

Budget Overview and Scrutiny Committee Agenda

Thursday, 26 January 2017 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, East Sussex,
TN34 3UY

For further information, please contact Michael Courts on 01424 451764 or email:
mcourts@hastings.gov.uk

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Agenda Item 2



Report to: Budget Overview and Scrutiny Committee

Date of Meeting: 26 January 2017

Report Title: Draft Corporate Plan 2017/18 to 2018/19

Report By: Jane Hartnell, Director of Corporate Services and Governance

Purpose of Report

To invite the Budget Overview and Scrutiny Committee to comment on the draft corporate plan for 2017/18 to 2018/19

Recommendation(s)

- 1. That the comments of the Budget Overview and Scrutiny Committee on the council's draft corporate plan for 2017/18 – 2018/19 be referred to Budget Cabinet for consideration**

Reasons for Recommendations

To ensure the joint Overview and Scrutiny Committee comments can be considered by the Budget Cabinet, prior to final recommendations being made to the Full Council.

Introduction

1. The draft corporate plan sets out the strategic direction and corporate priorities for the council, together with the key activities which will be undertaken to achieve them.
2. The layout of the draft plan has been revised to make it easier to navigate. Key activities have been grouped around the headings of; cleaner and safer, meeting housing needs and delivering support, driving economic growth, strategic planning and income generation. The draft plan includes the key performance indicators which will be used to monitor progress throughout the year.

Consultation on the draft corporate plan

3. The draft corporate plan and budget were published for public consultation on 13 January 2017. The deadline for comments and representations is 10 February 2017.
4. The Leader and Deputy Leader of the Council will be meeting with a range of organisations from the local community, voluntary and business sectors throughout the public consultation period.

Next Steps

5. The draft corporate plan and budget documents will be submitted to Budget Cabinet on 13 February 2017, together with any representations received during the public consultation period.
6. The Budget Council meeting on 22 February 2017 will be asked to approve the corporate plan and the associated budget.
7. Once the budget and corporate plan have been approved, further work will be undertaken to review the presentation of key performance indicators. Overview and Scrutiny members will have the opportunity to comment on the proposed performance indicators at their meeting in June 2017, before they are submitted to Cabinet for approval in July 2017.

Policy Implications

8. Equalities and other policy implications for the draft corporate plan will be collated during the public consultation period and reported back to the Budget Cabinet meeting.
9. The financial implications associated with the draft corporate plan are dealt with in detail by the draft budget.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St Helens, Tressell, West St Leonards, Wishing Tree

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness Yes
Crime and Fear of Crime (Section 17) Yes
Risk Management Yes
Environmental Issues Yes
Economic/Financial Implications Yes
Human Rights Act Yes
Organisational Consequences Yes
Local People's Views Yes
Anti-Poverty Yes

Additional Information

Draft Corporate Plan 2017/ to 2018/19

Officer to Contact

Officer Name Mark Horan
Officer Email Address mhoran@hastings.gov.uk
Officer Telephone Number 01424 451485

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Corporate Plan

2017/18 - 2019/20



Executive Summary

Introduction by Councillor Kim Forward, Deputy Leader of the Council

The Corporate Plan is very important because it sets out our vision, mission, values and priorities for Hastings and St Leonards which aim to benefit all the people who live here. I hope that the refreshed layout of the plan which shows our key activities, how we aim to overcome the challenges we face and how we will measure our progress is easy for people to understand. This plan demonstrates our commitment to turning our vision for the borough into a reality.

Our vision for Hastings...

Hastings will be recognised as an international centre of excellence for cultural and scientific creativity, supported by the highest quality educational establishments to provide first-class career opportunities to its citizens. Rewarding jobs with a decent wage, good standards of healthcare and warm, comfortable, affordable homes will be available to all. It will be a town that welcomes visitors and new residents wherever they are from, where diversity, individuality and eccentricity are celebrated, and the individual needs of all are recognised and met. The best of our historic built and natural environment will be preserved, while embracing new developments that excite and enrich our town's appearance. It will be a green town, where industries, structures and practices that help to reduce our carbon footprint are strongly promoted, creating the best possible quality of life for all our workers and citizens, who are enabled and encouraged to accept opportunity as their birth-right. Hastings will be famous not just for its history, but for its vision and achievements, a place to be admired throughout the world, to which every visitor would seek to return.

Our Mission

Hastings Borough Council is committed to improving the quality of life and well-being of all of its residents. We recognise our duty to be responsive to the needs of all who live and work in our borough and to do so in a way which respects cultural identity, providing equality of opportunity and equality of access to the means to live a healthy, fulfilling life. We will work in partnership with other bodies, whether statutory, public, private, voluntary or community to achieve this, whilst promoting our borough in an active and positive manner.

Our Values

- ▶ We believe that equality of opportunity is paramount, and that services to local people should be provided in a way that addresses their needs and reasonable expectations, regardless of their gender, social class, race, religion, disability, age, culture, sexuality or philosophical beliefs, in as far as such beliefs do not oppress others.
- ▶ We believe that the council should uphold a culture of co-operation, openness, fairness and transparency in all it does, enabling local people to hold us to account and other agencies to work with us.
- ▶ We believe that all local people (including employees of the council) should be entitled to a high standard of education and decent jobs that pay a living wage, where they are treated with dignity, respect and fairness.
- ▶ We believe that all local people have a right to a safe, secure, affordable home in an environment that enhances their health, quality of life and access to lifelong learning.
- ▶ We believe that the economic regeneration of Hastings should narrow the gap between the most deprived communities and those of the rest of the town, as well as between Hastings and the rest of the South East, and that poorer people should not be excluded from the new opportunities that arise.

Our Priorities

- ▶ Economic and physical regeneration
- ▶ Cultural regeneration
- ▶ Intervention where it's needed
- ▶ Creating decent homes
- ▶ An attractive town
- ▶ A greener town
- ▶ Transforming the way we work



About Hastings

“ Little wonder people are rediscovering Hastings.
It is a splendid place, with that sort of beautiful
oddness that characterises the best of the British seaside. ”
(The Guardian)

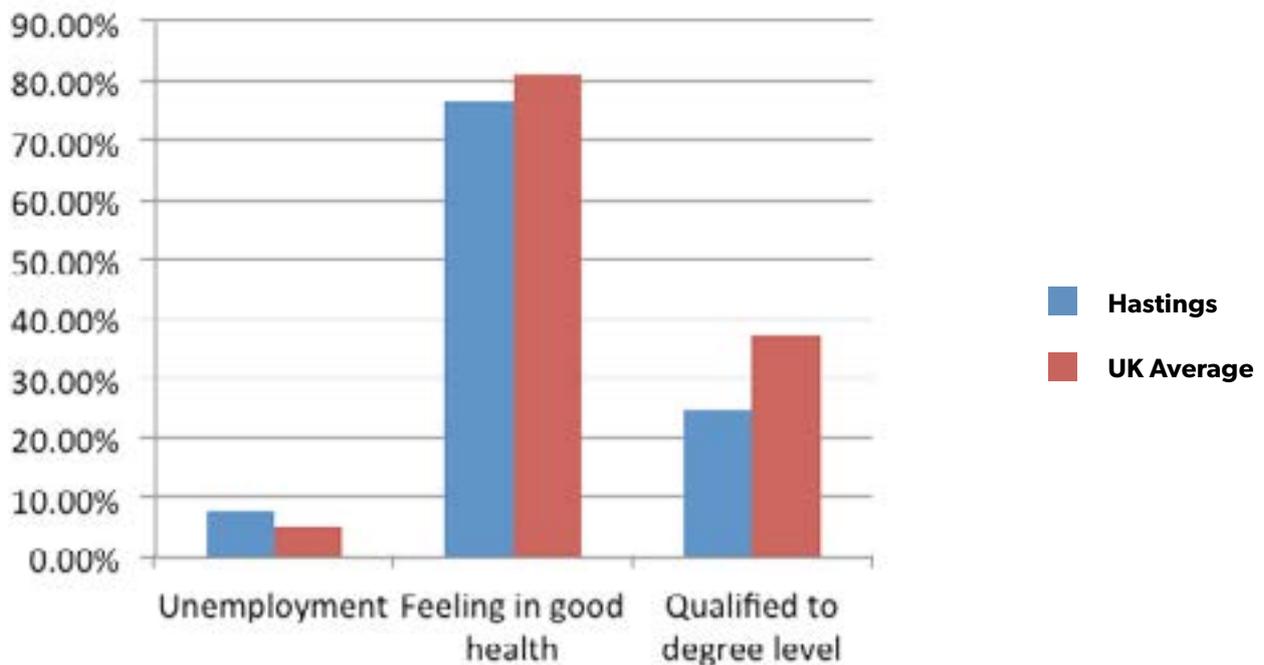
Hastings is well known as an exciting place to live and visit. With a fascinating history stretching back to the famous battle in 1066, to its thriving arts scene and packed calendar of events.

Over the past year, a series of events to mark the 950th anniversary of the Battle of Hastings have shown that Hastings remains an imaginative, diverse and creative town, and one which its residents are rightly proud of.

Many parts of the town that used to be run-down have also been transformed, notably the renovation of Hastings Pier and the redevelopment of the former White Rock Baths to form a new BMX and skate park.

However, challenges remain if all of the town's 91,000 residents are going to benefit from the new opportunities available in our town. In 2015, Hastings was ranked as the 20th most deprived area of England in the indices of deprivation. The chart on page 5 shows how Hastings compares with the rest of the UK on a number of key indicators.

Extensive work has been undertaken to understand why some parts of the town consistently appear amongst the most deprived in the country.



The council continues to work with a variety of partner agencies to tackle issues such as unemployment, educational attainment and healthcare. In August 2016, the local Clinical Commissioning Group, in partnership with the council, announced a programme for the coming year to continue to address health inequalities in the most deprived areas of the borough.

You'll find an overview of the projects coming up this year later in the plan.

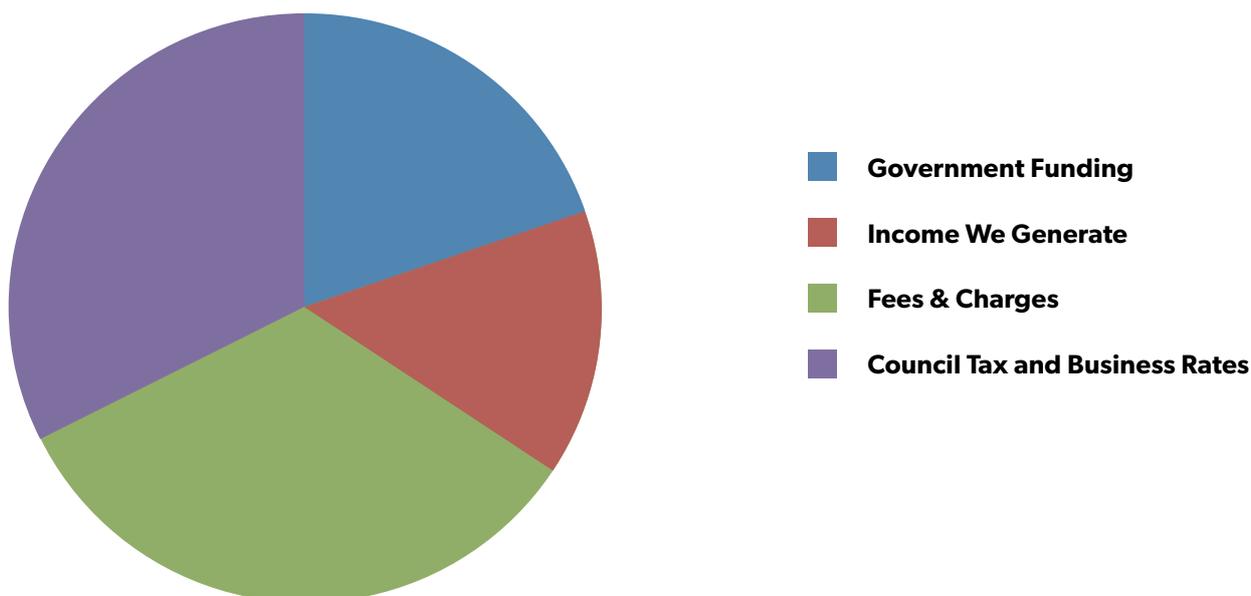
“ *It's a big year for Hastings. Not only is it the 950th anniversary of the Norman Conquest, with events and exhibitions to mark the occasion, but its pier has finally reopened after a £14 million redevelopment.* **”**
(The Times)

The Council

The council is made up of 32 elected members, serving 16 wards across the town. The elected members set the council's policies, which are then carried out by council officers. The council currently has around 320 members of staff

The council continues to look at the services it provides to see if they could be made even more efficient. So far, this includes redesigning our website Hastings Online and creating the My.Hastings portal so that more things can be done online. We've also moved our democratic and civic functions to our refurbished seafront offices, bringing most of our services together. Part of the Town Hall has become a Register Office for East Sussex County Council.

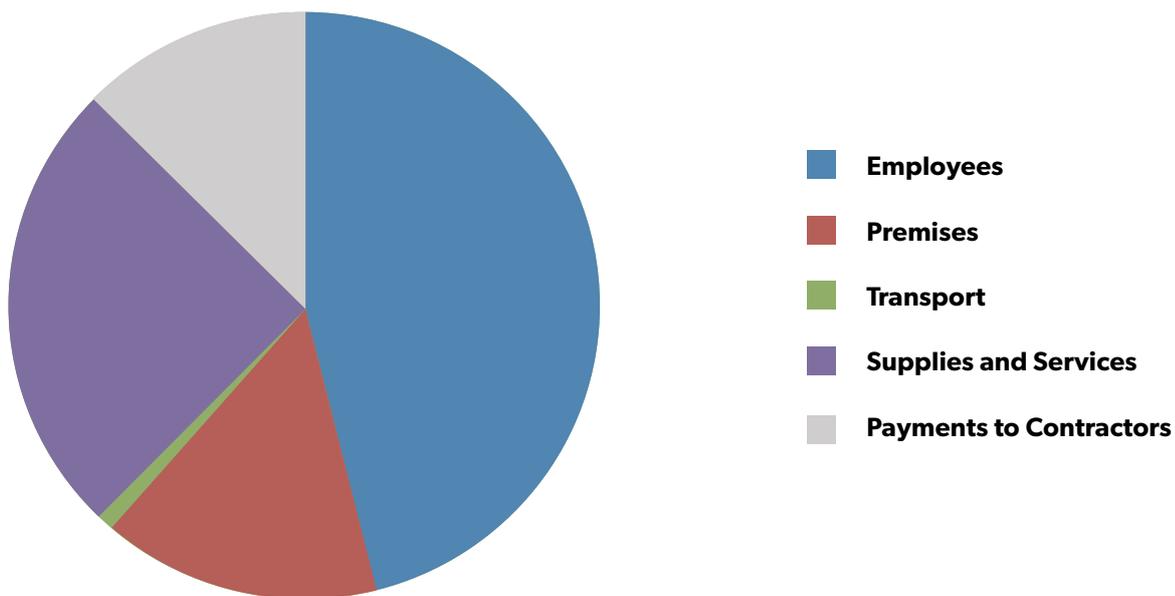
OUR FUNDING



This Corporate Plan

The corporate plan tells you what we will be doing over the next year and beyond. It also tells you why we're doing it, what challenges we might face and how we plan to overcome them.

HOW WE SPEND OUR FUNDING



1 - the council also receives a grant from the government which it has to administer as housing benefit payments

CONTENTS

Enhancing Quality of Life



Fit for the Future



How will we know if it's working? Key Performance Indicators

Cleaner and Safer

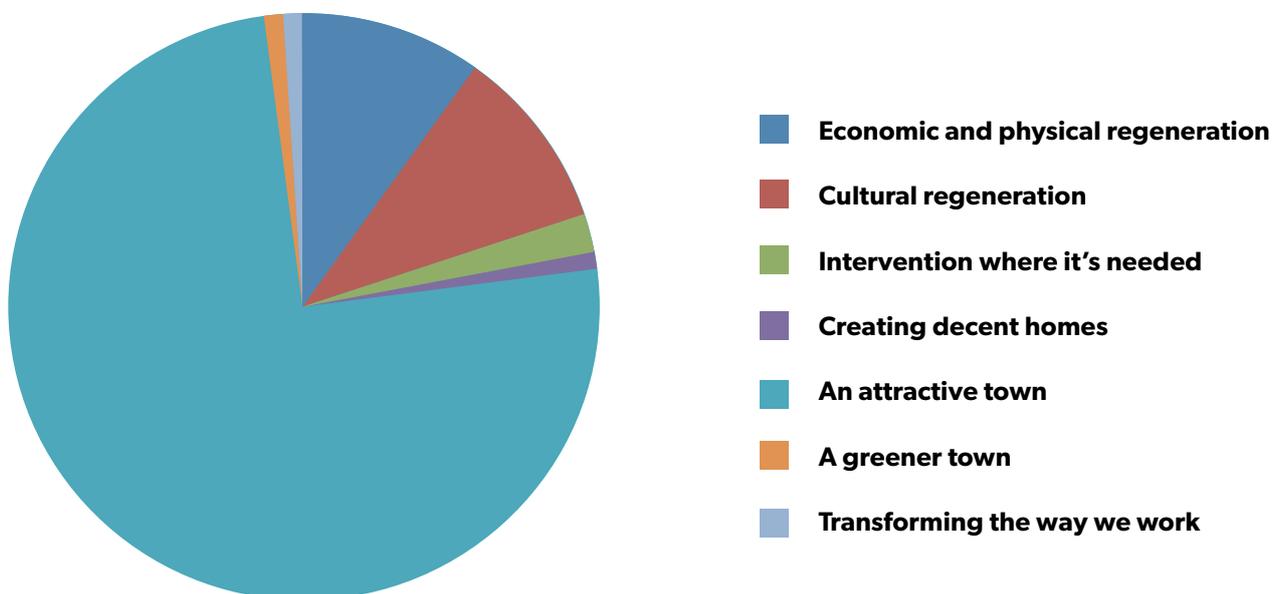
What we want for Hastings by 2019:

The green spaces and public areas of the town need to be safe, well maintained and clean so they can be enjoyed by residents and visitors.

Food businesses need to maintain good standards of hygiene and safety so that residents and visitors enjoy visiting them, and they prosper.

Why are we doing it?

Cleaner Safer activity contributes to our following corporate priorities:



What will we be doing?

- ▶ Improving the cleanliness of the town, working closely with our waste, street cleansing and grounds maintenance contractors.
- ▶ Supporting community safety and working with the Safer Hastings and Rother Community Safety Partnership.
- ▶ Delivering fair and proportionate enforcement services in relation to off street parking, enviro-crime, and environmental health.



What challenges could we face?

- ▶ Littering making the town less attractive.
- ▶ Ensuring falls in recycling levels nationally don't follow suit in Hastings.
- ▶ Businesses may cut corners and compromise health and hygiene standards.
- ▶ Holding down crime rates as resources to tackle crime reduce.

How can we overcome these challenges?

Raising public awareness of the negative impact of littering, and where appropriate taking a robust approach to enforcement. Raising public awareness about recycling. Continuing successful multi-agency partnership working on community safety issues.

How will we know if it's working?

Meeting housing needs and delivering support

What we want for Hastings by 2019:

We want people to be able to access the right housing for their needs and aspirations and to help them sustain their homes when they are in need of support. The government will be continuing to reform the way in which people access housing and benefits over the next year. We will need to implement these changes in a way which help protects vulnerable people.

We will ensure the supply of new housing supports economic growth and satisfies local needs and that private sector housing is licensed appropriately.

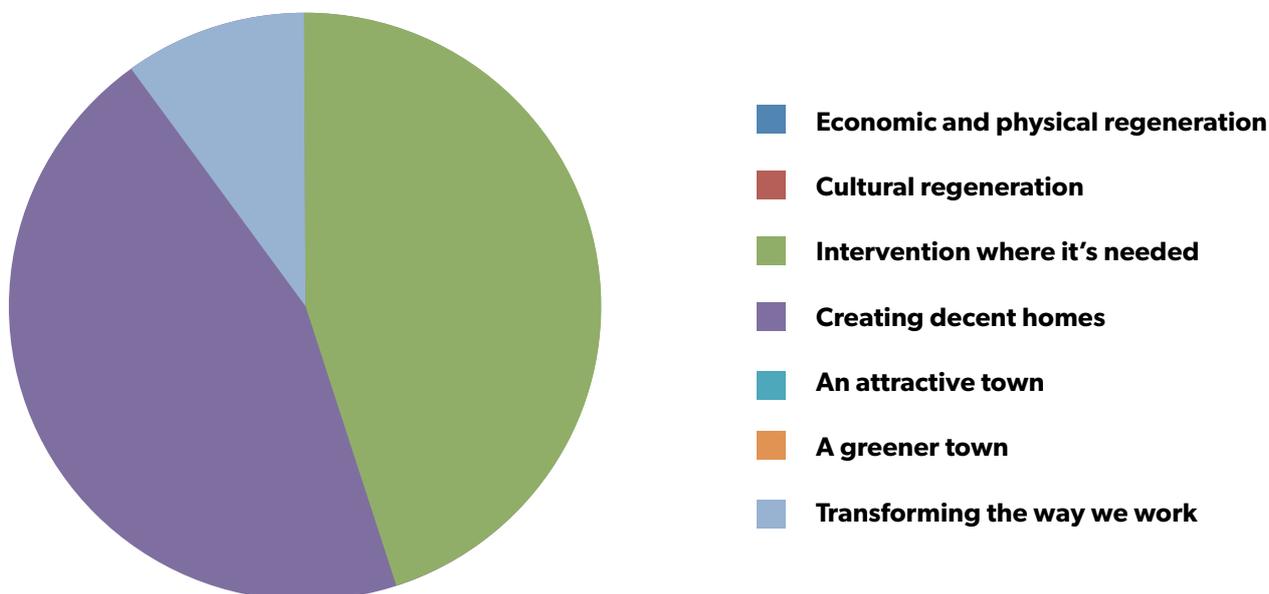
We want everyone in the town to enjoy warm, safe and secure housing.

Why are we doing it?

The continued regeneration of the town depends upon creating the right environment for business to flourish and for jobs and incomes to be further created. Housing and employment growth need to be mutually supportive of the councils regeneration plans.

We also need to ensure that the vulnerable and those less able to compete in the housing and employment markets are not left behind.

Housing and Benefit activity contributes to our following corporate priorities:



What will we be doing?

- ▶ Supporting local people during the transition to Universal Credit and other welfare changes
- ▶ Look to support as far as possible those affected by welfare changes.
- ▶ Maintaining and further developing our approach to improving standards in housing through licencing and proactive enforcement activity.
- ▶ Releasing land for residential development that caters for a range of housing needs.
- ▶ Continuing our innovative approach to housing regeneration through the Coastal Space Programme, grot busting and empty homes programmes.
- ▶ Extending our housing offer through the new housing company.
- ▶ Working with developers and Housing associations to improve the supply of new affordable homes.



What challenges could we face?

- ▶ Difficult to find appropriate accommodation and increasing homelessness.
- ▶ Ensuring we can cope with increasing demand on housing services.
- ▶ Developing viable proposals for intervention in the housing market.

How can we overcome these challenges?

Continue to work with both private and affordable housing providers to extend opportunities for development.

Investing in and developing a housing company.

Work closely with other agencies and partners, including the Department of Work and Pension (DWP), so that changes affecting the most vulnerable households are minimised.

Ensure our staff is trained to provide the best advice possible.

How will we know if it's working?

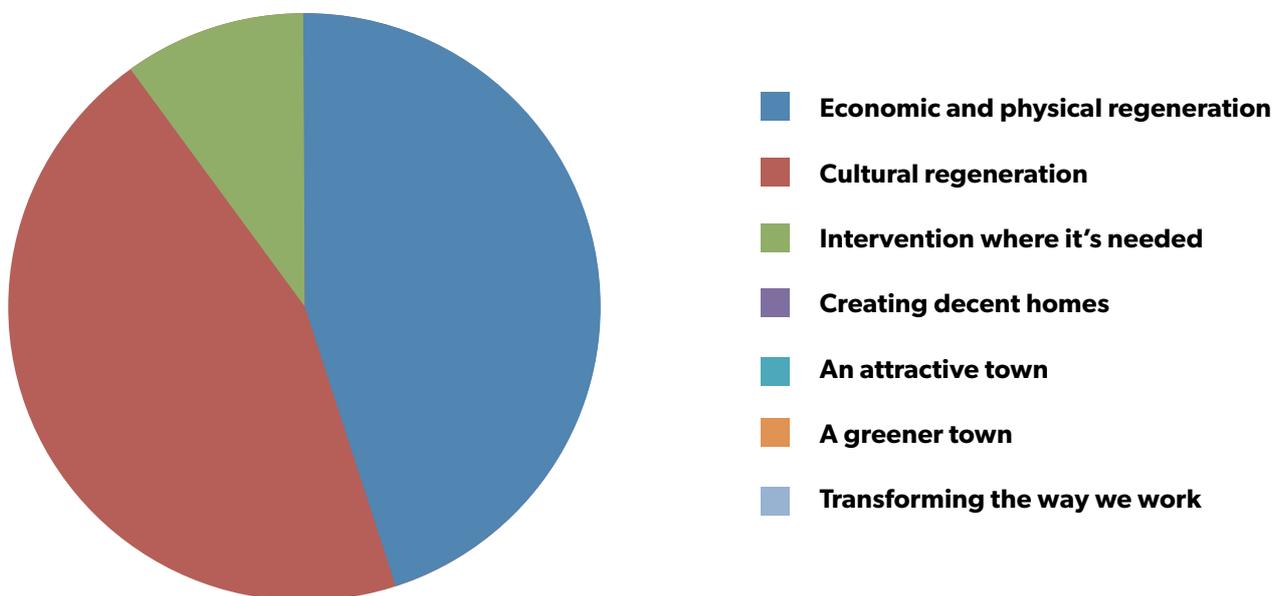
Driving Economic Growth

What we want for Hastings by 2019:

We want to continue our economic growth and focus on how our regeneration can be as inclusive as possible. Economic prosperity and inclusion are key determinants of health and social cohesion. We want to create the conditions where as many people as possible can enjoy these benefits and we will deliver this through inclusive means, ensuring culture and leisure deliver both social and economic benefits.

