

Rother District Council

Report to: Cabinet

Date: 6 November 2023

Title: Revenue Budget and Capital Programme Monitoring as at Quarter 2 - 2023/24

Report of: Duncan Ellis – Interim Deputy Chief Executive and S151 Officer

Cabinet Member: Councillor Jeeawon

Ward(s): All

Purpose of Report: To note the estimated financial outturn for 2023/24 based on expenditure and income to the end of Quarter 2, 30 September 2023.

Decision Type: Non-key

Officer

Recommendation(s): **Recommendation to COUNCIL:** That:

- 1) the scheme to meet the potential costs of the Council's contributions towards dilapidations to Rye swimming pool and Bexhill Leisure Centre and Pool at a forecast cost of £60k in 2024/25 and £50k in 2025/26, to be funded from capital receipts, be approved; and
- 2) the changes to the capital programme budget as set out in paragraphs 16-20 as follows be approved: -
 - A new capital scheme be added to the capital programme in 2023/24 in respect of replacement boilers in administrative buildings, at a total cost of £95k, to be funded from revenue reserves (paragraph 16).
 - An increase of £161k to the current capital programme scheme in 2023/24 in respect of Disabled Facilities Grants, funded from an additional grant allocation from Government (DLUHC) (paragraph 19).
 - Transfer of £53k from Pebsham toilets and £68.5k from Camber toilets/Camber Sands Welcome Centre (the latter subject to formal approval from the funding body) to a new scheme at Egerton Park toilets in 2023/24, in respect of a Changing Places Toilets scheme, to be funded from a Government (DLUHC) grant (paragraph 20).
- 3) the acceptance of £128k revenue grant funding for Bexhill leisure pool and Rye swimming pool (subject to the notification of a formal offer) be approved.

AND

It be **RESOLVED:** That the report be noted.

Reasons for Recommendation:

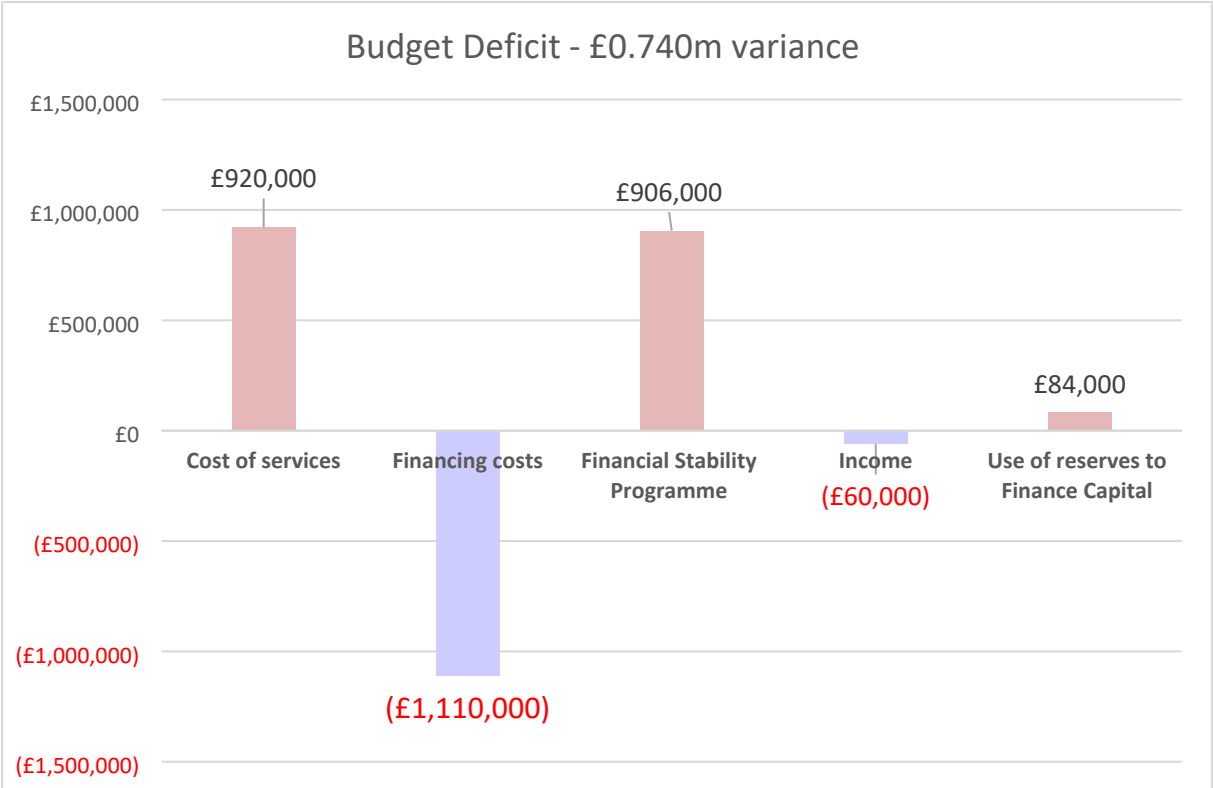
To update the capital programme and 2023/24 revenue budget to reflect changes in spending needs and grant allocations.

