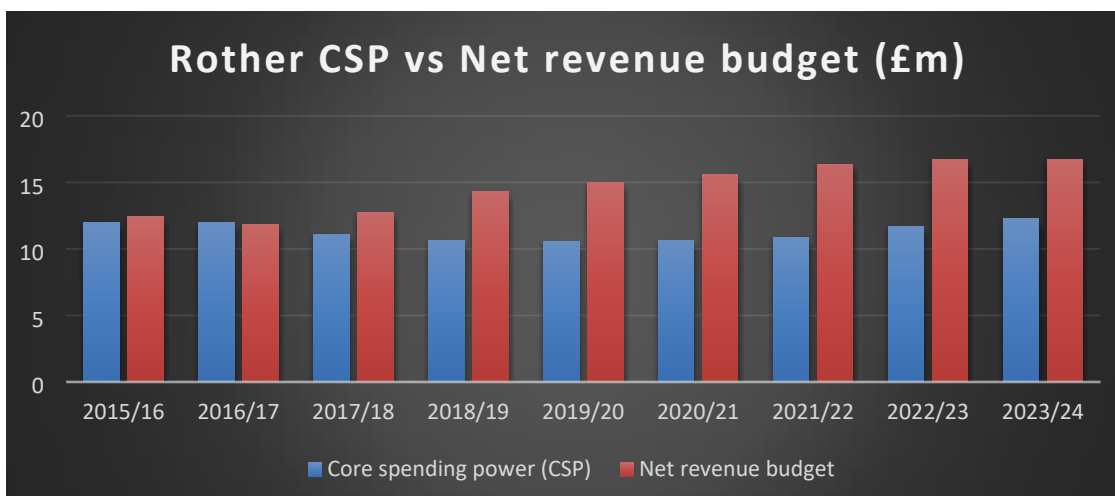
Core Spending Power (CSP)

- 1.62 Core Spending Power is measure of the resources available to local authorities to fund service delivery and sets out the money that has been made available through the Local Government Finance Settlement (LGFS).
- 1.63 Whilst funding nationally has increased between 2015/16 and 2023/24 by £14.8b (33%), Rother’s overall increase over that 8-year period has been just £0.3m (2.5%). This highlights some of the challenges district councils across the country have been facing as resources are directed towards the significant pressures being felt in adults and children’s services. This is highlighted in the two graphs below:





- 1.64 Rother's CSP assessment for 2023/24 saw an increase of £0.9m, or 5%, against a national increase of 9.4%.
- 1.65 Whilst upper tier authorities have been given significant additional social care precept flexibilities, this has not been reflected in district council's referendum thresholds to manage increasing demand led pressures from things like TA. While there was a slight increase provided last year from 2% to 3% (or £5) this only resulted in an additional increase in income of around £24k.
- 1.66 This ongoing diversion of funding away from district authorities is leading to increasing gap between the central Government CSP assessment and our net revenue budget, which can be seen in the graph below. The gap between these for 2023/24 is c£4.4m.



Extended Producer Responsibility for packaging (pEPR) scheme

- 1.67 As part of the provisional funding settlement government also announced a significant new funding stream from 2024/25, subject to the successful delivery of the Extended Producer Responsibility for packaging (pEPR) scheme. This assumed that local authorities could expect to receive additional income from the scheme whilst being asked to submit data relevant to their waste collection services. Alongside His Majesty's Treasury and the Department for Environment, Food and Rural Affairs (DEFRA), DLUHC were to assess the impact of additional pEPR income on the relative needs and resources of individual local authorities.
- 1.68 However, while this was originally set for October 2024, the implementation of EPR fees to local authorities is now scheduled to take place in October 2025. The government has said it will use the extra year to discuss the scheme's design with the supply chain and reduce costs wherever possible.

- 1.69 As the details behind the operation of this new scheme are still unknown, no additional income has been factored into the future projections at this point.

Updated forecasts as at September 2023

- 1.70 The Council uses the services of local government policy specialists LG Futures to help forecast government grant funding levels. Current forecasts indicate an increase of around of just over £0.2m, due to ongoing New Homes Bonus (NHB) payments. It should however that this will not be confirmed until the final Settlement is published in January 2024.

Settlement Funding – Spending Round 2022

- 1.71 On 17 November 2022, the Chancellor delivered [his Autumn Statement](#), alongside the Office for Budget Responsibility's (OBR's) [Economic and Fiscal Outlook forecasts](#). The Autumn Statement responded to the OBR forecasts, setting out the medium-term path for public finances. Several announcements were made in relation to taxation plans and social care funding but the key issues for Rother and district authorities in general are outlined below. The information for the 2024/25 budget will be reviewed and updated as appropriate following this year's Autumn Statement and an update will be provided to Members as part of the budget report.

Business Rates

- 1.71.1 A package of relief and support to help businesses was announced, worth £14bn over two years. The 2023 Revaluation went ahead as planned, and the measures were designed to help offset the impact of the revaluation as well as other financial pressures on businesses as follows;

- **Transitional relief scheme** (government funded) for the 2023 Revaluation (£1.2bn in 2023/24). This has no effect on billing authorities (like Rother), it simply makes the transitional support scheme more generous for businesses.
- **75% relief for Retail, Hospitality and Leisure (RHL) sectors** in 2023/24 (£2.3bn in 2023/24). Local authorities will be compensated in the usual way through section 31 grants.
- **3-year support for small businesses** (scheme for properties losing Small Business Rates Relief or Rural Rates Relief) equating to £190m per year for 3 years. Again, local authorities will be fully compensated.

- 1.71.2 The Council is currently part of the East Sussex Business Rate Pool, which means it retains the levy on business rate growth which would otherwise be returned to central Government. The pooling arrangements are currently being reviewed, but it has previously been financially beneficial for the Council to remain in the pool so for the purpose of this forecast it is assumed that it will continue to do so. DLHUC has written to all councils asking them to indicate their preference, subject to confirmation by the Secretary of State that pooling arrangements will continue in 2024/25.

- 1.71.3 As this work has not yet been completed by the members of the pool it is recommended that the Interim Deputy Chief Executive be given delegated authority to finalise the necessary agreement with the Member authorities in consultation with the Cabinet Portfolio Holder for Finance and Governance if the pool remains financially beneficial.

District Council Band D Increases

- 1.72 The Chancellor is using council tax increases to help manage the funding gap within local government. In previous years non-metropolitan districts (like Rother) were only able to raise local council tax by 2% or £5 (whichever is greater) on a band D property, without the

need for a referendum. However, this was increased slightly for the 2023/24 budgets as follows;

- **Core Band D threshold increased from 1.99% to 2.99%.** This applied to all classes of authority (we are assuming for 2023/24 only)
- Unfortunately, the £5 threshold was not increased

1.73 The council tax increase for Rother was finally agreed at £5.22 (2.7% excluding special expenses), resulting in a charge of £198.60 for 2023/24. This increase generated an additional £200k, which when coupled with the growth in the taxbase (293 properties @ £198.60 = £58k) equated to extra council tax income of £258k. The total income generated from council tax for the year was £7.65m, which represents 46% of the Council's net revenue budget. Whilst any increase to the referendum limits is welcome this change only generated Rother around £24k in additional income for the year.

1.74 For the purposes of these updated MTFS projections it has been assumed that the 3% threshold remains in place for the life of the projections. It should however be noted that, while this information will be used at this point for modelling purposes now, the council tax will not actually be agreed and set until the full Council budget setting meeting in February 2024. Taxbase growth of 425.98 (1.09%) band D equivalent properties have also been built in to the projections (293.8 (0.76%) 2023/24).

8. Income

The Council derives a limited and reducing amount of funding from Central Government, the main sources of income are locally raised taxes, fees and charges and specific grants. This section focuses on how the Council is funded and how this will continue to change over the coming years

Business Rates Retention

- 1.75 Since the 2013/14 financial year, local government has been able to retain 50% of the growth in the local business rates income to support services. As part of a manifesto commitment, the Government pledged to allow Councils more control locally over their finances, and as part of this began to plan for an eventual system of 100% local retention of business rates growth. In exchange for this, Councils would have to forgo certain grants received from central Government. Following the snap General Election in 2017 and a period of uncertainty around the new Business Rates Retention Scheme, MHCLG (as was) had previously confirmed a local 75% share from April 2020, however these potential changes continue to slip, and we are still no closer to having a revised scheme.
- 1.76 The income from the current system is shared based on 50% being returned to central Government, 40% being retained by Rother with 10% going to the County. However, while technically Rother's share is projected to be around £12.5m for 2024/25 (£11.8m 2023/24), after the tariff and levy payments are made the net income to Rother reduces to around £4.7m for 2024/25 (£4.5m 2023/24). This is based on the assumptions contained within the previous Autumn Statement for 2022 and will be reviewed and updated once the 2023 Statement is issued.
- 1.77 We still do not know the timing of the business rates reset, and while we anticipate this will have a negative impact for Rother, we would expect some form of transitional grant relief which again at the current stage is unknown, so this issue continues to be monitored until we have greater clarity.

East Sussex Business Rates Pooling Arrangements

- 1.78 Local authorities can enter arrangements with other councils to pool their business rates. Legislation allows councils to voluntarily enter a business rates retention pool. Councils within a pool are treated as a single entity with tariffs and top ups netted off and a single levy rate applied. In two tier areas this creates the potential for the levy paid by district/borough councils being reduced thus retaining more resources in the local area. Rother has been a member of the East Sussex Business Rates Pool since 2015/16, the pool must reapply to DLUHC each year for the arrangements to continue. There is still an option for the pool not to proceed up to 28 days after the Local Government Finance Settlement is received.

Revaluation Proposals

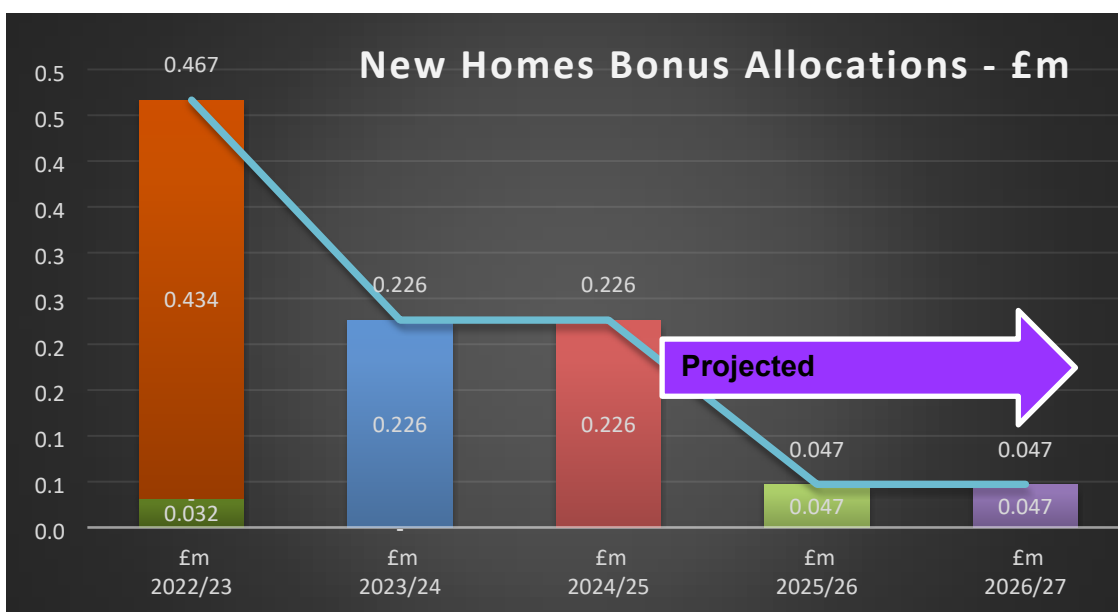
- 1.79 Business rates revaluations update rateable values, and therefore rates bills to reflect changes in the rental market. This helps ensure that shifts in economic activity which have driven changes in market values are fairly reflected in business rates liabilities. The final report of the government's Review of Business Rates announced that the frequency of revaluations would be increased to 3-yearly starting from 2023 revaluation. The next revaluation of properties for business rates therefore took effect from 1 April 2023 based on the rental market at 1 April 2021. The move to 3 yearly revaluations will make the system fairer and more responsive for all ratepayers, meaning bills will more closely reflect current rental values. Some stakeholders in the Business Rates Review also suggested that more frequent revaluations could reduce the need for and scope of future transitional arrangements.

1.80 DLUHC's consultation on the proposed revaluation changes was completed in September 2022, with new RV's introduced from 1 April 2023. Updates to local lists have now been made, replacing the previous lists from September 2017. Support for businesses announced as part of the Chancellors previous Autumn Statement are discussed above.

New Homes Bonus (NHB)

1.81 The New Homes Bonus was introduced in 2011/12 to incentivise and reward councils and communities that build new homes in their area. The bonus was originally paid as an unringfenced grant for six years and was paid based on the net additional homes plus an additional supplement of £350 per affordable dwelling. The payment was then split between local authority tiers: 80% to lower tier (Rother) and 20% to upper tier (ESCC).

1.82 Since its initial introduction, the payment mechanism has undergone two fundamental changes which have significantly impacted on the income received by Rother. The first was the transition from payments rolled up over a 6-year period up to 2016/17 to 5 years in 2017/18 to the new 'floor' of 4 years from 2018/19 onwards. The second was in 2017/18 when a national baseline of 0.4% (based on district property numbers) was introduced which attracted no bonus funding. The chart below shows the current projections, but these won't be confirmed until the Settlement announcements at the end of the year although it should be noted that the previous MTFS projections assumed the NHB was completely removed from 2024/25 but the previous Settlement announcements indicated that this would continue at the same levels (£22k) for 2024/25 with residual payments (£47k) in the following 2 years.

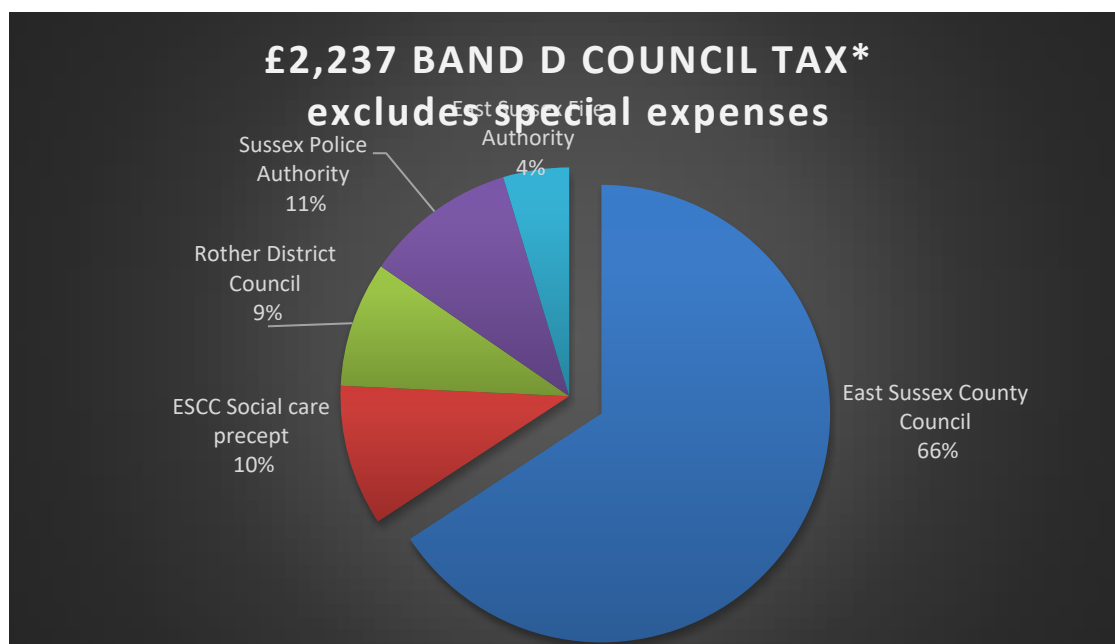


Council Tax

1.83 Rother is the billing authority for the district, this means that Rother send out the council tax bills to residents and collect the council tax, but most of this is then distributed to the County Council, Police and Fire Authorities, with a further element then going to town and parishes councils. The relative splits are shown within the chart below.

1.84 The charge on a Band D property which is retained by Rother is currently £198.60 (£193.38 2022/23) based on a tax base of 38,520.80 (38,227.0 2022/23). Any increases on this amount are restricted by a cap put in place by the Government, but as discussed above this has now increased from 2% or £5 to 3% or £5, whichever is the greater, without undertaking a referendum on the proposals. This generated an extra £258k (including tax base growth) over the 2022/23 income levels. For the 2024/25 budget forecasts this equates to an additional £0.3m including growth in the taxbase.

1.85 The chart below shows how the average band D charge of £2,237 for 2023/24 is allocated between the main preceptors. Rother's £198.60 represents only 8.9% of the total share, or 54 pence a day for the 60 services delivered by Rother District Council.