Why are we doing it?

Economic growth underpins improvements to health, crime, housing and social cohesion.



What will we be doing?

- ▶ Working with regional and County partnerships to attract investment into the area including improved rail links and support to business.
- ▶ Building on the opening of The Source, Hastings Pier and our widely recognised cultural programme we will promote Hastings as an exciting place to live, visit, work and invest.
- ▶ Continue to support Higher Education provision in the town and the development of provision to succeed the University of Brighton.
- ▶ Taking forward the development of a Town Centre and White Rock Action Plan to lay the basis and spread the benefits of regeneration along and adjacent to the seafront.
- ▶ Subject to funding will deliver schemes to help some of the most excluded communities in the Borough into economic activity and training.
- ▶ Seek to enhance sports and leisure activity through new contracts for our facilities and encouraging others to invest in new provision.
- ▶ Maximise the level of occupancy of the council's business premises and support the provision of new employment space by Sea Change or ourselves as appropriate.
- ▶ Work with the Town Centre Management Committee and its successor 'Love Hastings' to deliver an enhanced and more sustainable town centre.



What challenges could we face?

- ▶ Continuing to improve our image internally and externally as a great place to live, visit, work and invest.
- ▶ Brexit will mean a change in how funds for economic growth are distributed.
- ▶ Maintaining our recovery in the face of changes Brexit will bring – keeping foreign language schools here for example – may require focused work in key economic sectors.
- ▶ Ensuring regional economic partnerships genuinely support investment in Hastings and coastal areas rather than just on the M25 belt.
- ▶ A wider downturn means the fall in unemployment slows or we don't create a mix of jobs that offers a sustainable future.
- ▶ Ensuring empty buildings are put to good use.

How will we overcome these challenges?

We're continuing to explore all the opportunities we can to develop the town and improve the life-chances of local people.

We will continue to work in partnership with local and regional bodies to build on the local employment base and secure new investment in the town.

How will we know if it's working?

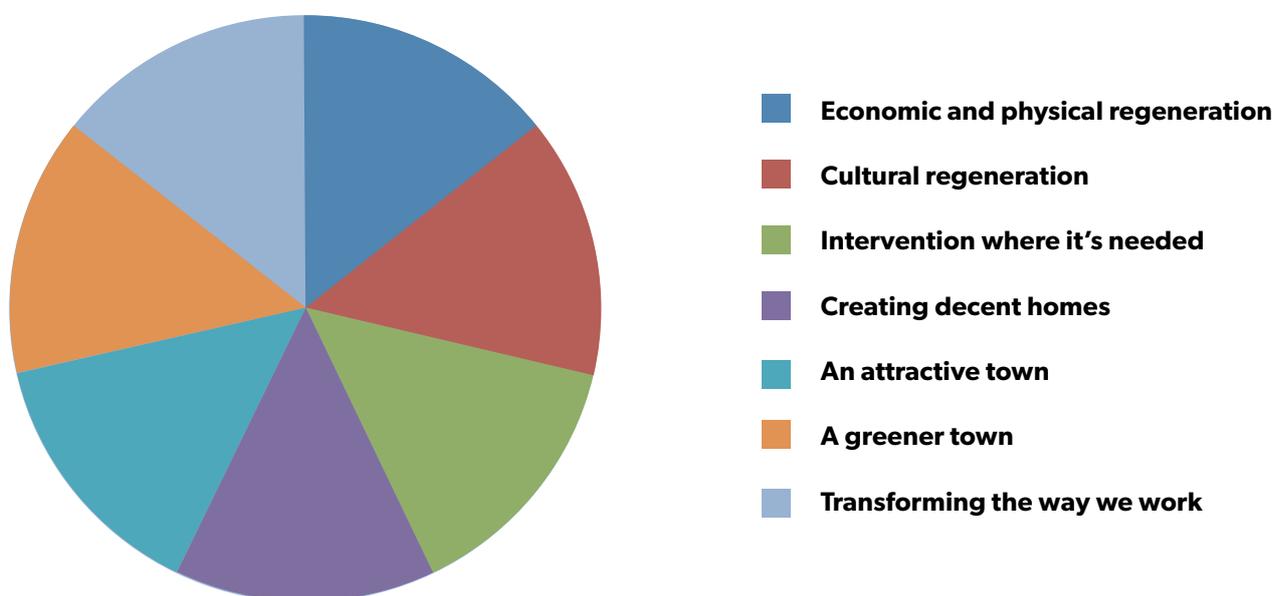
Strategic Planning

What we want for Hastings by 2019:

We are facing a massive funding gap in a few years and need to determine how we will meet our priorities. We need to plan ahead for the new ways we will be working and delivering our services. We need to make sure that the work the council does is properly planned and we have enough funding to do it well. Our staff and councillors need to have the right skills and tools for the job and be ready to take on new challenges.

Why are we doing it?

Effective strategic planning contributes to our following corporate priorities:



What will we be doing?

- ▶ Reviewing all our services and activities and consider the best ways of delivering these in future.
- ▶ Finishing our transformation programme to make sure our processes and systems are as efficient as possible and our services are designed to be delivered online.
- ▶ Striving to continuously improve our performance and customer care.
- ▶ Working with partnerships to get the best for local people.



What challenges could we face?

- ▶ Competing pressures on our resources.
- ▶ Time and financial restrictions.
- ▶ Uncertainty about future funding and responsibilities of local government.

How can we overcome these challenges?

Lobbying Government to ensure they understand the needs of towns like Hastings. Looking at new innovative ways of delivering services and learning from those who have tried them already. Make sure that everyone understands why the way we work needs to be reviewed and how the council will deliver services in the future. Making sure we have the skills and resources to meet our commitments. Keeping our customers informed and increasing online transactions.

How will we know if it's working?

The outcome of our strategic planning activity will be our Corporate Plan and Budget for 2018/19 onwards

Income Generation

What we want for Hastings by 2019:

We want a council that is financially strong enough to continue to deliver the services and regeneration our town needs in the face of public expenditure reductions. We want to develop goods and services which will both create new benefits for residents and income for the council. To do this we need to change radically to create an increasingly enterprising culture in our organisation.

What will we be doing?

We will develop the financial, staffing and other policies that will enable us to put a more commercial approach at the centre of everything we do. At the heart of this will be a new Income Generation Strategy that will influence our planning and thinking for the future.

We will be bringing forward proposals for

- ▶ Housing investment – having set up a housing company
- ▶ Generating energy low carbon initiatives and involvement in the energy market.
- ▶ Expanding seafront assets, like beach huts and glamping.
- ▶ Purchasing commercial property where this is profitable and economically beneficial.
- ▶ Using our Parks and Open Spaces for new events that generate income and add to our cultural and community life.
- ▶ Collecting our council tax and business rates efficiently.
- ▶ Reviewing fees and charges.



What challenges could we face?

- ▶ We need to change what we do relatively quickly, which is a huge challenge for staff who are already fully committed to existing work.
- ▶ Changing the culture and image of what a council is to one which fits a future where commercial thinking and digital communications are seen as the new standard.
- ▶ Balancing opportunity and risk to make sure we protect both the taxes paid by residents and businesses whilst creating new income.
- ▶ There is insufficient income generated to enable the council's future to be sustainable.

How can we overcome these challenges?

The council already has experience of generating its own income, and this knowledge will be developed further and shared across the organisation. Each project will be investigated thoroughly before any investment is made.

We will listen to the ideas of residents, staff and partners to ensure opportunities are not missed and this will be a key focus for senior management.

How will we know if it's working?

How will we know if it's working?

Key Performance Indicators



Cleaner and Safer

- Less litter, dog fouling, detritus, graffiti and flyposting
- % of household waste sent for recycling doesn't drop
- % of food establishments which meet food hygiene law doesn't drop
- Fewer failed bin collections
- Green flag status retained for our key parks and open spaces



Meeting housing needs and delivering support

- 1500 homelessness cases prevented and no more than 60% of homeless applications received resulting in a duty to rehouse
- 200 more private sector homes meeting the required standard
- 75 affordable homes created
- 70 empty properties bought back into use
- 50 neglected buildings improved
- 200 new homes built
- New housing benefits claims processed faster
- Changes to housing benefit claims processed faster
- Council Tax reduction claims processed faster
- Changes to Council Tax reduction claims processed faster



Driving economic growth

- Increase in the number of people attending White Rock Theatre performances
- Increased number of visitors to Hastings Museum and Art Gallery
- Increased number of people using council Leisure Centres
- 80% major residential & commercial planning applications determined within 13 weeks or as agreed with the applicant
- 80% minor residential & commercial planning applications determined within 8 weeks or as agreed with the applicant
- 80% householder planning applications determined within 8 weeks or as agreed with the applicant
- 80% non-major planning applications determined within 8 weeks or as agreed with applicant



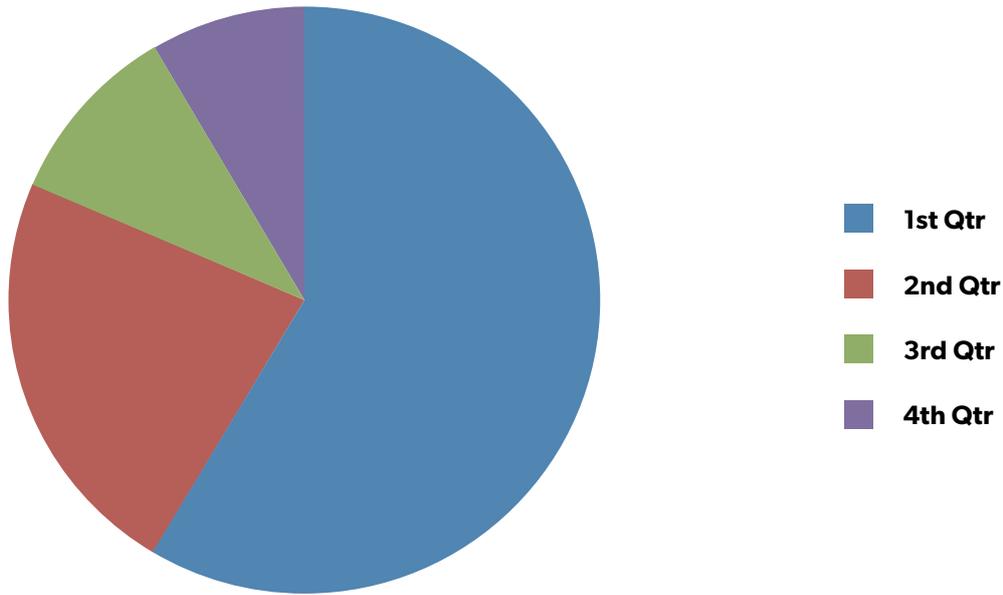
Strategic Planning

- 60% customers self-serving online
- Fewer work days lost due to sickness absence



Income Generation

- % council tax collected in year
- % non-domestic rates collected in year
- % of factory units occupied
- (additional targets TBC)
- Surplus generated from investment
- Design and delivery of projects moving forward
- A strong income generation strategy linked firmly to the council's ability to safely borrow and its wider financial strategies



2 - the performance indicators listed here will be presented using pie charts (or similar) as part of the performance monitoring over the year



Agenda Item 3



Report to: Budget Overview and Scrutiny Committee

Date of Meeting: 26 January 2017

Report Title: Consultation on the Revenue Budgets 2016/17 (Revised) and 2017/18, plus Capital Programme 2017/18 to 2019/20

Report By: Peter Grace, Assistant Director, Financial Services and Revenues

Purpose of Report

To consult members of the Budget Overview and Scrutiny Committee on the Revenue Budget and Capital Programme as part of the public consultation process.

Recommendation(s)

- 1. Members comments are sought and will be reported back to the Budget Cabinet on 13 February 2017**

Reasons for Recommendations

Members views are sought as part of the consultation process.

Introduction

1. The Revenue Budget 2016/17 (Revised) and 2017/18, plus the Capital Programme were published for public consultation on 13 January 2017 with comments due back by 10 February 2017.

The comments and observations of the Budget Overview and Scrutiny Committee are sought as part of the public consultation process. These will be reported back to the Budget Cabinet meeting on 13 February 2017.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St Helens, Tressell, West St Leonards, Wishing Tree

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness No
Crime and Fear of Crime (Section 17) No
Risk Management Yes
Environmental Issues No
Economic/Financial Implications Yes
Human Rights Act No
Organisational Consequences Yes
Local People's Views Yes
Anti-Poverty No

Additional Information

Supporting Documents
Revenue Budget 2016/17 (Revised) and 2017/18, plus the Capital Programme 2017/18 to 2019/20

Officer to Contact

Officer Name Peter Grace
Officer Email Address pgrace@hastings.gov.uk
Officer Telephone Number 01424 451503

Report to: CABINET – FOR CONSULTATION

Date of Meeting: 13 February 2017

Report Title: Revenue Budgets 2016/17 (Revised) and 2017/18, plus Capital Programme 2017/18 to 2019/20 **(DRAFT)**

Report By: Peter Grace
Assistant Director - Financial Services & Revenues
(Chief Finance Officer)

Purpose of Report

1. This report presents the revised revenue budget for 2016/17 and a budget for 2017/18. The revised budget for 2016/17 takes account of the known variations to expenditure and income streams that have occurred since setting the budget in February 2016.
2. In setting the budget for 2017/18, recognition has been taken of the very significant ongoing reductions in external funding for the years ahead. The report identifies that a balanced budget can be achieved in 2017/18 although this involves using £606,000 of reserves built up for this purpose. The forecast deficit for 2018/19 is some £1.6m and in 2019/20 is £2.1m. The alignment of the Council's available resources to its priorities requires the continuing review of services during the next 12 months in order to achieve balanced budgets in the years beyond.
3. This Cabinet meeting is a key part of the budget setting process. Full Council on the 22 February 2017 will be responsible for setting a balanced budget and determining the Council Tax. If the recommendations in the report are approved by Council there will be an increase in the Borough's part of the Council Tax in 2017/18 of 2.04% (£5 for a Band D property).
4. Please note that that the final grant settlement figures from government have yet to be received and these along with Business rate projections, Disabled Facility Grants and Discretionary Housing Payments will necessitate adjustments to the figures detailed in this consultation report.

Recommendation(s)

Cabinet to recommend to full Council to:-

- (i) Approve the revised revenue budget for 2016/17 (Appendix A).
- (ii) Approve the draft 2017/18 revenue budget (Appendix A)
- (iii) Approve a 2.04% (£5 for a Band D property) increase in the Borough Council's part of the Council Tax.
- (iv) Agree that the absolute minimum level of reserves that shall be retained be £5m (plus General Fund Balance) i.e. no change from 2016/17.
- (v) Approve the Capital Programme 2017/18 (revised) to 2019/20 (Appendix P).
- (vi) Approve the proposed expenditure from the Renewal and Repairs Reserve, and Information Technology Reserve (Appendices J and I respectively) and those items from other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council.
- (vii) Approve that the use of the monies in the budget and Reserves for "Invest to Save" schemes be determined by the Assistant Director - Financial Services & Revenues in consultation with the Leader of the Council.
- (viii) Approve the revised Land and Property Disposal Programme (Appendix L), and agree that disposals can be brought forward if market conditions make it sensible to do so.
- (ix) Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.
- (x) Agree that work on Priority Income and Efficiency Reviews (PIER) should continue, and where possible identify a sustainable budget for a period in excess of one year. A mid-year review, for members and officers, to be undertaken in the light of the continuing severe government grant reductions.
- (xi) Approve the Car Parking charges for 2017/18 as detailed in Appendix N
- (xii) Approve the detailed recommendations in Appendix M, which relate to the setting of Council Tax in accordance with Sections 31 to 36 of the Local Government Act 1992.
- (xiii) Approve that the budget be amended as necessary to reflect the final grant figures from government (once received) in respect of Discretionary Housing Payments and Disabled Facility Grants.
- (xiv) Approve the reduction for the Council Tax Prescribed Class D Properties i.e. those which are vacant and are undergoing "major repair work" or "structural alteration" to nil %.

Reasons for Recommendations

1. Major reductions in funding in 2017/18 are set to continue to 2019/20 and possibly beyond and this will impact heavily upon the Council's ability to provide services and grants across all areas of existing activity.
 2. Since 2010/11 funding has been reduced by more than 50% in cash terms on a like for like basis. To ensure key corporate priorities are achieved it remains imperative that the limited resources available are properly targeted.
 3. The Council needs to be in a position to match its available resources to its priorities across the medium term and to maintain sufficient reserves and capacity to deal with potentially large and unexpected events in addition to fluctuations in income and expenditure levels.
 4. The Council is exposed to a much greater degree of volatility in the level of funding it receives through Non Domestic Rates. In addition it is also exposed to a much higher degree of volatility in terms of Council Tax Support claims – the Council now receiving an upfront sum as part of the annual grant settlement rather than reimbursement of actual costs.
 5. Further reductions in grant funding have major implications for the Council and as such work needs to continue to identify and make savings in order to produce balanced budgets in 2017/18 and beyond.
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Introduction

1. The Chancellor's November 2016 autumn statement identified that the real term reductions in local government funding would continue. Debt would rise from 84.2% of GDP last year to 87.3% this year and increasing to 90.2% in 2017/18. As a result the government no longer seeks to deliver a budget surplus by the end of this parliament but as "early as possible" in the next parliament. There will be no easing of austerity for public services.
2. On a national basis significant public spending cuts continue to be made, which along with reduced levels of benefit payments flowing from the welfare reforms will impact heavily on individual households. Lower levels of disposable income may result in even more pressure on Council services such as Housing and Revenue Services.
3. The Council when setting the budget in February 2016 forecast that there would be a deficit in 2016/17 of some £881,000, and £1,490,000 in 2017/18. A balanced budget for the two years being achieved by using limited amounts of the Council's reserves. The position has improved in 2016/17 following in-year initiatives such as the purchase of Muriel Matters House (previously Aquila House) and the Sedlescombe Road retail park, service transformation work and an improvement in the Social Letting Agency's position. The deficit now forecast for 2016/17 is

£271,000 For 2017/18 following extensive service transformation work, service reviews and reductions, initiatives to generate additional income, as well as some budget growth, the deficit is estimated at £606,000. The level of risk within the budget and uncertainty within the forecasts has increased – particularly the uncertainties surrounding Brexit, business rate income, inflation prospects, demands on services, and claims being made against the Council e.g. Pier and NHS rate claims.

4. From information supplied with the government grant settlement, the reduction in the Settlement Funding Assessment for Hastings BC in 2017/18 is 11.5% or £726,000. With the level of government grant continuing to decrease at such significant levels in the years ahead, and the limited ability to increase Council Tax or increase charges, the Council will need to make further substantial savings in order to produce sustainable balanced budgets in the years ahead.
5. The Council's external auditors have commended the Council on its approach to financial management over the last few years and its approach to maintaining and enhancing reserves whenever possible. This approach has helped the Council in its transition to date and the continuation of this approach is proposed.
6. It should be noted that the budget does not include the anticipated increases in expenditure (both Capital and Revenue) or increases in income that will arise during the year as Income generation schemes are approved. The Treasury Management Strategy included elsewhere on the agenda makes the recommendation that the overall authorised borrowing level be increased over the next few years in order to enable investments and income generation schemes to proceed should the Council approve them. The increases do not provide a licence to spend to these levels.

Strategic Priorities

7. The Council's strategic priorities were refreshed for 2016/17 in the light of consultation and the continuing challenges that the Council and the community face and they continue to remain valid for 2017/18. They are:-
 - (a) **Economic & physical regeneration:** To secure economic & physical regeneration that produces high quality new developments while preserving the best of our heritage, high standards of education and training, road & rail improvements and high-speed broadband, thereby creating economic growth and rewarding jobs, particularly in tourism, creative industries, and high-tech manufacturing & research.
 - (b) **Cultural regeneration:** To contribute to the regeneration of the borough through a rich cultural programme that appeals both to local people and visitors, extending, broadening and promoting the borough's cultural activities to establish Hastings as a nationally and internationally recognised centre for arts and culture.
 - (c) **Intervention where it's needed:** To make full use of our available powers and sanctions to tackle anti-social behaviour or practices, including poor housing, eyesore properties, unauthorised development, derelict land, fly-tipping and dog fouling.

(d) **Creating decent homes:** To facilitate the supply of secure, affordable and well-designed homes, through strategic planning policies, planning conditions, regulation of the private rented sector, tackling and eliminating bad landlords, and by working with social housing providers.

(e) **An attractive town:** To maintain visually interesting, well-maintained, uncluttered, clean and functional urban public spaces, especially along the seafront and in our town centres, integrated with high quality protected green spaces accessible to all.

(f) **A greener town:** To promote practices that minimise our carbon footprint through our policies and our own operations, protect and enhance biodiversity, and limit damaging consequences of human intervention on the natural environment.

(g) **Transforming the way we work** – To maximise the benefits provided by new technology, to take opportunities for smarter 'One Team' working and continue our drive to be more Customer First focused and efficient in the design and delivery of services.

Financial Planning - Medium Term Financial Strategy

8. The Medium Term Financial Strategy, approved in November 2016, provided indicative budget forecasts for the 3 year period 2017/18 to 2019/20.
9. Given the need to plan for future years, the Medium Term Financial Strategy, identified key principles to be followed when compiling the budget as well as identifying the financial risks and opportunities more closely. The Financial Strategy is robust in that it integrates the financial and policy planning procedures of the Council.
10. That robustness is built upon a foundation of key principles:
 - (i) Ensure the continued alignment of the Council's available resources to its priorities.
 - (ii) Maintain a sustainable revenue budget.

This means meeting recurring expenditure from recurring resources. Conversely non recurring resources such as reserves and balances can generally be used to meet non recurring expenditure providing sufficient reserves and balances exist.

Whilst the principle remains sound the Council consciously strengthened its reserves in the last few years, knowing that these will be required to ease the transition to a sustainably funded Council and to meet key corporate priorities. The Council now requires the use of these reserves to achieve balanced budgets over the next few years.

- (iii) Adequate Provisions are made to meet all outstanding liabilities.

- (iv) Continue to identify and make efficiency savings

Each year there is a thorough examination of the Council's existing budgets to identify efficiency savings and to ensure existing spend is still a Council priority (Priority Income and Efficiency Reviews – PIER)

- (v) Review relevant fees and charges comprehensively and identify income generating areas as a means of generating additional funding for re-investment in priority services.
- (vi) Capital receipts and reserves will primarily be available for new investment of a non-recurring nature thereby minimising the overall financial risk.

Resources will be allocated to invest in the Council's assets to ensure they support the delivery of corporate and service priorities.

Resources will be made available to finance invest to save schemes to help modernise and improve services and generate efficiencies in the medium term.

- (vii) Ensure sufficient reserves are maintained.

Some reserves, having been built up in the last few years, are specifically identified to ease the transition to a lower spending Council and to meet key corporate priorities.

- (viii) Ensure value for money is achieved in the delivery of all services and that the Council seeks continuous improvement of all services.

It should be noted that the annual governance report produced by the Council's external auditors in September 2016 gives a very positive opinion on the Council's provision of value for money services.

- (ix) Maintain affordable increases in Council Tax whilst accepting that such an objective is linked to the amount of annual government grant, inflation and new legislative requirements.
- (x) Recognise the importance of partners in delivering cost effective solutions for services.

The Key Factors Impacting on the Budget

Funding from Business Rates

11. The government launched the Business Rates Retention (BRR) scheme on 1 April 2013 as one of the main forms of local government funding. Instead of a single grant settlement for 2017/18 the Council receives details of Revenue Support Grant (RSG) and the Business Rate Baseline Funding level (expressed as Baseline Need). The two figures effectively make up the Settlement Funding Assessment (SFA). Whilst the government calculate a notional business rate figure they believe each Council should collect, ultimately it is the actual level of business rates collected that will determine the total funding received for this element of the

settlement i.e. the level of RSG is guaranteed throughout the year whilst the business rate element is not.