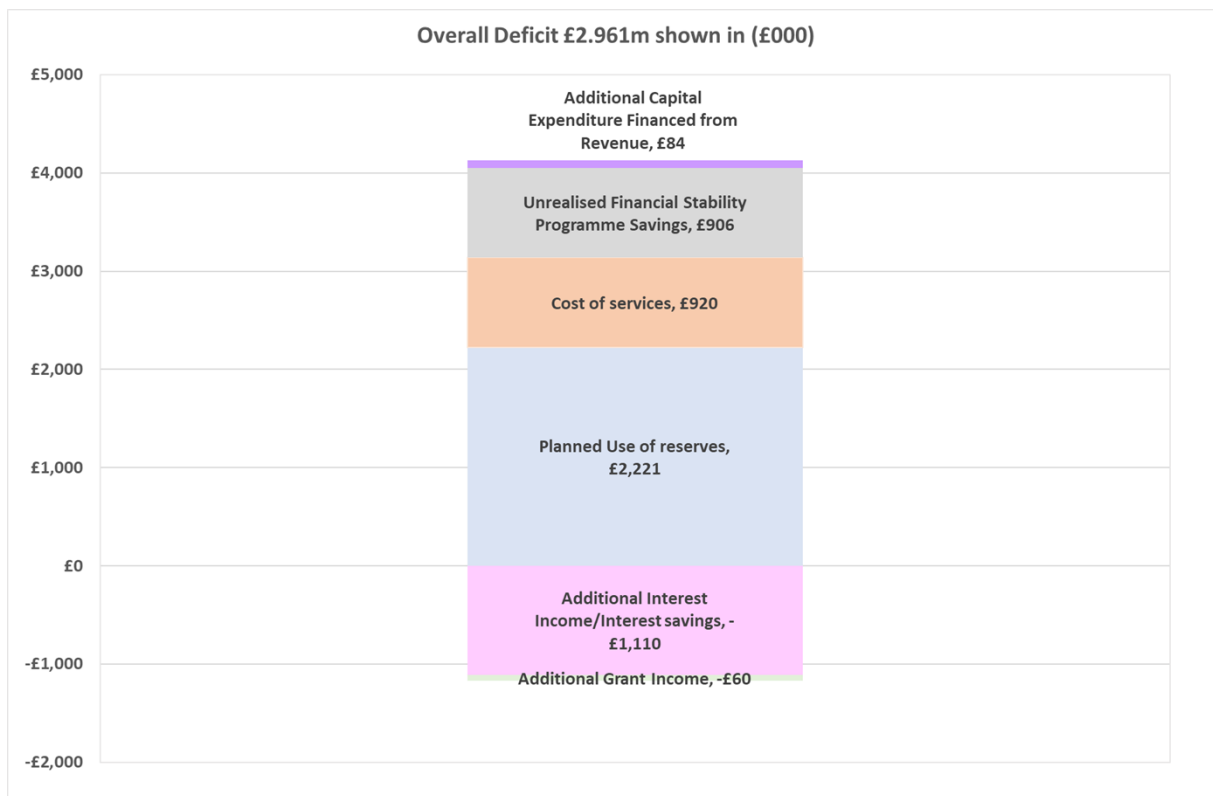
Introduction

- 1. This report updates Members on the Council’s financial position as at the 30 September 2023 and forecasts a provisional outturn for 2023/24. The revenue budget and capital programme statements are summarised in Appendices A and B respectively. The impact of the forecast on the Council’s reserves is summarised in Appendix C. The report also includes a brief update on the Collection Fund performance.
- 2. The presentation of the revenue budget reflects the revised management reporting structure.

Overall position

- 3. The forecast outturn for the 2023/24 financial year is based on the position as at 30 September 2023 and indicates a forecast deficit position of £2.961m at 31 March 2024, against a budgeted deficit of £2.221m which is a variance of £0.74m. The updated MTFs is looking to address the financial position of the Council. The first graph, below, shows the breakdown of the forecast variance to budget and the second graph shows the breakdown of the overall deficit.