1.86 Within the MTFs, it is assumed that Rother will increase its precept by the maximum possible allowance for 2024/25 and future years (currently assumed at 2.99%), to partly offset the reduction in grant funding from Central Government. This table highlights the impact of the assumed increases and the income generated.

Council tax	2024/25	2025/26	2026/27	2027/28
Council taxbase	38,946.8	39,355.1	39,966.4	40,679.2
Band D (standard - £)	£204.56	£210.70	£217.02	£223.53
Total Band D (excl local precepts)	£7,966,932	£8,291,967	£8,673,388	£9,092,918

Fees and charges

1.87 The Council has limited means to charge for some of the services it provides. Some of these charges are set by central Government, but the Council has discretion over the levels of others. Of the c£7.5m gross income included in the 2023/24 budget (£4.6m fees and charges and £2.9m rentals), the most significant fee income areas include waste and recycling £1.3m (£1.3m 2022/23) which includes things such as garden bins and bulky waste collection, car parking income £1.8m (£1.8m 2022/23) and planning and building control income £1.0m (£1.0m 2023/24). It should however be noted that there are also significant costs associated with generating some of this income, such as the car park maintenance and enforcement, the waste contract etc.

1.88 As part of next year's efficiency work to address the pressures on future year's budgets, the finance team will be working with service managers in the run up to the 2025/26 budget setting process to undertake a more fundamental review of fees and charges. This will involve more detailed work and analysis to ensure that we fully understand our cost base so that we can ensure our charges are covering this as a minimum while also looking to develop and increase income streams wherever possible to help make the budget position more sustainable in the medium to long term and to protect frontline services. The 2024/25 fees and charges proposals are contained within Appendix 4.

9. Links to other strategies

The MTFS is fundamentally linked to and underpins several the Council's key strategy and policy documents

- 1.89 The most significant link with the MTFS is with the Council's Corporate Plan and this is discussed in detail above. There are however several other strategies and policies supported by the MTFS.

Capital Strategy 2023/24

- 1.90 The Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives ([link here](#)). It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.
- 1.91 The Strategy is reviewed on an annual basis to reflect the changing needs and priorities of the Council including residents, businesses, and places. The aim of the Strategy is to provide a framework within which the Council's capital investment plans will be prioritised and delivered. The Strategy is the foundation of proper long-term planning of capital investment and how it is to be delivered.
- 1.92 The Strategy's principal objective is to deliver an affordable programme that is consistent with the Council's priorities and objectives. This Strategy is intended to be used by all stakeholders to show how the Council prioritises and makes decisions on capital investment and how this investment supports the Council's priorities and ambitions.

Treasury Management Strategy Statement 2023/24

- 1.93 The Council's Treasury Management Strategy Statement is intrinsically linked with the Capital Strategy and the capital programme and [can be found here](#). The Strategy manages the Council's investments, cash flows, banking, money market and capital market transactions.
- 1.94 The treasury management budget supports the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need, the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations and understands the revenue implications of all capital decisions.
- 1.95 This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. When it is prudent and economic, any debt previously incurred may be restructured to meet the Council's risk or cost objectives.
- 1.96 The Council receives and approves several reports each year;
- Before the start of the financial year, the updated Treasury Management Strategy Statement which includes the Minimum Revenue Provision (MRP) policy statement; how investments and borrowings are to be organised (including prudential indicators); and an Investment Strategy ([found here](#));
 - Quarterly treasury management assurance updates to the Audit and Standards committee; adherence to the Treasury Management Strategy and whether any policies require revision and;
 - At the end of the financial year, a treasury management outturn report to provide details

of actual indicators compared to the estimates within the Strategy.

Procurement Strategy

- 1.97 The Procurement Strategy establishes the Council's strategic approach to procurement and can be accessed [here](#). The Policy should be read in conjunction with the Finance Code of Practice, Contract Procedure Rules and Scheme of Delegation within the Council's Constitution [here](#). It emphasises the increasing importance of using procurement to support wider social, economic, and environmental objectives, in ways that offer long term benefit.
- 1.98 The Council recognises the importance of a strong and vibrant local economy and the role it can play in stimulating local markets. The website has been developed to provide potential suppliers with a host of information in relation to the Council's procurement processes, which includes a portal advertising all current tender opportunities. To deliver an agile service the Council uses an electronic tendering system.
- 1.99 The strategy provides a corporate focus for procurement, embracing the Council's commitment to strategic procurement and its alignment with corporate objectives and values. The document is not intended to be a "user manual", although the principles contained within the strategy should be applied to all facets of procurement activity. Additional detail regarding the Council's procurement processes can be found within the Contract Procedure Rules.
- 1.100 Social value is the positive impact an organisation has to the activities it carries out. These can be economic, social, and environmental impacts. The Council recognises that Social Value can significantly help it in meeting its priorities and aspirations for the borough by supporting good jobs, better incomes and wellbeing, increased skill levels, higher value economy and higher productivity levels. The Procurement Strategy is one of the underpinning strategies that supports the Council's priorities.
- 1.101 The Council is also part of the East Sussex Procurement Hub in collaboration with Wealden and Hastings, and a link to the website can be found [here](#).

Asset Management Strategy

- 1.102 The Council is in the process of developing an Asset Management Strategy to support and enable the Council's strategic priorities; it will seek to align and review the asset base with the Council's corporate goals and objectives.
- 1.103 The Strategy will provide the framework that will guide the Council's future strategic property decisions and ensure there is a consistent way of managing the Council's land and assets. The Strategy is likely to make recommendations regarding the rationalisation of the property portfolio, and to secure additional investment income from the let estate and property investments, and future budgets will reflect this. It is anticipated that the Strategy will be produced by 31 March 2024 along with an action plan.

People Strategy

- 1.104 The Council is also in the process of developing a People Strategy to consider the organisation's workforce planning needs for the future. Workforce Planning effectively aligns organisational needs and objectives with our People Strategy to ensure that we have enough of the right staff with the right skills to achieve the objectives set.
- 1.105 Part of the process is to analyse the current workforce, assess future needs and determine the gap between the two so that solutions can be developed to mitigate risks and deliver organisational objectives. It can help generate information, analysing it to inform future demand for people and skills, and translating that into a set of actions that will develop and build on the existing workforce to meet that demand. It will enable evidenced based decision

making through using the vast amounts of data we hold to better understand trends and issues to help better plan.

- 1.106 Off the back of Covid a vast amount of people have taken a step back to analyse their work/life balance across a large range of industries, which has resulted in a lot of very experienced and professionally qualified people retiring early or completely changing their lifestyles and careers. This has been amplified in the public sector and particularly with local authorities where we are experiencing a significant knowledge drain, with longstanding experienced staff leaving the sector as the average age increases with insufficient younger people joining the workforce to replace them. This then also impacts on things like succession planning. Even before Covid the sector was experiencing significant national staffing challenges, particularly in certain regions and certain professions such as planning and finance.
- 1.107 The fundamental principles are centred around having the right people, with the right skills, in the right place, at the right time, at the right cost and on the right contract to deliver the organisation's objectives over the short, medium, and long term.

10. Looking forward

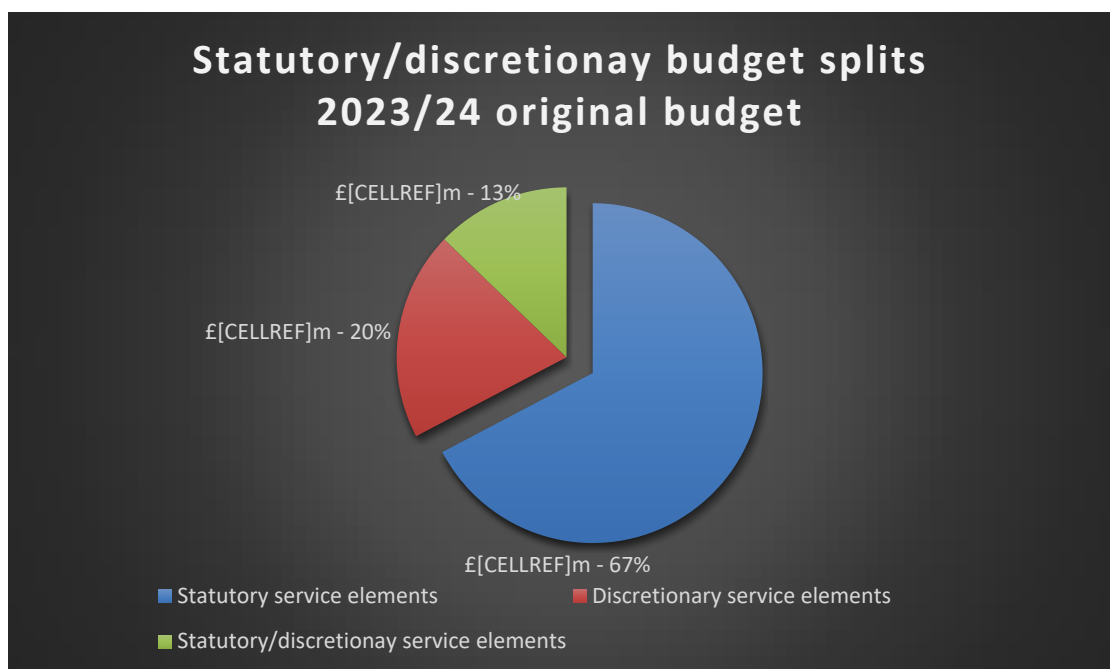
In the context of these pressures and reduced funding, the Council has produced a forecast for spend for Capital and Revenue purposes and anticipated use of Reserves

- 1.108 The resources position has been updated with the best information currently available against the previous budget forecasts below to provide an indicative guide to the future years budget deficit. It should be noted however that there is still much work to be undertaken on the detailed budget between now and February, so the position is expected to change between now and then for a variety of reasons as more work is completed on the forecasts and additional information becomes available, such as the referendum limits and Settlement figures. The table below highlights the updated forecasts compared to the 2023/24 MTFS forecasts as they currently stand.

Updated Funding Forecasts	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Net Cost of Service	17,295	15,055	14,697	13,353	13,377
Special Expenses	(751)	0	0	0	0
Business Rates - retained share	(4,473)	(4,709)	(4,709)	(4,709)	(4,709)
Non-Specific Revenue Grants (Government)	(1,796)	(1,926)	(1,536)	(1,558)	(1,533)
Council Tax Requirement (Rother only)	(7,650)	(7,967)	(8,292)	(8,673)	(9,093)
(Surplus)/deficit	2,625	453	160	(1,588)	(1,958)
Previous 2023/24 MTFS	2,035	1,083	704	(223)	(259)
Movement	590	(630)	(544)	(1,365)	(1,699)

- 1.109 The additional cost pressures of £0.59m in 2023/24 relate mainly to housing and the ongoing TA pressures and supporting homeless applications of £0.5m, removal of Financial Stability Savings (FSP) estimates which we no longer think can be achieved in the current financial year of £0.9m and other additional inflationary pressures that are being experienced, offset by around (£0.8m) of additional savings from treasury management (increased investment income and savings on estimated borrowing costs as a result of the pause and review of the capital programme).
- 1.110 In terms of 2024/25 onwards we have assumed that £0.33m pressure for TA continues (offset by the new leasing scheme). We have completely removed the £1.9m savings estimated from the FSP to be replaced by the new 'Fit for the Future' financial resilience programme (discussed in more detail below) and a further £0.6m to cover cost pressures. A total of (£0.74m) has also been removed which related to anticipated income from schemes within the capital programme but these are currently on hold. Together these total £3.6m, which has been added to the previous forecasts. This has been offset by proposed savings of (£3.3m) and various other adjustments of around (£0.9m). The net impact of all these changes is a reduction of (£0.6m) compared with the previous 2023/24 MTFS forecasts for 2024/25.
- 1.111 The assumptions around central Government grants have changed since the budget was set and have increased slightly as outlined above. It should be noted that the grant projections for 2024/25 are still subject to final agreement in January so there is still an element of risk around these, but it is the best information currently available.

1.112 This year officers have undertaken high level analysis of the cost of the statutory and non-statutory functions which the Council undertakes. Statutory functions include things such as waste collection and the payment of benefits, non-statutory areas include things such as the provision of public conveniences and leisure facilities. Very roughly the statutory and income generating services cost around £11.4m, with a mix of statutory/non-statutory totaling a further £2.2m and discretionary services costing an additional £3.4m as can be seen from the chart below.



1.113 The statutory and mixed statutory/discretionary elements total c£13.6m and the Council's grants and income (from business rates, council tax etc) is around the same level. The non-statutory areas then account for around a further £3.4m, which puts significant pressure on the affordability of the Council's medium-term financial position. The savings exercise that has been undertaken has however taken account of savings potential and efficiencies across the Council's entire budget.

Reserves

1.114 The Council holds several 'useable' reserves as at 31 March 2023, both for revenue (£12.8m) and capital purposes (£6.6m) which fall within one of the following categories:

- General Reserve (revenue) - £5.0m
- Earmarked Reserves (revenue) - £4.1
- Ringfenced Reserves (revenue) - £3.7
- Capital Receipts Reserve (capital) - £6.6m

1.115 The *General Reserve* is held for two main purposes:

- to provide a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing and;
- a contingency to help cushion the impact of unexpected events or emergencies (such as Covid).

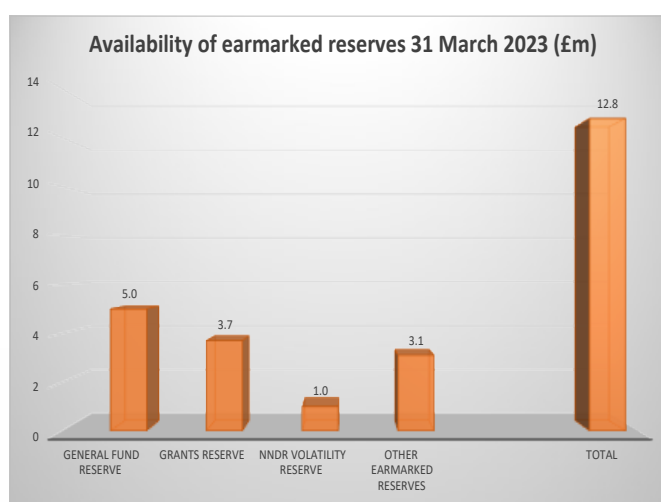
1.116 As part of setting the budget each year the adequacy of all reserves is assessed along with the optimum level of General Reserve that we should hold. The optimum level of the General Reserve considers a risk assessment of the budget and the context within which it has been prepared. This level is currently set at £5m.

- 1.117 *Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructuring. The Council also holds contingency reserves to reduce the impact on Council Tax payers of future uncertain events such as business rate appeals.
- 1.118 *Ringfenced Reserves* are reserves where funding is allocated for a specific or technical accounting purpose and can only be spent in line with the purpose of that funding and cannot be used to support wider council expenditure unlike our earmarked reserves. Several specific grants are held within these reserves, such as any balance remaining from Disabled Facilities Grants (DFG's).