12. To fund the Baseline Need element, the Council has an expected level of business rates (or National Non Domestic Rates (NNDR)) that is to be collected. Due to differences between Baseline Need and the level of business rates actually collected there is a further budget adjustment required.
13. The rateable value (RV) of business properties at the start of the 2017/18 year is forecast to be some £62.7m. However given the level of appeals, forecasting income levels for 2017/18 and beyond remains challenging. Business rates and the levels of appeals/ growth/ decline has been highlighted as a real risk yet again and will continue to impact significantly on the Council's level of funding. It is one of the key risks that the Council faces in terms of income volatility.
14. Multiplying the rateable value figure by the rate poundage and after charity and other reliefs the Council will collect some £20.9m of which the Council share is some 40% (£8.3m in 2017/18). For Hastings however with a Baseline Need that is lower than the Business Rate Baseline a Tariff is paid to central government – this amounts to £5,243,291 in 2017/18.
15. The picture for 2017/18 and beyond is further complicated by elements of business rates being reimbursed separately by central government e.g. doubling the threshold of 100% relief for small businesses to rateable values of £12,000 (tapered to £15,000). For 2017/18 a sum of £550,000 (estimate of HBC's share) has been allowed for these various elements - payable under Section 31 of the 2003 Local Government Act.
16. The Council is required to make an annual assessment of the income it expects to collect from business rates, and to provide these figures to government, East Sussex County Council and the Fire and Rescue Authority who each receive a share of the actual rates collected. The estimate of the business rate income collected that will be retained by the Council in 2017/18 amounts to £3,104,000.
17. The Business Rates Pooling arrangement within East Sussex will end at 31 March 2017 due to appeal levels, revaluation implications and uncertainties on growth. The pool results in monies that would otherwise be paid to the government in terms of a levy being retained within East Sussex. A review will be undertaken in 2017/18 with a view to re-establishing a pool for 2018/19.

External Funding – Annual Grant Settlement (and 4 year indicative forecast)

18. The 2017/18 provisional finance settlement was announced on 14 December 2016 with the final settlement figures confirmed in early February 2017. The settlement provides details of the Revenue Support Grant and the levels of Business rates that the government expects councils to retain – the two figures combined make up the Settlement Funding Assessment.

| Year | Settlement Funding Assessment (£ 000's) | Decrease (£ 000's) | Percentage Change (Annual) | Percentage Change (Cumulative) |
|---------------|---|--------------------|----------------------------|--------------------------------|
| 2015/16 | £7,194 | | | |
| 2016/17 | £6,331 | -£863 | -12.0% | -12.0% |
| 2017/18 | £5,605 | -£726 | -11.5% | -22.1% |
| 2018/19(Est) | £5,224 | -£381 | -6.8% | -27.4% |
| 2019/20 (Est) | £4,801 | -£423 | -8.1% | -33.3% |

19. In terms of the cash grant that the Council receives from the government (Revenue Support Grant) the Council signed up to the 4 year settlement offered. The updated figures of the grants receivable over the period are detailed below. The Council will lose £797,000 in Revenue Support Grant in 2017/18, and by 2019/20 will have lost £2,739,000 (73.5%), leaving a grant allocation of some £988,000.

| Year | Revenue Support Grant (£ 000's) | Decrease (£ 000's) | Percentage Change (Annual) | Decrease (Cumulative) (£ 000's) | Percentage Change (Cumulative) |
|---------------|---------------------------------|--------------------|----------------------------|---------------------------------|--------------------------------|
| 2015/16 | £3,727 | | | | |
| 2016/17 | £2,835 | -£891 | -23.9% | -£891 | -23.9% |
| 2017/18 | £2,038 | -£797 | -28.1% | -£1,689 | -45.3% |
| 2018/19 (Est) | £1,542 | -£496 | -24.3% | -£2,185 | -58.6% |
| 2019/20 (Est) | £988 | -£554 | -35.9% | -£2,739 | -73.5% |

20. The Council should also receive a small amount of Transition Grant funding in 2017/18 of £5,466 (£5,493 in 2016/17), but will not receive it thereafter.

21. Discretionary Housing Payments (DHP's) play a vital role in supporting a lot of people affected by the welfare changes. The grant figure for 2016/17 amounted to £277,703. For 2017/18 the funding amounts to £tbc – this funding will be fully subscribed.
22. In brief, save for the reductions in the New Homes Bonus funding the annual grant settlement figures for 2017/18 were in line with overall expectations in the Medium Term Financial Strategy.

Summarised Grant Position

23. The level of grants received from the government between 2010/11 (the year before the previous Comprehensive Spending Review) and 2016/17 have decreased by over 50%. For the period 2010/11 to 2019/20 the reduction in cash grant funding is estimated at 70% on a like for like basis (i.e. excluding Council Tax Freeze Grant, Homelessness Grant and Council Tax Support Grant in order to provide a clear comparison). These figures are all based on cash and exclude the effects of inflation (the inclusion of which would increase the % reductions even more).
24. In 2017/18 the Council will lose £797,000 in Revenue Support Grant. New Homes Bonus is some £379,000 less than in 2016/17 as detailed in the report and is set to fall further. These two grants losses alone amounting to some £1,176,000. This loss of grant when combined with the additional costs from inflation and pay increases and demand pressures present the Council with significant financial and resource challenges.

Core Spending Power

25. The government identified a new term last year, which is similar to the previous Revenue Spending Power. Core Spending Power sets out the expected available revenue for local government spending through to 2019/20 using Office of Budget Responsibility (OBR) estimates.
26. The Core Spending Power figures for Hastings from 2016-17 through to 2019-20 are derived from the sum of the following core components:
 - (i) The Modified Settlement Funding Assessment amounts,
 - (ii) The council tax requirement (excluding parish precepts).
 - (iii) New Homes Bonus

The table below shows the government's projections of how much funding the Council will retain after 4 years.

| Illustrative Core Spending Power of Local Government; | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| | £m | £m | £m | £m | £m |
| Settlement Funding Assessment* | 7.29707 | 6.33086 | 5.60491 | 5.22377 | 4.80082 |
| Council Tax of which; | 5.83549 | 6.05425 | 6.29539 | 6.54370 | 6.80179 |
| New Homes Bonus | 1.01720 | 1.39594 | 1.017633 | 0.771364 | 0.740114 |
| Transition Grant | 0.00000 | 0.00549 | 0.00547 | 0.00000 | 0.00000 |
| Core Spending Power | 14.14975 | 13.78655 | 12.92340 | 12.53883 | 12.34273 |
| Change over the Spending Review period (£ millions) | | | | | -1.8 |
| Change over the Spending Review period (% change) | | | | | -12.8% |

27. It can be seen from the above table that under this new measure, the Core Spending Power of the Council reduces by 12.8% over the period shown.
28. In practice however when looking at the year on year reductions in funding the figure is not helpful. The overall reduction in Settlement Funding Assessment (Business Rates, Revenue Support Grant and other rolled in grants) for 2017/18, is 11.5% - i.e. just in 2017/18 alone. In real cash terms the Revenue Support Grant reduces by 28.1% (£797,000) in 2017/18 alone.

Income Generation

29. The Council has a number of key income streams besides Council Tax and Non domestic rates. These include for example rents from land and industrial estates and shopping centres, cemetery, cliff railways, planning, licensing, lettings and land charges.
30. The Council now receives additional income of some £135,000 p.a. from renting out parts of the Town Hall and Muriel Matters House (previously Aquila House). From 2016/17 the Council is making a net saving of some £75,000 p.a. from purchasing the building rather than paying rent. The total of some £210,000 p.a. goes a little way to meeting the massive funding reductions the Council is experiencing and thus helps to protect services.
31. In November 2016 the Council purchased a small retail park in Hastings for £7.275m. This along with the completion of the new BD foods factory unit and some other small income streams will result in an additional £500,000 of income for the Council - against which there are financing costs.
32. Other projects in the pipeline already, include income from additional beach huts/chalets (£40,000 p.a.), new seafront kiosk (£8,000 p.a.).
33. Given the Council's need to generate significant levels of new income if services are to be protected, an income generation strategy will be forthcoming shortly, which will consider the merits (or otherwise) of investing within Hastings or outside of Hastings and the strategies to be employed in comparing the merits of investments in for example commercial property vs electricity generation/trading vs housing etc.

34. Given the significant funding reductions in the years ahead and the freedoms available for competent councils, the Council is continually looking to increase the income it can generate. Trading will generally require a separate company(s) to be set up e.g. housing company. Each and every opportunity will, like now, need to be supported by a careful evaluation of the opportunities and associated risks. To this end an Income Generation Board has been established which will operate within the Council's governance arrangements.
35. The Council's income generation plans will involve both capital and revenue expenditure. The Council is able to borrow for capital expenditure but must determine its overall borrowing limits prior to the start of the financial year. It is able to vary them within the year, but such decisions can only be taken by full Council. The purpose of setting borrowing limits is to ensure that the borrowing costs are prudent and affordable when determining the budget. The proposed levels are contained within the Treasury Management Strategy which is considered by the Audit Committee and Cabinet before being determined by full Council.
36. Income generation will form an increasingly important aspect of the Council's activities in order to support key services and some of the key areas are identified in the Corporate Plan. There is expected to be further calls on the remaining Invest to Save Reserve (as well as other reserves) in order to set up some of the initiatives and meet some of the revenue borrowing requirements of any newly formed trading company (s).

Fees and Charges

37. The council has limited reserves and remains reliant upon income streams and investment returns to balance the budget. Given the welfare changes and low wage settlements, there are continuing implications for a number of the council's income streams in the medium term. Rental streams from shops remain under considerable pressure e.g. Priory Meadow. Given that income streams remain a risk, fees and charges have been kept under careful review and are considered annually against the background of Council priorities, the local economy and its needs, and people's ability to pay.
38. In respect of most fees and charges, with a few exceptions, these have generally been increased by some 10%, except where set by statute. The majority of planning fees are determined nationally by government. The government had announced that they would "consult on allowing well-performing planning services to increase their fees in line with inflation at the most, providing that the revenue reduces the cross subsidy that the planning function currently gets from council tax payers". To date no announcement has been received on revising the statutory charges.
39. Car parking charges were last increased in February 2015 for a 24 month period (increases were applicable from 1 April 2015). The Council is experiencing a significant increase in business rate costs over the next few years on some of its car parks following the recent national revaluation. The Council has also recently invested heavily in updating the town's CCTV system which provides cover for the car parks. Some of the car parks are regularly full and it remains important that those car parks situated near to the commercial hub are priced effectively to ensure that spaces are available for shoppers. The Council will investigate more

flexible charging rates as a way of managing car park use e.g. higher charges on summer weekends in seafront and town centre car parks. It is proposed that car parking charges are increased for 2017/18 as detailed in Appendix N.

Investment and Borrowing

40. The low levels of interest received on balances looks set to continue for at least the next 6 months. Base rates are not expected to increase in 2017 from their current level of 0.25%. The Council's treasury advisers were indicating a fall to 0.1% by December 2016 and spring 2018 as the potential date for the next interest rate increase back to 0.25%. However following the American election result, the rate is not expected to reduce. Given the restricted counterparties list and short investment periods, investment returns of around 0.5% are predicted in 2017/18. The Treasury Management Strategy will continue to advocate a policy of keeping the respective levels of debt and investment under review.
41. The council has had additional borrowing requirements in 2016/17 to finance the acquisition of Muriel Matters House, the new factory on Castleham, the acquisition of the retail park and other capital schemes. This increases the borrowing costs as well as the amount required to be set aside each year to repay this debt.

Inflation

42. This has not been a major issue over the last couple of years. Inflation has however been increasing over the last few months and looks set to increase further. In November 2016 it was 2.2% (Retail Price Index) whilst the government's preferred measure CPI (Consumer Price Index) was 1.2%.
43. The council allowed 1% for inflation in 2016/17, and 2% for the years beyond in its budget projections.
44. Inflation, according to the Bank of England inflation report is expected to be at or around the 2% target in the next two years, but some commentators are suggesting a spike of around 2.7% next year.
45. Based upon the above projections, general inflation is being estimated at 2% overall for 2017/18 and beyond, with only contract inflation being allowed for in the budget i.e. a real cash freeze again for all other service expenditure areas. Any increases above this level would need to be contained within service budgets within the year.

Public Sector Pay Settlement and National Living Wage

46. The figures in the budget assume a 1% increase for 2017/18 and beyond. In addition there are contractual increments (equivalent of around ½%).
47. The salaries budget together with national insurance and pension costs amounts to some £11.2m in 2016/17. The estimated costs will increase by some £190,000 in 2017/18.
48. The Council remains committed to paying the accredited living wage (£8.45 per hour), which is significantly higher than the national minimum wage of £6.95 per

hour for over 21's, and the new minimum wage premium for over 25s of £7.50 per hour that will come into force across the UK in April 2017. As a result of the latter the Council can expect the costs of external service provision to rise. The Council will need to ensure it reviews specifications closely in order to ensure overall costs do not rise— as has very successfully been the case with regard to cleaning contracts.

Council Tax Reduction Scheme

49. In 2013/14 the government paid an upfront grant in respect of Council Tax support, leaving the council to fund any “in year” increase in demand. In 2014/15 the Council Tax Support Grant was rolled into the Settlement Funding Assessment and thus effectively decreases in line with the annual reductions in grant funding. The council determined however that its own scheme (The Council Tax Reduction Scheme) would remain the same in 2015/16, it did the same again for 2016/17, and the same again for 2017/18 (Full Council in December 2016).
50. The Council Tax Reduction Scheme continues to pose a significant financial risk for the Council. That risk being that should claimant numbers increase the additional costs now fall on the Council and its preceptors rather than the government. The Council will need to continue to retain adequate reserves for this purpose. However, there has been a reduction of some 3% in the numbers seeking assistance and this has resulted in fewer discounts being granted. This impacts positively on the calculation of the Council Taxbase.
51. Given that overall levels of government funding continue to decline year on year, the Council will again need to review the affordability of the scheme during 2017/18, and will do so in conjunction with neighbouring authorities.

Universal Credit & Benefit Administration Grant

52. In terms of Universal Credit the programme of transfer was originally expected to commence in October 2013 in respect of new claims with existing claims being completed by 2017/18. The first new claims actually took place in April 2015 but has had relatively little impact on the service until the 14 December 2016 when all new claims for those of working age and some change of circumstances transferred to Universal Credit.
53. The impact of the change is for a reduction in benefit claims, an increase in questions and support, and a reduction in the Council Tax and Housing Benefit administration grant receivable in the years ahead. The implications on staff and services will begin to be understood in the coming weeks and decisions will then be taken in the light of the funding reductions. It should be noted that the final stage of converting the stock of existing Housing Benefit claims onto Universal Credit is still some years away – to be completed by 2022.
54. The Department for Work and Pensions (DWP) are providing additional funding to the Council in 2017/18. Some of this will be required to fund external support organisations (£52,000) for those providing debt advice, etc, which is paid on a per head basis. Some funding however is to meet the additional burdens on

dealing with DWP enquiries, complex cases and closing down existing claims. The total support will amount to some £117,000 in 2017/18 (some £38,000 in 2016/17).

55. The Benefit Administration Grant for 2017/18 has however been reduced to £460,841 (from £568,874) – a loss of £108,033. Please note the Council Tax Support Grant has been separated out from the Benefit Administration Grant line (see Appendix 1).
56. The government have previously stated that TUPE will not apply with the introduction of Universal Credit, but that they may meet the redundancy costs should these arise – providing the Council can prove it has taken all possible steps to avoid such costs. The DWP has committed to providing funding forecasts for 2018/19 early in the new year to aid resource planning within councils.
57. The level of Council Tax Support Administration Grant receivable in 2017/18 has now been notified at £178,467 (£189,698 received in 2016/17). This represents a reduction of £11,231 (a 5.9% reduction).
58. Sizeable reductions in grant funding are expected in the years ahead as Universal Credit is rolled out – reductions in grant will necessitate ongoing reviews as to how the Council delivers this service.

Council Tax Exemptions

59. From April 2013, billing authorities in England took on an additional power over certain Council Tax discounts. The level of discounts and exemptions the Council provides has been reduced in order to bridge the gap in funding from Government and at the same time minimise the impact on the less well-off residents in the Borough.
60. Properties which are vacant and are undergoing “major repair work” or “structural alteration”, referred to as Prescribed Class D properties, can attract a discount of between 0% and 50%, for a maximum of 12 months. Some 300 claims are expected for this discount in 2016/17. The Council has the discretion to vary both the discount percentage and the time period. The savings arising from a full reduction would amount to some £120,000 in a full year of which some £17,000 would be a saving to Hastings Borough Council. The County Council, Police and Fire Authority who are all experiencing funding pressures would also benefit. It is recommended that the percentage be reduced to 0% from 1 April 2017.
61. This does not affect the remaining exemptions e.g. registered charities, people in care homes, prisoners, student examples, carers. More information on exemptions is available on the Council website.

Pension Fund Contributions

62. The Council’s contributions to the pension fund managed by East Sussex County Council are determined every three years following an actuarial valuation. A new valuation has been undertaken in 2016 with revised contribution rates becoming payable from April 2017.
63. The rates currently payable by the Council consist of the primary contribution rate plus 1% for future ill health retirements (these are percentages of salaries of staff in

the pension scheme) plus a lump sum (secondary rate), namely:

2016/2017 - 20.6% +1% + lump sum of £248,800

64. The combined rates for 2017/18 and beyond are as detailed below.

2017/18 - 23.8%

2018/19 - 24.3%

2019/20 - 24.8%

The fund's Actuary has yet to do a split between primary and secondary rates and hence the budget figures are estimates. In addition there is 0.75% to add for future ill health retirements (reduced from 1%).

65. An increase of 1% on the primary contribution rate (a £100,000 p.a. increase in the Council's contributions) had been included in the forward projections for 2017/18. The actual cost amounts to a stepped increase estimated at some £120,000 p.a. by 2019/20 (£20,000 of additional costs in 2017/18).

Grants

66. The Council receives a number of revenue grants each year e.g. New Homes Bonus, but has also been very successful in attracting numerous "one off" type grants in the last couple of years e.g. Rogue Landlord funding, Coastal Revival funding, Future Cities, and Active Women Programme, Answers in the Local Economy (ACE), Hastings Fisheries Local Action Group (HFLAG).

67. Regional and European funding successes have been very significant for Hastings. The Council has made further grant applications for very substantial sums of money and will continue to look to attract such funding to Hastings in the years ahead. Recent bids which the Council is involved in include, for example:-

- (i) Climate Active Neighbourhoods (CAN) (£870,000 over 3 years),
- (ii) Sustainable Housing Inclusive Neighbourhoods (SHINE) (£1.5m over 4 years),
- (iii) Community Led Local Development (CLLD) (£3.3m),
- (iv) Destination White Rock – continuing the economic revival (£1.5m over 2 years),
- (v) HFLAG 2 , (DIY TOV)DIY Regen: Transforming Ore Valley (£3.9m).

If all, or most of these bids are successful the regeneration work within Hastings should remain significant.

68. A new grant of some £470,000 has recently been awarded across East Sussex authorities in respect of Homelessness – to cover a three year period. The precise details are awaited and as such HBC's share is not yet included in the budget.

69. The monies paid to the Council from the Clinical Commissioning Group (CCG) for various joint initiatives are included in the budget (£1.09m in 2017/18) and thus inflates the Council's net expenditure figures (funding included in transfers from reserves).

New Homes Bonus

70. This grant regime commenced in April 2011. This is a grant that rewards the building of new houses and for bringing long term empty properties back into use. The sum receivable in 2016/17 amounted to £1,387,912.
71. The government announced in the November 2015 Autumn Statement that it would be consulting on changes to the New Homes Bonus - the money saved going to Social Care. The changes to the scheme to commence in April 2017.
72. The outcome as announced on the 15 December 2016 has been to reduce the period that it is payable for - from 6 years to 4 years with a transition year for 2017/18 whereby 5 years is payable. The government have also decided to introduce a minimum growth baseline of 0.4% below which the bonus will not be paid; this they state reflects a percentage of housing that would have been built anyway. The payment of a small amount to reflect the increase in affordable properties does not appear to be affected by the threshold decision.
73. As a result of these changes the Council will now receive only £5,600 in new Homes Bonus in respect of the 2017/18 year as against some £152,000 that would otherwise have been payable.
74. To achieve the government's estimated income of £144,730 in 2018/19 the number of completions (and empty property reductions) would need to increase from some 143 this year to some 250 next year (some 236 band D equivalent properties).
75. The table below shows the New Homes Bonus receivable by the Council in 2017/18 and the estimate for 2018/19.

Table: New Homes Bonus

| Year | 2011/12 £ | 2012/13 £ | 2013/14 £ | 2014/15 £ | 2015/16 £ | 2016/17 £ | 2017/18 £ | 2018/19 (Est) £ |
|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| Year 1 | 194,710 | 194,710 | 194,710 | 194,710 | 194,710 | 194,710 | | |
| Year 2 | | 189,838 | 189,838 | 189,838 | 189,838 | 189,838 | | |
| Year 3 | | | 119,097 | 119,097 | 119,097 | 119,097 | 119,097 | |
| Year 4 | | | | 382,670 | 382,670 | 382,670 | 382,670 | |
| Year 5 | | | | | 119,542 | 119,542 | 119,542 | 119,542 |
| Year 6 | | | | | | 382,055 | 382,055 | 382,055 |
| Year 7 | | | | | | | 5,600 | 5,600 |
| Year 8 | | | | | | | | 144,730 |
| Total | 194,710 | 384,548 | 503,645 | 886,315 | 1,005,857 | 1,387,912 | 1,008,964 | 762,467 |

76. The reduction in funding between 2016/17 and 2017/18 amounts to some £379,000 (- 27.3%).
77. Councils are using the bonus in different ways, either to help balance budgets, strengthen reserves, or for one off activities that do not add to ongoing spending commitments. For Hastings, the money has been fully utilised to help balance the budgets in every year since its introduction.
78. The New Homes Bonus has been an important part of the government's effort to use funding to incentivise growth. The grant is currently funded by top-slicing the general formula grant and there are naturally real concerns over the re-distributional effects which can disadvantage deprived areas of the country with lower house prices or in areas where developers are less likely to want to build, or where land is expensive to develop.
79. The introduction of a 0.4% baseline is very unhelpful, and will impact significantly on the more urban, densely populated and deprived areas where there is generally less land available for development. It also should be noted that there remains a risk that this grant regime could effectively be ended altogether, particularly if all business rates are returned to councils in 2019/20.

Revised Budget 2016/17

80. The revised 2016/17 total service expenditure budget amounts to £16.04m, against an original budget of £15.7m (Appendix A).

The main variations are summarised in Appendix C. These include:-

(1) Social Letting Agency – The original budget identified a cost to the Council of £59,566. The revised estimate identifies an improved position and that this will achieve a break even position for the year. No new properties are being taken on at present given the uncertainty on the funding regime. There is a real risk that the an annual grant regime which is set to replace the current benefit payment regime will not cover the costs of the scheme. A review will be undertaken by the service as soon as grant levels become clear.

(2) Selective Licensing – the scheme was budgeted to make a surplus of £233,000 in 2016/17. The revised estimate for the year is for a surplus of £18,080 (an adverse variance of some £215,000). The 2017/18 budget is forecasting a surplus of £24,000. Any surplus achieved is being returned to the General Reserve – until such time as the £205,000 deficit in 2015/16 is extinguished. Additional enforcement and prosecutions are taking place, which will help this is achieved.

(3) Development Control – an additional £116,000 was included in the budget following a restructure - as agreed by Cabinet.

(4) Homelessness and Preventing Repossessions - Expenditure on Supplies and Services (mainly temporary accommodation) looks set to increase to some £520,000 from £286,000. Whilst some of this may be recovered in Housing Benefit, there is a net growth in the budget of some £58,000 in 2016/17 and £63,000 in 2017/18. This is a worrying trend, especially given the problems experienced

elsewhere in the country where Universal Credit is now in place. The ability of Councils to recover the accommodation costs will be challenging and necessitates a close examination of current arrangements.

(5) Youth Homelessness – the initiative has continued in 2016/17 partially funded by a revenue grant amounting to £34,500. The net additional cost of continuing this initiative is some £22,000 in 2016/17 and 2017/18 and represents growth in the budget.

(6) Housing (HMO) Licensing – the scheme was budgeted to make a surplus of £108,000 in 2016/17. The revised estimate for the year is however for a deficit of £71,640 (an adverse variance of some £180,000) – the scheme formally ended in September 2016.

(7) Waste Contract – an additional £54,000 payable and represents ongoing growth.

(8) Business Improvement District (BID) – The Council is picking up the systems, staffing, and running costs incurred in billing and collecting the monies from businesses within the BID area. The Council will also be liable for the levy itself in 2017/18 and beyond. The accounting arrangements for the BID are yet to be finalised and the budget will be adjusted accordingly.

(9) NHS Clinical Commissioning Group – Original budgeted spend in 2016/17 was £298,000 and this is expected to increase in the year to £633,050.

81. Non Domestic Rates – Appeals and backdated refunds

The uncertainty and volatility around the business rate income, from amended valuations, appeals, continues to have a large negative impact on the 2016/17 accounts. The volatility risk is mitigated to a degree by retaining sufficient reserves. The Council (along with many others across the country) has received a backdated claim for mandatory rate relief for the last 6 years in respect of NHS properties; this amounts to some £4.3m in respect of Hastings. This claim has not been accepted at this stage and the implications of doing so are not included in the revised budget for 2016/17 or for 2017/18.

82. On a very positive note there is additional income/ reduced expenditure in the following areas:

(1) Muriel Matters House (previously Aquila House) – £75,000 p.a. following the purchase. There is an additional £100,000 saving in 2016/17 as no set aside for repayment of debt is made in year of acquisition.

(2) Muriel Matters House – Council chamber let to Coroner's office (Tuesdays)

(3) Town Hall – additional offices let,

(4) Acquisition of Retail Park – Additional income in 2016/17 with no set aside for repayment of debt.