Revenue Budget

4. The revenue budget forecast as at the 30 September 2023 indicates a deficit of £0.656m against the approved budgeted drawdown from Reserves of £2.045m resulting in a forecast reserve drawdown of £2.701m. The position is detailed in Appendix A and the main variances are summarised in the paragraphs below.

Cost of Services - £920,000 forecast deficit (£760,000 forecast deficit at Quarter 1). (Detailed below).

Chief Executive – forecast Deficit £569,000 (£334,000 forecast deficit at Quarter 1)

5. **Chief Executive** - £160k deficit (£43k forecast deficit at Quarter 1). The forecast includes spend in respect of one-off severance and recruitment costs along with agency cover for statutory officer posts to be funded from reserves. This is partly offset by a vacancy saving.

a. Chief Finance Officer – £27k deficit ((£43k) surplus at Quarter 1). Audit fees for the year have risen by £54k, which was agreed by the Public Sector Audit Appointments body (PSAA). There is an underspend of £100k in relation to the unfunded element of the corporate pension costs which is funding agency expenditure of £69k to cover interim appointments in key posts. An amount of £4k of additional expenditure on computer software has also been incurred.

b. Democratic Services and Elections - £345k deficit (£313k forecast deficit at Quarter 1). The movement from the previous quarter relates mainly to training, systems and unbudgeted software inflation costs.

c. Human Resources - £36k forecast deficit (£20k forecast deficit at Quarter 1). £10k of the deficit relates to unrealised anticipated savings on NNDR for the Town Hall and £10k on premises related costs, in addition, £10k of rental

income will not be realised. Net unrealised staff turnover £6k contribute further to the deficit.

Deputy Chief Executive – forecast Surplus (£9,000) ((£62,000) forecast surplus at Quarter 1)

6. **Deputy Chief Executive** – (£8k) forecast surplus ((£4k) forecast surplus at quarter 1). This is made up of additional income.

a. Environmental Services, Licencing and Community Safety – (£8k) forecast surplus ((£15k) forecast surplus at quarter 1). The surplus is due to additional income from fixed penalty notices (£33k) offset by a reduction of £3k on food export certificate income. In addition to unrealised salary turnover savings of £18k, which were reported in Quarter 1, in Quarter 2 backdated payments totalling £24k were made to officers in respect of car allowances.

b. Revenues and Benefits – (£62k) forecast surplus ((£73k) forecast surplus at Quarter 1). The surplus is due to an estimated net underspend on staff costs of (£76k) in respect of vacancies offset by backdated car allowances. In addition, increased IT costs are £23k.

c. Internal Audit – no forecast surplus/deficit (unchanged from Quarter 1).

d. Digital and Customer Services – (£15k) forecast surplus (£14k forecast deficit at Quarter 1). Forecast savings of £119k are partially offset by the £74k cost of a new post. Unbudgeted systems inflation costs of £5k will be incurred. Rother 2020 budgeted savings are £35k. These pressures have been offset by surplus income of (£13k) from printing services and the receipt of a grant of (£6k) in relation to e-government, for the Council achieving the gold standard. Other net costs total £9k.

e. Corporate Programme and Improvement - £21k forecast deficit (unchanged from Quarter 1). This is due to additional staffing costs.

f. Corporate Policy and Projects – £63k forecast deficit ((£5k) forecast surplus at quarter 1). The deficit is due to additional staffing costs which will be subject to monitoring and a further review in Quarter 3.

Director – Place and Climate Change – forecast Deficit £360,000 (£489,000 forecast deficit at Quarter 1)

7. **Director - Place and Climate Change** - £2k forecast deficit (unchanged from Quarter 1). The deficit relates to additional costs of attendance at conferences.

8.

a. Planning Development Management - £123k forecast deficit (£79k forecast deficit at Quarter 1). The deficit is due to £161k of staff-relating costs, which are net of salary savings, the costs of agency staff and unrealised staff turnover savings. There is a forecast £53k of additional systems costs and planning appeal costs awarded against the Council of £22k as well as additional expenditure of £9k on planning advice from East Sussex County Council (ESCC). On the fees and charges side, cost pressures have been partially offset by unbudgeted surplus income of (£145k) from planning performance agreements and planning applications but are reduced by a forecast deficit of £23k on land charges income.

b. Planning Policy - £35k forecast deficit (£63k forecast deficit at Quarter 1). Additional net staffing costs of £61k are forecast, comprising of net additional staffing costs and unrealised staff turnover savings. This is offset by an anticipated grant of (£27k) in respect of biodiversity net gains in conservation and preservation.