Useable reserves – 31 March 2023

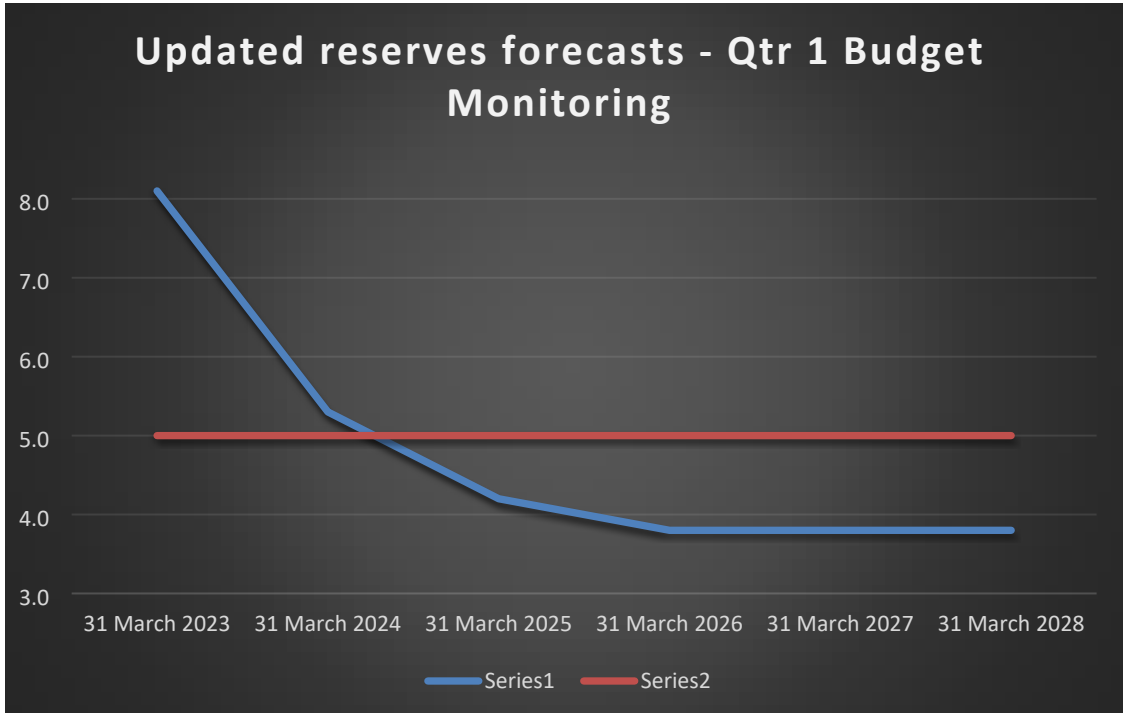


- 31 March 2023
£12.8m
- £5m GF minimum
- £3.7m ringfenced grants
- £1.0m NNDR
- Balance = £3.1m

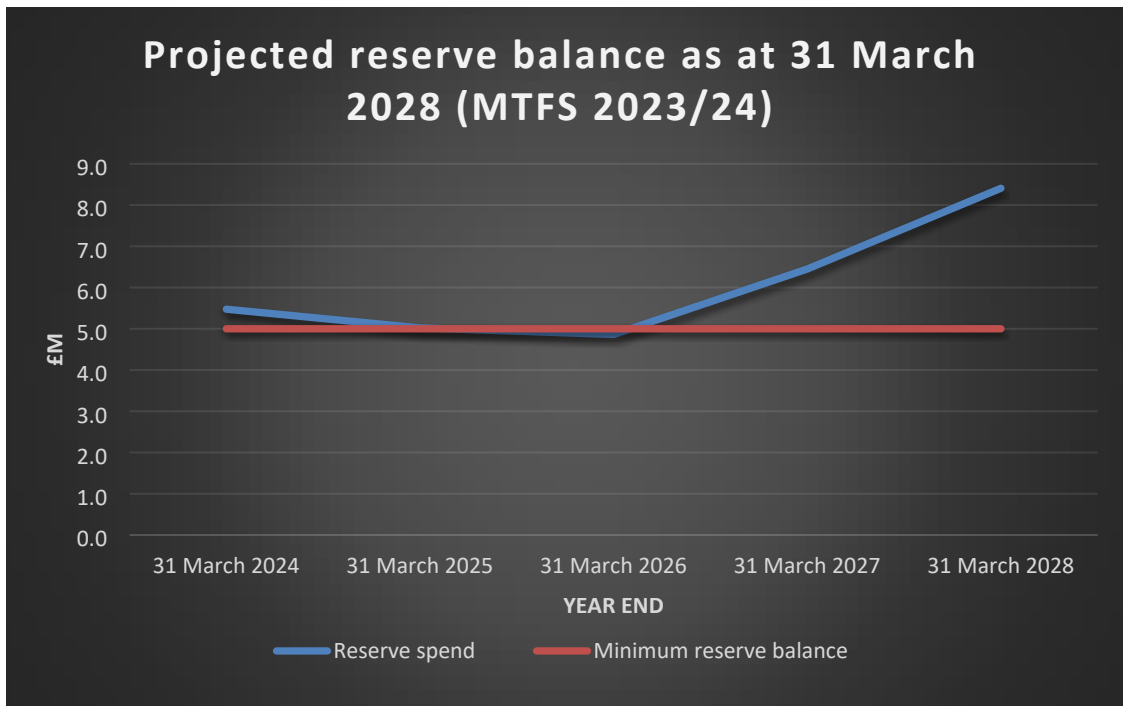


- 1.119 *Capital Receipts Reserve* holds the income generated from disposal of the Council's assets. These receipts cannot be used to help balance the Council's budget and can normally only be used to re-invest in capital purposes, such as acquiring land or buildings through the Capital Programme.
- 1.120 All reserves, general and earmarked, will be reviewed over the coming months as part of setting the budget for 2024/25, with a view that where commitments have not been identified and funds or reserve balances are no longer required these are re-allocated to specific reserves to support the overall budget position.
- 1.121 Use of reserves to balance a budget provides only a short-term solution as the funds can only be used once. They can however be used to smooth the impact of funding gaps over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer-term financial benefit through reduced costs and/or additional income, such as those proposed below through the Council's new 'Fit for the Future' programme.
- 1.122 The balance of usable revenue reserves as of 1 April 2023 stood at £12.8m as per the chart above. However, the balance of the remaining earmarked reserves, which can be used to help balance the budget, equals £3.1m (excluding the NNDR volatility reserve).
- 1.123 The budgeted use of reserves for the 2023/24 financial year is currently £2.8m as per the

quarter 1 budget monitoring report (£2.2m original forecast plus £0.6m additional projected budget pressures) which, if this does not change, only leaves a forecast balance as of 1 April 2024 of £0.3m (excluding the NNDR volatility reserve). Based on the previous medium term budget projections the Council was anticipating further use of reserves in 2024/25 of £1.1m which would not leave sufficient reserves to help address the budget gap without taking corrective action as per the chart below.

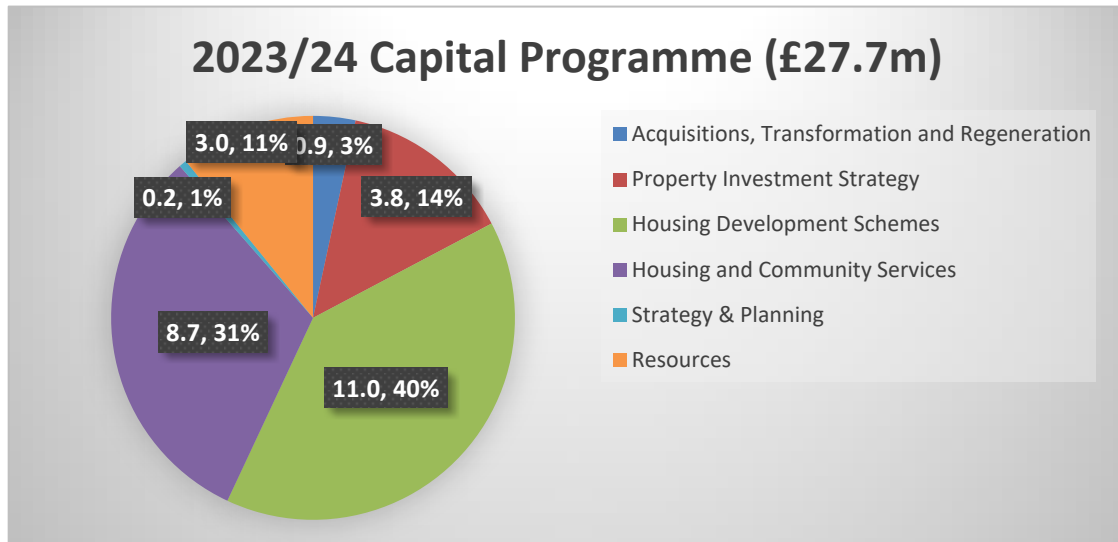


1.124 However based on the updated forecasts above for the future years the revised position is as outlined below, with reserves currently forecast to dip down slightly below the recommended levels in 2025/26 (before further corrective action) and replenishing reserves from 2026/27 onwards based on the current saving and income projections.

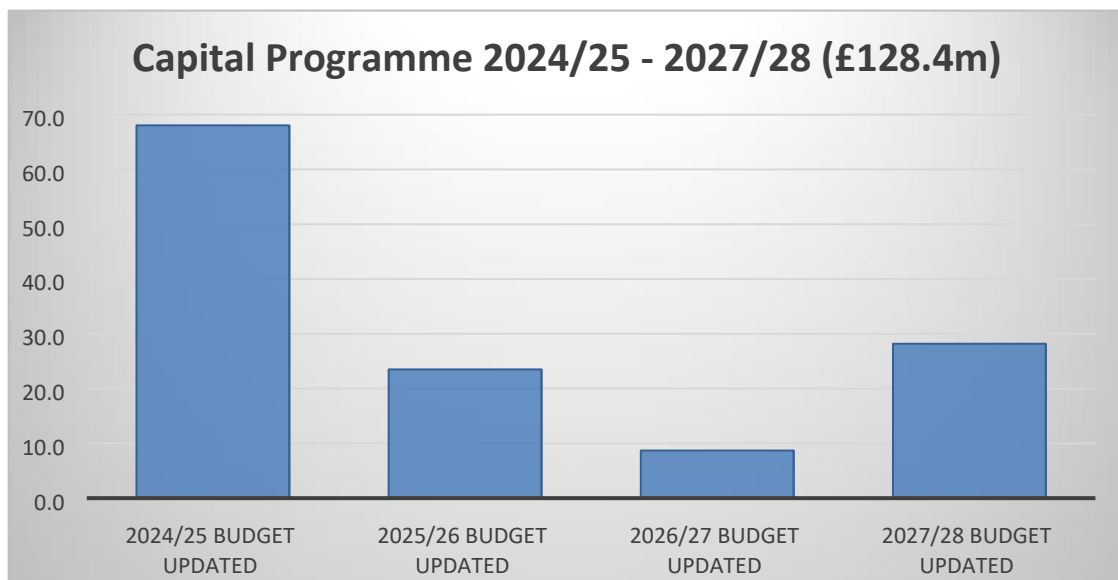


Capital

- 1.125 The capital programme (Appendix 3) shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next four years. As capital expenditure is incurred, a source of finance must be identified through capital receipts, grants, and other revenue resources or alternatively through borrowing.
- 1.126 The chart below shows the value of spend and percentage across each of the main service areas. As can be seen housing development represents a significant proportion of the programme at 40%.



- 1.127 This chart shows the value of spend anticipated for future years and with the £27.7m projected for 2023/24 gives a total capital programme of around £156m.



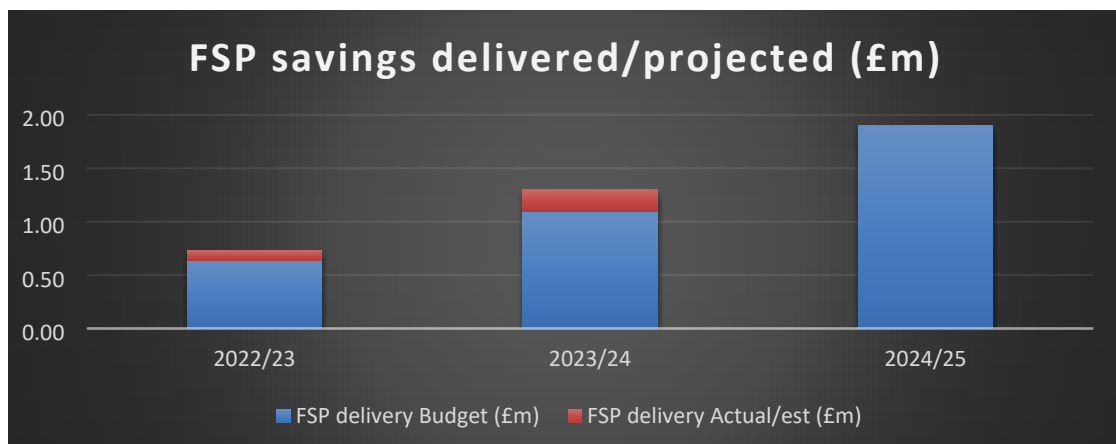
- 1.128 Any expenditure that is financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). Each year a revenue charge called the Minimum Revenue Provision (MRP) is made to reflect the funding of the CFR by the taxpayer, it is required to be set aside to cover the repayment of debt caused by the need to borrow for capital purposes. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

- 1.129 New projects, which are included in the programme in the future, will need to be financed by MRP if no capital resources such as capital grants or capital receipts from future asset sales are available. Alternatively existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge.
- 1.130 The Council currently has borrowing of around £30m which has been used to finance the acquisition of capital assets, primarily as part of the Council's previous Property Investment Strategy (PIS). Whilst there is a further £30m anticipated to fund the future capital programme there is a fundamental review ongoing in relation to the Council's capital schemes due to the economic pressures and significant increase in borrowing rates; from around 2% 2 years ago to around 5.5% now. Based on borrowing £10m this would equate to around £3m more in interest costs over 10 years.
- 1.131 Any business cases which include borrowing will therefore need to be fundamentally reviewed before any borrowing takes place to ensure the schemes remain affordable and still deliver the anticipated benefits. This includes schemes that have previously been assessed as affordable based on earlier costs of borrowing. It is therefore unlikely that all of this will be required as the Council considers its options around several of the schemes which will focus on achieving outcomes, which could for example be delivered by the market, as opposed to direct delivery which bears considerable risk to the Council. External borrowing is also assumed to provide finance to Rother Housing Company, but this will be repaid by the company as the housing development progresses and disposals are made. The current year's capital programme is shown below (£27.7m) and the second shows the forecasts for future years.

11. Closing the Budget gap – Fit for the Future

The Council's strategy for reducing the budget gap covers several different work streams

1.132 Due to the budget pressures being experienced for not only the 2023/24 financial year but also the years following, the Council has had to fundamentally review what services it provides and how they are provided to try and identify savings to help achieve a balanced, sustainable, resilient budget for future years. While the Council has previously attempted to deliver savings under the Financial Stability Programme (FSP) the programme unfortunately has a history of under-delivery as highlighted by the graph below, with only 14 – 18% delivered over the last 2 years.



1.133 Given the Council's financial position it is important that any savings plan delivers for the future, it is therefore necessary to re-focus and re-prioritise delivery of the savings plan.

How do we change it? Financial Resilience - Agile Programme *Think the unthinkable*

- Detailed plan to support proposals
- Embedded within budgets
- Ownership and accountability
- Realistic and achievable
- Pragmatic phasing
- Transparent
- Statutory and discretionary services
- Members – red lines!



1.134 Medium-term sustainability of the Council's financial position is vital and underpins our new 'Fit for the Future' financial resilience programme. The main workstream areas are summarised below. As a result of this work the previous £1.9m annual FSP savings have been removed from future forecasts to be replaced with the Fit for the Futures workstream savings projections.

Rother: Fit for the future Programme



Financial Resilience Plan

- 1.135 As part of the production of these forecasts a detailed budget review has taken place to identify efficiencies, savings, and additional income to help support frontline services, to balance the budget, and make the Council's future financial position as resilient as possible. The draft proposals are contained within Appendix 2.
- 1.136 For next year, the proposed savings total £3.3m although, after taking account of growth pressures, a deficit of just under £0.5m which will need to be supported by reserves if no additional efficiencies can be identified. Equality Impact Assessments (EQIA) will be undertaken on the proposals where relevant and the Council will be consulting on the draft budget proposals until the end of December 2023.
- 1.137 The efficiencies, income and savings identified have come from several areas and include the following;
- Shared services
 - Investment income
 - Digital transformation and IT
 - Various operational savings – travel, subsistence, conferences etc
 - Contract savings from retendered contracts
 - Additional income from increased annual demand – car parks, planning etc
 - Increased fees and charges
 - Devolution

Fees & Charges Review

- 1.138 As detailed above this strategy is recommending an increase of 6.8% for most charges, which is in line with the inflationary increase in costs that the Council is experiencing (see Appendix 4). As part of next year's efficiency work to address the pressures on future year's budgets, the finance team will be working with service managers in the run up to the 2025/26 budget setting process to undertake a more fundamental review of fees and charges. This will involve more detailed work and analysis to ensure that we fully understand our cost base so that we can ensure our charges are covering this as a minimum.
- 1.139 Proposals for higher increases to some fees and charges have been included where the

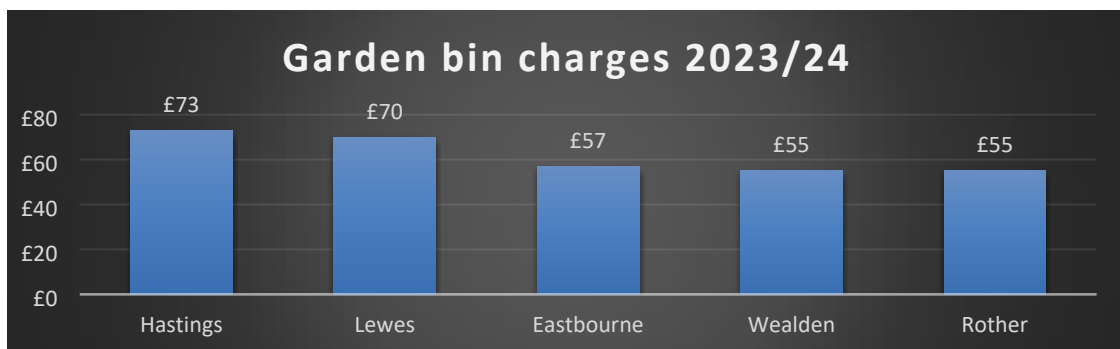
underlying costs have significantly increased; where previous charges have been below the statutory maximum charge and where market conditions support a higher charge.