(5) Contracts – inflation in the year slightly below expectations

83. It should be emphasised that in compiling the revised budget there remains some risk to the levels of income expected in the last quarter of 2017/18 e.g. bad weather, Pier claim.
84. Going into 2017/18 the Council needs to maintain a level of reserves that can continue to ensure a managed transition to a much lower level of activity in the years ahead. The Council set aside monies (Invest to Save to support initiatives that achieve real savings or generate income.
85. There remains a limited amount of contingency budget in 2016/17 (£340,000), which could be the first call for legal fees in respect of the Pier and NHS claims.
86. In summary the deficit for the year was estimated to be £881,792 and is now forecast to be £271,306 (net). It is recommended that if there were any underspends at year end these are transferred to the Invest to Save Reserve.

Budget 2017/18

87. The Council's total net expenditure in 2017/18 is estimated at £13.632m (amount to be met from Grant and Collection Fund). This compares to a revised estimate of £14.364m for 2016/17 and represents a decrease in net expenditure of 5.1%.
88. The Revenue Support Grant receivable from the government in 2017/18 of £2,038,000 represents a £797,000 (28.1%) reduction from the 2016/17 settlement. The impact of the settlement in 2017/18 is even more severe given the reduction in New Homes Bonus monies (a reduction of £379,000 (27.3%) from 2016/17).
89. In addition to the reductions in central funding there are a number of costs, other than the expected pay increases and contract inflation, that impact on 2017/18.

These include :

- i) Waste and Street Cleaning contract – additional contribution of £54,000 p.a.
- ii) Business Improvement District (BID) – The payment of a levy of some £7,000 p.a. and some costs which are not expected to be fully recoverable.
- iii) Business rate revaluation – impact on Council properties as well as the level of business rates retained.

The national revaluation has led to an increase in the overall rateable values within the borough, but by reducing the rateable poundage (set nationally) the amount to be collected in Hastings decreases. As a result the government have reset the baseline funding level of the Council i.e. how much the Council can retain..

At the time of writing the final implications are not known given the effects of a new transitional relief scheme and changes in rate relief – details available very early Feb 17.

- iv) Apprenticeship Levy - £35,000 (£50,000 less £15,000 allowance)

- v) Pension revaluation – an increase of £20,000 in 2017/18 but a stepped increase over next 3 years totalling an additional £120,000 p.a. by 2019/20.
- vi) Development Control – £67,000 of additional expenditure in 2017/18 largely as a result of increasing staffing resources in this area.
- vii) Insurance costs – increase in insurance premiums in respect of public liability claims and the implications of Insurance Premium Tax increasing to 12%.
- viii) Redundancy costs fall within the year that the decision is made. Additional costs are anticipated in 2017/18 beyond the £175,000 allowed in the base budget. A further £225,000 is therefore being funded from the Redundancy Reserve i.e. £400,000 in total for 2017/18.
90. The estimate of the deficit on the Collection Fund in respect of business rates (largely appeals) is some £232,205 (£638,660 in 2016/17). This is recovered in the 2017/18 accounting period as a charge to the General Fund.
91. The estimated balance on the Collection Fund at 31 March 2017 in respect of Council Tax is a surplus of £232,205 (Hastings BC share), but the estimated deficit of £236,693 (HBC share) in respect on business rates, brings the net deficit to some £4,488. This compares to a £474,067 deficit that was charged to the 2016/17 budget.
92. Savings and some areas of growth have been identified through the PIER process which amount to £735,000 (net) in 2017/18 (Appendices - K and Kii).
93. The PIER saving in respect of the Digital by Design transformation will continue for a number of years as the Council transforms itself. Savings amounting to £62,000 out of the £235,000 originally estimated were included in the 2016/17 budget with the remainder to be achieved in 2017/18.
94. Discretionary Housing Payments – £277,000 was received in 2016/17. **The figure is awaited for 2017/18.**
95. The use of Invest to Save monies is considered fundamental to assisting the Council in the transformation to a lower spending authority – a business case is required before such money can be used. In February 2016 it was agreed that the use of the monies be determined under delegated powers by the Chief Finance Officer in consultation with the leader of the Council. It is recommended that the use of these sums is again determined for 2017/18 and beyond under delegated powers by the Chief Finance Officer in consultation with the leader of the Council.
96. As a result of inflationary impacts the Council can expect the costs of external service provision to rise e.g. contracts. The Council will need to ensure it reviews specifications closely, as successfully achieved in the cleaning contracts, in order to ensure overall costs do not rise and this may also result in service reductions.
97. The Capital programme is detailed separately in the report. There are aspects of Capital schemes e.g. feasibility studies that cannot be capitalised. These aspects will in the main continue to be funded from capital reserves. Likewise the Council can recover some costs of disposal (revenue costs) from capital receipts when

assets are sold. There are some larger studies e.g. White Rock Area where the Council has identified separate revenue resources. One such call on the revenue budget is the cost of marketing in respect of West Marina site and subsequent marketing. This will amount to an additional £30,000 in 2017/18 which is included in the budget.

98. In summary there is an estimated deficit of £606,000 in 2017/18. The savings identified and additional income generated, mean that a balanced budget can be achieved in 2017/18 using some £406,000 of the Transition Reserve, £100,000 from the Economic Development Reserve and £100,000 from the Community Safety Reserve.

Budget 2018/19 and beyond

99. The Council signed up to the government's offer of a 4 year settlement i.e. the four years to 2019/20. The Council's Efficiency Plan was accepted by the government. The benefit of doing so is that there is a degree of certainty on part of the Council's grant funding for the next 3 years – as identified in previous tables.
100. The indicative Revenue Support Grant reductions to be implemented over the period 2017/18 to 2019/20 amount to £2,739,000 (73.5%). In cash terms the funding reduction in 2017/18 amounts to a further £797,000.
101. A deficit of £1.68m is estimated for 2018/19 and a deficit of some £2.12m in 2019/20 – before the use of Reserves (see Appendix G). This assumes a net saving in respect of the White Rock theatre of £370,000 in 2019/20 when the current contract expires i.e. stopping the existing subsidy of some £620,000 but retaining £250,000 within the budget for cultural purposes.
102. The Council needs to achieve a much higher level of Income generation and PIER savings than those currently identified in Appendix K in order to achieve a manageable deficit in 2018/19 and the years beyond. The further transformation of the ways that people deal with the Council and how it works (Digital by Design) remains crucial to achieving further savings. The achievement of these must remain a priority for the Council.
103. To help ensure that the Council can continue to deliver key services at this time it is again proposed that the Transition Reserve be used to help fund services in 2018/19 in the sum of £750,000 and £750,000 again for 2019/20 (if necessary), along with balances from the Economic Development Reserve and Community Safety Reserve. These sums on their own are not sufficient to balance the budgets of the future years (based on current estimates and assumptions). By 2020/21 based on current assumptions the Council will need to achieve a fully balanced budget without the use of reserves.
104. To help ensure that the Council can continue to deliver key services at this time, should there be any underspends these should be used to strengthen reserves – this is a continuing message that will help ensure that key services can continue to be provided as the Council continues its transformation to a self-sustaining Council.

105. In order to address the budgetary issues ahead whilst also looking to improve the customer experience, it is recommended that the Priority Income and Efficiency Review process (PIER) continues.

Council Tax

106. The Council has a record of lower than average tax increases.

| Year | Hastings BC Tax Increase | National Average Increase | Hastings BC Council Tax Band D (£) |
|---------|--------------------------|---------------------------|------------------------------------|
| 2004/05 | 4.5% | 5.9% | 196.44 |
| 2005/06 | 3.8% | 4.1% | 203.86 |
| 2006/07 | 2.4% | 4.5% | 208.75 |
| 2007/08 | 3.5% | 4.2% | 216.06 |
| 2008/09 | 3.5% | 3.9% | 223.62 |
| 2009/10 | 3.5% | 3.0% | 231.45 |
| 2010/11 | 1.9% | 1.8% | 235.85 |
| 2011/12 | 0% | 0% | 235.85 |
| 2012/13 | 0% | 0.3% | 235.85 |
| 2013/14 | 0% | 0.8% | 235.85 |
| 2014/15 | 0% | 0.9% | 235.85 |
| 2015/16 | 1.9% | 1.1% | 240.33 |
| 2016/17 | 2.1% | 3.1% | 245.33 |

107. In considering any Council Tax increase in 2017/18 because of the fact that the Council Tax Base has decreased (due to the Council Tax Support Scheme and the government now paying grants to individual councils) 1% on the Council Tax will equate to around £62,800.

108. It is again open to the Council to increase Council Tax for 2017/18. The threshold to trigger a local referendum in 2017/18 is 2% or above as well as an increase that is greater than £5 for a Band D property.

109. The Council is unable to fully determine the Council Tax liability until the precept requirements of East Sussex County Council (ESCC), the Police and Crime Commissioner, and the East Sussex Fire Authority are known. The draft Council Tax figures in the appendices show an indicative 2.04% (£5 on a Band D property) increase for Hastings BC and a 1.99% increase plus an extra 2% for ESCC in respect of the Social Care Levy, 1.94% for the Fire Authority and a £5 (3.47%) increase for the Police and Crime Commissioner - Appendix M.

110. Council Tax is at £245.33 (Band D – Hastings BC element) and a 2.04% (£5 for a Band D property) increase in 2017/18 would take this to £250.33.

Capital Receipts

111. A number of revisions to the programme have been made to take account of changing circumstances. Appendix L provides the profile of programmed receipts.

In addition to the sites listed, opportunities for other asset sales and disposals continue to be explored.

112. Given the income generation options that are to be brought forward, disposal of the major sites will not now be undertaken without first assessing whether they are of interest for development by the Council itself or a wholly owned Council company. Such a policy does have big implications for the Council in that more schemes within the Capital programme will need to be financed by borrowing if materially delayed – with the ongoing consequences for the revenue account.
113. As ever it remains imperative that the Council maximises its capital receipts. Failure to do so will necessitate curtailment of the already limited capital programme given the costs of borrowing. The additional costs of borrowing fall directly on the revenue account in terms of interest payments and annual contributions towards the repayment of the principal (i.e. Minimum Revenue Provision (MRP)). If there are invest to save efficiencies then these costs may be offset. Appendix E identifies the capital financing requirement over the life of the capital programme – it does not include the implications of any major income generation schemes.
114. It should be noted that capital receipts can generally only be used for capital purposes. It is recommended that asset disposals be brought forward if market conditions make it sensible to do so.

Capital Programme

115. The capital programme analysed by service is attached (Appendix P).
116. The proposed programme satisfies the requirement that schemes meet the following criteria:-
- Contribute towards achieving the Council's corporate priorities and one or more of the following:-
- a. be of a major social, physical or economic regeneration nature,
 - b. meet the objective of sustainable development,
 - c. lever in other sources of finance such as partnership/lottery funding or provide a financial return for the Council,
 - d. is an "invest to save" scheme and reduces ongoing revenue costs to assist the revenue budget.
117. There is a need to maintain the property portfolio in order to avoid higher maintenance costs and declining assets in future years. This is vital where the Council's commercial estate is involved if rental streams are to be maintained and industry is to be attracted to the area in a period of economic uncertainty - and also given the increase in competition for tenants. To this end the Council has continued to refurbish industrial units. Likewise for the economic vitality of the town it is important that infrastructure remains well maintained. To this end the sum of

£50,000 p.a. within the Capital programme is retained for public realm enhancements.

118. Whilst the capital programme had been significantly reducing, albeit opportunities are still being sought for funding e.g. application to be resubmitted to the Heritage Lottery Fund in respect of the Castle, this has not been the case in 2016/17. The purchase of Muriel Matters House and the retail park plus completion of the BD food factory has resulted in some £13m of expenditure and a near doubling of the Council's borrowing requirement.
119. The level of Disabled Facility Grant (DFG) funding for 2016/17 was £1,407,000 and was advised on 10 February 2016. Figures have not yet been advised for 2017/18. The funding is from the Better Care Fund and paid to the Council from East Sussex County Council rather than directly by the government. The capital programme and Appendix A will be revised once figures for 2017/18 are advised. On a national basis funding for DFG's has increased from £220m in 2015/16 to £394m in 2016/17. It is set to increase to £500m by 2019/20 but the government have provided no indicative figures beyond 2016/17. This is a capital grant and can be used for DFG purposes only. The budget is not currently being fully committed – the projected underspends are being transferred to a new earmarked reserve.
120. The schemes included within the capital programme for 2017/18 are the Coastal Space (partnership with Amicus Horizon) - £875,000 grant for a further 30 properties, Pelham Crescent Arcade and roadway, Public Realm, Groyne repairs, Castle Access, and continuation of the Empty Homes programme.
121. There is one scheme where additional funding may be required following initial investigations – namely Pelham Crescent roadway. A separate report will be required to cabinet at a future date if additional funding is to be made available.
122. The Council approved in late 2016 the purchase of a parcel of industrial land. This is expected to complete shortly and proposals will be forthcoming for potential development. No allowance for this is made within the capital programme and as such will be the subject of a further report. Likewise a report on redevelopment at York Buildings will be forthcoming shortly.
123. The schemes remaining in the capital programme for 2018/19 and beyond are in respect of groyne refurbishments (£35k), Public Realm (£50k) and the Empty Homes programme (£70k), Coastal Space phase 3 and Sea Defence works (externally funded).
124. The capital programme in summary (net of external funding) amounts to:-

| | Revised 2016/17 £'000s | 2017/18 £'000s | 2018/19 £'000s | 2019/20 £'000s |
|------------------------------|------------------------------|-------------------|-------------------|-------------------|
| Gross Capital Expenditure | 17,364 | 6,005 | 2,681 | 1,128 |
| Net Capital Expenditure | 15,379 | 2,328 | 864 | 116 |
| Financing from own resources | 2,154 | 1,453 | 864 | 116 |
| Borrowing Requirement | 13,225 | 875 | 0 | 0 |

125. In terms of net cost, the 2016/17 programme has been revised to £15,379,000 from £7,929,000. The 2017/18 programme amounts to £2,328,000 (£6,005,000 Gross).
126. The draft capital programme shows the status of the schemes
- c denotes schemes which are committed
 - n denotes schemes that are new
 - u denotes schemes which are in the programme but as yet uncommitted
127. It is proposed that schemes marked with an asterisk proceed without further reference to Cabinet or Council.

Capital Programme - Incremental Impact on Band D Council Tax

128. In determining the affordability of new capital proposals the Council is required to consider the incremental impact on the Council Tax for future years. The impact is expressed in Band D equivalent amounts on the Council Tax. The purpose is to give the Council the opportunity to consider options for capital proposals and to highlight the potential future financial burden of capital investment decisions.
129. Where the programme is financed by capital receipts, reserves, external grants and contributions with limited borrowing the impact on the revenue budget at a time of low interest rates is relatively small. Details of revenue cost implications are highlighted in Appendix E, but in short the Council's capital programme remains affordable for 2017/18.

Minimum Revenue Provision (MRP)

130. Local authorities are required each year to set aside some of their revenues as provision for debt repayment. Unlike depreciation which is reversed out of the accounts, this provision has a direct impact on the Council Tax requirement. The provision is in respect of capital expenditure that is financed by borrowing or credit arrangements e.g. leases.
131. The Council is required to make a "Prudent Provision" which basically ensures that revenue monies are set aside to repay the debt over the useful life of the asset acquired i.e. the Minimum Revenue Provision. The MRP for 2017/18 is estimated at £831,669 (excluding any notional figures for leasing arrangements).

Reserves

132. The Local Government Act 2003 (Part 2) requires the Chief Finance Officer to report on the adequacy of the proposed financial reserves, and determine the minimum level required when setting the annual budget. There is no statutory minimum requirement, but reserves must be set at a prudent level given the activities of individual councils and potential liabilities that they face or may face in the future i.e. a risk based approach.

133. The strategic reasons for holding reserves are:-
- a. A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
 - b. A contingency to cushion the impact of unexpected events or emergencies
 - c. A means of building up funds to meet known or potential liabilities (provisions are used for liabilities with uncertain timings or amounts). Such reserves are referred to as Earmarked reserves.
 - d. To assist in the transition to a lower spending Council
 - e. To provide the Council with some resources in future years to meet corporate objectives particularly in the areas of economic development and community safety.
134. The Council maintains a working balance in accordance with (a) above in the sum of £500,000. In respect of (c) above there is a need to maintain assets to avoid higher maintenance costs and declining assets. This is vital where the Council's commercial estate is involved if rental streams are to be maintained and industry is to be attracted to the area. The full renewals and repairs programme is attached in Appendix J.
135. The estimated reserves position, as at 31 March 2017, is shown in Appendix H. As an absolute minimum, the combined level of the Capital Reserve and General Reserve should be £5m i.e. the non- earmarked reserves. This is the same as in 2016/17 and reflects the more difficult funding regime, as well as the experience of the last year which has seen financial claims being made against the Council e.g. pier claim, land charges, and the mandatory rate relief claim in respect of NHS properties. This level is required to be maintained to cover unexpected expenditure, e.g. emergencies, potential over runs of gross expenditure and further down turns in income sources, and was arrived at as follows:-
- (i) 10% downturn in income (sales, fees, rents, etc) - £1m
 - (ii) 5% over run in expenditure (including capital) - £2m
 - (iii) Unforeseen events/losses - £2m
136. In addition, given the economic environment and all the uncertainties described elsewhere, it is prudent to maintain the two reserves at a figure above the absolute minimum and wherever possible increase the level of reserves. Any under spends in the year must be considered as opportunities to strengthen the reserves and improve services for the future – given the funding uncertainties.
137. A new earmarked reserve has been established for unspent Disabled Facility Grant monies. These are capital grant monies from the government and cannot be used for revenue purposes.

138. The Council's earmarked reserves are reviewed at least twice a year for adequacy. If at any time the adequacy is in doubt the Chief Financial Officer is required to report on the reasons, and the action, if any, which he considers appropriate.
139. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to members on the robustness of the estimates and the adequacy of the reserves when considering the budget and Council Tax. It is the view of the Assistant Director - Financial Services & Revenues that the processes followed and the information systems used are sound and that the regular reporting and involvement of senior managers in managing budgets provides sufficient assurance that the resultant estimates are as robust as present economic circumstances allow and that the reserves are currently adequate.

Consultation

140. The draft Corporate Plan and Budget is the subject of consultation (from Friday 13 January 2017). The closing date for comments (Friday 10 February) is after the dispatch of this agenda and therefore any further comments received will be reported verbally to Budget Cabinet on 13 February. Comments received from the business community, voluntary and community sector organisations and the Overview and Scrutiny Committee meeting are to be included within the Corporate Plan report elsewhere on the agenda.
141. The full Council meets to set the budget on 22 February 2017.

Equalities and Community Cohesiveness

142. The equalities implications of the proposals included in the draft budget and corporate plan are set out in Appendix K2. Members are reminded that they are under a duty to give due regard to considerations of equality when making decisions regarding the Budget and Corporate Plan, (Equality Act 2010). As with the consultation feedback set out above, if any information is submitted as part of the consultation which requires a revision of this assessment, this too will be made available to Members at the Budget Cabinet meeting.

Risk Management

143. Numerous risks are highlighted in this report, and further comment is made below. The risks include reduced government funding, enhanced demand for Council services, delays in asset disposals. There are continuing risks surrounding the funding and employment of staff delivering housing benefits over the next few years. To balance the budget the Council has had once again to seek efficiency savings, review the capital programme, review fees and charges, and make cuts in services and grants. It will need to further prioritise its objectives and identify where it would need to make savings to balance the budget in 2018/19 and beyond.
144. Given uncertainty in the economic outlook and the continuing reductions in government funding the Council needs to preserve and enhance where possible the existing level of reserves – this report makes strong recommendations for doing so based on future funding projections. The Council also needs to ensure that it continues to invest in its people, its IT services and its commercial assets.

145. The Council seeks to identify further opportunities for collaborative working, plus identify, investigate and implement efficiencies, identify income generation opportunities and ensure that potential savings are monitored and achieved.
146. The Council maintains risk registers for corporate risks and for individual services. These continue to be updated and reviewed on a regular basis and steps are taken to mitigate the risks wherever possible and practical. The transition to a lower spending Council, by joint working, and reduced staffing levels also poses additional risks.

Key financial risks to the Council in future years include:-

- (i) Business Rates retention – volatility in income streams arising from both local and national economic pressures, the level of successful rating appeals, and collection rates.

The Council continues to rebut a backdated claim for mandatory rate relief in respect of NHS properties amounting to some £4.3m for the last 6 years. If the claim were ever to be accepted the ongoing loss of revenue would amount to an estimated £776,000 p.a. of which Hastings would pick up 40% (£310,000 p.a.). The Council's share of the £4.3m would amount to some £1.7m (40%). The Local Government Association are coordinating support i.e. providing Counsel's advice on behalf of the hundred plus local authorities potentially affected. In the meantime the minimum level of Reserves that the Council has needs to be maintained.

- (ii) Income Generation (including the preservation and enhancement of existing schemes)

The Council is seeking to grow its income streams considerably. New initiatives need proper and effective governance arrangements and business cases will need to be robust. Due diligence needs to be thoroughly undertaken, often under restricted timescales, along with financial and taxation implications. The employment of the Income Generation Manager should help the Council to identify and progress viable schemes – thus helping to reduce the risk of unbalanced budgets in future years. There will however be considerable pressure on existing staff and prioritisation will be required.

The potential impact on the authority should things go wrong needs to be considered prior to the approval of individual schemes, along with potential exit strategies.

It also remains of critical importance that budget managers retain sufficient capacity to manage their services and the budgets delegated to them when new initiatives are being implemented. Careful monitoring and regular review of existing initiatives is also required e.g. selective licensing, social lettings agency.

- (iii) Joint working/ shared services. The Council has achieved significant annual savings as a result of the joint procurement exercise for waste collection and street cleaning services and also for grounds maintenance services, building control, procurement, financial systems. It remains very important for the

authority that the joint working is successful if the delivery of the savings is to be achieved.

- (iv) Staffing / Knowledge Management. The loss of key staff through early retirement or redundancy.
- (v) Welfare Reform (Universal Credit and Council Tax Support). There is a significant financial risk of increased Council Tax support payments being made in the year should the economy falter– the financing risk falling on the Council. The scheme approved is for a further period of one year to March 2018. The Council will consider a new scheme for 2018/19 with all the implications this has on the local community and the Council in devising the scheme. The stepped roll out of Universal Credit continued on the 14 December 2016 with all new working age claimants being moved across as against just single claimants. According to the DWP timetable the transfer of existing claimants to Universal Credit is expected to be completed by 2022.
- (vi) Restructuring Costs. In order to make savings of the magnitude required in the future, the Council will need to further reconsider what services it can provide and to what level. The continued transformation and digitalisation of services continues and further restructuring seems inevitable. Voluntary and/or compulsory redundancies have large financial consequences for the authority, both in terms of direct payments but also generally on the Pension Fund - in addition to the effect on the capacity of the organisation and knowledge management implications. The Council established a Redundancy Reserve as part of the budget setting process in 2011/12 which has been added to when possible (balance at 31 March 2016 was £648,000). The intention will be to meet any additional redundancy costs from either the existing 2017/18 provision or the redundancy reserve. The reserve assists in transforming the Council to a lower spending organisation in the years ahead.
- (vii) PIER savings. The identification of new, and realisation of already identified, savings will be critical for the Council to achieve a sustainable budget in the future.
- (viii) Treasury Management – borrowing costs, investment security and level of returns.
- (ix) Potential Liabilities
 - (i) The Council is currently involved in a legal claim following the closure of the Pier in 2006 – which may see the question of costs being resolved shortly.
 - (ii) Additional costs could arise from the cliffs surveys once clearance and repair work commences - which would impact on the Renewals and Repairs reserve in the first instance.
- (x) The Economy. The economic and financial uncertainty surrounding Brexit will be a major risk for some years. The Council relies upon its income streams to provide services. Inflationary pressures having eased over the last few years look set to increase and will have real implications for the Council given the continued reductions in funding.

- (xi) New Legislation – changes in the Housing Act, changes in the waste directive on recycling targets for example are all likely to impact on the Council's activities over the next four years.

Economic/ Financial Implications

147. The report supports the alignment of corporate priorities with available resources, produces a robust and balanced budget for 2017/18 (albeit with significant use of reserves). There are a number of projects forthcoming within the capital programme to assist the continuation of the regeneration of Hastings.
148. The financial implications in 2017/18 and beyond are detailed in the report. However, significant further action by the Council will be required to produce a sustainable budget beyond 2018/19 and this may result in more job losses.
149. The economic regeneration of the town remains a key priority for the Council. The ability to work with partners to help stimulate the local economy continues but will be seriously reduced in the future with the reductions in our funding. However in the short term the Council established some limited reserves for economic development and for community safety as a means of ensuring the Council can continue to make a contribution to the regeneration of the town over the next few years. These are being used to support the budget in 2017/18 and beyond.
150. The continued reduction in government funding and public sector jobs along with the reduction in the Council's spending power could have a negative effect on the local economy.

Organisational Consequences

151. There is a loss of a number of posts and the organisation seeks to minimise the impact on Council services through efficiencies. There will inevitably be consequences from time to time as this process continues given the substantial savings the Council is required to make. The Council seeks to minimise the impact wherever possible through redeployment and voluntary severance.

Anti-Poverty

152. The Council took the decision to retain the Council Tax Support scheme in its existing form in December 2016 and hence help protect some of the more vulnerable households in the community.