c. Neighbourhood Services – (£205k) forecast surplus ((£102k) forecast surplus at Quarter 1). The surplus is made up of a number of elements where savings have been made or income is expected to exceed the budget: savings on the grounds maintenance contract (£150k), unbudgeted car park income (£230k), additional filming rights income of (£12k) and additional waste collection income and additional savings on core waste contract due to new pricing starting in Quarter 2 (£141k). These savings and income increases are offset by additional costs of car park resurfacing works of £55k, unrealised anticipated savings from devolvement of public conveniences to parishes of £155k, an outstanding shortfall on recycling property numbers of £50k, £17k of costs relating to new air pumps at Bexhill Leisure Centre, a loss of £10k on cemetery fees income and unbudgeted health and safety electrical works of £18k in museums. There is also forecast a net overspend of £23k on unrealised budgeted staff turnover savings and backdated car allowance payments offset by a reduction in seasonal staffing costs, due to adverse summer weather.

d. Climate Change Strategy - £1k forecast deficit (£8k forecast deficit at Quarter 2). The deficit is due to additional training costs.

e. Housing - £433k forecast deficit (£400k forecast deficit at Quarter 1). The deficit is primarily due to estimated costs of temporary accommodation amounting to £540k reduced by (£43k) through proposed mitigating measures, which were reported in the Quarter 2 monitoring report, and net rental income of (£36k). Additionally, a housing benefit overpayment is forecast at £50k. Net staffing related costs of £78k are forecast which are mainly due to trying to manage the increasing demand led pressures and expectations of cost recovery changes in respect of time spent on disabled facilities grants and the housing company.

f. Regeneration - £29k surplus (£39k forecast deficit at Quarter 1). The surplus is due to unbudgeted income of (£53k) from PIS property rentals, lower than expected voids on properties, rent reviews, and saving on business rates where properties are leased. Savings on non-PIS properties are (£7k). Additional net income of (£21k) is forecast from maintenance services sold to third parties. Additional costs incurred at Beeching Road studios at £25k and £27k in respect of net additional staff costs and unrealised staff turnover savings partially offset the savings made.

Net Financing Costs – forecast Surplus (£1,110,000) (£1,090,000 forecast surplus at Quarter 1)

9. As reported in the previous quarter, the budget was calculated on the assumption that the pace of the Council's capital programme would accelerate significantly after the pandemic. However, due to the significant increase in borrowing rates over the last year a number of schemes within the capital programme are being fundamentally reviewed to ensure that they can still deliver the anticipated outcomes and remain affordable to the Council. As a result of this pause, the anticipated borrowing has not been required.

Consequently, interest due to be paid is lower than expected by (£471k). This is partially offset by the Minimum Revenue Provision (MRP) which is forecast to be £291k higher than anticipated. Members should note that financing costs will be subject to a detailed review as part of assessing the affordability of the capital programme. The review will be crucial in determining future programme deliverability, particularly in view of historically high inflation and high interest rates.

10. Interest income from investments is expected to yield an additional (£730k), of which (£530k) is in respect of an increased focus on treasury management activity and higher interest rates since the budget was calculated, and (£200k) due in interest on loans to the housing company.
11. The budgeted contingency is shown as a surplus for the purposes of the report.

Financial Stability Programme – forecast Deficit £906,000 (unchanged from Quarter 1)

12. Several small savings are being forecast by the end of the financial year, currently driven mainly by Neighbourhood Services and IT. However, more savings to the end of the year are not expected to be achieved in the current financial year. Overview and Scrutiny Committee Members received the updated Medium-Term Financial Strategy (MTFS) on 16 October 2023. The updated MTFS removes the current FSP and replaces it with a new 'Fit for the Future' financial resilience programme, which is designed to close the budget gap over the medium-term period through making efficiencies, savings and increasing income to help support frontline services.

Income – forecast Surplus (£60,000)

13. Since the budget was approved the Council have received several small grants totalling £60k from the Department of Levelling Up, Housing & Communities. The largest sum is a New Burdens grant of £34k.

Capital Programme

14. The Capital Programme comprises a range of strategic projects that span more than one year and many operate for several years or have recurrent investments. Projects that have not spent all their allocation in the year of inception have the remaining funding carried forward into future financial years, profiled based on the anticipated expenditure for the project. The Interim S151 Officer is working with Heads of Service and elected Members to undertake a fundamental review of capital schemes which currently amount to more than £157m. The table below shows the profiling of the capital programme as forecast as at 30 September 2023:

	23/24	24/25	25/26	26/27	27/28	Total
	£000	£000	£000	£000	£000	£000
Capital Expenditure	28,409	68,699	23,553	8,694	28,183	157,538
Funded by:						
Capital Receipts	2,100	60	50	0	0	2,210
Grants & contributions	10,371	7,209	14,927	7,589	1,625	41,721
CIL	513	1,484	1,321	850	0	4,168
Borrowing	8,997	20,699	125	125	125	30,071
Capital Expenditure Charged to Revenue	1,229	247	130	130	130	1,866
Borrowing & Loan for RDC Housing Company Ltd	5,000	39,000	7,000	0	26,303	77,303
Section 106	200	0	0	0	0	200
Total	28,409	68,699	23,553	8,694	28,183	157,538

15. The revised 2023/24 budgets (see Appendix B) have been derived from reviewing the project cashflows and assessing the expected position at this time. Up to £19.9m is forecast to be spent in this financial year. During Quarter 2 the following budget increases/decreases were applied to the capital programme:

Scheme	Increase £ (000)	(Decrease) £ (000)	Revised overall budget £ (000)	Reason for change
Disabled Facilities Grant	381		8,506	Additional grant award and budget adjustment for capitalised salaries
Rural England Prosperity Fund	230		604	Funding agreement with DLUHC, as agreed at Cabinet meeting on 17 July 2023
LTA Tennis Court Refurbishment – Egerton Park	105		105	Capital investment in site
Boiler Replacement in admin buildings	95		95	Capital investment in site
UK Shared Prosperity Fund		(98)	253	Reprofiled budget to match revised funding agreement and capital / revenue split
Bexhill Leisure Centre and Rye Swimming Pool	110		110	Capital investment (2024/25 and 2025/26)
Total Scheme increases/(decreases)	921	(98)		
Funding				
Grants and contributions	716	(98)		
Capital Expenditure Charged to Revenue	95			
Borrowing				
Capital Receipts	110			
Total Funding increases/(decreases)	921	(98)		

Additions to the Capital Programme

16. A new capital scheme has been added to the capital programme to meet the unexpected cost of two replacement boilers at the Town Hall, Bexhill, at a forecast cost of £95k. This scheme has already commenced, given the urgency of the works and the need to ensure that the property is maintained and is available for use, and the scheme will be funded from a contribution from revenue reserves.

17. At the meeting of the Cabinet on 4 September 2023, it was agreed to accept a grant from the Lawn Tennis Association (LTA) to refurbish five tennis courts and for the installation of two controlled access gates at Egerton Park, Bexhill, at a total cost of £104k. This has been added to the 2023/24 capital programme.
18. A new capital scheme has provisionally been added to the capital programme in 2024/25 (£60k) and 2025/26 (£50k) to meet potential payments in respect of contributions towards dilapidations at Rye Swimming Pool and Bexhill Leisure Centre and Pool. This has provisionally been funded from capital receipts and Members are asked to consider this scheme and to make a recommendation to Full Council for approval of the scheme and the funding from capital receipts in 2024/25 and 2025/26.
19. On 7 September 2023, the Government (DLUHC) announced that there would be an additional grant allocation of £161k in respect of Disabled Facilities Grants (DFGs) in 2023/24. This has been added to the capital programme. In addition, a technical change to the reporting of salaries in respect of administering the DFG programme, which are charged to the capital scheme has also made, increasing the programme by £220,000. This is funded from the initial DFG allocation and is a presentational change only.
20. Approval has been granted by DLUHC for the grant funding in respect of the Changing Places Toilets (CPT) scheme at Pebsham toilets to be transferred to Egerton Park toilets. This is a scheme which will provide facilities to assist those with profound and multiple disabilities to use toilets safely and comfortably. A further request to transfer the approved CPT grant funding from the Camber Sands conveniences/Camber Sands Welcome Centre is awaiting approval from DLUHC. If approved, the budget from Camber Sands (as part of the Welcome Centre project) will be moved to a new scheme at Egerton Park toilets and the CPT scheme at Camber will be closed.

Application for Revenue Grant funding

21. The Council has recently made an application for revenue grant funding for Bexhill leisure pool and Rye swimming pool, for a total grant of £128k. A request is made for Cabinet to recommend approval of this application, and the acceptance of any resulting grant, to Council.