Planning fees

- 1.140 Following the government's planning reform proposals in May 2022 new planning fees will be implemented in 2024/25. They are intended to increase major and minor application fees by 35% and 25% respectively.

Garden bin charges

- 1.141 Following a review of Council websites the chart below shows the current charges across East Sussex for the 2023/24 financial year for garden bins.



- 1.142 As can be seen from the chart, Rother have the joint lowest charge for the garden bin service. Given the financial challenges the Council is facing it is therefore proposed to increase this charge to match the Hastings charge at £73. Based on 20,000 customers every £5 increase would generate £0.1m in additional income to help protect frontline services. This increase would generate in the region of £0.36m in additional income per annum. The Council is also proposing to introduce a new discount scheme for any residents receiving more than 1 bin as all bins are currently charged at the same rate. If the new rate of £73 is approved, second bins would be charged at £60, representing a £13 saving (18%).

Car park charges

- 1.143 Most of the Council's car parks have not seen increases since 2015, which represents a period of 8 years, during which time the Council has faced significant increases in terms of cost pressures. Applying the annual consumer price index (CPI) inflation rates to these charges from 2016 to 2023 results in the £1.00 charge increasing to £1.30, with the £4.00 rate increasing to £5.10. It is also proposed to increase permit prices on a similar basis.
- 1.144 A trial was undertaken in Camber for this season to try and address the chronic parking issues that the town faces during the busy summer periods. An analysis of this trial can be found within Appendix 4 along with the other fees and charges proposals. A different charging regime is proposed to Camber compared to the proposals above and these are again contained within Appendix 4.

Our investment approach

- 1.145 There is an ever-increasing need for Councils to take a more commercial and business-like approach to all elements of their operations. A more commercial approach will directly support the Council's objective of becoming financially resilient for the future. Part of the strategy development process will involve the identification and prioritisation of several internal and external projects which will consider income generation, efficiency and doing things differently. The focus will be on making every pound count for our residents, improving efficiency, investment and increasing social value.

- 1.146 The Local Government Association (LGA) are encouraging Councils to move towards a more commercial culture as a way of developing sustainable self-funding streams that reflect Council's individual priorities and place shaping aspirations. Consequently, the Council needs to think about how it can maximise revenue and efficiency.

Property Investment and New Ways of Working

- 1.147 Opportunities for investment in property, whether direct or indirect, continue to be considered to achieve either a direct income stream from the asset or improved returns on investment. A programme of asset valuations and condition surveys are currently being considered alongside the development of the Council's new Asset Management Strategy. This will help us better understand the challenges faced in terms of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose, delivering income for the Council where appropriate.
- 1.148 Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made the LAMIT Pooled Property Fund, which invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment.
- 1.149 The Council can choose to use its capital resources to finance a programme of asset investment which aims to deliver long-term revenue streams for the Council and work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located within the district. This is, however, more resource intensive to manage than externalising these investments.
- 1.150 Investment in the Council's asset portfolio can also make a significant contribution towards our Net Zero aspirations. Invest to save schemes can help to deliver reduced operational operating costs whilst at the same time reducing our carbon emissions.
- 1.151 The Council continues to progress its New Ways of Working and development of our People Strategy off the back of the Covid pandemic which again will bring opportunities in the future for new operating models and how the Council conducts its business in the future. With more staff working from home there will also be potential opportunities to rationalise office space and potentially share space with other partner organisations and indeed the private sector. There may also maybe opportunities to work with other partners under the government's [One Public Estate](#) agenda.

Digital Transformation

- 1.152 The Council needs to consider how digital transformation can support the business in the future and deliver more for our residents, identifying changes to service delivery from the implementation of new technology and changes to business processes. It is anticipated that the overall programme will be delivered over several years and as projects are rolled out there will be changes to working practices which will help to deliver efficiency.
- 1.153 The key to this work in the future should really focus on 'putting our customers at the heart of everything we do.' This will undoubtedly lead to efficiency and potential cashable savings, but the direction of travel should be to improve our services for our customers primarily because that is the right thing to do. It will also mean that staff can spend longer prioritising 'added value activities' rather than getting bogged down with inefficient paper-based processes.
- 1.154 Our digital channels should be the channels of choice. That is not to say we will be closing

face-to-face channels of communication as there will always be a need for this, particularly with our most vulnerable customers. Our digital channels will however enable self-service 365 days a year, 24 hours a day, releasing staff for more added value and complex cases and will be the focus of the emerging Digital Strategy.

Shared Services, collaboration and selling services

- 1.155 Creating efficiencies through shared services continues to be a priority for central Government. Identifying such opportunities must therefore continue at a local level, ensuring that realistic and deliverable benefits can be achieved. This is an area which Rother is already heavily involved in, including activities like the joint waste partnership, Procurement Hub and shared environmental services service with Wealden but could involve a range of other joint opportunities, including contract procurement.
- 1.156 Identifying opportunities to work alongside other public sector partners and organisations to deliver services will continue to form an important part of our efficiency strategy. The savings proposals have a strong focus on this area over the coming years and will be fundamental to achieving a balanced budget.

Growing Business Rates and NHB

- 1.157 Under the previous allocation method was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth has had an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains. We know however that the NHB system is due to be replaced although at the present time it is not clear what with or when it will be introduced so the life of any ongoing funding from NHB remains unclear.
- 1.158 For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that a decline in business rates will reduce the amount of income retained. However as with the NHB the reform and any localisation of business rates continues to be delayed along with the Fair Funding Review.

Council Tax

- 1.159 The increased flexibility around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, recommendations on the level of council tax discounts will be reported for approval as part of the budget reports for 2024/25. Legislation is expected to be approved over the coming year that would enable the Council to potentially double the charge for second homes and a paper will be coming forward to Committee to outline these proposals.

New opportunities

- 1.160 Given the current uncertainties around Covid recovery, the cost-of-living crisis, global events, and the economy in general following the political upheaval, Local Government funding and funding mechanisms are overdue for review and the outcome from this remains a significant risk for the Council's medium term financial assumptions. It will be essential to identify new opportunities to either increase income, increase efficiency through the redesign of services, explore new partnership models for service delivery etc and this will be one of the main challenges over the medium term.
- 1.161 While the Council's reserves do provide some level of comfort over the short term and have been used to address previous budget deficits this is not a sustainable financial strategy for the medium to long term. As mentioned earlier within the report the reserves are forecast to

be close to minimum recommended levels, so delivery of the identified savings is vital to ensure the Council's medium-term financial resilience.

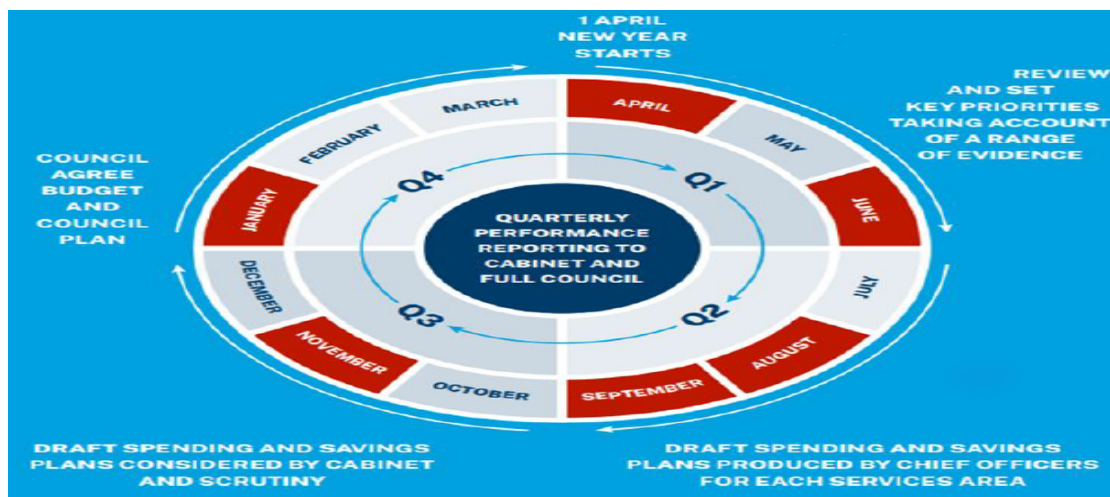
Lobbying and consultation

- 1.162 The Council will continue to lobby central Government for increased funding allocations and continued relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations in relation to the business rates and Fair Funding reviews.
- 1.163 Members will need to support the efficiency agenda in future years and support officers to deliver a balanced budget position over the medium-term as use of one-off reserves to balance the budget deficit is not sustainable.

12. Consultation

[The Council’s consultation and budget planning cycle is outlined below.]

- 1.164 The budget cycle for 2024/25 is outlined below and will enable the Council to consult on the budget and savings proposals in November and December before considering the feedback in February ahead of setting the council tax.



- 1.165 Given the requirements to consult on the proposals, it is recommended that the call-in procedure not be accepted following the Cabinet discussions on 6th November on the basis that the report will have already undergone pre-scrutiny on 16th October. It is recommended that agreement of the final consultation wording be delegated to the Interim Deputy Chief Executive in conjunction with the Cabinet Portfolio Holder for Finance and Governance. A detailed timetable can be found below.

Budget timetable 2024/25



The following provides the key deadlines for completion of the 2024/25 budget process.

Budget timetable and process - 2024/25 budget							
Task	Lead	Date	Meeting	Committee reporting cycle			
				Meeting date	Report to Directors	Reports to Dem Services	Agenda dispatch
1 Review/update of 2024/25 Service Plan efficiencies	CMT/Anna Evett/Jo Harrison	18/08/2023					
2 Review/update of projects	CMT/Anna Evett	25/08/2023					
3 Share 2024/25 savings with Cabinet ahead of away day	Jo Harrison	28/08/2023					
4 Cabinet Away Day	SLT	13/09/2023					
5 Equality impact assessment of efficiency proposals	CMT	20/09/2023					
6 MTFS - including fees and charges & efficiency proposals	Finance/Duncan Ellis	22/09/2023	O&S	16/10/2023	22/09/2023	29/09/2023	06/10/2023
7 MTFS - including fees and charges & efficiency proposals	Finance/Duncan Ellis	13/10/2023	Cabinet	06/11/2023	13/10/2023	20/10/2023	27/10/2023
8 Issue consultation - efficiency proposals/fees and charges	Duncan Ellis/Nicola Mitchell	07/11/2023	Assumes no call in following pre-scrutiny on 16/10/13				
9 Consultation end date	Duncan Ellis/Nicola Mitchell	17/12/2023					
10 Analysis of consultation results	Duncan Ellis/Nicola Mitchell	21/12/2023					
11 Draft 2024/25 budget	Finance/Duncan Ellis	21/12/2023	O&S	22/01/2024	21/12/2023	05/01/2024	12/01/2024
12 Draft 2024/25 budget	Finance/Duncan Ellis	12/01/2024	Cabinet	05/02/2024	12/01/2024	19/01/2024	26/01/2024
13 2024/25 budget and council tax setting	Finance/Duncan Ellis	02/02/2024	Council	26/02/2024	02/02/2024	09/02/2024	16/02/2024

13. Risk, scenario, and sensitivity assessment

The Council's strategy for managing risk and assessing forecasting sensitivity

- 1.166 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts. The key strategic financial risks to be considered in developing the MTFS are included within Appendix 5.
- 1.167 Appendix 6 sets out for each of the Council's external funding streams the assumptions made when preparing the medium-term financial forecasts. The central case, the case on which the current budget projections are based, is explained, along with other alternatives scenarios and sensitivities considered. These central cases will be regularly reviewed considering Government announcements and consultation responses and are subject to change following those. An update will be provided when appropriate.
- 1.168 The fundamental assumptions underpinning the current 2024/25 forecasts are as follows;
- Inflation – for the 2023/24 budget a standard increase of 4.57% was applied to non-pay budgets except for contracts where specific indices applied. For 2024/25 this was assumed at 2.69% and 3.37% for future years, however as part of the MTFS and given the budget challenges being faced it is recommended that all future non-contractual inflation is frozen at current levels and effectively cash limited. This will avoid cost increases of £1.8m over the period of this updated MTFS. The projections have been adjusted to reflect these changes.
 - Salaries – an increase of 3% was assumed with effect from September 2023 for the 2023/24 budget with an allowance of 1% staff turnover. For 2024/25 onwards this increase is assumed at 2% and this has not changed. However, based on previous underspends within the salary budgets the turnover saving has been increased from 1 to 2%.
 - Transfers – the use of transfers between existing budgets has been applied to enable funding to be re-directed to priority areas.
 - Income – where applicable, income budgets have been increased in line with CPI inflation as of July 2023 (6.8%).
 - Interest rates – where borrowing has been undertaken to finance capital investment, the rates used to calculate the interest charges reflect the rate at the time the borrowing was undertaken. Due to high Public Work Loans Board (PWLB) rates, future forecasts are being assumed at around 5% - 5.5%, reducing over time in line with the BoE forecasts of inflation returning to 2% again by early 2025.
 - Investment Returns – returns on investment have been calculated using the following rates:
 - Bank current and deposit accounts – up to 5.35%;
 - Investments with other institutions/local authorities – up to 4.50%;
 - Property Fund investments – 4.00%.
 - Council Tax Base – growth numbers are based on the latest August 2023 forecast (425.98) and assume a collection rate of 98.3%.
 - Business rates – a collection rate of 98.3% is currently assumed again based on the latest August 2023 forecast.

14. Conclusions

[How will this help shape our future budget and financial projections?]

- 1.169 While the Council's reserves do provide some level of comfort over the short term and have been used to address budget deficits previously this is not a sustainable financial strategy for the medium to long term, and as mentioned earlier within the report the reserves will fall below the recommended £5m minimum level if ongoing savings are not delivered.
- 1.170 Previous budget forecasts made in February 2023 were made at a time of significant uncertainty in terms of future Government finances due to the Fair Funding and Business Rates Review. This uncertainty was further heightened by the ongoing recovery from Covid which added an additional level of complexity in terms of future forecasts and potential impacts on the economy, inflation, suppliers, contracts, Brexit implications etc.
- 1.171 The updated high level funding forecasts within the strategy build on previous figures from the 2023/24 budget setting exercise in February which were made within the above context. At this time we were forecasting a deficit of around £3.3m in the current financial year (FSP savings target of £1.1m and reserves use of £2.2m) and a similar deficit of around £3.0m for 2024/25 (£1.9m FSP and £1.1m reserves), with the deficit gradually decreasing over future years.
- 1.172 The updated forecasts now differ significantly from this, In the main this is due to substantial work having been undertaken through the budget savings exercise as part of the new Fit for the Future programme which is looking to ensure future resilience of the Council's finances and to replenish reserves to above minimum levels. This has helped to offset the significant spending pressures which the Council is experiencing in relation to homelessness, inflationary pressures and increasing uncertainty around future funding levels, all of which are impacting on the medium-term projections (Appendix 1).
- 1.173 The MTFs and budget forecasts at present are still based on last year's Autumn Statement and Settlement as these announcements have not yet been made for the next financial year. It should be noted therefore that several of the assumptions made will not be confirmed until the Provisional Settlement is announced, the date of which is currently anticipated to be made in December 2023, at which point the projections will be updated.
- 1.174 As part of the 2023/24 Settlement a provisional steer was given in relation to some of the non-specific revenue grants such as the New Homes Bonus and Funding Guarantee Grant. However the future of these beyond 2024/25 is far less certain and this represents a potential income risk of around £0.4m if these two grants were removed and not replaced with any alternative. We will not have any further clarity on these until the Provisional Settlement is announced later this year.
- 1.175 As part of the production of these forecasts a detailed budget review has taken place over previous months to identify efficiencies, savings, and additional income to help support frontline services and to balance the Council's financial position. For next year this totals around £3.3m (Appendix 2) and is supported by several increases in fees and charges (Appendix 4). Based on current forecasts this leaves a deficit of just under £0.5m which will need to be supported from reserves if additional efficiencies can't be identified.
- 1.176 The Council is still projecting a deficit position in the current 2023/24 financial year and a further deficit in 2024/25 but forecasting the future years deficits does allow the Council time to plan mitigating actions more effectively, meaning we are more likely to be successful. Delivering the proposed savings identified will be fundamental to this.
- 1.177 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's

financial position are identified as far as is practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts and are included within Appendix 5.