Equalities and Community Cohesiveness

153. An assessment of equality impacts is set out in Appendix K(ii) and will be considered as part of the consultation process.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Policy Implications

Please identify if this report contains any implications for the following:

| | |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | Yes |
| Crime and Fear of Crime (Section 17) | No |
| Risk Management | Yes |
| Environmental Issues | No |
| Economic/Financial Implications | Yes |
| Human Rights Act | No |
| Organisational Consequences | Yes |
| Local People's Views | Yes |
| Anti-Poverty | Yes |

Additional Information

The Appendices and supporting documents are also available from the Council's website under the heading of Hastings Borough Council budget
http://www.hastings.gov.uk/decisions_democracy/transparency/budgets_finance/

Officer to Contact

Peter Grace
pgrace@hastings.gov.uk
01424 451503

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Budget - Draft for consultation 2017-2018

Management Edition



Appendices to Budget Report

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REVENUE BUDGET SUMMARY**Appendix A**

| | 2016-2017 Original Budget £ | 2016-2017 Revised Budget £ | 2017-2018 Estimate Budget £ |
|--|--|---|--|
| Directorates | | | |
| Corporate Resources | 3,020,824 | 2,439,090 | 2,549,082 |
| Operational Services | 12,346,189 | 13,260,480 | 11,953,233 |
| Direct Service Expenditure | 15,367,013 | 15,699,570 | 14,502,315 |
| Contingency Provision (incl. R&R Reserve) | 400,000 | 340,000 | 400,000 |
| Total Service Expenditure | 15,767,013 | 16,039,570 | 14,902,315 |
| Provision for the Repayment of Principal (MRP) | 519,642 | 504,975 | 831,669 |
| Net Interest (Earnings) / Payments | 218,000 | 178,436 | 232,753 |
| Total Expenditure | 16,504,655 | 16,722,981 | 15,966,737 |
| Amount to be met from Grant and Collection Fund | | | |
| Government Grant - Revenue Support Grant | (2,835,303) | (2,835,303) | (2,038,000) |
| New Homes Bonus | (1,387,912) | (1,387,912) | (1,008,963) |
| New Homes Bonus Return Funding | (8,404) | (8,404) | (8,670) |
| NNDR (Surplus) / Deficit | 638,660 | 638,660 | 236,693 |
| Council Tax (Surplus) / Deficit | (164,593) | (164,593) | (232,205) |
| Disabled Facilities Grant | (1,407,313) | 0 | 0 |
| Housing Benefit Administration Grant | (560,000) | (568,874) | (460,841) |
| Council Tax Support Admin Grant | (190,000) | (189,698) | (178,467) |
| Transition Grant | (5,493) | (5,493) | (5,466) |
| Business Rates | (3,059,860) | (3,104,902) | (3,104,902) |
| Business Rates - Pooling | (58,124) | (35,603) | 0 |
| Business Rates - Section 31 Grant | (605,868) | (647,516) | (549,571) |
| Council Tax | (6,054,254) | (6,054,254) | (6,282,031) |
| Total Funding | (15,698,464) | (14,363,892) | (13,632,423) |
| Funding deficit / (surplus) | 806,191 | 2,359,089 | 2,334,314 |
| <u>Reserve movements</u> | | | |
| Contributions to Capital from Grant and Revenue (Appendix B) | 1,377,313 | 0 | 0 |
| Contributions to Reserves (e.g. R&R) | 996,000 | 908,989 | 958,619 |
| Use of Earmarked Reserves (see Appendix H) | (2,297,712) | (2,996,772) | (2,686,546) |
| Net Contribution to/(from) Reserves | 75,601 | (2,087,783) | (1,727,927) |
| <u>Use of Reserves to fund Deficit</u> | | | |
| Transfer from Transition Reserve | (581,792) | (271,306) | (406,387) |
| Transfer to/(from) Specific Reserve | (300,000) | 0 | (200,000) |
| Total | (881,792) | (271,306) | (606,387) |
| General Fund Movement | | | |
| Net Council Expenditure | 16,580,256 | 14,635,198 | 14,238,810 |

Appendix A (continued)

COUNCIL TAX

| <u>2016-2017</u> | | | <u>2017-2018</u> | | |
|-------------------------|------------------|---------------------------------------|-------------------------|------------------|----------|
| Total | Band D | | Total | Band D | Increase |
| £ | £ | | £ | £ | % |
| 15,698,464 | | Budget requirement | 13,632,423 | | |
| (2,835,303) | | Revenue Support Grant | (2,038,000) | | |
| (190,000) | | Efficiency Support Grant | (178,467) | | |
| (1,387,912) | | New Homes Bonus | (1,008,963) | | |
| 474,067 | | Collection Fund (Surplus) / Deficit | 4,488 | | |
| (2,835,202) | | Other non-ring fenced grants | (1,024,548) | | |
| (3,059,860) | | Retained Business Rates | (3,104,902) | | |
| 5,864,254 | 245.33 | Borough Council Tax | 6,282,031 | 250.33 | 2.04% |
| 30,894,388 | 1,251.90 | County Council Precept | 32,666,804 | 1,301.73 | 3.98% |
| 2,140,076 | 86.72 | Fire Authority Precept | 2,218,457 | 88.40 | 1.94% |
| 3,674,801 | 148.91 | Police and Crime Commissioner Precept | 3,862,371 | 153.91 | 3.36% |
| 42,573,519 | 1,732.86 | Total Council Tax | 45,029,664 | 1,794.37 | 3.55% |
| | 24,281.00 | Council Taxbase at Band D | | 25,095.00 | |

TABLE OF COUNCIL TAX BANDS AND AMOUNTS :

| 2016-2017 | Relationship | East Sussex | Police and Crime | East Sussex | Hastings | Total | |
|------------------|--|--------------------|-------------------------|---------------------|-----------------------|--------------|---------------|
| Amount | Band and Value * | to Band D | C.C. | Commissioner | Fire Authority | B.C. | Amount |
| £1,155.23 | A - up to £40,000 | 6 / 9 | £867.82 | £102.61 | £58.93 | £166.89 | £ 1,196.25 |
| £1,347.78 | B - £40,001 up to £52,000 | 7 / 9 | £1,012.45 | £119.71 | £68.76 | £194.70 | £ 1,395.62 |
| £1,540.31 | C - £52,001 up to £68,000 | 8 / 9 | £1,157.09 | £136.81 | £78.58 | £222.52 | £ 1,595.00 |
| £1,732.86 | D - £68,001 up to £88,000 | - | £1,301.73 | £153.91 | £88.40 | £250.33 | £ 1,794.37 |
| £2,117.94 | E - £88,001 up to £120,000 | 11 / 9 | £1,591.00 | £188.11 | £108.05 | £305.96 | £ 2,193.12 |
| £2,503.02 | F - £120,001 up to £160,000 | 13 / 9 | £1,880.27 | £222.31 | £127.69 | £361.59 | £ 2,591.86 |
| £2,888.09 | G - £160,001 up to £320,000 | 15 / 9 | £2,169.54 | £256.52 | £147.34 | £417.22 | £ 2,990.62 |
| £3,465.72 | H - over £320,000 | 18 / 9 | £2,603.45 | £307.82 | £176.80 | £500.66 | £ 3,588.73 |
| 43,008 | Number of properties on Council Tax Banding List | | | | | | 43,141 |
| £24,678.00 | Each £1 of Council Tax at Band D will raise | | | | | | £ 25,095 |

Appendix A (continued)

1. BUSINESS RATES BASELINE

| | Budget 2016-17 Amount £ | Revised Budget 2016-17 Amount £ | Budget 2017-18 Amount £ |
|---|--|--|--|
| Tariff Calculation | | | |
| Business Rates Baseline for HBC | 8,866,168 | 8,866,168 | 8,866,168 |
| DCLG calculation of baseline funding level | 3,495,559 | 3,495,559 | 3,495,559 |
| Tariff | 5,370,609 | 5,370,609 | 5,370,609 |
| HBC Rate income calculation | | | |
| Business rates precept | 8,546,717 | 8,546,717 | 8,546,717 |
| Difference between precept and income | 0 | (133,038) | (133,038) |
| Total income | 8,546,717 | 8,413,679 | 8,413,679 |
| Levy calculation | | | |
| Total income | 8,546,717 | 8,413,679 | 8,413,679 |
| Add 50% small business relief | 503,032 | 549,648 | 549,648 |
| Add reliefs attracting Section 31 grant | 48,914 | 45,252 | 45,252 |
| Adjusted income | 9,098,663 | 9,008,579 | 9,008,579 |
| Less Tariff | (5,370,609) | (5,370,609) | (5,370,609) |
| | 3,728,054 | 3,637,970 | 3,637,970 |
| Baseline funding level | (3,495,559) | (3,495,559) | (3,495,559) |
| Growth | 232,495 | 142,411 | 142,411 |
| Levy payable (50% of growth) | 116,248 | 71,206 | 71,206 |
| Pooling income (50% of levy) | (58,124) | (35,603) | 0 |
| Safety Net calculation | | | |
| Baseline funding level | 3,495,559 | 3,495,559 | 3,495,559 |
| Threshold (92.5% of baseline funding level) | 3,233,392 | 3,233,392 | 3,233,392 |
| Adjusted income less Tariff | 3,728,054 | 3,637,970 | 3,637,970 |
| Difference | 494,662 | 404,578 | 404,578 |
| Safety Net receivable | 0 | 0 | 0 |
| Business Rates Collection | | | |
| Business Rates precept | 8,546,717 | 8,546,717 | 8,546,717 |
| Tariff | (5,370,609) | (5,370,609) | (5,370,609) |
| Levy | (116,248) | (71,206) | (71,206) |
| Safety Net | 0 | 0 | 0 |
| Net Business Rates collection | 3,059,860 | 3,104,902 | 3,104,902 |

2. COLLECTION FUND

| | 2016-2017 Original Budget £ | 2016-2017 Revised Budget £ | 2017-2018 Estimate Budget £ |
|---|--|---|--|
| Council Tax (Surplus)/ Deficit | (164,593) | (164,593) | (232,205) |
| Non Domestic Rates (Surplus)/ Deficit | 638,660 | 638,660 | 236,693 |
| Total Collection Fund (Surplus)/ Deficit | 474,067 | 474,067 | 4,488 |

INTEREST, MINIMUM REVENUE PROVISION & CONTRIBUTIONS TO RESERVES

Appendix B

| | 2016-17 Original Budget £000's | 2016-17 Revised Budget £000's | 2017-18 Estimated Outturn £000's |
|--|---|--|---|
| Net Interest Payments | 218 | 178 | 233 |
| Contributions to Reserves | 996 | 909 | 959 |
| Minimum Revenue Provision (Statutory provision for principal repayment arising from borrowing requirement) | 520 | 505 | 832 |
| Total | 1,734 | 1,593 | 2,023 |
| Interest | £000's | £000's | £000's |
| Gross Interest Payable | 572 | 675 | 974 |
| Gross Interest Received | (249) | (223) | (187) |
| Income and expenditure in relation to investment properties | (67) | (229) | (535) |
| Fees | 13 | 6 | 0 |
| Other charges | (51) | (51) | (19) |
| | 218 | 178 | 233 |
| Contributions to Capital Spend from Grant and Reserves | £000's | £000's | £000's |
| Disabled Facilities Grant | 1,377 | | |
| | 1,377 | 0 | 0 |
| Contributions to Reserves | £000's | £000's | £000's |
| IT Reserve | 214 | 214 | 214 |
| Government Grant Reserve | 0 | 117 | 210 |
| Section 106 Reserve | 0 | 0 | 0 |
| Transfer to Reserves re: LAMS | 32 | 23 | 3 |
| Transfer to Specific Reserve re: Selective Licensing | 233 | 17 | 23 |
| R&R General | 420 | 420 | 420 |
| R&R White Rock Theatre | 80 | 80 | 80 |
| R&R re: New Vehicles | 8 | 8 | 8 |
| Registration of Electors - IER Grant | 0 | 19 | 0 |
| First World War Reserve | 9 | 11 | 0 |
| | 996 | 909 | 959 |
| Transfers to/ between Reserves | £000's | £000's | £000's |
| Transfer from General Reserve to IT Reserve | 0 | 0 | 0 |
| Transfer to Transition Reserve from Capital Reserve | 0 | 0 | 0 |
| Transfer to Transition Reserve from General Reserve | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| Total Income and Transfers | 996 | 909 | 959 |

CAPITAL PROGRAMME SUMMARY

| | Capital Costs | | | | | Total over Prog Period £'000 |
|----------------------|------------------------------|-----------------------------|------------------|------------------|------------------|------------------------------------|
| | 2016/17 Original £'000 | 2016/17 Revised £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | |
| Corporate Resources | 6,049 | 14,529 | 500 | | | 15,029 |
| Operational Services | 1,860 | 781 | 1,618 | 764 | 116 | 2,399 |
| | 7,909 | 15,310 | 2,118 | 764 | 116 | 17,428 |

Net cost by Service

| | | | | | | |
|----------------------|--------------|---------------|--------------|------------|------------|---------------|
| Corporate Resources | 6,049 | 14,529 | 500 | | | 15,029 |
| Operational Services | 1,860 | 781 | 1,618 | 764 | 116 | 2,399 |
| | 7,909 | 15,310 | 2,118 | 764 | 116 | 17,428 |

Net cost by Status

| | | | | | | |
|---------------------|--------------|---------------|--------------|------------|------------|---------------|
| Committed Schemes | 7,580 | 15,008 | 1,341 | 764 | 116 | 16,349 |
| Uncommitted Schemes | 329 | 105 | 277 | | | 382 |
| New Schemes | | 197 | 500 | | | 697 |
| | 7,909 | 15,310 | 2,118 | 764 | 116 | 17,428 |

| | Revenue Costs | | | | | Full Year £'000 |
|--|------------------------------|-----------------------------|------------------|------------------|------------------|-----------------------|
| | 2016/17 Original £'000 | 2016/17 Revised £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | |
| | (236) | (177) | (177) | (159) | (159) | (159) |
| | 74 | 94 | 94 | 177 | 257 | 257 |
| | (162) | (83) | (83) | 18 | 98 | 98 |

| | | | | | | |
|--|------------|-------------|-------------|-----------|-----------|-----------|
| | (177) | (139) | (139) | (69) | 11 | 11 |
| | 15 | 22 | 22 | 35 | 35 | 35 |
| | | 34 | 34 | 52 | 52 | 52 |
| | 171 | (83) | (83) | 18 | 98 | 98 |

Gross cost of schemes analysed by service

| | | | | | | |
|----------------------|---------------|---------------|--------------|--------------|--------------|---------------|
| Corporate Resources | 6,049 | 14,569 | 500 | | | 21,118 |
| Operational Services | 4,444 | 2,795 | 5,295 | 2,681 | 1,128 | 16,343 |
| | 10,493 | 17,364 | 5,795 | 2,681 | 1,128 | 37,461 |

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Appendix E

CAPITAL PROGRAMME FINANCING STATEMENT**Appendix E**

| | 2016/17 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Total over life of Programme |
|---|--------------|------------------|--------------|------------|------------|---------------------------------|
| | £'000 | Revised £'000 | £'000 | £'000 | £'000 | £'000 |
| Spending | | | | | | |
| Capital Spending | | | | | | |
| Total Gross Spend | 10,493 | 17,364 | 5,795 | 2,681 | 1,128 | 26,968 |
| Assumed Slippage | 0 | 0 | 0 | 0 | 0 | 0 |
| Funding from other HBC sources | 20 | 69 | 0 | 100 | 0 | 169 |
| Capital Grants and Contributions Received | (2,584) | (2,054) | (3,677) | (1,917) | (1,012) | (8,660) |
| Capital Requirement | 7,929 | 15,379 | 2,118 | 864 | 116 | 18,477 |
| Financing available | | | | | | |
| New Capital receipts in year | 530 | 969 | 3,772 | 50 | 0 | 4,791 |
| Bfwd Capital Receipts | 283 | 0 | 5 | 2,841 | 2,806 | 0 |
| Total | 813 | 969 | 3,777 | 2,891 | 2,806 | 10,443 |
| Finance Used | | | | | | |
| Capital Reserve / Revenue/R&R reserve | 690 | 1,040 | 307 | 779 | 31 | 2,157 |
| Capital Receipts used from asset sales | 472 | 1,114 | 936 | 85 | 85 | 2,220 |
| Capital receipts from prior years | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Financing available from internal resources | 1,162 | 2,154 | 1,243 | 864 | 116 | 4,377 |
| Remaining Financing Requirement | 6,767 | 13,225 | 875 | 0 | 0 | 14,100 |
| Net Interest Cost of the Capital Programme | | | | | | |
| Minimum Revenue Provision (MRP) based on Net Capital Financing Requirement over the Programme Period | 146 | 146 | 276 | 306 | 276 | 890 |
| | 15 | 15 | 67 | 67 | 67 | 164 |
| Summary: Financial Implications of the Capital Programme: | | | | | | |
| Interest & MRP | 161 | 161 | 343 | 373 | 343 | 1,220 |
| Other Revenue Costs / (Savings) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total additional costs | 161 | 161 | 343 | 373 | 343 | 1,220 |

Government Grant Reserves

Appendix F

| Cost Centre | Description | Holding account | Balance b/f 1 April 2016 £ 000's | Income & Transfers £ 000's | Expenditure & Transfers £ 000's | Balance c/f 31 March 2017 £ 000's | Income & Transfers £ 000's | Expenditure & Transfers £ 000's | Balance c/f 31 March 2018 £ 000's |
|--------------|----------------------------------|-----------------|-------------------------------------|-------------------------------|------------------------------------|--------------------------------------|-------------------------------|------------------------------------|--------------------------------------|
| 1055 | DCE-Revenues Division | X394 | (332) | | 30 | (302) | | 50 | (252) |
| 1054 | New Burdens | X896 | (10) | | | (10) | | | (10) |
| 1945 | Getting Hastings Ready | X406 | (1) | | 1 | (0) | | | (0) |
| 1985 | Coastal Change Pathfinders | X396 | (25) | | | (25) | | | (25) |
| 1988 | FLAG | X407 | (16) | | | (16) | | | (16) |
| 4137 | Land Auction Pilot | X409 | (67) | | | (67) | | | (67) |
| 4138 | Preventing Repossessions | X408 | 0 | | | 0 | | | 0 |
| 5107 | Tobacco control | X368 | (7) | | 7 | 0 | | | 0 |
| 6000 | Museums & Art Galleries | X083 | 0 | | | 0 | | | 0 |
| 6009 | Exhibitions museums - K990 | X052 | (1) | | 1 | 0 | | | 0 |
| 6301 | Parks & Gardens - K990 | X096 | 0 | | | 0 | | | 0 |
| 6652 | British Heart Foundation Project | X371 | 0 | | | 0 | | | 0 |
| 6657 | Active Hastings | X094 | (33) | | 29 | (4) | | 4 | (0) |
| 6666 | PCT play grant | X376 | (4) | | | (4) | | | (4) |
| 6667 | Play Pathfinder | X375 | 0 | | | 0 | | | 0 |
| 6669 | Active Women | X377 | 0 | | | 0 | | | 0 |
| 6651 | Street Games | X065 | (28) | | 22 | (6) | | 6 | (0) |
| 1927/45 | East Sussex Arts Partnership | X036 | (10) | | 10 | 0 | | | 0 |
| 6675 | Sports for All | X550 | (6) | | | (6) | | | (6) |
| 6508 | Countryside Stewardship | X321 | (36) | (11) | | (47) | | 8 | (39) |
| 4004 | Syrian Resettlement Programme | NEW | 0 | (106) | | (106) | (210) | | (316) |
| 6640 | Opening Doors - Sport England | X551 | (38) | | 1 | (37) | | | (37) |
| Total | | | (614) | (117) | 101 | (630) | (210) | 68 | (772) |

Revenue Budget Forward Plan

Appendix G

| Ref | <u>2016-17</u> <u>Revised</u> <u>Budget</u> <u>£000's</u> | <u>2017-18</u> <u>Budget</u> <u>£000's</u> | Forward Inflation assumption | <u>2018-19</u> <u>Projection</u> <u>£000's</u> | <u>2019-20</u> <u>Projection</u> <u>£000's</u> |
|-----|--|--|------------------------------------|--|--|
| 1 | 15,700 | 14,502 | 2.00% | 14,872 | 15,250 |
| 2 | | | | 50 | 100 |
| 3 | | | | 70 | 0 |
| 4 | | | | (50) | (50) |
| 5 | | | | (46) | (382) |
| 6 | | | | (40) | (80) |
| 7 | | | | 25 | 25 |
| 8 | | | | 19 | 19 |
| 9 | 340 | 400 | | 400 | 400 |
| 10 | 178 | 233 | | 233 | 233 |
| 11 | 505 | 832 | | 850 | 850 |
| 12 | 909 | 959 | | 960 | 960 |
| 13 | (2,997) | (2,687) | | (2,687) | (2,687) |
| 14 | 14,635 | 14,239 | | 14,657 | 14,638 |
| 15 | 24,678 | 25,095 | 0.40% | 25,195 | 25,296 |
| 16 | 245.33 | 250.33 | 1.99% | 255.33 | 260.41 |
| 17 | (6,054) | (6,282) | | (6,433) | (6,587) |
| 18 | (3,105) | (3,105) | | (3,105) | (3,105) |
| 19 | (2,835) | (2,038) | | (1,542) | (988) |
| 20 | 0 | 0 | | 0 | 0 |
| 21 | (1,388) | (1,009) | | (762) | (762) |
| 22 | (8) | (9) | | (9) | (9) |
| 23 | (190) | (178) | | (161) | (145) |
| 24 | (569) | (461) | | (415) | (373) |
| 25 | (5) | (5) | | 0 | 0 |
| 26 | 639 | 237 | | 0 | 0 |
| 27 | (36) | 0 | | 0 | 0 |
| 28 | (648) | (550) | | (550) | (550) |
| 29 | (165) | (232) | | 0 | 0 |
| 30 | (14,364) | (13,632) | | (12,976) | (12,519) |
| 31 | 271 | 606 | | 1,681 | 2,119 |
| 32 | | | | | |
| 33 | | | | | |
| 34 | (271) | (406) | | (750) | (750) |
| 35 | | | | | |
| 36 | | (100) | | (100) | (100) |
| 37 | | (100) | | (100) | (100) |
| 38 | 0 | (0) | | 731 | 1,169 |

RESERVES

Appendix H

| | 2016 / 17 | | | 2017 / 18 | | | |
|---------------------------------------|-------------------------------------|--------------------------------|-------------------------------------|------------------------------------|--------------------------------|-------------------------------------|------------------------------------|
| | Balance at 1 April 2016 £'000 | Income & Transfers £'000 | Expenditure & Transfers £'000 | Balance at 31 Mar 2017 £'000 | Income & Transfers £'000 | Expenditure & Transfers £'000 | Balance at 31 Mar 2018 £'000 |
| General Reserve | (7,537) | (17) | 15 | (7,539) | (23) | 0 | (7,562) |
| Capital Reserve | (725) | (72) | 372 | (425) | 0 | 70 | (355) |
| Earmarked Reserves | 0 | | | | | | |
| Renewal and Repairs Reserve | (1,854) | (508) | 870 | (1,492) | (508) | 728 | (1,272) |
| Risk Management Reserve | (340) | 0 | 20 | (320) | 0 | 20 | (300) |
| Information Technology Reserve | (218) | (214) | 268 | (164) | (214) | 284 | (94) |
| On-Street Car Parking Surplus Reserve | (65) | 0 | 23 | (42) | 0 | 40 | (2) |
| s106 reserve | (546) | 0 | 55 | (491) | 0 | 16 | (475) |
| VAT reserve | (257) | 0 | 0 | (257) | 0 | 237 | (20) |
| Government Grant Reserve | (614) | (117) | 101 | (630) | (210) | 68 | (772) |
| Monuments in perpetuity | (51) | 0 | 5 | (46) | 0 | 5 | (41) |
| Ore Valley Reserve | (250) | 0 | 0 | (250) | 0 | 0 | (250) |
| Mortgage reserve (LAMS) | (125) | (23) | 0 | (148) | (3) | 0 | (152) |
| Resilience and Stability Reserve | (600) | 0 | 0 | (600) | 0 | 0 | (600) |
| Transition Reserve | (2,222) | 0 | 271 | (1,951) | 0 | 406 | (1,544) |
| Redundancy Reserve | (648) | 0 | 0 | (648) | 0 | 225 | (423) |
| Community Safety Reserve | (350) | 0 | 0 | (350) | 0 | 100 | (250) |
| Economic Development Reserve | (504) | 0 | 1 | (503) | 0 | 100 | (403) |
| Registration of Electors - IER Grant | 0 | (19) | 0 | (19) | 0 | 19 | 0 |
| Safer Hastings Partnership | (41) | 0 | 0 | (41) | 0 | 0 | (41) |
| Disabled Facilities Grant | 0 | (1,407) | 960 | (447) | (1,407) | 1,060 | (795) |
| Bathing Water Project | (32) | 0 | 32 | 0 | 0 | 0 | 0 |
| First World War Project | (5) | (11) | 0 | (17) | 0 | 4 | (13) |
| Coastal Communities Grant Reserve | (10) | 0 | 0 | (10) | 0 | 0 | (10) |
| Invest to save and efficiency reserve | (952) | 0 | 353 | (599) | 0 | 178 | (421) |
| Clinical Commissioning Group | (1,695) | 0 | 651 | (1,044) | 0 | 1,041 | (3) |
| Young Peoples Council | (10) | 0 | 10 | (0) | 0 | 0 | (0) |
| Carry-forward reserve | (457) | 0 | 457 | 0 | 0 | 0 | 0 |
| Selective Licensing Reserve | 0 | (17) | 17 | 0 | (23) | 23 | 0 |
| Revenue Hardship Fund | (80) | 0 | 0 | (80) | 0 | 0 | (80) |
| | (20,187) | (2,405) | 4,482 | (18,110) | (2,389) | 4,623 | (15,876) |