Capital Programme - Forecast outturn 2023/24

22. The table at Appendix B notes a revised budget for the year of £28.4m. The forecast outturn for the year at Quarter 2 is £19.9m, a variance of (£8.5m) or 30% of the programme. Most of this forecast underspend is attributable to schemes which have progressed more slowly than expected or have been paused pending review, with only a small amount of savings forecast on schemes which have been completed. Forecast variances over £50k are shown in the table below:

Scheme	2023/24 capital programme budget	2023/24 forecast outturn	2023/24 forecast variance	Commentary
	£ (000)	£ (000)	£ (000)	
Corporate Document Image Processing System	87	1	(86)	When staffing resources allow, areas such as housing, planning and the estate will need to be progressed.
Rother Transformation ICT Investment	117	40	(77)	This scheme is mainly for the movement of the data centre. There is a requirement for additional hardware, which is not expected to be purchased until 2024/25.
Community Grants	260	130	(130)	The budget was increased by £130k in the 2022/23 outturn. There is a long lead time between a scheme being approved and works carried out. It is anticipated that £130k will be granted in the current financial year, with other approved grants likely to be advanced in 2024/25.
CIL Scheme 1 Village Hall Energy Project	342	200	(142)	There has been no spend to date on this scheme. Village halls have only just been asked to make a bid; they then have three months to bid and six months to complete the works. £200k is forecast for the remainder of the year, but this will be dependent upon the bids received, the time it takes to enter in agreements and when the work takes place (after which funding is advanced).
Beeching Road Hotel and Foodstore Development	104	30	(74)	This scheme is not going to go ahead in its current format, and alternatives are being reviewed by external consultants.
Barnhorn Green GP Surgery and Industrial Development	3,313	800	(2,513)	There has been slower progress than anticipated on this scheme. The scheme now has planning consent and has completed RIBA Stage 4. Construction is not expected until the second half of 2024/25.
RDC Housing Company Ltd Investment (RDC loans)	5,000	2,580	(2,420)	This is the funding from the Council to the RDC Housing Company. Drawdown of funds is only when required.
Development of Council owned sites	213	0	(213)	This is a budget which is held to finance suitable sites, which will have their own scheme.
King Offa Residential Scheme	359	181	(178)	This scheme is largely complete, with some residual works to clear the site, and prepare for possible disposal.
Community Led Housing Schemes - Cemetery Lodge	200	0	(200)	Difficult operating conditions in the residential development sector have impacted on the proposed scheme, which will delay the Council's own costs and transfer of the lodge and development land into 2024/25.
Camber – Old Lydd Road	140	12	(128)	There are some uncertainties about when this site will be disposed of, and the remaining costs in 2023/24 relate to legal fees of approximately £10k.

Scheme	2023/24 capital programme budget	2023/24 forecast outturn	2023/24 forecast variance	Commentary
	£ (000)	£ (000)	£ (000)	
Bexhill Leisure Centre – site development	78	0	(78)	This is linked to the King Offa site and the costs relating to this are under review.
Fairlight Coastal Protection	67	11	(56)	This scheme will be carried out in the spring when conditions are better.
Disabled Facilities Grants	2,006	1,949	(57)	An additional allocation of £161k for 2023//24 has been announced and is due to be received shortly. Expenditure on grants and payments in respect of occupational therapist advice, as well as a provision for administration costs means that the budget is forecast to be largely spent by the end of the financial year.
Housing – Temporary Accommodation Purchase	6,362	5,041	(1,321)	This scheme is progressing well, but there is a delay between identifying suitable properties and making and completing the purchase thereof.
Invest to Save Initiatives (Financial Stability Programme)	705	12	(693)	Limited schemes are in progress and will become part of the Fit for the Future initiative in the MTFs from 2024/25.
Payments to Parishes - CIL	171	85	(86)	The last payments have been made in respect of a CIL-funded scheme at Ticehurst village hall. No other schemes are in the pipeline for this financial year.
Pebsham Toilets	54	0	(54)	Approval was initially granted through DLUHC's Changing Places Toilets (CPT) scheme. Approval has been given to move this funding to a scheme at Egerton Park. In addition, a further change request has been submitted to move the CPT element from Camber Sands to Egerton Park. If approved, £69k budget will be moved from Camber Sands and a new scheme, totalling £123k, will be established at Egerton Park.
Camber Sands Welcome Centre	69	102	33	This scheme is progressing and is expected to spend more than its current allocation for the year, with reprofiling of future years' budget required to offset. An element of the existing budget relates to DLUHC funding in respect of a Changes Places Toilet facility for which authority is currently being sought to transfer this to a scheme at Egerton Park (see Pebsham Toilets, above).

Impact on Reserves

23. The forecast impact on Reserves is a drawdown of £2.701m for revenue, which is £0.656m higher than the planned use of £2.045m, and £0.260m for capital which is £84k higher than the planned use of reserves.