1.178 At the current time, the key messages are as follows;

- Estimated budget gap of just under £0.5m for 2024/25 based on savings and fee increases
- We can deliver our statutory services with current income levels but nothing more
- To fund non-statutory services, we need to find more income/savings/reserves
- Our reserves will help set a balanced budget for the period of this MTFS
- Funding from reserves is not a sustainable way to manage our budget
- We need to identify more efficiencies and income to make the budget sustainable
- The current projections are based on multiple assumptions which can and do change

1.179 In conclusion, it is still not clear how the various reviews and the ongoing economic pressures will impact on local government funding, but officers will continue working on the forecasts between now and the point at which the council tax is set in February 2023, by which time the Settlement figures will have been finalised.

App 1 - Medium Term Financial Strategy (MTFS) – General Fund Summary Forecasts

App 2 - Savings summary

App 3 - Capital programme

App 4 – Fees and charges

App 5 - Risk assessment

App 6 - Sensitivity and scenario planning

Appendix 1 - Medium Term Financial Strategy (MTFS) General Fund Summary Forecasts

2023/24-2027/28 Medium Term Financial Plan	UPDATED SEPTEMBER 2023				
	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Departmental Budgets					
Corporate Core	2,219	2,141	2,141	2,141	2,141
Environmental Services	676	674	674	674	674
Strategy and Planning	1,129	1,113	1,113	1,113	1,113
Acquisitions, Transformation and Regeneration	(310)	(865)	(1,294)	(1,835)	(1,809)
Housing, Community & Neighbourhood Services	9,285	8,686	8,674	8,664	8,847
Resources	3,868	3,964	3,964	3,964	3,964
Total Cost of Services	16,867	15,713	15,272	14,720	14,930
Net Financing Costs	744	1,301	1,448	1,427	1,535
Inflation and Staff turnover savings	0	250	285	283	281
Budget Contingency	200	200	200	200	200
Financial Stability Programme (FSP)	(1,106)	(1,917)	(1,917)	(1,917)	(1,917)
Removal of FSP	0	1,917	1,917	1,917	1,917
Removal of income from capital schemes currently on hold	0	744	1,460	1,504	1,478
Inflationary freeze (non-contractual)	0	(152)	(344)	(535)	(726)
Increase staff turnover rate from 1% to 2% to reflect forecasts	0	(123)	(123)	(123)	(123)
Fit for the Future - savings projections/service pressures	0	(3,340)	(3,891)	(4,443)	(4,495)
Adjustments to inflation assumptions for major contracts	0	(168)	(234)	(300)	(315)
General increases to fees and charges (excl parking, garden bins etc)	0	(100)	(100)	(100)	(100)
Additional cost pressures forecast	590	930	930	930	930
Additional ongoing income - as per Qtr 1 budget monitoring	0	(200)	(206)	(212)	(219)
Net Cost of Services	17,295	15,055	14,697	13,353	13,377
	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Special Expenses	(751)	0	0	0	0
Business Rates - retained share	(4,473)	(4,709)	(4,709)	(4,709)	(4,709)
Non-Specific Revenue Grants (Government)	(1,796)	(1,694)	(1,478)	(1,499)	(1,521)
Latest updates from LG Futures modelling	0	(231)	(58)	(58)	(11)
Council Tax Requirement (Rother only)	(7,650)	(8,061)	(8,396)	(8,728)	(9,057)
Taxbase/referendum adjustments	0	95	104	55	(36)
Collection Fund (Surplus)/Deficit	0	0	0	0	0
Total Income	(14,670)	(14,602)	(14,538)	(14,941)	(15,335)
Funding Gap	2,625	453	160	(1,588)	(1,958)

Appendix 2 - Savings Summary

Saving Classification	2024/25	2025/26	2026/27	2027/28	Total
Operational improvements and efficiencies					
All services	(101,000)	(101,000)	(101,000)	(101,000)	(404,000)
Digital & Customer Services	(108,299)	(128,574)	(148,849)	(148,849)	(534,571)
Neighbourhood Services	(190,000)	(190,000)	(190,000)	(190,000)	(760,000)
Democratic & Election Services	(18,330)	(18,330)	(18,330)	(18,330)	(73,320)
Revenues & Benefits	(62,663)	(62,663)	(62,663)	(62,663)	(250,652)
Acquisitions, Transformation & Regen	(40,000)	(40,000)	(40,000)	(40,000)	(160,000)
Housing & Community	(144,000)	(144,000)	(144,000)	(144,000)	(576,000)
Planning - Policy	(24,600)	(24,600)	(24,600)	(24,600)	(98,400)
Planning - Development	(49,000)	(49,000)	(49,000)	(49,000)	(196,000)
Finance	(55,000)	(55,000)	(55,000)	(55,000)	(220,000)
Human Resources	(2,180)	(2,180)	(2,180)	(2,180)	(8,720)
Treasury Management Activities					
Investment income	(650,000)	(600,000)	(550,000)	(500,000)	(2,300,000)
Interest from borrowing	(419,356)	(417,461)	(415,566)	(413,671)	(1,666,052)
Grants & Contributions					
De La Warr Concessions fund	(12,000)	(12,000)	(12,000)	(12,000)	(48,000)
Contract adjustments					
Grounds maintenance	(297,000)	(445,500)	(594,000)	(594,000)	(1,930,500)
Waste	(50,000)	(75,000)	(100,000)	(100,000)	(325,000)
Insurance	(36,000)	(36,000)	(36,000)	(36,000)	(144,000)
CCTV	(20,000)	(20,000)	(20,000)	(20,000)	(80,000)
Fees and Charges					
Fees & charges	(498,725)	(602,437)	(706,260)	(810,198)	(2,617,619)
Service reconfiguration and efficiencies					
Outreach services	(4,500)	(4,500)	(4,500)	(4,500)	(18,000)
Shared services	(611,352)	(917,027)	(1,222,703)	(1,222,703)	(3,973,786)
Savings total	(3,394,004)	(3,945,272)	(4,496,651)	(4,548,694)	(16,384,620)

Comments
Various operational budgets (travel/subsistence/conferences etc)
Operational changes and savings
Operational and contract savings mainly already delivered
Minor reductions to operational budgets
Various operational savings, including reductions to external printing and stationery costs
Selling services and external contract savings
Grant income to support with administration of Disabled Facilities Grants (DFGs)
Reduced spend on Local Plan production and additional income
Reduced spend on agency staff and additional income
Reduced spend on agency staff and savings from banking contract
Non-renewal of corporate van
Additional income received from treasury management activities
Savings from capital programme review and reduced borrowing costs
Removal of De La Warr Pavilion concessions fund
Savings from reductions in grounds maintenance specification
Savings from minor reconfiguration of waste collection routes
Savings from re-tender and adjustment of insurance contract
Potential service transfer
Detail contained within Appendix 4 of the main report (fees and charges)
Reduce outreach services in Battle and Rye
Service transformation and potential shared service options

Appendix 3 - Capital programme Forecast

	Total scheme budget At 22/23 Outturn	Prior year spend	Total scheme budget increases/ (decreases) in Q1 23/24	Remaining scheme budget	2023/24 Budget Updated	Budgets profiled into 24/25-27/28
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Acquisitions, Transformation and Regeneration						
Other Schemes						
Corporate Document Image Processing System	120	33	0	87	87	0
Rother Transformation ICT Investment	386	269	0	117	117	0
Community Grants	1,416	636	0	780	260	520
Development of Town Hall Bexhill	856	856	0	0	0	0
Ravenside Roundabout	200	0	0	200	0	200
UK Shared Prosperity Fund	131	0	0	131	131	0
CIL Scheme 1 Village Hall Energy Project	500	17	0	483	342	141
Property Investment Strategy						
Beeching Road Hotel and Foodstore Development	15,000	396	0	14,604	104	14,500
PIS - Beeching Park Estate	450	0	(22)	428	428	0
PIS - Beeching Road 18-40 (Creative Workspace)	1,235	1,235	0	0	0	0
Barnhorn Green GP Surgery and Industrial Development	9,741	1,486	0	8,255	3,313	4,942
PIS - Buckhurst Place	10,500	10,182	(318)	0	0	0
Housing Development Schemes						
Community Led Housing Scheme - CHF	327	327	0	0	0	0
Blackfriars Housing Development - infrastructure only	11,500	6,416	0	5,084	5,084	0
RDC Housing Company Ltd Investment	79,923	2,620	0	77,303	5,000	72,303
Development of council owned sites	270	57	0	213	213	0
King Offa Residential scheme	805	146	0	659	359	300
Mount View Street Development - Housing	4,493	4,493	0	0	0	0
Community Led Housing Schemes - Cemetery Lodge	200	0	0	200	200	0
Camber, Old Lydd Road	369	27	0	342	140	202
Housing and Community Services						
De La Warr Pavilion - Capital Grant	388	275	0	113	56	57
Bexhill Leisure Centre - site development	396	318	0	78	78	0
Fairlight Coastal Protection	291	74	0	217	67	150
Disabled Facilities Grant	14,223	6,098	0	8,125	1,625	6,500
Sidley Sports and Recreation	857	857	0	0	0	0
New bins	1,153	518	0	635	135	500
Bexhill Promenade - Protective Barriers	50	48	(2)	0	0	0
Housing - Temporary Accommodation Purchase	12,830	5,364	(355)	7,112	6,362	750
Bexhill Promenade - Shelter 1	71	59	(12)	0	0	0
Bexhill Promenade - Outfall pipe	200	9	0	191	191	0
Bexhill Leisure Centre - refurbishment	140	110	60	90	30	60
Capital - Sidley House Open Space Improvements - Parks LUF	75	4	0	71	71	0
Pebsham Toilets	54	0	0	54	54	0
Camber Conveniences	1,012	0	0	1,012	69	943
Strategy & Planning						
Payments to Parishes - CIL	211	40	0	171	171	0
Resources						
ICT Infrastructure Replacement Programme	137	137	0	0	0	0
New website development	31	23	0	8	8	0
Invest To Save initiatives (Financial Stability Prog)	750	45	0	705	705	0
LUF De La Warr Pavilion Project LUF Grant	23,203	9	885	24,079	2,021	22,058
Capital - LUF Programme	0	0	0	0	0	0
LUF Heart of Sidley Programme	2,692	2	406	3,096	271	2,825
Battle Train Station	1,000	0	0	1,000	0	1,000
Seddlescombe Traffic Calming Measured	74	0	0	74	0	74
Battle Sports Pavilion	400	0	0	400	0	400
Total Capital Programme	205,697	50,218	642	156,121	27,696	128,425
Funded By:						
Capital Receipts	3,192	1,092	0	2,100	2,100	0
Grants and contributions	55,280	16,011	1,486	40,755	9,752	30,756
CIL	3,978	57	0	3,921	513	3,655
Borrowing	60,360	29,384	(904)	30,072	8,998	21,074
Capital Expenditure Charged to Revenue	2,764	1,054	60	1,770	1,134	637
Borrowing and Loan for Rother DC Housing Company Ltd	79,923	2,620	0	77,303	5,000	72,303
Section 106	200	0	0	200	200	0
Total Funding	205,697	50,218	642	156,121	27,696	128,425

Appendix 4

15. Fees and charges

Increased income generation over future years to help meet increasing service cost pressures

- 1.180 This appendix contains the 2024/25 fees and charges proposals for a range of services provided by the Council. The Council regularly reviews and revises its rates for fees and charges so that either all or a proportion of the cost of service provision can be met and built into the Revenue Budget accordingly. In most cases, the recommended increases to fees and charges are in line with the current cost of inflation as based on the Consumer Price Index (CPI). While inflation remains high it is forecast to reduce over the coming years. The CPI rate as of July 2023 is 6.8% and this will be applied to our fees and charges unless otherwise identified. If approved following the consultation exercise, the new rates for fees and charges will be built into the draft Revenue Budget for 2024/25.
- 1.181 It should be noted that if the increases in charges are too high, income levels may drop due to customer resistance and affordability. Usage and uptake of services needs to continue at optimum levels to withstand the pressure of increasing service costs, including administration and contract uplifts where applicable. Failure to achieve sufficient income and thereby reduce subsidy on non-essential services may compromise the Council's ability to fund statutory services and savings may need to be made elsewhere in the budget to mitigate a loss of income.
- 1.182 It should also be considered that services delivered by third party contractors to support Council services are liable to additional increase in costs due to inflation and rising salary levels. It is therefore important to future proof the impact of these potential increased costs on service delivery.
- 1.183 The charges set out are inclusive of value added tax (VAT) at the current rate, where appropriate. Charges are rounded to the nearest 25p if under £50.00 or the nearest £1.00 if £50.00 or over, except for certain car park charges, where these are rounded to the nearest £0.10.
- 1.184 This appendix identifies most of the fees and charges in place across the council and the proposed charges for 2024/25, with some exceptions:
- 1.184.1 Fees charged in respect of pre-planning advice, which enable prospective planning applications to engage with the Council, are under review, as officers wish to provide clear advice to the applicant as to the level of service that can be expected for the different activities and size of scheme. Officers are assessing the various inputs required to provide these services, with a view to quantifying the costs of providing these activities. The current fees are noted below, and the proposed fees for 2024/25 and descriptions of services provided may change when the current review is completed. Considering this, this report asks that delegation be given to the Interim Deputy Chief Executive to finalise the fees and charges for 2024/25 in conjunction with the Head of Service and the Cabinet Portfolio Holder for Finance and Governance;
- 1.184.2 The Licensing and General Purposes Committee has delegated authority to set fees and charges for the various activities carried out in respect of environmental services, licensing and community safety. These activities cover such things as hackney carriage and private hire, animal welfare, street trading and mobile homes. Many charges are set by statute and inflationary increases are not always possible, and some fees are set in consultation with licence holders, if required by statute. That said, fees are set to recover the full administrative costs of issuing the licences and costs associated with

ensuring compliance with the conditions attached to licences, but not the costs associated with the enforcement of unlicensed premises and activities. It is also noted that the council is unable to recover more than the costs associated with the activities. It is proposed that the Licensing and General Purposes Committee continue to approve these fees and charges; for this reason, these are not contained in this report.

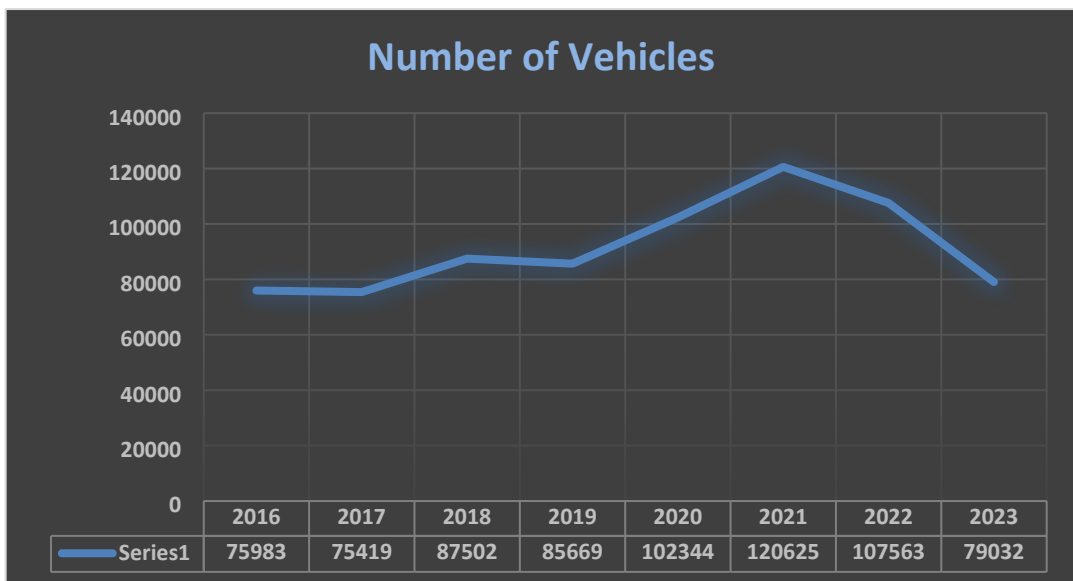
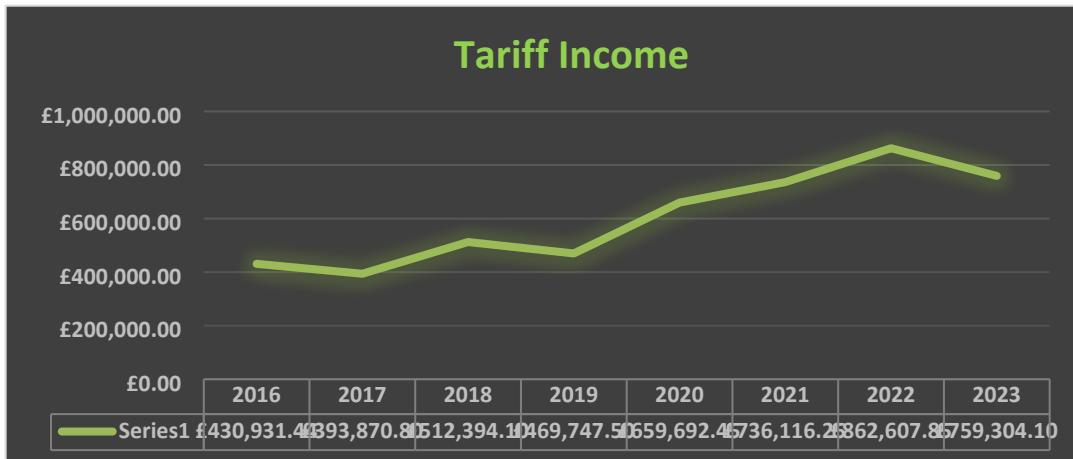
- 1.185 Many charges which the council makes are in the Place and Climate Change Directorate and relate to Neighbourhood Services activities. The tables below outline the proposals for changes to fees and charges and some explanations for change, but the background to certain proposals is explained in more detail below.