RESERVES**Appendix H**

| | 2016 / 17 | | 2017 / 18 |
|--|-----------------------------------|----------------------------------|-----------------------------------|
| EXPENDITURE FUNDED BY USE OF RESERVES | 2016-17 Original £ | 2016-17 Revised £ | 2017-18 Estimate £ |
| General Reserve | | | |
| General Reserve Saving to/(use of) | 0 | 0 | 0 |
| Capital Expenditure (CCTV) | | (15,000) | 0 |
| Total | 0 | (15,000) | 0 |
| Transfers between Reserves | | | |
| Selective Licensing Reserve to General Reserve | 102,000 | 16,570 | 23,045 |
| | 102,000 | 16,570 | 23,045 |
| Carry forward Reserve | | | |
| Carried forward | | (457,331) | |
| | | (457,331) | |
| Capital Reserve | | | |
| 2016 - 950th Anniversary (£330k in total over 3 years) | (84,979) | (189,870) | 0 |
| Various Capital Expenditure to be Financed | (65,000) | (162,000) | |
| CPO - Empty Homes Strategy -capital | (70,000) | (20,000) | (70,000) |
| | (219,979) | (371,870) | (70,000) |
| Disabled Facilities Grant | | | |
| Disabled Facilities Grant - Salaries | 0 | (60,000) | (60,000) |
| Disabled Facilities Grant - Capital | 0 | (900,000) | (1,000,000) |
| | 0 | (960,000) | (1,060,000) |
| VAT reserve | | | |
| Castle Capital Scheme | (214,000) | 0 | (237,000) |
| | (214,000) | 0 | (237,000) |
| Cost Centre | £ | £ | £ |
| Economic Development Reserve | | | |
| General Fund (17/18) | 1999 | (1,000) | (1,160) |
| | | (1,000) | (1,160) |
| Community Safety Reserve | | | |
| General Fund | 0 | 0 | (100,000) |
| | 0 | 0 | (100,000) |
| Renewal & Repairs Reserve | | | |
| (per programme of works - Appendix J) | (780,100) | (770,120) | (627,500) |
| Capital | 0 | | |
| Vehicles | 0 | | |
| Contingency | (100,000) | (100,000) | (100,000) |
| | (880,100) | (870,120) | (727,500) |
| Transition Reserve | | | |
| Transfer to General Fund | (581,792) | (271,306) | (406,387) |
| Resilience and Stability Reserve | | | |
| | (300,000) | 0 | 0 |
| Information Technology Reserve | | | |
| (per programme of works - Appendix I) | (333,000) | (268,000) | (284,000) |
| | (333,000) | (268,000) | (284,000) |
| Invest to Save & Efficiency Reserve | | | |
| Transfer to General Fund | (249,151) | (292,240) | (178,170) |
| Transfer to Capital Reserve | 0 | (61,000) | |
| | (249,151) | (353,240) | (178,170) |
| Redundancy Reserve | | | |
| Transfer to General Fund | (225,000) | 0 | (225,000) |
| | (225,000) | 0 | (225,000) |

RESERVES**Appendix H**

| | 2016 / 17 | | 2017 / 18 |
|--|---------------------|--|------------------------------------|
| Earmarked Reserves | 2016-17 Original | 2016-17 Revised | 2017-18 Estimate |
| Government Grant Reserve | | | |
| capital (further details - Appendix F) | various | (170,000) (101,000) | (67,820) (67,820) |
| Monuments in Perpetuity | | | |
| capital Revenue | 3102 | (5,000) (5,000) | (5,000) (5,000) |
| s106 Reserve | | | |
| Capital Revenue | various | (47,000) (62,000) (109,000) | (39,000) (16,000) (16,000) |
| On-Street Car Parking Surplus Reserve | | | |
| Bus Shelter improvements Havelock Road Crossing | 1501 1504 | (22,770) (22,770) | 0 (40,000) (40,000) |
| Risk Management Reserve | | | |
| Risk Management Schemes | 5299 | (20,000) (20,000) | (20,000) (20,000) |
| Registration of Electors | | | |
| IER Grant | | 0 0 | (18,600) (18,600) |
| Young Peoples Council | | (8,000) (10,200) | |
| Bathing Water Project | | 0 (31,830) | 0 |
| Clinical Commissioning Group | | | |
| Housing NHS CCG Lets Get Moving | | (298,210) (16,480) (314,690) | (582,851) (68,400) (651,251) |
| First World War Reserve | | 0 0 | (3,500) (3,500) |
| Total use of earmarked and capital reserves * | | (3,653,482) (4,450,078) | (4,599,933) |
| Revenue use of earmarked reserves | | (2,297,712) | (2,996,772) |
| Transfers between Reserves | | (102,000) | (16,570) |
| Capital use of earmarked reserves | | (480,979) | (1,182,000) |
| Transition Reserve and Com / Econ Reserve | | (881,792) | (271,306) |
| Total Expenditure & Transfers (Excl General Reserve Use) | | (3,762,483) | (4,466,648) |

RENEWAL AND REPAIRS RESERVE**APPENDIX J**

| 2014-15 | | 2015-16 ORIGINAL BUDGET £ | 2015-16 REVISED BUDGET £ | 2016-17 ESTIMATED BUDGET £ |
|--------------------------------|--|------------------------------------|-----------------------------------|-------------------------------------|
| Actual £ | | | | |
| <u>OPENING BALANCE:</u> | | | | |
| 1,852,770 | BALANCE BROUGHT FORWARD | 1,600,930 | 1,756,712 | 1,555,172 |
| <u>INCOME:</u> | | | | |
| 508,000 | CONTRIBUTIONS TO RESERVE - GENERAL | 508,000 | 508,000 | 508,000 |
| 508,000 | | 508,000 | 508,000 | 508,000 |
| <u>EXPENDITURE:</u> | | | | |
| 223,119 | PROGRAMMED REPAIRS AND REDECORATIONS | 301,500 | 291,040 | 280,100 |
| 350,939 | OTHER REPAIRS & RENEWALS | 323,000 | 316,000 | 500,000 |
| 574,058 | SUB TOTAL | 624,500 | 607,040 | 780,100 |
| 30,000 | CAPITAL EXPENDITURE FUNDED FROM RESERVES | 0 | 65,000 | 0 |
| 0 | VEHICLES | 36,000 | 36,000 | 0 |
| 0 | PROVISION FOR UNEXPECTED ITEMS | 100,000 | 1,500 | 100,000 |
| 604,058 | | 760,500 | 709,540 | 880,100 |
| <u>CLOSING BALANCE:</u> | | | | |
| 1,756,712 | BALANCE CARRIED FORWARD | 1,348,430 | 1,555,172 | 1,183,072 |

PROGRAMMED REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE

Appendix J (Cont)

| cost centre | new reference | PROPERTY | DESCRIPTION OF WORK | 2015-2016 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|-------------|---------------|--------------------------------------|--|-----------------|----------------|-----------|-----------|-----------|
| | | | | Original Budget | Revised Budget | ESTIMATE | ESTIMATE | ESTIMATE |
| | | | | £ | £ | £ | £ | £ |
| 1151 | PR001 | TOWN HALL | Internal / External redecs & repairs | 4,000 | 17,000 | 50,000 | 20,000 | 20,000 |
| 1160 | PR047 (OR216) | ALL BUILDINGS - ASBESTOS | Asbestos surveys and re-inspections | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 1160 | PR048 | ALL BUILDINGS - ASBESTOS | Works arising out of asbestos inspections | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 1160 | PR049 (OR217) | ALL BUILDINGS - FIRE RISK | Fire risk assessments & works arising | 3,000 | 3,000 | 12,000 | 6,000 | 6,000 |
| 1160 | PR051 (OR238) | ALL BUILDINGS - AIR CONDITIONING | AC energy efficiency certification (every 3 years) | 7,000 | 3,600 | 7,000 | 4,000 | 4,000 |
| 1160 | PR52 (OR239) | ALL BUILDINGS - ENERGY CERTIFICATION | Annual Display Energy Certs for major bldgs | 2,000 | 1,000 | 2,000 | 1,000 | 1,000 |
| 1160 | PR54 (OR240) | ALL BUILDINGS - LEGIONELLA RISK | Automated checks & monitoring inc hygiene assess | 36,000 | 38,000 | 39,000 | 39,000 | 20,000 |
| 1160 | PR55 (OR225) | ALL BUILDINGS - ELECTRICAL TESTING | routine cyclical testing & works arising | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| 1160 | PR57(OR241) | ALL BUILDINGS - SAFETY ANCHORS | Annual testing of access safety anchors | 2,000 | 1,600 | 1,600 | 1,600 | 1,600 |
| 1160 | PR58(OR242) | ALL BUILDINGS - AUTOMATIC DOORS | Annual maintenance routine | 500 | 440 | 500 | 500 | 500 |
| 2404 | PR008 | BANK BUILDINGS | External redecs. | 0 | 0 | 6,000 | 0 | 0 |
| 2201 | PR009 | MICRO UNIT FACTORIES | External redecs | 0 | 0 | 5,000 | 0 | 0 |
| 2201 | PR037 | FACTORY UNITS | External redecs/roof repairs to empty units | 29,000 | 29,000 | 30,000 | 30,000 | 30,000 |
| 2404 | PR036 | FAIRLIGHT PLACE FARM COTTAGES & FLA | External redecs. | 0 | 0 | 0 | 4,000 | 4,000 |
| 2404 | PR041 | OTHER BUILDINGS (ESTATES MISC.) | Essential upgrades/repairs. | 9,000 | 9,000 | 10,000 | 10,000 | 10,000 |
| 2502 | PR023 | WEST HILL CLIFF RAILWAYS | Redecorations & repairs | 5,000 | 5,000 | 12,000 | 5,000 | 5,000 |
| 2502 | PR024 | EAST HILL CLIFF RAILWAYS | Redecorations & repairs | 5,000 | 5,000 | 6,000 | 5,000 | 5,000 |
| 2640 | PR034 | FALAISE SPORTS CENTRE | External redecorations. | 0 | 0 | 0 | 25,000 | 0 |
| 3102 | PR013 | CREMATORIUM | Internal / External redecorations. | 0 | 0 | 5,000 | 0 | 0 |
| 3102 | PR014 | CREMATORIUM - CREMATORS | Rebricking / rehearthng of cremators | 90,000 | 100,000 | 0 | 20,000 | 20,000 |
| 3102 | PR52 | CEMETERY and PARKS | Path health & safety repairs | 10,000 | 10,000 | 25,000 | 25,000 | 25,000 |
| 5241 | OR210 | FRONT LINE | Concrete health & safety inspection & testing | 30,000 | 26,000 | 6,000 | 6,000 | 6,000 |
| 5241 | OR255 | FRONT LINE | Concrete health & safety repair works | 25,000 | 0 | 10,000 | 10,000 | 10,000 |

PROGRAMMED REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE

Appendix J (Cont)

| | | | | 2015-2016 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|-------------|---------------|---------------------------------------|---|-----------------|----------------|----------------|----------------|----------------|
| cost centre | new reference | PROPERTY | DESCRIPTION OF WORK | Original Budget | Revised Budget | ESTIMATE | ESTIMATE | ESTIMATE |
| | | | | £ | £ | £ | £ | £ |
| 5241 | PR025 | FRONT LINE | Alcoves, seating, bottle alley - repairs/redecs | 9,000 | 8,000 | 10,000 | 9,000 | 9,000 |
| 6005 | PR029 | FISHERMENS MUSEUM | External redecs/stonework pointing | 0 | 0 | 2,000 | 0 | 0 |
| 6100 | PR033 | SUMMERFIELDS SPORTS CENTRE | External redecs | 4,000 | 4,000 | 5,000 | 5,000 | 5,000 |
| 6301 | PR026 | SPORTS PAVILIONS | Int/ext redecs. | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 6301 | PR044 | ALEXANDRA PARK RAILINGS | Phased railing redecorations | 5,000 | 8,100 | 10,000 | 5,000 | 5,000 |
| 6301 | PR046 | ST. LEONARDS GARDENS | Lodge - re-decorations | 0 | 0 | 0 | 10,000 | 0 |
| 6503 | PR027 | HASTINGS COUNTRY PARK -OPERATIONAL | Int/ext redecs. | 0 | 0 | 5,000 | 0 | 0 |
| 5257 | PR030 | HASTINGS STATION - FISHING BOAT FEATU | Repairs / redecs | 0 | 0 | 2,000 | 0 | 0 |
| 5257 | PR031 | TOWN CENTRE UNDERPASS | Decoration | 7,000 | 3,300 | 0 | 0 | 0 |
| | | Total of Programmed work | | 301,500 | 291,040 | 280,100 | 260,100 | 206,100 |

| OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE | | | Appendix J (con't) | | | | |
|---|--|--|--------------------|----------------|-----------|-----------|-----------|
| cost centre | PROPERTY | DESCRIPTION OF WORK | 2015-2016 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
| | | | Original | Revised Budget | ESTIMATE | ESTIMATE | ESTIMATE |
| | | | £ | £ | £ | £ | £ |
| 1151 | TOWN HALL LIGHTNING PROTECTION | | 20,000 | 21,000 | 0 | 0 | 0 |
| 1300 | CARLISLE CP | Redecorations | 40,000 | 0 | 40,000 | 0 | 0 |
| 2201 | THEAKLEN DRIVE ROOFS | Roof re-coating | 0 | 8,000 | 0 | 50,000 | 0 |
| 2502 | EAST HILL LIFT LOWER STATION | Roof replacement | 18,000 | 0 | 0 | 18,000 | 0 |
| 2510 | THE CASTLE | Repair works | 0 | 0 | 5,000 | 0 | 0 |
| 2601 | WHITE ROCK THEATRE | General repair contributions | 20,000 | 20,000 | 0 | 20,000 | 20,000 |
| 2601 | WHITE ROCK THEATRE | Automation of stage flying system | 0 | 0 | 0 | 100,000 | 0 |
| 6000 | JOHNS PLACE MUSEUM | Repairs, H & S upgrades | 20,000 | 20,000 | 0 | 0 | 0 |
| 6301 | CLIFF REPAIR SURVEY | Sextennial survey | 0 | 13,000 | 0 | 7,000 | 0 |
| 6301 | ALEXANDRA PARK DEPOT | Culvert strengthening work | 0 | 7,000 | 0 | 0 | 0 |
| 6301 | HOCKEY PAVILLION, BEXHILL ROAD | Demolition | 40,000 | 32,000 | 0 | 0 | 0 |
| 6503 | HASTINGS COUNTRY PARK - TACKLEWAY WALL | Health & safety repairs and repointing | 0 | 0 | 1,000 | 0 | 0 |
| 1300 | PIER UNDERGROUND CAR PARK | Redecs and gates | 20,000 | 36,500 | 0 | 0 | 0 |
| 2404 | STABLE FLAT AT FAIRLIGHT | Re-pointing | 4,000 | 4,000 | 0 | 0 | 0 |
| 6301 | TILEKILN ACCESS ROAD | Improvements | 12,000 | 12,000 | 0 | 0 | 0 |

| OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE | | | Appendix J (con't) | | | | |
|---|-------------------------------------|---|--------------------|----------------|----------------|----------------|---------------|
| | | | 2015-2016 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
| cost centre | PROPERTY | DESCRIPTION OF WORK | Original | Revised Budget | ESTIMATE | ESTIMATE | ESTIMATE |
| | | | £ | £ | £ | £ | £ |
| 6301 | RECREATIONAL GROUNDS | Emergency lighting upgrade | 4,000 | 4,000 | 0 | 0 | 0 |
| 6503 | COUNTRY PARK | Access for all trail path resurfacing | 25,000 | 25,000 | 0 | 0 | 0 |
| 6308 | BATHING WATER QUALITY | | 50,000 | 50,000 | 0 | 0 | 0 |
| 6100 | INDOOR BOWLS CENTRE | DDA works | 50,000 | 0 | 50,000 | 0 | 0 |
| 6301 | ROCK A NORE CLIFFS | Rock a Nore Cliff Works | 0 | 45,000 | 0 | 0 | 0 |
| 5236 | STREET LIGHTS | White Rock Promenade Improvements | 0 | 14,500 | 0 | 0 | 0 |
| 2502 | WEST HILL LIFT | Former Ice House historic fabric and environmental surveys and support works | 0 | 4,000 | 1,000 | 0 | 0 |
| 6100 | SUMMERFIELDS LEISURE CENTRE | Landlord obligation - replacement of existing cold water storage tank following receipt of poor tank condition report | 0 | 0 | 20,000 | 0 | 0 |
| 6100 | SUMMERFIELDS LEISURE CENTRE | Landlord obligation - progressive replacement of existing swimming pool filtration plant | 0 | 0 | 20,000 | 0 | 0 |
| 2640 | FALAISE FITNESS CENTRE | Landlord obligation - replacement of entrance doors and oramation of internal lobby. | 0 | 0 | 16,000 | 0 | 0 |
| 2601 | WHITE ROCK THEATRE | Replacement heating boilers | 0 | 0 | 40,000 | 40,000 | 0 |
| 6000 | JOHNS PLACE MUSEUM | Essential stoneworks repairs - Phase1 | 0 | 0 | 40,000 | 0 | 0 |
| 3102 | CEMETERY AND CREMATORIUM OFFICES | Exterior Stonework Repairs | 0 | 0 | 10,000 | 10,000 | 0 |
| 2404 | 3 PLACE FARM COTTAGES, FAIRLIGHT | Energy efficiency improvements | 0 | 0 | 17,000 | 0 | 0 |
| 6100 | INDOOR BOWLS CENTRE | External Works | 0 | 0 | 30,000 | 0 | 0 |
| 2201 | 1-5 MAUNSELL ROAD, INDUSTRIAL UNITS | Overcoating of profiled steel roof sheeting to extend life. | 0 | 0 | 10,000 | 0 | 0 |
| 6301 | CLIFFS | Cliff Repairs | 0 | 0 | 200,000 | 200,000 | 0 |
| | Total of Other Work | | 323,000 | 316,000 | 500,000 | 445,000 | 20,000 |

PIER Outcomes**Appendix K**

| | | | <u>Revised</u> <u>2016-17</u> £'000 | <u>2017-18</u> £'000 | <u>2018-19</u> £'000 | <u>2019-20</u> £'000 |
|---|--------------------|----------------|---|-------------------------|-------------------------|-------------------------|
| Cross cutting | Cost centre | Account | | | | |
| Digital by Design | | | | | | |
| Reduction in Software Costs | various | | | (26) | (26) | (26) |
| Reduction in paper & printing costs | various | | | (4) | (50) | (50) |
| Reduction in Staffing requirements | various | | | (94) | (94) | (94) |
| | | | 0 | (124) | (170) | (170) |
| Energy Savings | various | | (43) | (50) | (50) | (50) |
| Aquila House Purchase - Borrowing/MRP vs Rent | | | (150) | (50) | (50) | (50) |
| Aquila House Operational budget | | | | (25) | (25) | (25) |
| Aquila House - rental of Council chamber | | | (11) | (15) | (15) | (15) |
| Town Hall - Additional rentals | | | | (6) | (6) | (6) |
| Council Tax - Prescribed Exemptions | | | | (17) | (17) | (17) |
| Public Conveniences - Cleaning & Closure | | 3033 | | (100) | (100) | (100) |
| Building Cleaning contract | | various | | (41) | (41) | (41) |
| Environmental Health - Staffing | | 1009 | | (38) | (38) | (38) |
| Civic and Ceremonial | | 5507 | (3) | (8) | (8) | (8) |
| Tourist Information Centre - Staffing | | 5714 | | (14) | (14) | (14) |
| Hastings Specific Marketing budget | | 5714 | | (9) | (9) | (9) |
| Events budget - Increase Income to fish festivals | | 1962 | | (10) | (10) | (10) |
| Communications - Staffing | | 1025 | | (49) | (49) | (49) |
| Public Notices | | 1600 | | (10) | (10) | (10) |
| Housing Options - Staffing | | 4050 | | (37) | (37) | (37) |
| Housing Renewal - Staffing | | 4051 | | (19) | (19) | (19) |
| Chalets - Income | | 2514 | | (40) | (40) | (40) |
| Regeneration - Staffing | | 1900 | | (33) | (33) | (33) |
| Regeneration - Admin Staffing | | 1900 | | (4) | (4) | (4) |
| Activity Budget | | 1900 | | (10) | (10) | (10) |
| External Funding - Staffing | | 1934 | | (20) | (20) | (20) |
| External Funding - Staffing | | 1934 | | (37) | (37) | (37) |
| Activity Budget | | 1922 | | (6) | (6) | (6) |
| Theatre - Reduced contribution/Closure | | 2601 | | 0 | 0 | (370) |
| Planning Policy - Staffing (less professional fees) | | 1603 | | (30) | (30) | (30) |
| Community Partnership Fund | | 5120 | | (24) | (6) | 0 |
| Community Partnership Funding - Previously agreed | | 5120 | | (18) | (36) | (54) |
| | | Total | (207) | (843) | (889) | (1,271) |
| Growth Items | | | | | | |
| Fish Fairs Organiser post | | 1926 | | 20 | 20 | 20 |
| Coastal Currents Activity Budget | | | | 20 | | |
| Community Development Activity | | | | 5 | 5 | 5 |
| Cultural Development Manager | | | | 63 | 63 | 63 |
| | | | | - | 108 | 88 |
| Net Overall savings | Total | | (207) | (735) | (801) | (1,183) |

HBC Efficiencies, Income and Savings proposals for 2017/18 onwards and equality impact assessment summary

| Activity/ Budget | Efficiency, Income or Savings proposals for 2017/18 | Savings | | | Likelihood of negative impact on equalities/ protected characteristics Low – Medium – High |
|---------------------|--|--------------|--------------|--------------|---|
| | | 2017/18 £ | 2018/19 £ | 2019/20 £ | |
| Council Tax | Council Tax – to remove the 50% discount for Prescribed Class D properties (i.e. vacant residential properties that are undergoing “major repair work” or “structural alteration) with effect from April 2017. Will also be a staff time saving (currently c.17hrs p.w.) which will be re-directed to maximising Business Rates income rather than visiting pre/post work completion. | 17,000 | 17,000 | 17,000 | Low – unlikely to impact disproportionately on any equality groups |
| Public notices | Alternative provider sought to provide some public notices at a reduced cost | 10,000 | 10,000 | 10,000 | Low – unlikely to impact disproportionately on any equality groups |
| Public conveniences | <p>Following a review of public conveniences provision in the town to inform the re-tendering of the public conveniences cleaning contract from April 2017, savings have been identified and a number of public conveniences have been identified for alternative opening hours or closure:</p> <ul style="list-style-type: none"> • Closing Harold Place toilets and an alternative regeneration use established for the site (£32k closure and £32k cleaning and staffing) (also opportunity saving of £60k refurbishment costs that would have been required in near future) • Closing Ore Village centre public conveniences (£14k) (NB investigating an offer by a local group to clean and maintain these toilets) • Introducing 3 Seasonal Closures at Alexandra Park Bowls, Rock a Nore, & Falaise Road (£2k) • Procurement savings on cleaning contract £40k (excl Harold Place) <p>Staffing implications: Not for HBC staff</p> | 120,000 | 120,000 | 120,000 | <p>MEDIUM Evidence of regular usage, anti-social behaviour, costs of repair and alternative provision in the immediate surrounding area was used to inform the review prior to procurement.</p> <p>In summary:</p> <ul style="list-style-type: none"> • Harold Place: Alternative disabled WC within 200m of Harold Place (Pelham Place). Other public toilets are available in Priory Meadow (internal and external provision) • Ore Village – no disabled toilet provision in the village • Falaise Road – Alternative disabled WC within 150m at Bowls Club. • Bowls WC – Alternative |

| | | | | | |
|----------------------------|---|--------|--------|--------|--|
| | | | | | <p>disabled WC within 250m at the Pavilion.</p> <ul style="list-style-type: none"> Rock a Nore – Alternative disabled WC within 200m at The Stade. <p>NB the Council's 'changing places' toilet (an adult sized, height adjustable changing bench with a ceiling tracked hoist) remains available at the Stade.</p> |
| Building Cleaning Contract | <p>Following a review of the councils building cleaning requirements and subsequent tendering of the contract, savings have been identified from 1st April 2017.</p> <p>Staffing implications: N/A for HBC</p> | 41,000 | 41,000 | 41,000 | Low – unlikely to impact disproportionately on any equality groups |
| Environmental Health | <p>Following a review, restructure the roles and responsibilities of the team and delete the role of the Deputy Environmental Health Manager.</p> <p>Staffing implications: 0.9 FTE</p> | 38,000 | 38,000 | 38,000 | Low – unlikely to impact disproportionately on any equality groups |
| Housing Options | <p>Following a review, reduce the overall staffing structure by 1FTE, the work has been absorbed into the role of the Housing Needs and Policy Manager.</p> <p>Staffing implications: 1FTE vacant</p> | 37,000 | 37,000 | 37,000 | Low – unlikely to impact disproportionately on any equality groups |
| Digital by Design | <p>Savings have been identified following investment in a new digital platform Firmstep and a transformation programme to review how services are designed and delivered, with a focus on digital delivery</p> <ul style="list-style-type: none"> Reduction in software costs <ul style="list-style-type: none"> Confirm Licensing £4,200 Anite software module £4,500 Internet link connectivity contract renegotiated £3,600 | 26,300 | 26,300 | 26,300 | Low – a review of Digital Inclusion was completed by the Overview and Scrutiny Committee in March 2016. This set out actions we will take to ensure our digital by design approach is inclusive. |