Collection Fund

24. The collection rate as at the 30 September 2023 for the Council Tax part of the Collection Fund was 57.10% of the collectable debit, which is 0.21% lower than the corresponding figure in 2022/23. The budgeted yield is 58.43%, which is 0.21% lower than the same period in 2022/23. Collection performance is shown below:

	2023/2024	Equivalent Period 2022/2023
Income Received	£91,707,931.88	£86,484,722.41
Income Received as a % of collectable debit	57.10%	57.31%
Budgeted yield (at 98.3% collection)	£89,626,816.94	£84,513,438.24
Income Received as a % of budgeted yield	58.43%	58.64%

25. The collection rate as at the 30 September 2023 for the Business Rates part of the Collection Fund was 58.62% of the collectable debit, which is 0.43% lower than the corresponding figure in 2022/23. Collection performance is shown below:

	2023/2024	Equivalent Period 2022/2023
Collectable debit	£16,928,968.18	£17,578,906.50
Income Received	£9,924,273.97	£10,397,735.53
Income Received as a % of collectable debit	58.62%	59.15%
Amount outstanding for year	£7,004,694.21	£7,181,170.97

26. Collection rates have held up well despite the squeeze on finances following the pandemic and the cost-of-living crisis. The current economic situation may well lead to a decline in future collection rates, which will have an adverse impact on the income that the Council receives from Council Tax and Business Rates.

Conclusion

27. The forecast outturn on the revenue budget at Quarter 2 2023/24 is a deficit of £2.961 million, which is £0.740m greater than the approved planned use of Reserves. The Interim S151 Officer will work closely with Heads of Services and Members to reduce areas of overspend and the impact on reserves.
28. The Council's capital programme has a forecast outturn of £19.9m.

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

Chief Executive	Lorna Ford
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Appendices:	Appendix A Revenue Budget Forecast Appendix B Capital Programme Forecast Appendix C Reserves
Relevant Previous Minutes:	None.
Background Papers:	None.
Reference Documents:	None.

Revenue Budget 2023/24 Forecast as at 30 September 2023

Line	Rother District Council General Fund Summary	Revised Budget 2023/24 Q2 £ (000)	2023/24 Q2 Actual £ (000)	2023/24 Q2 Forecast £ (000)	2023/24 Q2 Variance £ (000)
1	Deputy Chief Executive	331	147	323	(8)
1a	Environmental Services, Licensing & Community Safety	676	490	668	(8)
1b	Revenues & Benefits	1,308	(2)	1,246	(62)
1c	Internal Audit	165	83	165	(0)
1d	Digital & Customer Services	1,899	662	1,884	(15)
1e	Corporate Programme & Improvement	94	51	115	21
1f	Corporate Policy & Projects	354	221	417	63
2	Chief Executive	354	231	514	160
2a	Chief Finance Officer	1,483	670	1,510	27
2b	Democratic Services	652	667	997	345
2c	Human Resources Services	512	270	548	36
3	Director Place and Climate Change	115	60	117	2
3a	Planning Development Management	658	270	781	123
3b	Planning Policy	471	413	506	35
3c	Neighbourhood Services	5,942	2,201	5,737	(205)
3d	Climate Change Strategy	120	26	121	1
3e	Housing	2,607	1,506	3,040	433
3f	Regeneration	(863)	(473)	(892)	(29)
4	Total Cost of Services	16,877	7,495	17,797	920
5	Interest from Investments	(586)	(381)	(1,316)	(730)
6	MRP	224	0	515	291
7	Interest payments	1,106	0	635	(471)
8	Budget Contingency	200	0	0	(200)
9	Salaries turnover	0	0	0	0
10	(i) Increase income - Property Investment Strategy				
11	(ii) Increase income (net) - other	(69)	0	0	69
12	(iii) Lean and Demand	(180)	0	0	180
13	(iv) Service Prioritisation	(762)	0	(200)	562
14	(v) Reduced Staffing Structure	(95)	0	0	95
15	Net Cost of Services	16,715	7,113	17,431	716
	Income				
16	Special Expenses	(751)		(751)	0
17	Net Business Rates and Section 31 Grants	(4,699)		(4,699)	0
18	Non-specific Revenue Grants	(1,570)		(1,630)	(60)
19	Council Tax Requirement (Rother only)	(7,650)		(7,650)	0
20	Total Income	(14,670)		(14,730)	(60)
21	Total revenue budget Surplus (-)/ Deficit (+)	2,045		2,701	656
22	Contribution from revenue to capital expenditure	176		260	84
23	Funding gap/(Surplus) - Amounts to be drawn from reserves (+) or Amounts to be contributed to reserves (-) to balance the budget	2,221		2,961	740

Impact on Reserves

24	Opening Balance	12,828		12,828	0
	less reserves movement in year:				
25	Reserves funding for revenue purposes	(2,045)		(2,701)	(656)
26	Reserves funding for capital purposes	(176)		(260)	(84)
27	Total Reserves Funding in year	(2,221)		(2,961)	(740)
28	Closing Balance	10,607		9,867	(740)