Camber Summer Parking Tariffs

- 1.186 During the summer of 2023, parking tariffs at Camber Sands were raised twice from 2022's prices, in April 2023 the hourly tariffs were increased by inflation at 10% and the "all day" rate was increased above inflation by 20% to ensure that it was not cheaper for customers to purchase a lower tariff and then top up during their visit. Charges at Western car park were then raised by a further 10% in June 2023, and a trial flat fee of £30 was introduced at Central and Old Lydd Road car parks. The flat fee parking rate was trialled for a nine-week period (3rd July-1st Sept inclusive). At the end of the trial, tariffs at all three car parks were set at the current Western car park rates. In October the charges for all three car parks will revert to the standard winter tariff which has remained the same since 2015 and will be increased in line with inflation for the 2024-25 winter season. The results and analysis of the £30 daily flat rate trial follow:

- 1.186.1 In July 2023, a trial flat fee of £30 was introduced at Central and Old Lydd Road car parks. The flat fee parking rate was trialled for a nine week period (3rd July-1st Sept inclusive). The below data shows the income from and number of vehicles visiting Camber car parks since 2016. This is followed by an analysis of the consultation conducted with Camber residents and business owners to assess the impact of the trial. The tariff income and number of vehicles for all Camber car parks from 2016-2023 can be seen within the table below. The following tables and graphs provide additional information regarding past years usage and performance across the three car parks.

	Total tariff income	Number of vehicles
2016	£430,931.44	75983
2017	£393,870.80	75419
2018	£512,394.10	87502
2019	£469,747.50	85669
2020	£659,692.45	102344
2021	£736,116.25	120625
2022	£862,607.85	107563
2023	£759,304.10	79032



Central Only

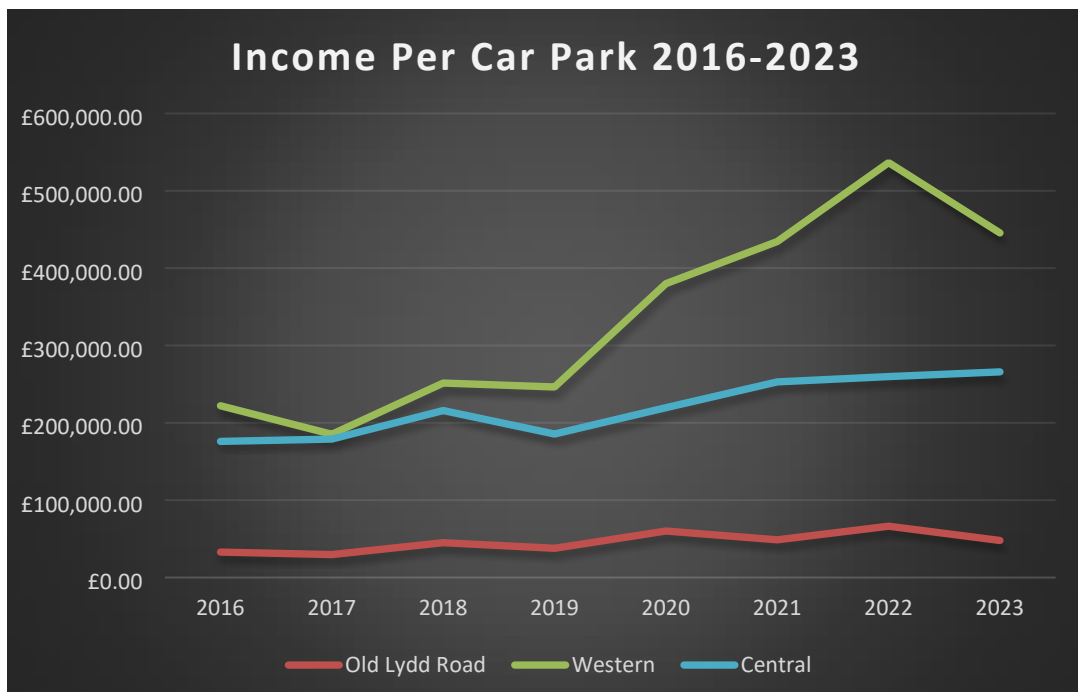
	Total tariff income	Number of vehicles
2016	£175,979.00	36802
2017	£179,001.50	36808
2018	£215,901.70	40487
2019	£185,561.70	36174
2020	£219,595.60	36305
2021	£252,928.70	45023
2022	£259,805.35	36902
2023	£265,887.15	25642

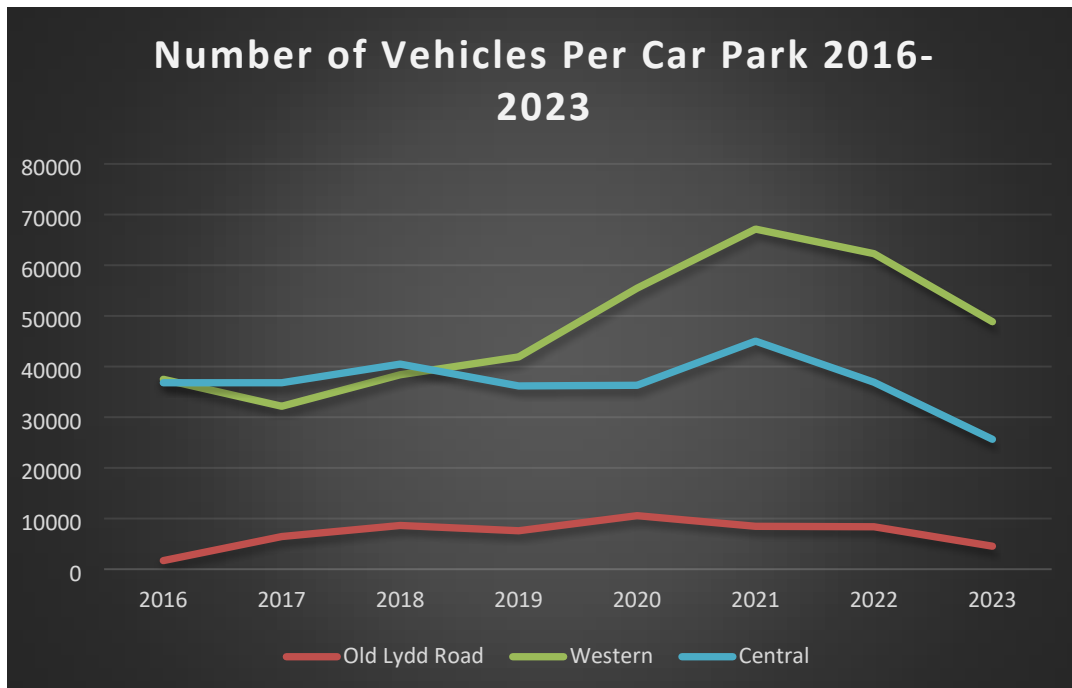
Western Only

	Total tariff income	Number of vehicles
2016	£222,068.70	37485
2017	£185,194.40	32164
2018	£251,449.05	38383
2019	£246,370.30	41905
2020	£379,955.90	55470
2021	£434,429.55	67136
2022	£536,443.90	62283
2023	£445,513.95	48850

Old Lydd Road Only

	Total tariff income	Number of vehicles
2016	£32,883.74	1696
2017	£29,674.90	6447
2018	£45,043.35	8632
2019	£37,815.50	7590
2020	£60,140.95	10569
2021	£48,758.00	8466
2022	£66,358.60	8378
2023	£47,903.00	4540





1.186.2 Analysis indicates that the number of visitors to Camber car parks has dropped since the “staycation” boom of 2021 but is broadly on par with the pre-pandemic numbers.

1.186.3 Income from Camber car parking tariffs has reduced during the summer 2023 season compared to the previous season however Camber is largely impacted by weather conditions and 2023 saw the 6th wettest July on record. This had a direct impact on the number of day-trippers visiting Camber. During the trial period, 27 days were recorded by onsite Coastal staff as wet, overcast, and windy. Coastal Officers forecast each day at Camber as red, amber, or green, assessing likely visitor numbers and resource requirements dependent on weather conditions and Camber did not experience any ‘red’ days during this trial period. There were 8 ‘red’ days during the same period in 2022

Summary of the survey responses regarding the summer changes at Camber car parks

1.186.4 **Objective One** – Respondents were asked if they agree with the objective to reduce the burden on the local taxpayer by ensuring visitors travelling a distance to spend the day at the beach make an appropriate contribution to the ever-increasing cost of running the beach, which includes but is not limited to toilets, car park attendants, coastal officers and beach patrol, litter, and waste management.

1.186.5 Businesses did not agree with objective one. There were 10 businesses with a Camber postcode that responded and seven said they did not agree (70%). A further three businesses responded where the respondent did not give a Camber postcode. These businesses answered one did not agree (no) and two did agree (yes). Please note, we don’t have the names of the businesses or any category of business.

1.186.6 A small majority of residents disagreed with objective one. For all residents that responded 53% said no and 47% said yes. 176 residents answered this question. Responses suggests that those that agree with the objective do not necessarily agree with the £30 flat rate charge to achieve that objective.

1.186.7 **Objective Two** – Respondents were asked if they agree with the objective to reduce traffic congestion in the centre of the village by placing signage at the entrance to the village indicating where the nearest all-day or hourly car parks are and signposting when

they become full, we hope to discourage other drivers from entering the village.

1.186.8 The majority of responding Camber businesses did not agree with objective two, with six answering no (60%) and four answering yes. Businesses that responded but did not give a Camber postcode answered with 1 in disagreement and 2 in agreement with the objective.

1.186.9 Residents were evenly split between agreement and disagreement with the objective. There were 176 responses and 49% agreed and 51% disagreed.

Conclusion from the survey on changes at Camber car parks

1.186.10

proposed to reintroduce a range of length of stay options at Camber Central and Old Lydd Road car parks for the summer 2024 season, but to charge lower rates at Western car park to encourage more visitors to use this car park and therefore reduce congestion in the village.

.It is

1.187 On street parking fines issued by East Sussex County Council Civil Enforcement Officers are £70, reduced to £35 if paid within 14 days. If car park charges are set too high, there is an increased risk that visitors will choose on-street parking or illegal parking and risk paying a £35 fine, especially if it means they can park closer to the beach. This may then increase anti-social behaviour requiring council intervention, impact residents, place an additional burden on RDC staff, and add to health and safety issues through further restricting emergency services access into the village.

1.188 Prior to the 2023 summer season, all Camber car parks had the same tariffs. It is proposed not to repeat the flat fee trial at Camber Central and Old Lydd Road during the 2024 season, however the below tariffs would enable the Council to continue to promote Western car park as the lower priced option and encourage its usage, in order to reduce the number of vehicles driving through the village.

1.189 If we apply an inflationary increase to the 2023 Western tariffs only, we would reduce the difference in rates between Western and Central, making Western a less attractive option. If we were to apply a 6.8% inflationary increase to all Camber car parks against the 2023 rates, it would take the "all day" tariff at Camber Central and Old Lydd Road to £32, only £3 less than the on-street parking fine.

1.190 For 2024-25, the following Camber tariffs are proposed for the summer 2024 season:

Duration	Current summer 2023 charges	Proposed Central and Old Lydd Road summer 2024 charges	Proposed Western summer 2024 charges
Up to 1 hour	£4	£5	£4
1-3 hours	£8	£12	£8
3-6 hours	£16	£24	£16
6+ hours	£20	£30	£20

Car Parking Tariffs (all car parks excluding Camber summer tariffs)

- 1.191 Most car park tariffs have remained the same since 2015. It is recommended that they are increased in line with inflation from that date, which means that tariffs will increase by an average of 27% to 30%, for 2024-25. Permit fees have been increased by a similar amount, except for annual permits, to which an increase of 20% is proposed, to encourage take up.
- 1.192 There are costs associated with changing car parking tariffs, including payment machine reconfiguration, new signage, and communications. It is estimated that these costs will be between £15,000 and £20,000.

Garden Waste Subscriptions

- 1.193 The current number of properties in Rother with garden waste subscriptions is 20,658 properties with a total of 23,010 brown bins. The maximum number of properties we have seen within the Biffa contract (month end) was September 2021 (21,219 properties).

Analysis of Garden Waste Subscriptions

	2023-24	2024-25
Number of properties with a GW subscription	20,658	Estimate 20,000+
Number of GW bins collected fortnightly	23,010	Estimate 20,000+

Multiple bins analysis

Bin qty	no of properties	no of containers	% split
1	18,546	18,546	81
2	1,890	3,780	16
3	211	633	3
4	9	36	0
7	1	7	0
8	1	8	0
Total	20,658	23,010	

Note that, in general, the 1-3 bins are single dwelling properties. The 4,7,8 are communal properties who do not have a managing company onsite doing grounds maintenance

- 1.194 The Joint Waste Partnership office has suggested a predicted inflation rate of 4.5% uplift to the current waste collections, beach and street cleansing contract from 2024/2025, implemented from July 2024. All 2024-25 cost estimates are calculated on this percentage.
- 1.195 At £55 per annum per subscription, Rother District Council currently has the joint lowest charge for garden waste collections within East Sussex alongside Wealden District Council. It is recommended to increase the garden waste subscription to £73 in 2024-25 in line with Hastings Borough Council's charges. It is, however, acknowledged that many properties require more than one garden waste bin, and that the costs to the council for the collection of additional bins is less than for the first bin; consequently, a charge of £60 for additional bins is proposed.

Filming Charges

- 1.196 1066 Film Office (part of HBC) manages filming requests on behalf of RDC. The Film Office manages all enquiries, paperwork, including ensuring that risk assessments and public liability insurance are in place, granting licenses, and collecting payments from those carrying out still photography and filming on RDC land.
- 1.197 RDC is responsible for giving permission for filming to take place, checking documentation where required and any on site liaison with the film companies. 1066 Film Office take 10% of the revenue to cover their costs and RDC receives the remaining 90% up to £30,000 revenue and thereafter Hastings Borough Council receive 25% of the revenue. As such, Rother District Council would not be able to apply an inflationary increase to filming charges as part of this report, however the Council will liaise with Hastings Borough Council as part of their budget setting for filming.

Special Events

- 1.198 It is recommended that special events fees and charges have an inflationary increase of 6.8% applied in 2024-25 except for damage deposits. Many event organisers have been unable to pay damage deposits (currently set between £382 and £1,267 depending on the size of the event) as the organisers do not have the necessary cash flow. These damage deposits have therefore been waived for most events during recent years. It is therefore proposed to introduce new, lower damage deposits in 2024-25. The deposits will be returned to event organisers, if there is no damage, or used to offset the cost of rectifying any damages.
- 1.199 There have been no incidences of major damage to Council land in recent years following events. There have been minor issues on occasion, including turf damage and insufficient waste/litter management.
- 1.200 In view of the above, it is proposed that a refundable damage deposit of £50 for small events, £150 for medium events, and £250 for large events be required from event organisers. Whilst it is recognised that these charges are minimal, we wish them to be realistic and affordable and to focus event organisers on ensuring that damage is avoided. It is further recommended that event organisers should be advised that, if a damage deposit does not cover the level of damage, the event organiser will be asked to cover any outstanding costs.