| | | | | | |
|---|---|--------|--------|--------|--|
| Page 87 | <ul style="list-style-type: none"> ○ Multi-function device (printing/scanning etc.) contract renewal July 2017 ○ Revenues and Benefits disaster recovery cost reduction following new server implementation £8,000 ○ Oracle hardware support reduction £6,000 | | | | |
| | <ul style="list-style-type: none"> ● Reduction in paper and printing costs*: <ul style="list-style-type: none"> ○ Shred it savings * Service managers have identified £31k of savings within supplies and services budgets for 2017/18 – these have been accounted for in service budgets) | 3,500 | 3,500 | 3,500 | |
| | <ul style="list-style-type: none"> ● Further minimum reduction in paper and printing costs through implementation of 'Analogue Reduction Strategy' during 17/18: <ul style="list-style-type: none"> ○ Photocopying savings (Uniflow) ○ Programme to eliminate paper usage ○ Virtual Mail Room implementation | 20,000 | 20,000 | 20,000 | |
| | <ul style="list-style-type: none"> ● Reduction in staffing requirements: <ul style="list-style-type: none"> ○ Housing Renewal technical post – work absorbed by changes to DFG process 1FTE post (vacant post) | 30,000 | 30,000 | 30,000 | |
| | <ul style="list-style-type: none"> ○ People and Business Support (PBS)/Community Contact Centre – following a restructure, delete 1FTE CCC Team Leader post and (vacant) and make £18,000 net savings on changes to two other vacant posts (in PBS and Policy) equivalent to 0.8FTE | 32,000 | 32,000 | 32,000 | |
| | <ul style="list-style-type: none"> ○ 0.5 FTE reduction in TIC staffing requirements following move of Licensing Applications on-line from April 2017 | 18,000 | 18,000 | 18,000 | |
| | 14,000 | 14,000 | 14,000 | | |
| Staffing implications: net 3.3 FTE | | | | | |

| | | | | | |
|--|---|--------|--------|--------|--|
| Regeneration | <p>a) From June 2017, delete the vacant Economic Development/ Regeneration Officer post The remaining Economic Development/Regeneration officers will focus on services supporting growth/retention of two key economic sectors: visitor economy and advanced manufacturing/high tech.</p> <p>b) Reduce the economic development activity budget</p> <p>c) Net savings from vacant p/t admin post</p> <p>Staffing implications: 1 FTE</p> | 33,000 | 33,000 | 33,000 | <p>Medium: If the Community Led Local Development (CLLD) programme bid is successful, there is potential for the council to play a different but active and influential role in the programme of workforce skills development and linking people to local employment possibilities.</p> |
| External funding/ Programme Compliance | <p>Restructure the posts that support external funding:</p> <ul style="list-style-type: none"> Reduce the 1 FTE External funding officer post to 0.5FTE (no impact - current post-holder already reduced hours to 0.5FTE) Delete one of the two Programme compliance and monitoring officer posts (1 FTE) <p>Focus dedicated resources on funding for:</p> <ol style="list-style-type: none"> economic and cultural development, public realm/environmental improvements; economic inclusion; Seafront strategy and White Rock area priorities <p>Staffing implications: 0.5FTE – vacant post 1FTE - re-deployment or redundancy</p> | 20,000 | 20,000 | 20,000 | |
| Page 88 | | 37,000 | 37,000 | 37,000 | |
| Tourist Information Centre | <p>A review of the TIC operation is underway. Initial proposals include reducing opening times and staffing levels.</p> <p>Staffing implications: From October 2017 0.5 FTE – deployment or redundancy</p> | 14,000 | 14,000 | 14,000 | |
| Events budget | <p>Increase income to off-set reduction in events budget – increase entry costs to the Seafood and Wine Festival</p> <p>Staffing implications: N/A</p> | 10,000 | 10,000 | 10,000 | |

| | | | | | |
|-------------------------------|--|------------------|-----------------|-------------|--|
| Civic and Ceremonial | Alternative venue for Annual Council saving hire costs, changes to Mayoral travel arrangements outside of the borough. Staffing implications: N/A | 8,000 | 8,000 | 8,000 | Low – unlikely to impact disproportionately on any equality groups |
| Marketing | Reduction in non-staffing marketing budget Staffing implications: N/A | 9,000 | 9,000 | 9,000 | Low – unlikely to impact disproportionately on any equality groups |
| Marketing and Communications | Delete fixed term Communications Manager post (1FTE) at end of term: use some savings to fund a restructure within the team and to fund an ongoing seasonal Fish Fairs officer post (0.6) Staffing implications: net 0.4 FTE | 29,000 | 29,000 | 29,000 | Low – unlikely to impact disproportionately on any equality groups |
| Cultural Regeneration | Reduction in activity budget Staffing implications: N/A | 6,000 | 6,000 | 6,000 | Low – unlikely to impact disproportionately on any equality groups |
| White Rock Theatre | Net savings from cessation of subsidy to the theatre when the current contract ends in January 2019, an assumption has been made that there will be some allocation made for arts activity. Staffing implications: no direct HBC staffing implications | 0 | 0 | 370,000 | Low – unlikely to impact disproportionately on any equality groups |
| Planning Policy | Reduce one senior planner post by 0.3FTE and reduce the external consultants budget to achieve the savings Staffing implications: 0.3FTE – re-deployment or redundancy | 30,000 | 30,000 | 30,000 | Low – unlikely to impact disproportionately on any equality groups |
| Community Partnership Funding | The Budget set by HBC in 2016/17 identified the following savings in the profile of CPF spend for commissioned activity. | 18,000 24,000 | 36,000 6,000 | 54,000 - | Medium - may impact adversely/ disproportionately on groups working with equality groups. |

| | | | | | |
|--|---|--|--|--|---|
| <p style="text-align: center;">Page 90</p> | <p>A further proposal is to increase the saving from CPF budget for 2017/18 to match the commissioning programme for two years.</p> <p>A budget of £208,000p.a. remains for 17/18 and 18/19</p> | | | | <p>Following a review and consultation on the future of CPF funding, the Council is focussing on priority needs groups and areas of commissioned activity:</p> <ul style="list-style-type: none"> a. Housing, Legal, Welfare and Debt Advice b. Domestic Violence Support c. Advice and support to organisations (voluntary sector infrastructure support) d. Rough Sleepers Outreach Support e. Advice and support to migrant and newly settled communities <p>It is acknowledged that some groups who were previously supported will no longer be eligible to apply under this criteria, however the council will continue to signpost them to agencies such as Hastings Voluntary Action who can assist them to seek alternative funding or support to become sustainable.</p> <p>The details of the review and consultation are included in the Cabinet report September 2016, available from the Council's website</p> <p>https://hastingsintranet.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=2066&Ver=4</p> |
|--|---|--|--|--|---|

Growth items (funded by other reductions across Regeneration services)

| Activity | | 2017/18 | 2018/19 | 2019/20 |
|----------------------------------|--|---------|---------|---------|
| Cultural Development Manager | Building on the successful delivery of the Root 1066 festival employ the fixed terms Strategic Cultural Development Specialist as a permanent Cultural Development Manager Staffing Implications: + 1FTE | 63,000 | 63,000 | 63,000 |
| Community Development Activity | Small activity budget to support community regeneration activity. | 5,000 | 5,000 | 5,000 |
| Coastal Currents Activity Budget | One-year pump priming budget to enable Coastal Currents festival to become self-financing | 20,000 | - | - |

FIO Other savings/income – already agreed and being implemented

| | | | | | |
|----------------------------|---|--------|--------|--------|---|
| Muriel Matters House (MMH) | Purchase of Council's main civic and operational building led to savings on: | 50,000 | 50,000 | 50,000 | Low – unlikely to impact disproportionately on any equality groups |
| | <ul style="list-style-type: none"> borrowing costs vs rent liability service charges which would have been due | 25,000 | 25,000 | 25,000 | |
| Energy savings | Reductions in costs following smarter procurement and likelihood of less energy use in Muriel Matters House following refurbishment and better insulation | 50,000 | 50,000 | 50,000 | Low – unlikely to impact disproportionately on any equality groups |
| MMH room rentals | Weekly rental of Council Chamber and committee rooms to Coroners Court service - income | 15,000 | 15,000 | 15,000 | Low – unlikely to impact disproportionately on any equality groups |
| Town Hall room rentals | Income from rentals of office space in Town Hall | 6,000 | 6,000 | 6,000 | Low – unlikely to impact disproportionately on any equality groups |
| Chalets | Income from investment in new chalets – invest to save already agreed | 40,000 | 40,000 | 40,000 | Low – unlikely to impact disproportionately on any equality groups |

Land and Property Disposal Programme

Estimated
Receipts
£

2016/17

Mayfield E
Robsack A
Land at Summerfields
Land at Highfield Drive
Land at Fairlihfght Place and Hurrell Road
Less cost of disposal
Sale of Ex Council Houses
Other

969,000

2017/18

Upper Wilting Farm
Harrow Lane Playing Fields
Former Bathing Pool site
Land at Bexhill Road
Land at Sandrock
Land r/o Bexhill Road
Less cost of disposal
Sale of Ex Council Houses

3,772,000

2018/19

0

Mayfield E
Less cost of disposal
Sale of Ex Council Houses
Other

530,000

2019/20

Sale of Ex Council Houses
Other

50,000

Off Street Pay & Display Parking Charges – 2017 / 2018

| Parking Place | Current Charges | | | | Parking Place | Proposed Charges | | | |
|--|--|-------|------------------|---|---|-------------------|--------------|------------------|--------------|
| | 1 Nov. - 31 March | | 1 April – 31 Oct | | | 1 Nov. - 31 March | | 1 April – 31 Oct | |
| Castle Hill Road Pelham Place | 1 | £1.30 | 1 | £1.50 | Castle Hill Road Pelham Place Charging Hours 07:00 to 21:00 | 1 | £1.50 | 1 | £1.70 |
| | 2 | £2.60 | 2 | £3.00 | | 2 | £3.00 | 2 | £3.20 |
| | 3 | £3.50 | 3 | £4.10 | | 3 | £4.10 | 3 | £4.30 |
| | 5 | £5.80 | 5 | £6.30 | | 5 | £6.30 | 5 | £6.50 |
| | 10 | £6.90 | 10 | £7.40 | | 10 | £7.40 | 10 | £7.70 |
| | 24 | £7.40 | 24 | £8.40 | | 24 | £8.40 | 24 | £9.00 |
| Rock a Nore Road | 1 | £1.10 | 1 | £1.50 | Rock a Nore Road Charging Hours 07:00 to 21:00 | 1 | £1.10 | 1 | £1.70 |
| | 2 | £2.10 | 2 | £3.00 | | 2 | £2.10 | 2 | £3.20 |
| | 3 | £3.20 | 3 | £4.20 | | 3 | £3.20 | 3 | £4.30 |
| | 5 | £3.20 | 5 | £6.30 | | 5 | £3.20 | 5 | £6.50 |
| | 10 | £3.20 | 10 | £7.40 | | 10 | £3.20 | 10 | £7.70 |
| | 24 | £3.20 | 24 | £8.40 | | 24 | £3.20 | 24 | £9.00 |
| Marina | 1 | £1.00 | 1 | £1.10 | Marina Charging Hours 07:00 to 21:00 | 1 | £1.10 | 1 | £1.20 |
| | 2 | £1.50 | 2 | £1.60 | | 2 | £1.60 | 2 | £1.70 |
| | 3 | £2.10 | 3 | £2.40 | | 3 | £2.40 | 3 | £2.50 |
| | 5 | £3.20 | 5 | £3.20 | | 5 | £3.20 | 5 | £3.30 |
| | 10 | £4.80 | 10 | £4.80 | | 10 | £4.80 | 10 | £5.20 |
| | 24 | £5.80 | 24 | £5.80 | | 24 | £5.80 | 24 | £6.00 |
| Priory Street m/s Carlisle Parade | 1 | £1.20 | 1 | £1.20 | Priory Street m/s Carlisle Parade Charging Hours 07:00 to 21:00 Sunday £1.00 All Day | 1 | £1.20 | 1 | £1.30 |
| | 2 | £1.90 | 2 | £1.90 | | 2 | £1.90 | 2 | £2.00 |
| | 3 | £2.50 | 3 | £2.50 | | 3 | £2.50 | 3 | £2.70 |
| | 5 | £3.70 | 5 | £3.70 | | 5 | £3.70 | 5 | £3.90 |
| | 10 | £5.80 | 10 | £6.50 | | 10 | £6.50 | 10 | £6.70 |
| | 24 | £7.40 | 24 | £7.40 | | 24 | £7.40 | 24 | £8.00 |
| Cornwallis Street | 1 | £1.20 | 1 | £1.20 | Cornwallis Street Charging Hours 07:00 to 21:00 | 1 | £1.30 | 1 | £1.30 |
| | 2 | £1.90 | 2 | £1.90 | | 2 | £2.00 | 2 | £2.00 |
| | 3 | £2.50 | 3 | £2.50 | | 3 | £2.60 | 3 | £2.60 |
| | 4 | £3.60 | 4 | £3.60 | | 4 | £3.80 | 4 | £3.80 |
| Pier Underground St Margaret's Rd | 1 | £0.60 | 1 | £0.60 | Pier Underground St Margaret's Rd Charging Hours 07:00 to 21:00 | 1 | £0.70 | 1 | £0.80 |
| | 2 | £0.80 | 2 | £0.80 | | 2 | £0.90 | 2 | £1.00 |
| | 3 | £1.10 | 3 | £1.10 | | 3 | £1.20 | 3 | £1.30 |
| | 5 | £1.60 | 5 | £1.60 | | 5 | £1.60 | 5 | £1.70 |
| | 10 | £2.10 | 10 | £2.10 | | 10 | £2.20 | 10 | £2.40 |
| | 24 | £2.40 | 24 | £2.40 | | 24 | £2.60 | 24 | £3.00 |
| Crystal Square | 1 | £0.60 | 1 | £0.60 | Crystal Square | 1 | £0.70 | 1 | £0.70 |
| | 2 | £1.10 | 2 | £1.10 | | 2 | £1.20 | 2 | £1.20 |
| | 3 | £1.60 | 3 | £1.60 | | 3 | £1.70 | 3 | £1.70 |
| | 4 | £2.10 | 4 | £2.10 | | 4 | £2.20 | 4 | £2.20 |
| Falaise Road Falaise Hall Summerfields | 1 | £0.20 | 1 | £0.20 | Falaise Road Falaise Hall Summerfields | 1 | £0.30 | 1 | £0.30 |
| | 2 | £0.40 | 2 | £0.40 | | 2 | £0.50 | 2 | £0.50 |
| | 3 | £0.50 | 3 | £0.50 | | 3 | £0.60 | 3 | £0.60 |
| | 4 | £0.80 | 4 | £0.80 | | 4 | £1.00 | 4 | £1.00 |
| The Bourne | 1 | £1.30 | 1 | £1.40 | The Bourne Charging Hours 07:00 to 21:00 | 1 | £1.50 | 1 | £1.70 |
| | 2 | £2.60 | 2 | £2.80 | | 2 | £3.00 | 2 | £3.20 |
| | 3 | £3.50 | 3 | £4.00 | | 3 | £4.10 | 3 | £4.30 |
| | 5 | £5.80 | 5 | £5.80 | | 5 | £6.30 | 5 | £6.50 |
| | 10 | £6.90 | 10 | £7.40 | | 10 | £7.40 | 10 | £7.70 |
| | 24 | £7.40 | 24 | £8.40 | | 24 | £8.40 | 24 | £9.00 |
| Russell Street | 7 Spaces Previously Permit but unsold to be converted to Pay by Phone Parking. | | | Russell Street Charging Hours 07:00 to 21:00 | 1 | £1.30 | 1 | £1.30 | |
| | | | | | 2 | £2.00 | 2 | £2.00 | |
| | | | | | 3 | £2.60 | 3 | £2.60 | |
| | | | | | 4 | £3.80 | 4 | £3.80 | |
| Hastings Country Park | All Day (8am – 6pm) | | £2.00 | Hastings Country Park (8am - 4pm) | 2 | £2.00 | 2 | £2.00 | |
| | | | | | 8 | £3.00 | 8 | £3.00 | |

Off Street Parking Season Permit Charges 2017/18

Hastings Borough Council Season Permits

| Type | Current Charge | Proposed Charge |
|---|------------------------|--|
| Annual Season | £675.00 | £710.00 |
| Quarterly Season | £195.00 | £205.00 |
| Monthly Season | £70.00 | £75.00 |
| Weekly Season | £25.00 | £30.00 |
| Carlisle Parade Underground Car Park Motorcycle bay | £52.00 | Delete – Not viable as never purchased. |
| | | |
| Reserved Space Annual Only | £870.00 | £900.00 |
| Russell Street Reserved Spaces Annual Only | £675.00 | £675.00 |
| Restricted Zone Annual | £440.00 | £470.00 |
| Restricted Zone Quarterly | £135.00 | £145.00 |
| Restricted Zone Monthly | £45.00 | £50.00 |
| Bourne, High Street and Grand Parade Residents Annual | £350.00 | £380.00 |
| Bourne, High Street and Grand Parade Residents Quarterly | £110.00 | £115.00 |
| Grand Parade Motorcycle Permit | 50% of car permit rate | 50% of car permit rate |
| Priory Street Restricted Zone Motorcycle Permit | 25% of car permit rate | 25% of car permit rate |
| Country Park Annual | £25.00 | £35.00 |
| Hastings Country Park | £25.00 | £35.00 |

CAPITAL PROGRAMME SUMMARY

| | Capital | | | | | Total over Prog Period £'000 | Revenue | | | | | Full Year £'000 |
|--|------------------------------|-----------------------------|------------------|------------------|------------------|------------------------------------|------------------------------|-----------------------------|------------------|------------------|------------------|-----------------------|
| | 2016/17 Original £'000 | 2016/17 Revised £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | | 2016/17 Original £'000 | 2016/17 Revised £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | |
| Net cost by Service | | | | | | | | | | | | |
| Corporate Resources | 6,049 | 14,529 | 500 | - | - | 15,029 | -236 | -177 | -177 | -159 | -159 | -159 |
| Operational Services | 1,860 | 781 | 1,618 | 764 | 116 | 2,399 | 74 | 94 | 94 | 177 | 257 | 257 |
| | 7,909 | 15,310 | 2,118 | 764 | 116 | 17,428 | -162 | -83 | -83 | 18 | 98 | 98 |
| Net cost by Status | | | | | | | | | | | | |
| Committed Schemes | 7,580 | 15,008 | 1,341 | 764 | 116 | 16,349 | -177 | -139 | -139 | -69 | 11 | 11 |
| Uncommitted Schemes | 329 | 105 | 277 | - | - | 382 | 15 | 22 | 22 | 35 | 35 | 35 |
| New Schemes | - | 197 | 500 | - | - | 697 | 0 | 34 | 34 | 52 | 52 | 52 |
| | 7,909 | 15,310 | 2,118 | 764 | 116 | 17,428 | 171 | -83 | -83 | 18 | 98 | 98 |
| Gross cost of schemes analysed by service | | | | | | | | | | | | |
| Corporate Resources | 6,049 | 14,569 | 500 | - | - | 21,118 | | | | | | |
| Operational Services | 4,444 | 2,795 | 5,295 | 2,681 | 1,128 | 16,343 | | | | | | |
| | 10,493 | 17,364 | 5,795 | 2,681 | 1,128 | 37,461 | | | | | | |

CORPORATE RESOURCES - CAPITAL PROGRAMME

Appendix P (cont)

Profile of Council Net Cost

| Scheme Ref. | Scheme | Class | Total Gross Cost | Total Net Cost | Before 31.3.16 | 2016/17 | Revised 2016/17 | 2017/18 | 2018/19 | 2019/20 | Subseq. Years |
|---------------------------|------------------------------------|---------|------------------|----------------|----------------|-----------|-----------------|------------|------------|------------|---------------|
| (1) | (2) | (3) (4) | £'000 (5) | £'000 (6) | £'000 (7) | £'000 (9) | £'000 (9) | £'000 (10) | £'000 (11) | £'000 (11) | £'000 (12) |
| ES04-2 | Office Accommodation | * c | 716 | 676 | 629 | 0 | 47 | 0 | 0 | 0 | 0 |
| CR-05 | Ore Valley -Land Purchase | * c | 55 | 55 | 55 | 0 | 0 | 0 | 0 | 0 | 0 |
| CR-06 | Sandrock Park - Land Purchase | * c | 23 | 23 | 0 | 0 | 23 | 0 | 0 | 0 | 0 |
| CR-09 | New Factory unit | * c | 1,440 | 1,440 | 87 | 1,200 | 1,353 | 0 | 0 | 0 | 0 |
| CR-10 | Town Hall Works | * c | 457 | 457 | 428 | 0 | 29 | 0 | 0 | 0 | 0 |
| RP16 | CPO property | * c | 150 | 150 | 0 | 0 | 150 | 0 | 0 | 0 | 0 |
| CR-12 | Kiosk above Bottle Alley | * c | 79 | 79 | 0 | 79 | 79 | 0 | 0 | 0 | 0 |
| CR-13 | Factory Block Churchfields Estates | * c | 0 | 0 | 0 | 370 | 0 | 0 | 0 | 0 | 0 |
| CR- 15 | Land at West Marina | 0 n | 127 | 127 | 0 | 0 | 127 | 0 | 0 | 0 | 0 |
| CR-16 | New ERP system | 0 n | 500 | 500 | 0 | 0 | 0 | 500 | 0 | 0 | 0 |
| CR-17 | Retail Property purchase | * c | 7,700 | 7,700 | 0 | 0 | 7,700 | 0 | 0 | 0 | 0 |
| CR-18 | Land on Churchfields Estate | * c | 620 | 620 | 0 | 0 | 620 | 0 | 0 | 0 | 0 |
| | Schemes Already Committed | c | 16,249 | 16,209 | 1,807 | 6,049 | 14,402 | 0 | 0 | 0 | 0 |
| | Schemes Uncommitted | u | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | New Schemes | n | 627 | 627 | 0 | 0 | 127 | 500 | 0 | 0 | 0 |
| Total Capital Expenditure | | | 16,876 | 16,836 | 1,807 | 6,049 | 14,529 | 500 | 0 | 0 | 0 |
| Revenue Costs | | | | | | | | | | | |
| | Schemes Already Committed | c | | | | (236) | (271) | (204) | (204) | (204) | (204) |
| | Schemes Uncommitted | u | | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | New Schemes | n | | | | 0 | 4 | 27 | 45 | 45 | 45 |
| | No further approval required | * | | | | | | | | | |
| Total Revenue Costs | | | | | | (236) | (267) | (177) | (159) | (159) | (159) |

CORPORATE RESOURCES - CAPITAL PROGRAMME

| | Total Cost £'000 | Before 31.3.16 £'000 | 16/17 £'000 | Revised 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 19/20 £'000 | Subsequent Years £'000 |
|--|------------------------|----------------------------|----------------|---------------------------|----------------|----------------|----------------|------------------------------|
| ES04-2 Office Accommodation | | | | | | | | |
| 9411 Accommodation work not directly related to Aquila House project | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | | 676 | 629 | 47 | | | | |
| Other | | 40 | | 40 | | | | |
| Total Funding | | 716 | 629 | 0 | 87 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | | 0 | 3 | 5 | 5 | 5 |
| Other | | | | | | | | |
| Total Revenue Costs | | | | 0 | 3 | 5 | 5 | 5 |
| CR-06 Sandrock Park - Land Purchase | | | | | | | | |
| 9594 The purchase of land at Sandrock Park | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | | 23 | | 23 | | | | |
| Other | | 0 | | | | | | |
| Total Funding | | 23 | 0 | 0 | 23 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | | 0 | 2 | 3 | 3 | 3 |
| Other | | | | | | | | |
| Total Revenue Costs | | | | 0 | 2 | 3 | 3 | 3 |
| CR-08 Aquila House Refurbishment | | | | | | | | |
| 9410 Refurbishment of Aquila £450,000 also additional repair and IT works undertaken at the same time as contract to be funded by existing repair budgets etc. | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 4 | 609 | 608 | 1 | | | | |
| Other | | 0 | | | | | | |
| Total Funding | | 609 | 608 | 0 | 1 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | | 0 | 1 | 1 | 1 | 1 |
| Other | | | | (25) | (25) | (25) | (25) | (25) |
| Total Revenue Costs | | | | (25) | (24) | (24) | (24) | (24) |
| CR-09 New Factory unit | | | | | | | | |
| 9800 Construction of additional factory unit in Castleham road to be financed by loan | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | | 1,440 | 87 | 1,200 | 1,353 | | | |
| Other | | 0 | | | | | | |
| Total Funding | | 1,440 | 87 | 1,200 | 1,353 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | | 40 | 45 | 90 | 90 | 90 |
| Other | | | | (19) | (19) | (38) | (38) | (38) |
| Total Revenue Costs | | | | 21 | 26 | 52 | 52 | 52 |
| CR-10 Town Hall Works | | | | | | | | |
| 9418 Adapt Town hall for partial rental | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 83 | 457 | 428 | 29 | | | | |
| Other | | 0 | | | | | | |
| Total Funding | | 457 | 428 | 0 | 29 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | | 0 | 3 | 5 | 5 | 5 |
| Other | | | | (83) | (90) | (90) | (90) | (90) |
| Total Revenue Costs | | | | (83) | (87) | (85) | (85) | (85) |