Capital Programme 2023/24 Forecast as at the 30 September 2023

	2023/24 Budget Updated	2023/24 Q2 Actual	2023/24 Q2 Variance	2023/24 Q2 Forecast Outturn	2023/24 Q2 Forecast Outturn Variance
	£ (000)	£ (000)	£ (000)	£ (000)	£ (000)
Acquisitions, Transformation and Regeneration					
Other Schemes					
Corporate Document Image Processing System	87	1	(86)	1	(86)
Rother Transformation ICT Investment	117	0	(117)	40	(77)
Community Grants	260	25	(235)	130	(130)
Development of Town Hall Bexhill	0	1	1	(0)	0
Rural England Prosperity Fund	230	0	(230)	230	0
Ravenside Roundabout	0	0	0	0	0
UK Shared Prosperity Fund	33	18	(16)	34	0
CIL Scheme 1 Village Hall Energy Project	342	0	(342)	200	(142)
Property Investment Strategy					
Beeching Road Hotel and Foodstore Development	104	15	(89)	30	(74)
PIS - Beeching Park Estate	428	428	(0)	428	(0)
Barnhorn Green GP Surgery and Industrial Development	3,313	263	(3,050)	800	(2,513)
Housing Development Schemes					
Blackfriars Housing Development - infrastructure only	5,084	2,551	(2,533)	5,084	0
RDC Housing Company Ltd Investment (RDC loans)	5,000	0	(5,000)	2,580	(2,420)
Development of council owned sites	213	4	(209)	0	(213)
King Offa Residential scheme	359	151	(208)	181	(178)
Community Led Housing Schemes - Cemetery Lodge	200	0	(200)	0	(200)
Camber, Old Lydd Road	140	3	(138)	13	(128)
Housing and Community Services					
De La Warr Pavilion - Capital Grant	56	44	(12)	58	2
Bexhill Leisure Centre - site development	78	0	(78)	0	(78)
Fairlight Coastal Protection	67	0	(67)	11	(56)
Disabled Facilities Grant	2,006	761	(1,245)	1,949	(57)
Sidley Sports and Recreation	0	-11	(11)	0	(0)
New bins	135	41	(94)	157	22
Housing - Temporary Accommodation Purchase	6,362	1,541	(4,821)	5,041	(1,321)
Bexhill Promenade - Outfall pipe	191	0	(191)	191	(0)
Bexhill Leisure Centre - refurbishment	30	17	(14)	17	(14)
Bexhill Leisure Centre and Rye Swimming Pool - delapidations	0	0	0	0	0
Capital - Sidley House Open Space Improvements - Parks LUF	71	45	(26)	71	(0)
Pebsham Toilets	54	0	(54)	0	(54)
Camber Sands Welcome Centre	69	60	(9)	102	33
LTA Tennis Court Refurbishment - Egerton Park	105	0	(105)	105	0
Strategy & Planning					
Payments to Parishes - CIL	171	0	(171)	85	(86)
Resources					
New website development	8	3	(5)	8	(0)
Invest To Save initiatives (Financial Stability Prog)	705	12	(693)	12	(693)
LUF De La Warr Pavilion Project LUF Grant	2,021	99	(1,922)	2,021	0
Capital - LUF Programme	0	0	0	0	0
LUF Heart of Sidley Programme	271	29	(242)	271	0
Battle Train Station	0	0	0	0	0
Seddlescombe Traffic Calming Measured	0	0	0	0	0
Battle Sports Pavilion	0	0	0	0	0
Boiler replacements at admin buildings	95	0	(95)	80	(15)
Total Capital Programme	28,409	6,101	(22,308)	19,930	(8,479)
		21%		70%	30%
Funded By:					
Capital Receipts	2,100				
Grants and contributions	10,371				
CIL	513				
Borrowing	8,997				
Capital Expenditure Charged to Revenue	1,229				
Borrowing and Loan for Rother DC Housing Company Ltd	5,000				
Section 106	200				
Total Funding	28,409				

Reserves

Reserves forecast	2023/24 Updated Budget	Q2 Forecast	Variance
	£000	£000	£000
Opening Balance	12,828	12,828*	0
Use of reserves to balance the budget (including forecast deficit)	(2,045)	(2,701)	(656)
Use of reserves to Fund Capital Expenditure	(176)	(260)	(84)
Forecast balance	10,607	9,867*	(740)

*As per draft 2022/23 Outturn (of which £3.7m relates to the Grants Reserve and £1m to the NNDR Volatility reserve)