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		%
Neighbourhood Services									
(D Keneally)									
Sports									
Football pitch	Adult (over 18)	93.50	0.00	93.50	100.00	0.00	100.00		7.00%
	Youth (12-18)	20.25	0.00	20.25	21.75	0.00	21.75		7.40%
	Under 12s	16.00	0.00	16.00	17.00	0.00	17.00		6.30%
Cricket pitch	Adult (over 18)	90.00	0.00	90.00	96.00	0.00	96.00		6.70%
	Colts	19.75	0.00	19.75	21.00	0.00	21.00		6.30%
Stoolball Pitch	Casual games	31.25	0.00	31.25	33.25	0.00	33.25		6.40%
	Additional charges								
	- Showers	32.5	0.00	32.50	34.75	0.00	34.75		6.90%
	- Closed Gate	55.00	0.00	55.00	59.00	0.00	59.00		7.30%
	- Cancellation	26.50	0.00	26.50	28.25	0.00	28.25		6.60%
Tennis (Egerton Park)	All courts (April to September)								
	Member of the public	1.75	0.00	1.75	1.75	0.00	1.75		0.00%
	Coach	2.25	0.00	2.25	2.50	0.00	2.50		11.10%
	Bexhill Tennis Club - additional courts	1.75	0.00	1.75	1.75	0.00	1.75		0.00%
	All courts (October to March)								
	Member of the public	0.75	0.00	0.75	0.75	0.00	0.75		0.00%
	Coach	1.00	0.00	1.00	1.00	0.00	1.00		0.00%
	Bexhill Tennis Club - additional courts	0.75	0.00	0.75	0.80	0.00	0.80		6.70%
	Coaches:								
	- Annual one-off administration fee	45.83	9.17	55.00	49.17	9.83	59.00		7.30%
Sports, fitness and activities sessions	Commercial sessions (hourly charge):								
	- Per session (up to 1 hour per day)	11.00	0.00	11.00	11.75	0.00	11.75		6.80%
	- Per session (more than 1 hour per day)	22.00	0.00	22.00	23.50	0.00	23.50		6.80%
	- Annual one-off administration fee	45.83	9.17	55.00	49.17	9.83	59.00		7.30%
	Charitable sessions (hourly charge):								
	- Per session (up to 1 hour per day)	3.25	0.00	3.25	3.50	0.00	3.50		7.70%
	- Per session (more than 1 hour per day)	5.50	0.00	5.50	5.75	0.00	5.75		4.50%
	- Annual one-off administration fee	9.17	1.83	11.00	9.79	1.96	11.75		6.80%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		%
Neighbourhood Services (D Keneally)									
Parks and Seafront									
Events and Fairs	Commercial event - Small	111.67	22.33	134.00	119.17	23.83	143.00		6.70%
	Commercial event - Medium	332.5	66.50	399.00	355.00	71.00	426.00		6.80%
	Commercial event - Large (per day, 1-4 days)	623.33	124.67	748.00	665.83	133.17	799.00		6.80%
	Commercial event - Large (per day, more than 4 days)	479.17	95.83	575.00	511.67	102.33	614.00		6.80%
	Charitable/Not for Profit event - Small	59.58	11.92	71.50	63.33	12.67	76.00		6.30%
	Charitable/Not for Profit event - Medium	185.00	37.00	222.00	197.50	39.50	237.00		6.80%
	Charitable/Not for Profit - Large (per day, 1-4 days)	341.67	68.33	410.00	365.00	73.00	438.00		6.80%
	Charitable/Not for Profit - Large (per day, more than 4 days)	272.50	54.50	327.00	290.83	58.17	349.00		6.70%
	Damage deposits - Small events	318.33	63.67	382.00	41.67	8.33	50.00	Event organisers are often unable to provide deposits. Most damage deposits are unused, or with a limited sum retained. See commentary from the Head of Neighbourhood Services	-86.90%
	Damage deposits - Medium events	528.33	105.67	634.00	125.00	25.00	150.00		-76.30%
	Damage deposits - Large events	1055.83	211.17	1267.00	208.33	41.67	250.00		-80.30%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge		
		£	£	£			£	%	
Neighbourhood Services									
(D Keneally)									
Cemeteries									
Interments	The body of a child up to 18 years old	0.00	0.00	0.00			no charge	0.00%	
	The body of a person over 18 years old. At 1.52m (5') deep	1101.00	0.00	1101.00	1176.00	0.00	1176.00	6.80%	
	Each additional 0.61m (2') depth	440.00	0.00	440.00	470.00	0.00	470.00	6.80%	
	Cremated remains	302.00	0.00	302.00	323.00	0.00	323.00	7.00%	
All fees to be doubled in the case of any person who at the time of death was not a council tax payer or resident of the Rother district and has not so resided at any time during the twelve months preceding his or her death									
Exclusive right of burial at the time of internment, for 50 years (including preparation of the Deed of Grant)	Full size plot (2.74m x 1.22m)	1101.00	0.00	1101.00	1176.00	0.00	1176.00	6.80%	
	Small size plot (1.37m x 0.61m)	545.00	0.00	545.00	582.00	0.00	582.00	6.80%	
	Garden of Remembrance at Rye (0.69m x 0.61m)	313.00	0.00	313.00	334.00	0.00	334.00	6.70%	
					0.00	0.00			
Plot reservation for 5-year period	Full size plot (2.74m x 1.22m)	278.00	0.00	278.00	297.00	0.00	297.00	6.80%	
	Small size plot (1.37m x 0.61m)	140.00	0.00	140.00	150.00	0.00	150.00	7.10%	
	Garden of Remembrance at Rye (0.69m x 0.61m)	80.00	0.00	80.00	85.00	0.00	85.00	6.30%	
					0.00	0.00			
Other charges	Use of Chapel	223.00	0.00	223.00	238.00	0.00	238.00	6.70%	
	Transfer of burial rights	142.00	0.00	142.00	152.00	0.00	152.00	7.00%	
	Search fees - 10 years to present	0.00	0.00	0.00			no charge	0.00%	
	Search fee - before 10 years	142.00	0.00	142.00	152.00	0.00	152.00	7.00%	
	Disinterring - double appropriate re-opening fees, plus any additional charges tp be determined							as required	

Grounds works (Bexhill cemetery)	Lawn sections - twice yearly planting with bedding plants	151.67	30.33	182.00	161.67	32.33	194.00	6.60%
	Lawn sections - for exclusive burial rights	2023.33	404.67	2428.00	2160.83	432.17	2593.00	6.80%
	Traditional sections - turfing of a grave space	206.00	0.00	206.00	220.00	0.00	220.00	6.80%
	Traditional sections - maintenance with twice yearly planting	544.00	0.00	544.00	581.00	0.00	581.00	6.80%
Memorials	Permission to erect a memorial (cemeteries only)	118.33	23.67	142.00	126.67	25.33	152.00	7.00%
	Permission to insert and additional inscription (cemeteries only)	47.50	9.50	57.00	50.83	10.17	61.00	7.00%
Commemorative Benches and Trees	Commemorative benches - 10-year scheme, including installation, plaque and 10-year maintenance	815.00	0.00	815.00	870.00	0.00	870.00	6.70%
	Cost of bench - current cost plus 5%							
	Replacement/Additional plaque (not including inscription)	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
	Replacement/Additional plaque, including inscription (maximum four lines of text)	184.00	0.00	184.00	197.00	0.00	197.00	7.10%
	Commemorative trees - planting (including ground preparation, soil nourishment, stabilisation and protection of the sapling. Cost price plus 5% charge (excluding tree)	262.00	0.00	262.00	280.00	0.00	280.00	6.90%
	Cost of tree - current cost plus 5%							
	Commemorative trees - plaque (including four lines of inscription)	75.00	0.00	75.00	80.00	0.00	80.00	6.70%
	Commemorative trees - plaque installation and mount	220.00	0.00	220.00	235.00	0.00	235.00	6.80%
	Commemorative trees - additional line of engraving on plaque	8.50	0.00	8.50	9.00	0.00	9.00	5.90%
Book of Remembrance	Inscriptions (up to five lines)	251.25	50.25	301.50	268.33	53.67	322.00	6.80%
	Standard embellishments (extra)	381.67	76.33	458.00	407.50	81.50	489.00	6.80%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		%
Neighbourhood Services									
(D Keneally)									
Beach and Coastal Management									
Beach Huts	Site licences - East/West Parade	541.67	108.33	650.00	578.33	115.67	694.00		6.80%
	Site licences - Glyne Gap	541.67	108.33	650.00	578.33	115.67	694.00		6.80%
	Site licences - Tents (seasonal, six months only)	373.33	74.67	448.00	398.33	79.67	478.00		6.70%
	Site transfer fee (£2,000 or 10% of sale price, whichever is higher)	2000.00	400.00	2400.00	2135.83	427.17	2563.00		6.80%
Foreshore licences	One boat site	70.83	14.17	85.00	75.83	15.17	91.00		7.10%
	Winches	41.67	8.33	50.00	44.17	8.83	53.00		6.00%
	Equipment box	41.67	8.33	50.00	44.17	8.83	53.00		6.00%
	Sailing/Angling boat site	46.67	9.33	56.00	50.00	10.00	60.00		7.10%
	Commercial fishing boat site	350.83	70.17	421.00	375.00	75.00	450.00		6.90%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		
Neighbourhood Services									
(D Keneally)									
Contracts									
Car Park Permits	Nominated Permit - One car - single, named car park (locations: De La Warr, Eversley Road, Galley Hill Top/Bottom, War Mamorial, Egerton Park, Manor Barn and Gardens, Mount Street, Bedford Place, Lucknow Place - per annum	416.67	83.33	500.00	500.00	100.00	600.00		20.00%
	Nominated Permit - One car - single, named car park - 6 months (182 days)	291.67	58.33	350.00	370.83	74.17	445.00		27.10%
	Nominated Permit - One car - single, named car park - 3 months (90 days)	166.67	33.33	200.00	211.67	42.33	254.00		27.00%
	Nominated Permit - One car - single, named car park - 1 Calendar month	62.50	12.50	75.00	79.17	15.83	95.00		26.70%
	Nominated Permit - One car - single, named car park - 1 week	16.67	3.33	20.00	21.25	4.25	25.50		27.50%
	Long stay permit - Wainwright Road, Lower Market, Gibbets Marsh, Little Common - per annum	291.67	58.33	350.00	370.83	74.17	445.00		27.10%
	Long stay permit - Wainwright Road, Lower Market, Gibbets Marsh, Little Common - 6 months	166.67	33.33	200.00	211.67	42.33	254.00		27.00%
	Long stay permit - Wainwright Road, Lower Market, Gibbets Marsh, Little Common - 3 months (90 days)	83.33	16.67	100.00	105.83	21.17	127.00		27.00%
	Long stay permit - Wainwright Road/Gibbets Marsh - 1 month	33.33	6.67	40.00	42.50	8.50	51.00		27.50%
	Long stay permit - Lower Market - 1 month	41.67	8.33	50.00	53.33	10.67	64.00		28.00%
	Long stay permit - Wainwright Road/Gibbets Marsh - 1 week	8.33	1.67	10.00	10.63	2.13	12.75		27.50%
	Long stay permit - Lower Market - 1 week	12.50	2.50	15.00	15.83	3.17	19.00		26.70%
	Annual Permit - Western Road, Bexhill	691.67	138.33	830.00	830.00	166.00	996.00		20.00%
	Annual - per car - The Strand, Rye	632.5	126.50	759.00	759.17	151.83	911.00		20.00%
	Annual - per car - Gun Gardens, Rye	1053.33	210.67	1264.00	1264.17	252.83	1517.00		20.00%
	Annual - per car - Camber Central, Rye	541.67	108.33	650.00	650.00	130.00	780.00		20.00%
	Concessionary Permit (eligibility criteria apply)	16.67	3.33	20.00	17.50	3.50	21.00		5.00%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£	£	£	£		
Car parking tariffs	Camber Summer Tariffs - Central and Old Lydd Road (1 April to 30 September):							Other tariffs and pay and display charges - see www.rother.gov.uk/carparks	
	- Up to 1 hour	3.33	0.67	4.00	5.00	1.00	6.00	See separate appendix on Camber Sands	50.00%
	- 1 to 3 hours	6.67	1.33	8.00	10.00	2.00	12.00		50.00%
	- 3 to 6 hours	13.33	2.67	16.00	20.00	4.00	24.00		50.00%
	- Over 6 hours	16.67	3.33	20.00	25.00	5.00	30.00		50.00%
	Camber Summer Tariffs - Western (1 April to 30 September):								
	- Up to 1 hour	3.33	0.67	4.00	3.33	0.67	4.00		0.00%
	- 1 to 3 hours	6.67	1.33	8.00	6.67	1.33	8.00		0.00%
	- 3 to 6 hours	13.33	2.67	16.00	13.33	2.67	16.00		0.00%
	- Over 6 hours	16.67	3.33	20.00	16.67	3.33	20.00		0.00%
	Mount Street (Battle), Egerton Park, Eversley Road, Galley Hill (Top and bottom), Manor Gardens, Town Hall (Front, weekends and bank holidays only), War Memorial (all Bexhill), Bedford Place and Luknow Place (all Rye)								
	- Up to 1 hour	0.83	0.17	1.00	1.08	0.22	1.30		30.00%
	- 1 to 2 hours	1.67	0.33	2.00	2.17	0.43	2.60		29.70%
	- 2 to 4 hours	3.33	0.67	4.00	4.25	0.85	5.10		27.60%
	- Over 4 hours	4.17	0.83	5.00	5.33	1.07	6.40		27.90%
	Upper Market (Short Stay) (Battle)								
	- Up to 1 hour	0.83	0.17	1.00	1.08	0.22	1.30		30.00%
	- 1 to 2 hours	1.67	0.33	2.00	2.17	0.43	2.60		30.00%
	- 2 to 4 hours	3.75	0.75	4.50	4.75	0.95	5.70		26.70%
	Lower Market (Long Stay) (Battle)								
	- All day	2.50	0.50	3.00	3.17	0.63	3.80		26.60%
	De La Warr Pavilion (Bexhill)								
	- Up to 1 hour	1.25	0.25	1.50	1.58	0.32	1.90		26.70%
	- 1 to 2 hours	2.08	0.42	2.50	2.67	0.53	3.20		28.00%
	- 2 to 3 hours	2.50	0.50	3.00	3.17	0.63	3.80		26.60%
	- 3 to 5 hours	3.75	0.75	4.50	4.75	0.95	5.70		26.70%
	- Over 5 hours	4.17	0.83	5.00	5.33	1.07	6.40		28.00%
	Little Common (Bexhill)								
	- Up to 4 hours	0.83	0.17	1.00	1.08	0.22	1.30		30.00%
	- Over 4 hours	1.67	0.33	2.00	2.17	0.43	2.60		30.00%

OSC231016 - MTFP

Cinque Ports and The Strand (Rye)									
- Up to 1 hour	0.83	0.17	1.00	1.08	0.22	1.30			30.00%
- 1 to 2 hours	1.67	0.33	2.00	2.17	0.43	2.60			30.00%
- 2 to 4 hours	3.75	0.75	4.50	7.42	1.48	8.90			97.80%
- Over 4 hours	5.83	1.17	7.00	10.58	2.12	12.70			81.40%
Gibbet Marsh (Rye), Wainwright Road (Bexhill)									
- All day	1.67	0.33	2.00	2.17	0.43	2.60			30.00%
Rye Sports Centre Car Park (Rye)									
- Up to 1 hour	2.08	0.42	2.50	2.67	0.53	3.20			28.00%
- 1 to 2 hours	2.92	0.58	3.50	3.75	0.75	4.50			28.60%
- 2 to 4 hours	5.83	1.17	7.00	7.42	1.48	8.90			27.10%
- Over 4 hours	8.33	1.67	10.00	10.58	2.12	12.70			27.00%
Camber Central, Old Lydd Road and Western (Winter: 1 October to 31 March):									
- Up to 1 hour	0.83	0.17	1.00	1.08	0.22	1.30			30.00%
- 1 to 3 hours	2.50	0.50	3.00	3.17	0.63	3.80			26.70%
- 3 to 6 hours	4.17	0.83	5.00	5.33	1.07	6.40			28.00%
- Over 6 hours	5.00	1.00	6.00	6.42	1.28	7.70			28.30%
Western (Rye) - Coaches									
- Per hour	2.92	0.58	3.50	3.75	0.75	4.50			28.60%

		2023/24			2024/25			Commentary on proposed charges for 2024/25 Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	Proposed Increase/ (Decrease) %
		Charge	VAT	Total Charge	Charge	VAT	Total Charge		
		£	£	£	£	£	£		
Neighbourhood Services (D Keneally)									
Beach and Coastal Management									
Filming - Still photography	All locations (except Camber Sands):								
	- Student - per 12 hour day	50.00	10.00	60.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer) - per 12 hour day	550.00	110.00	660.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer) - per half day	325.00	65.00	390.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per 12 hour day	850.00	170.00	1020.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per half day	425.00	85.00	510.00					
	commercial for large famous brand) - per 12 hour day (Range between £1500 and £2500	2500.00	500.00	3000.00					
	- Large scale (major feature film, commercial for large famous brand) - as above, per half day	1250.00	250.00	1500.00					
	Camber Sands:								
	- Student - per 12 hour day	50.00	10.00	60.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer) - per 12 hour day	600.00	120.00	720.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer) - per half day	425.00	85.00	510.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per 12 hour day	1000.00	200.00	1200.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per half day	500.00	100.00	600.00					
	- Large scale (major feature film, commercial for large famous brand) - per day	3000.00	600.00	3600.00					
	- Large scale (major feature film, commercial for large famous brand) - as above, per half day	1500.00	300.00	1800.00					

OSC231016 - MTFP

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease) %
		Charge £	VAT £	Total Charge £	Charge	VAT	Total Charge £	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	
Live filming or video	All locations (except Camber Sands):						TBC	Filming charges are set by Hastings BC, who run the service on behalf of both councils (as the 1066 Film Office). The council will liaise with Hastings BC as part of their budget setting for filming. See separate report from the Head of Neighbourhood Services	
	- Student - per 12 hour day	50.00	10.00	60.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer - per 12 hour day (Range £650-850 plus VAT; additional hours charged extra)	850.00	170.00	1020.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer - per half day	325.00	65.00	390.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per 12 hour day (Range £1000-£1700 plus VAT; additional hours charged extra)	1700.00	340.00	2040.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per half day	500.00	100.00	600.00					
	- Large scale (major feature film, commercial for large famous brand) - per 12 hour day (Range £2000 to £5000 plus VAT; additional hours charged extra)	5000.00	1000.00	6000.00					
	- Large scale (major feature film, commercial for large famous brand) - as above, per half day	2500.00	500.00	3000.00					
	Camber Sands:								
	- Student - per 12 hour day	50.00	10.00	60.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer - per 12 hour day	850.00	170.00	1020.00					
	- Small scale (unbranded editorial or small private/start up production company/photographer - per half day	425.00	85.00	510.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per 12 hour day	1500.00	300.00	1800.00					
	- Medium scale (nationally known newspapers/magazines, mid-famous brands TV programmes and documentaries - per half day	850.00	170.00	1020.00					
	- Large scale (major feature film, commercial for large famous brand) - per 12 hour day (Range £3000 to £5000 plus VAT; additional hours charged extra)	5000.00	1000.00	6000.00					
- Large scale (major feature film, commercial for large famous brand) - as above, per half day	2500.00	500.00	3000.00						

OSC231016 - MTFP

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		
Neighbourhood Services									
(D Keneally)									
Waste Charges									
Bulky waste	Up to 3 items	40.00	0.00	40.00	42.75	0.00	42.75		6.90%
	4-6 items	79.00	0.00	79.00	84.00	0.00	84.00		6.30%
	7-9 items	118.00	0.00	118.00	126.00	0.00	126.00		6.80%
	Additional items, per 3 items	40.00	0.00	40.00	42.75	0.00	42.75		6.90%
Garden waste	Annual charge (per container)	55.00	0.00	55.00	73.00	0.00	73.00	To bring this in line with neighbouring councils. See separate report from the Head of Neighbourhood Services	32.70%
	Annual charge (second bin)	55.00	0.00	55.00	60.00	0.00	60.00	To offer a discount for additional green waste bins to households who require more than one.	9.10%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge	Adjusted (to nearest £0.25 if under £50, to nearest £1.00 if over £50) (Except car parking tariffs, which are to the nearest £0.10)	%
		£	£	£			£		%
Environmental Services, Licensing and Community Safety									
(R Parker-Harding)									
Food Safety									
Food Hygiene Rating Scheme (FHRS)	First request for an inspection for FHRS scoring within three months of a planned inspection	146.67	29.33	176.00	156.67	31.33	188.00		6.80%
	Further request for an inspection for FHRS scoring within three months of a planned inspection	195.00	39.00	234.00	208.33	41.67	250.00		6.80%
	First request for an inspection for FHRS scoring after three months of a planned inspection			no charge				No charge is made for this service	0.00%
	Further request for an inspection for FHRS scoring after three months of a planned inspection	195.00	39.00	234.00	208.33	41.67	250.00		6.80%
	Replacement FHRS sticker	24.17	4.83	29.00	25.83	5.17	31.00		6.90%
Health certificates (for food exported)	Export health certificates for fish and molluscs (including inspection):								
	- first hour (minimum charge)	100.00	20.00	120.00	106.67	21.33	128.00		6.70%
	- subsequent hours (or part thereof)	83.33	16.67	100.00	89.17	17.83	107.00		7.00%
Health certificates (for other food exported)	First certificate issued	68.33	13.67	82.00	73.33	14.67	88.00		7.30%
	Subsequent certificates issued on the same working day (same batch)	16.67	3.33	20.00	17.71	3.54	21.25		6.20%
Administration	(Including withdrawn applications, photocopying and scanning)	25.00	5.00	30.00	26.67	5.33	32.00		6.70%
HMO Licences (5 years)	Initial (first) application fee	766.67	153.33	920.00	819.17	163.83	983.00		6.80%
	Initial issuing fee	41.67	8.33	50.00	44.17	8.83	53.00		6.00%
	Combined fee (if paid at same time)	791.67	158.33	950.00	845.83	169.17	1015.00		6.80%
	Additional fee if premises inspected and found not to be licensed	250.00	50.00	300.00	266.67	53.33	320.00		6.70%
	Renewal application fee	541.67	108.33	650.00	578.33	115.67	694.00		6.80%
	Renewal issuing fee	41.67	8.33	50.00	44.17	8.83	53.00		6.00%
	Renewal combined fee (if paid at the same time)	566.67	113.33	680.00	605.00	121.00	726.00		6.80%

OSC231016 - MTFP

67

Caravan Sites (Mobile Homes)	Annual fee - 2-5 units on site	0.00	0.00	0.00				no fee charged	0.00%
	Annual fee - 6-24 units on site	154.17	30.83	185.00	165.00	33.00	198.00		7.00%
	Annual fee - 25-99 units on site	179.17	35.83	215.00	191.67	38.33	230.00	Plus £0.50 per unit for registration of fit and proper person	7.00%
	Annual fee - 100+ units on site	237.50	47.50	285.00	253.33	50.67	304.00	Plus £0.50 per unit for registration of fit and proper person	6.70%
	Annual fee - Single unit and family sites	0.00	0.00	0.00				no fee charged	0.00%
	Initial application to be registered as fit and proper person	75.00	15.00	90.00	80.00	16.00	96.00		6.70%
Appointed manager fee	83.33	16.67	100.00	89.17	17.83	107.00		7.00%	
Scrap metal dealer licence (3 years)	New application	416.67	83.33	500.00	445.00	89.00	534.00		6.80%
	Renewal	333.33	66.67	400.00	355.83	71.17	427.00		6.80%
	Variation	58.33	11.67	70.00	62.50	12.50	75.00		7.10%
Other fees	Serving of Housing Act Notice	325.00	65.00	390.00	347.50	69.50	417.00		6.90%
	Temporary Road Closure (excluding Remembrance Day and additional bank holiday weekends associated with Royal events)	91.67	18.33	110.00	97.50	19.50	117.00		6.40%
	Environmental information request	87.50	17.50	105.00	93.33	18.67	112.00		6.70%
	Pavement licences	166.67	33.33	200.00	178.33	35.67	214.00		7.00%
	Administration fee if an application withdrawn (minimum)	83.33	16.67	100.00	89.17	17.83	107.00		7.00%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge		
		£	£	£			£	%	
Digital and Customer Services									
(M Adams)									
Customer Services									
Other fees	Proof of life verification for foreign pensions	20.83	4.17	25.00	20.83	4.17	25.00	With a limited number of requests (c 100 per annum) and evidence that the charge is higher than many other authorities, it is proposed that the charge remains unchanged at £25 in 2024/25.	0.00%

		2023/24			2024/25			Commentary on proposed charges for 2024/25	Proposed Increase/ (Decrease)
		Charge	VAT	Total Charge	Charge	VAT	Total Charge		
		£	£	£			£	%	
Planning Policy (K Erifevieme)									
Planning Policy									
Planning Fees								Planning fees are set and reviewed annually by the Government. Current fees applicable can be accessed via the link below. A Guide to the Fees for Planning Applications in England (planningportal.co.uk)	
Community Infrastructure Levy (CIL)	Residential - Zone 1 Battle, Rural north and west	258.18	0.00	258.18				The Adopted CIL Charging Schedule came into effect on 14 April 2016 and is indexed on 1 January each year according to the Royal Institution of Chartered Surveyors (RICS) CIL index. The indexation for 1 January 2024 will be published on or around 1 November 2023.	
	Residential - Zone 1 Sheltered/Retirement homes (C3)	180.73	0.00	180.73					
	Residential - Zone 2 Rye, Hastings fringes and rural east	174.27	0.00	174.27					
	Residential - Zone 3 a) Bexhill - Urban	64.55	0.00	64.55					
	Residential - Zone 3 b) Bexhill - Rural	219.45	0.00	219.45					
	Residential - Zone 3 c) Bexhill - Strategic urban extensions	96.82	0.00	96.82					
	Extra care housing (throughout district)	32.27	0.00	32.27					
	Retail - in centre convenience	129.09	0.00	129.09					
	Retail - out of centre convenience	154.91	0.00	154.91					
	Retail - out of centre comparison	322.73	0.00	322.73					
	All other forms of development	0	0.00	0.00					

Appendix 5

16. Risk assessment

The Council takes a measured risk-based approach to the budget setting process

- 1.201 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts. The key strategic financial risks to be considered in developing the MTFS are included within the table below.
- 1.202 Medium term financial planning, set against a backdrop of severe reductions in Government funding, the ongoing recovery from Covid and unprecedented economic challenges, both nationally and globally, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the spending pressures (homelessness), the ongoing inflationary pressures the country is experiencing, uncertainty regarding the ongoing recovery from the Covid pandemic and the future funding position for local government following ongoing delays with things such as the Fair Funding Review and localisation of business rates. All these issues are placing further pressure on the council to deliver balanced budgets, without impacting on frontline services.
- 1.203 Brexit continues to impact, there are national delays for fleet, particularly in the waste sector, and increasing costs in terms of areas such as labour supply for certain areas, particularly in respect of the Council's capital programme.
- 1.204 A recession would present further risk, in particular significant areas of income such as lettings income, planning fees and car park income that are linked directly to economic demand.
- 1.205 Beyond this, further policy announcements from the Government under the leadership of the new Prime Minister and Cabinet will undoubtedly affect our finances in the coming years, but hopefully this will also bring some certainty in terms of medium-term announcements from the Spending Review for local government finances.
- 1.206 Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the district.

Risk	Likelihood	Impact	Risk Management
Future available resources less than assumed.	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2024/25 and beyond are based on the best estimates currently. A prudent approach has been adopted based on previous years' experience as well as using regional network contacts to inform modelling.

Inflation remains higher for longer than forecast reducing the Council's spending power	Possible	Medium	Regular updates from Council's treasury advisors Link. Prudent position adopted based on latest forecasts. Higher inflation likely to lead to higher interest rates which would have a beneficial impact on income levels from treasury investments.
Efficiency programme not delivered	Possible	High	The MTFS is currently forecasting significant budget gaps. Use of one-off reserves to help plug these gaps is not sustainable. Regular monitoring and reporting take place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings would require compensating reductions in planned spending within services.
Covid-19 recovery continues you to adversely impact on the Council's budgets.	Possible	High	The MTFS seeks to address any known budget impacts as they are currently estimated. Ongoing budget monitoring of the position will help identify any issues.
Overreliance on reserve contributions supporting base budget deficits which is not a sustainable position.	Likely	High	Early preparation of 2024/25 MTFS to address the ongoing budget gap and deliver a sustainable base budget position.
Volatility of business rates funding given uncertainty around impact of appeals.	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning.
Pay Awards, fee increases and price inflation higher than assumed.	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and fees. Where pay awards have been agreed these will be factored into the future estimates.
Future spending plans underestimated.	Possible	Medium	Service planning process identifies future budget pressures, and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.

Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Capital bid approval framework and project governance identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.
Income targets not achieved.	Possible	Medium	Current economic climate likely to impact. Regular monitoring and reporting take place.
Budget monitoring not effective.	Unlikely	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas.
Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting, medium-term planning, review of fixed term funding and posts completed.
Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions.
Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2024/25 will be incorporated into the budget.
Collection rates for retained business rates and council tax lower than anticipated.	Possible	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.
All MTFS risks not adequately identified.	Unlikely	Low	Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.

Appendix 6

17. Sensitivity and Scenario Planning

The Council considers the sensitivity of the budget forecasts presented and potential scenarios which could impact on the robustness of the estimates

- 1.1 This Appendix sets out for each of the Council's external funding streams the assumptions made when preparing the medium-term financial forecasts. The central case, the case on which the current budget projections are based, is explained here, along with other alternative scenarios and sensitivities considered. These central cases will be regularly reviewed considering Government announcements and consultation responses and are subject to change following those. An update will be provided when appropriate.

New Homes Bonus

- 1.1 Central Case – NHB will continue in 2024/25 (£0.226m) with two further smaller payments of (£0.047m) over the next two years. There has been no indication of how a replacement scheme will operate, but DLUHC have committed to a continued incentive based scheme for housing delivery.

Alternatives considered;

- 1.2 The NHB could continue into future years given it has already been extended on several occasions, so there is a precedent for this. Previously Brexit negotiations and more recently the response to the COVID 19 pandemic had put plans for a new NHB system on hold. The timing of any consultation on a new system will give us a clearer indication as to how likely this will be.

New Homes Bonus scenarios - MTFS					
Scenario	(£000)				Probability
	2024/25	2025/26	2026/27	2027/28	
Central case	226	47	47	0	80%
Alternative 1 (higher ongoing rate)	226	226	226	226	10%
Alternative 2 (1 year only)	226	0	0	0	10%

Council Tax

- 1.3 Central Case – The District portion of the Council Tax will be increased by 3% in each year of the MTFS. The taxbase growth increases steadily over the next three years with a collection rate of 98.3%.

Alternatives considered;

- 1.1 No increase in Council Tax charges. Members may decide in the wake of the cost-of-living-crisis not to increase the district element of the Council Tax charge. This would further increase our funding deficits in future years. This option has not been recommended by officers.
- 1.2 Council Tax charge is increased by £10. The District Councils Network have lobbied for several years to allow District Councils to raise their charge by £10 rather than £5, a reflection of the fact that for many Councils a £5 increase does not generate significant amounts of income. This option is not considered likely as it would require

a change in referendum principles to allow the Council to do this without triggering a referendum.

Council tax scenarios - MTFS					
	(£000)				
Scenario	2024/25	2025/26	2026/27	2027/28	Probability
Central case	7,967	8,292	8,673	9,093	80%
Alternative 1 (council tax freeze)	7,735	7,816	7,937	8,079	10%
Alternative 2 (£10 ref limit)	8,035	8,415	8,805	9,190	10%

Funding Guarantee Grant

1.3 Central case – the Funding Guarantee Grant will continue in 2024/25 and at a lower rate in future years, eventually to be replaced by Retained Business Rates, and backed by new funding formulae as part of the Fair Funding Review.

Alternatives considered;

1.4 This grant stream could continue but DLUHC has committed to the Fair Funding Review and replacing generic grant funding with Retained Business Rates. The continuation of the grant is only likely in the case of further single year settlements.

Funding guarantee grant - MTFS					
	(£000)				
Scenario	2024/25	2025/26	2026/27	2027/28	Probability
Central case	631	400	400	400	70%
Alternative 1 (single year only)	631	0	0	0	30%

Rural Services Delivery Grant (RSDG)

1.5 Central Case – RSDG will continue for future years then replaced by Retained Business Rates and backed by new funding formulae as part of the Fair Funding Review.

Alternatives considered;

1.6 RSDG could continue, but DLUHC has committed to the Fair Funding Review and replacing generic grant funding with Retained Business Rates. The continuation of RSDG is only likely in the case of further single year settlements.

Rural Services Delivery Grant - MTFS					
	(£000)				
Scenario	2024/25	2025/26	2026/27	2027/28	Probability
Central case	72	72	72	72	70%
Alternative 1 (single year only)	72	0	0	0	30%

Retained Business Rates

1.7 Central case - We are assuming there will not be a full baseline reset in April 2024 due to the delays in Fair Funding Review and replacing generic grant funding with Retained Business Rates. Baseline resets act to redistribute above baseline growth, so high growth authorities (like District Councils) would do better from a system of partial resets rather than one of full resets. The Government are keen to reward Councils for growing their rates base, so this seems a reasonable position to take.

Alternatives considered;

- 1.8 Floating tariffs could be used rather than indexed ones. This would return every authority back to baseline and generate a surplus across the Business Rates Retention Scheme. It is likely that this surplus would be redistributed back to the sector pro rata to Baseline Funding Level. This would effectively remove the financial incentive for authorities to grow their rates base and invest in their local economy, so we consider this an unlikely scenario.
- 1.9 Subsequent baseline resets could also be full resets rather than partial ones. This would cause some uncertainty around future funding levels, which is contrary to what DLUHC are trying to achieve. The sector has lobbied heavily against the implementation of full resets. For these reasons we think this scenario is unlikely.
- 1.10 The figures in this table represent payments projected from the damping mechanism and form part of the Business Rates Retention income on the General Fund Summary.

Business Rates - MTFS					
Scenario	(£000)				Probability
	2024/25	2025/26	2026/27	2027/28	
Central case	0	0	0	0	70%
Alternative 1	0	100	100	100	30%