RP16 **CPO property**
9700 Spring Cottage acquired by CPO and sold

| | | | | | | | | |
|----------------------------|------------|----------|----------|------------|----------|----------|----------|----------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 150 | 0 | 0 | 150 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 150 | 0 | 0 | 150 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 |

9407 **Aquila House Purchase**

CR-11

Purchase of the freehold of Aquila House

| | | | | | | | | |
|----------------------------|--------------|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 4,400 | | 4,400 | 4,400 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 4,400 | 0 | 4,400 | 4,400 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 126 | 126 | 251 | 251 | 251 | 251 |
| Other | | | (279) | (279) | (279) | (279) | (279) | (279) |
| Total Revenue Costs | | | (153) | (153) | (28) | (28) | (28) | (28) |

9741 **Kiosk above Bottle Alley**

CR-12

Construction of circular kiosk in line with the HBC
Seafront Strategy

| | | | | | | | | |
|----------------------------|-----------|----------|------------|------------|------------|------------|------------|------------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 79 | | 79 | 79 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 79 | 0 | 79 | 79 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 3 | 3 | 5 | 5 | 5 | 5 |
| Other | | | (2) | (4) | (8) | (8) | (8) | (8) |
| Total Revenue Costs | | | 1 | (1) | (3) | (3) | (3) | (3) |

9801 **Factory Block Churchfields Estates**

CR-13

Purchase of long leasehold interest in above

| | | | | | | | | |
|----------------------------|----------|----------|------------|----------|----------|----------|----------|----------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 0 | | 370 | 0 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 0 | 0 | 370 | 0 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 11 | 0 | 0 | 0 | 0 | 0 |
| Other | | | (8) | | | | | |
| Total Revenue Costs | | | 3 | 0 | 0 | 0 | 0 | 0 |

Land at West Marina

CR- 15

Land at West Marina from the Hastings and St
Leonards Charitable Trust

| | | | | | | | | |
|----------------------------|------------|----------|----------|------------|----------|----------|----------|----------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 127 | | | 127 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 127 | 0 | 0 | 127 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 0 | 4 | 8 | 8 | 8 | 8 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 4 | 8 | 8 | 8 | 8 |

New **ERP system**

CR-16

Purchase and development of new Enterprise
Resource Planning system

| | | | | | | | | |
|----------------------------|------------|----------|----------|----------|------------|-----------|-----------|-----------|
| <u>Funding Source</u> | | | | | | | | |
| Council | 500 | | | 500 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 500 | 0 | 0 | 0 | 500 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 0 | 0 | 19 | 37 | 37 | 37 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 19 | 37 | 37 | 37 |

9130 **Retail Property purchase**

CR-17

Purchase of new property for income generation

Funding Source

| | | | | | | | | |
|----------------------|--------------|----------|----------|--------------|----------|----------|----------|----------|
| Council | 7,700 | | | 7,700 | 0 | | | |
| Other | 0 | | | | | | | |
| Total Funding | 7,700 | 0 | 0 | 7,700 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|-------------|--------------|--------------|--------------|--------------|
| Financing Charge | | | 0 | 104 | 312 | 312 | 312 | 312 |
| Other | | | | (153) | (460) | (460) | (460) | (460) |
| Total Revenue Costs | | | 0 | (49) | (148) | (148) | (148) | (148) |

New **Land on Churchfields Estate**

CR-18

Acquisition of Land

Funding Source

| | | | | | | | | |
|----------------------|------------|----------|----------|------------|----------|----------|----------|----------|
| Council | 620 | | | 620 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 620 | 0 | 0 | 620 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|-----------|-----------|-----------|-----------|-----------|
| Financing Charge | | | 0 | 13 | 26 | 26 | 26 | 26 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 13 | 26 | 26 | 26 | 26 |

OPERATIONAL SERVICES - CAPITAL PROGRAMME

Appendix P (cont)

| | | Profile of Council Net Cost | | | | | | | | | |
|------------------------------|--|-----------------------------|------------------|----------------|----------------|-----------------|------------|------------|------------|---------------|---|
| Scheme Ref. | Scheme | Class | Total Gross Cost | Total Net Cost | Before 31.3.16 | Revised 2016/17 | 2017/18 | 2018/19 | 2019/20 | Subseq. Years | |
| (1) | (2) | (3) (4) | (5) £'000 | (6) £'000 | (7) £'000 | (10) £'000 | (11) £'000 | (11) £'000 | (11) £'000 | (12) £'000 | |
| H07 | Private Sector Renewal Support | * c | 157 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| H08 | Disabled Facilities Grant | * c | 3,900 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| H15 | Empty Homes Strategy - CPO | * c | 250 | 250 | 59 | 20 | 70 | 70 | 31 | 0 | |
| PL01 | Central St. Leonards Town Heritage Initiative 2 | * c | 1,372 | 437 | 511 | -74 | 0 | 0 | 0 | 0 | |
| RP04 | Restoration of Pelham Crescent/ Pelham Arcade | * c | 756 | 359 | 115 | 94 | 150 | 0 | 0 | 0 | |
| RP16 | Road at Pelham Arcade | * u | 125 | 75 | 0 | 35 | 40 | 0 | 0 | 0 | |
| RP15 | Ex Malvern Public House - matched funding | * c | 54 | 54 | 54 | 0 | 0 | 0 | 0 | 0 | |
| RP14 | Coastal Space Regeneration Project - Phase II | * c | 875 | 875 | 0 | 0 | 875 | 0 | 0 | 0 | |
| CR14 | Coastal Space - Phase 3 | * c | 1,376 | 609 | 0 | 0 | 0 | 609 | 0 | 0 | |
| RP12 | Hastings Pier - including matched funding | * c | 310 | 310 | 310 | 0 | 0 | 0 | 0 | 0 | |
| ES28 | Castle Access/ Interpretation (£100k -15/16*) | u | 350 | 350 | 43 | 70 | 237 | 0 | 0 | 0 | |
| RP11 | Factory Refurbishment (ACE) | * c | 584 | 133 | 133 | 0 | 0 | 0 | 0 | 0 | |
| RP15 | White Rock Baths | * c | 1,246 | 174 | 133 | 41 | 0 | 0 | 0 | 0 | |
| RP11 | Groyne Refurbishment | * c | 75 | 75 | 0 | 0 | 5 | 35 | 35 | 0 | |
| ES35 | Work on Harbour Arm and New Groynes | * c | 2,968 | 30 | 0 | 0 | 30 | 0 | 0 | 0 | |
| ES36 | Further Sea Defence works | * c | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| ES39 | Additional Chalets | * c | 61 | 61 | 0 | 61 | 0 | 0 | 0 | 0 | |
| RP09 | Public Realm | * c | 346 | 255 | 79 | 26 | 50 | 50 | 50 | 0 | |
| ES34 | Bottle Alley | * c | 269 | 219 | 60 | 159 | 0 | 0 | 0 | 0 | |
| ES24 | CCTV Control Room | * c | 451 | 361 | 211 | 150 | 0 | 0 | 0 | 0 | |
| ES33 | Crematorium and Chapel Enhancements | * c | 113 | 113 | 113 | 0 | 0 | 0 | 0 | 0 | |
| ES32 | Country Park -Interpretive Centre | * c | 250 | 250 | 49 | 40 | 161 | 0 | 0 | 0 | |
| ES37 | Playgrounds Upgrade Programme | * c | 87 | 87 | 44 | 43 | 0 | 0 | 0 | 0 | |
| ES38 | Playgrounds Carnoustie & Kensington Close | * c | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| OS2 | Sea Escapes - CCF III Coastal Communities Fund Capital | * c | 366 | 46 | 0 | 46 | 0 | 0 | 0 | 0 | |
| ES39 | Purchase of new parking machines and boards | n | 70 | 70 | 0 | 70 | 0 | 0 | 0 | 0 | |
| Schemes Already Committed | | | c | 16,076 | 4,698 | 1,871 | 606 | 1,341 | 764 | 116 | 0 |
| Schemes Uncommitted | | | u | 475 | 425 | 43 | 105 | 277 | 0 | 0 | 0 |
| New Schemes | | | n | 70 | 70 | 0 | 70 | 0 | 0 | 0 | 0 |
| Total Capital Expenditure | | | | 16,621 | 5,193 | 1,914 | 781 | 1,618 | 764 | 116 | 0 |
| Revenue Costs | | | | | | | | | | | |
| Schemes Already Committed | | | c | | | 31 | 65 | 215 | 0 | 215 | |
| Schemes Uncommitted | | | u | | | 6 | 22 | 35 | 0 | 35 | |
| New Schemes | | | n | | | 4 | 7 | 7 | 0 | 7 | |
| No further approval required | | | * | | | | | | | | |
| Total Revenue Costs | | | | | | 41 | 94 | 257 | 0 | 257 | |

OPERATIONAL SERVICES - CAPITAL PROGRAMME

| | Total Cost £'000 | Before 31.3.16 £'000 | Revised 16/17 £'000 | Revised 16/17 £'000 | 17/18 £'000 | 18/19 £'000 | 19/20 £'000 | Subseq. Years £'000 |
|---|------------------------|----------------------------|---------------------------|---------------------------|----------------|----------------|----------------|---------------------------|
| H07 Private Sector Renewal Support | | | | | | | | |
| 9314 | | | | | | | | |
| Property grants to bring conditions up to minimum standards. | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 0 | | | | | | | |
| Regional Housing Board Grant+ LEP funding of £46K | 157 | | 71 | 5 | 70 | 70 | 12 | |
| Total Funding | 157 | 0 | 71 | 5 | 70 | 70 | 12 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 |
| H08 Disabled Facilities Grant | | | | | | | | |
| 9308 | | | | | | | | |
| Property Grants for disabled facilities | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 0 | | | | | | | |
| Government Grant /ESCC | 3,900 | | 1,377 | 900 | 1,000 | 1,000 | 1,000 | |
| Total Funding | 3,900 | 0 | 1,377 | 900 | 1,000 | 1,000 | 1,000 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 |
| H15 Empty Homes Strategy - CPO | | | | | | | | |
| 9590 | | | | | | | | |
| Rolling programme of purchases and disposals | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 250 | 59 | 70 | 20 | 70 | 70 | 31 | |
| Government Grant | 0 | | | | | | | |
| Total Funding | 250 | 59 | 70 | 20 | 70 | 70 | 31 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 6 | 1 | 5 | 12 | 16 | 18 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 6 | 1 | 5 | 12 | 16 | 18 |
| PL01 Central St. Leonards Town Heritage Initiative 2 | | | | | | | | |
| 9048 | | | | | | | | |
| Contributes to physical regeneration of area in one of the most deprived wards in the South East. Programme enables intervention to prevent the next generation of derelict buildings (including the Congregational Church) | | | | | | | | |
| <u>Funding Source</u> | | | | | | | | |
| Council | 437 | 511 | 63 | (74) | | | | |
| HLF lottery funds £700k;+ £24k-£8K and ERDF funding £250k. + | 935 | 756 | 62 | 179 | | | | |
| Total Funding | 1,372 | 1,267 | 125 | 105 | 0 | 0 | 0 | 0 |
| <u>Revenue Costs</u> | | | | | | | | |
| Financing Charge | | | 3 | (4) | (7) | (7) | (7) | (7) |
| Other | | | | | | | | |
| Total Revenue Costs | | | 3 | (4) | (7) | (7) | (7) | (7) |

| | | | | | | | | |
|-------------|--|--------------|------------|------------|------------|------------|--------------|-----------|
| RP04 | Restoration of Pelham Crescent/ Pelham Arcade | | | | | | | |
| 9558 | Feasibility study and grants for restoration works, plus additional phase 2 works / grants to adjoining property | | | | | | | |
| | <u>Funding Source</u> | | | | | | | |
| | Council | 359 | 115 | 175 | 94 | 150 | | |
| | English Heritage £280K Council reserves £117K | 397 | 284 | 150 | 36 | 77 | | |
| | <u>Total Funding</u> | <u>756</u> | <u>399</u> | <u>325</u> | <u>130</u> | <u>227</u> | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | |
| | Financing Charge | | | 8 | 5 | 16 | 22 | 22 |
| | Other | | | | | | | |
| | <u>Total Revenue Costs</u> | | | <u>8</u> | <u>5</u> | <u>16</u> | <u>22</u> | <u>22</u> |
| RP16 | Road at Pelham Arcade | | | | | | | |
| 9554 | Road above Pelham Arcade | | | | | | | |
| | <u>Funding Source</u> | | | | | | | |
| | Council | 75 | 0 | 65 | 35 | 40 | | |
| | Other- Freeholder Contributions | 50 | 0 | 50 | 0 | 50 | | |
| | <u>Total Funding</u> | <u>125</u> | <u>0</u> | <u>115</u> | <u>35</u> | <u>90</u> | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | |
| | Financing Charge | | | 3 | 2 | 5 | 7 | 7 |
| | Other | | | | | | | |
| | <u>Total Revenue Costs</u> | | | <u>3</u> | <u>2</u> | <u>5</u> | <u>7</u> | <u>7</u> |
| RP15 | Ex Malvern Public House - matched funding | | | | | | | |
| 9592 | Original Work re curtailed acquisition and demolition of Malvern Public House - matched funding | | | | | | | |
| | <u>Funding Source</u> | | | | | | | |
| | Council | 54 | 54 | | | | | |
| | Other | 0 | | | | | | |
| | <u>Total Funding</u> | <u>54</u> | <u>54</u> | 0 | 0 | 0 | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | |
| | Financing Charge | | | 0 | 0 | 0 | 0 | 0 |
| | Other | | | | | | | |
| | <u>Total Revenue Costs</u> | | | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| RP14 | Coastal Space Regeneration Project - Phase II | | | | | | | |
| 9601 | Acquisition and refurbishment of dwellings in Central St Leonards, in partnership with Amicus Horizon. HBC grant funding | | | | | | | |
| | <u>Funding Source</u> | | | | | | | |
| | Council - Grant | 875 | | 875 | 0 | 875 | | |
| | Council - Loan | 0 | | | | | | |
| | Other | 0 | | | | | | |
| | <u>Total Funding</u> | <u>875</u> | <u>0</u> | <u>875</u> | <u>0</u> | <u>875</u> | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | |
| | Financing Charge | | | 24 | 0 | 24 | 48 | 48 |
| | Other | | | | | | | |
| | <u>Total Revenue Costs</u> | | | <u>24</u> | <u>0</u> | <u>24</u> | <u>48</u> | <u>48</u> |
| CR14 | Coastal Space - Phase 3 | | | | | | | |
| | Acquisition and refurbishment of dwellings in Central St Leonards in partnership with Amicus Horizon | | | | | | | |
| | <u>Funding Source</u> | | | | | | | |
| | Council | 609 | | | | 609 | | |
| | Other S106 received re Affordable Housing | 100 | | | | 100 | | |
| | LAP contribution | 667 | | | | 667 | | |
| | <u>Total Funding</u> | <u>1,376</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,376</u> | <u>0</u> |
| | <u>Revenue Costs</u> | | | | | | | |
| | Financing Charge | | | 0 | 0 | 0 | 17 | 34 |
| | Other | | | | | | | |
| | <u>Total Revenue Costs</u> | | | <u>0</u> | <u>0</u> | <u>0</u> | <u>17</u> | <u>34</u> |

ES28 **Castle Access/ Interpretation**
9588

Improvements to the Castle for the 950th anniversary and £100k for additional works

Funding Source

| | | | | | | | | |
|-----------------------|------------|-----------|------------|-----------|------------|----------|----------|----------|
| Council | 350 | 43 | 264 | 70 | 237 | | | |
| Heritage Lottery Fund | 0 | | | | | | | |
| Total Funding | 350 | 43 | 264 | 70 | 237 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|-----------|----------|-----------|-----------|-----------|-----------|
| Financing Charge | | | 12 | 4 | 17 | 28 | 28 | 28 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 12 | 4 | 17 | 28 | 28 | 28 |

RP11 **Factory Refurbishment (ACE)**

9117

Pilot scheme of refurbishment to a factory unit to achieve advanced levels of environmental performance.

Funding Source

| | | | | | | | | |
|--|------------|------------|----------|----------|----------|----------|----------|----------|
| Council (ABG/reserves Estates R&R £42) | 133 | 133 | | | | | | |
| Interreg (£416K less £155K in revenue 12/13) / LAA £87K | 451 | 451 | | | | | | |
| Total Funding | 584 | 584 | 0 | 0 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 |

In addition to the figure above there is £155K in revenue funded by Interreg and £100K funded by partners

RP15 **White Rock Baths**

9593

Total project on white rock baths excluding tenant fit out - HBC £172k + loan £300k FST 150 ESI £235K

Funding Source

| | | | | | | | | |
|---|--------------|--------------|----------|-----------|----------|----------|----------|----------|
| Council | 174 | 133 | | 41 | | | | |
| Loan FST £300K+ £127K | 427 | 427 | | 0 | | | | |
| Foreshore Trust total £200k ESCC (£235k +£85K) CCF £75k + Source (£49k) | 645 | 645 | | 0 | | | | |
| Total Funding | 1,246 | 1,205 | 0 | 41 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 0 | 2 | 4 | 4 | 4 | 4 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 2 | 4 | 4 | 4 | 4 |

RP11 **Groyne Refurbishment**

9007

To maintain beach and groins

Funding Source

| | | | | | | | | |
|----------------------|-----------|----------|-----------|----------|----------|-----------|-----------|----------|
| Council | 75 | | 35 | 0 | 5 | 35 | 35 | 0 |
| Other | 0 | | | | | | | |
| Total Funding | 75 | 0 | 35 | 0 | 5 | 35 | 35 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 2 | 0 | 1 | 3 | 6 | 7 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 2 | 0 | 1 | 3 | 6 | 7 |

ES35 **Work on Harbour Arm and New Groynes**

9006

DEFRA funded works re above Investigations to take to take place in 14/15 with the majority of the work in 16/17 & 17/18

Funding Source

| | | | | | | | | |
|----------------------------|-------|----|-----|-----|-------|---|---|---|
| Council | 30 | | | | 30 | | | |
| Contribution from DEFRA/EA | 2,938 | 78 | 550 | 450 | 2,410 | | | |
| <u>Total Funding</u> | 2,968 | 78 | 550 | 450 | 2,440 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|---|---|---|---|---|---|
| Financing Charge | | | 0 | 0 | 2 | 3 | 3 | 3 |
| Other | | | | | | | | |
| <u>Total Revenue Costs</u> | | | 0 | 0 | 2 | 3 | 3 | 3 |

ES36 **Further Sea Defence works**

Works at Pier West and Bulverhythe

Funding Source

| | | | | | | | | |
|----------------------|-----|---|---|---|----|----|---|---|
| Council | 0 | | | | | | | |
| Other - DEFRA/EA | 150 | | | | 70 | 80 | | |
| <u>Total Funding</u> | 150 | 0 | 0 | 0 | 70 | 80 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|---|---|---|---|---|---|
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| <u>Total Revenue Costs</u> | | | 0 | 0 | 0 | 0 | 0 | 0 |

RP09 **Public Realm**

9574

Improvement & Refurbishment of public realm assets

Funding Source

| | | | | | | | | |
|---|-----|-----|----|----|----|----|----|---|
| Council | 255 | 79 | 50 | 26 | 50 | 50 | 50 | |
| Other -Coastal Communities Fund revenue 2015/16 £35,000 | 91 | 56 | | 35 | | | | |
| <u>Total Funding</u> | 346 | 135 | 50 | 61 | 50 | 50 | 50 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|---|---|---|----|----|----|
| Financing Charge | | | 3 | 2 | 5 | 10 | 14 | 16 |
| Maintenance of area | | | | | | | | |
| <u>Total Revenue Costs</u> | | | 3 | 2 | 5 | 10 | 14 | 16 |

ES34 **Bottle Alley**

9740

Improvements to Public Realm Bottle Alley lighting and concrete

Funding Source

| | | | | | | | | |
|-----------------------------|-----|-----|---|-----|---|---|---|---|
| Council | 219 | 60 | | 159 | | | | |
| Other -Coastal Revival fund | 50 | 50 | | | | | | |
| <u>Total Funding</u> | 269 | 110 | 0 | 159 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|---|---|----|----|----|----|
| Financing Charge | | | 0 | 8 | 15 | 15 | 15 | 15 |
| Maintenance of area | | | | | | | | |
| <u>Total Revenue Costs</u> | | | 0 | 8 | 15 | 15 | 15 | 15 |

| | | | | | | | | | |
|-------|---|-----|-----|-----|-----|------|------|------|------|
| ES24 | CCTV Control Room | TS | | | | | | | |
| 9077 | Replacement of equipment and cost of transfer to an alternative site | | | | | | | | |
| | <u>Funding Source</u> | | | | | | | | |
| | Council | 361 | 211 | | 150 | | | | |
| | ESCC £50k, Sussex Police £20k (was £15K), Sussex Coast College £20k (S106) | 90 | 40 | | 50 | | | | |
| | <u>Total Funding</u> | 451 | 251 | 0 | 200 | 0 | 0 | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | | |
| | Financing Charge | | | 0 | 7 | 14 | 14 | 14 | 14 |
| | Other | | | | | | | | |
| | <u>Total Revenue Costs</u> | | | 0 | 7 | 14 | 14 | 14 | 14 |
| <hr/> | | | | | | | | | |
| OS2 | Sea Escapes - CCF III Coastal Communities | TS | | | | | | | |
| 9650 | Promenade improvements around White rock area partly funded by CCF | | | | | | | | |
| | <u>Funding Source</u> | | | | | | | | |
| | Council | 46 | | 46 | 46 | | | | |
| | HBC revenue repair budget | 30 | | | 30 | | | | |
| | CCF £100k, FST £133k (£85k + £12k repairs+£18k additional July 15 Charity Committee meeting + £18k other repair (less £9k spent CC, £ 50K fountain needing further Charity Committee approval) - extra CCF funding | 290 | | 154 | 290 | | | | |
| | <u>Total Funding</u> | 366 | 0 | 200 | 366 | 0 | 0 | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | | |
| | Financing Charge | | | 3 | 3 | 5 | 5 | 5 | 5 |
| | Other | | | | | | | | |
| | <u>Total Revenue Costs</u> | | | 3 | 3 | 5 | 5 | 5 | 5 |
| <hr/> | | | | | | | | | |
| ES39 | Additional Chalets | | | | | | | | |
| New | Build new chalets for Income generation | | | | | | | | |
| | <u>Funding Source</u> | | | | | | | | |
| | Council | 61 | 0 | | 61 | | | | |
| | Other | 0 | | | | | | | |
| | <u>Total Funding</u> | 61 | 0 | 0 | 61 | 0 | 0 | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | | |
| | Financing Charge | | | 0 | 3 | 6 | 6 | 6 | 6 |
| | Other | | | | | (40) | (40) | (40) | (40) |
| | <u>Total Revenue Costs</u> | | | 0 | 3 | (34) | (34) | (34) | (34) |
| <hr/> | | | | | | | | | |
| ES33 | Crematorium and Chapel Enhancements | | | | | | | | |
| 9604 | Provision of upgrade including building alterations works on the memorial and drainage | | | | | | | | |
| | <u>Funding Source</u> | | | | | | | | |
| | Council | 113 | 113 | | | | | | |
| | Other | 0 | | | | | | | |
| | <u>Total Funding</u> | 113 | 113 | 0 | 0 | 0 | 0 | 0 | 0 |
| | <u>Revenue Costs</u> | | | | | | | | |
| | Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Other | | | | | | | | |
| | <u>Total Revenue Costs</u> | | | 0 | 0 | 0 | 0 | 0 | 0 |

ES32 Country Park -Interpretive Centre

9603

Provision of a new Interpretive Centre. Council funding being provided by sale proceeds of Warren Cottage.

Funding Source

| | | | | | | | | |
|-----------------------|------------|-----------|------------|-----------|------------|----------|----------|----------|
| Council | 250 | 49 | 177 | 40 | 161 | | | |
| Other via Groundworks | 0 | | 150 | | | | | |
| Total Funding | 250 | 49 | 327 | 40 | 161 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|-----------|-----------|-----------|-----------|
| Financing Charge | | | 8 | 2 | 11 | 19 | 19 | 19 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 8 | 2 | 11 | 19 | 19 | 19 |

ES37 Playgrounds Upgrade Programme

9750

Hare Way, Mare Bay, Highwater View, Bexhill Road and other play spaces contribution to upgrades

Funding Source

| | | | | | | | | |
|----------------------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| Council | 87 | 44 | 40 | 43 | | | | |
| Other | 0 | | | | | | | |
| Total Funding | 87 | 44 | 40 | 43 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 2 | 2 | 4 | 4 | 4 | 4 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 2 | 2 | 4 | 4 | 4 | 4 |

ES38 Playgrounds Carnoustie & Kensington Close

9751

Carnoustie Close & Kensington Close Play spaces contribution to upgrades

Funding Source

| | | | | | | | | |
|----------------------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|
| Council | 0 | | | | | | | |
| Other S106 | 60 | 21 | 20 | 39 | | | | |
| Total Funding | 60 | 21 | 20 | 39 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 0 | 0 | 0 | 0 | 0 |

ES39 Purchase of new parking machines and boards

Installation of new Parking machines and tariff boards

Funding Source

| | | | | | | | | |
|----------------------|-----------|----------|----------|-----------|----------|----------|----------|----------|
| Council | 70 | | | 70 | | | | |
| Other S106 | 0 | | | | | | | |
| Total Funding | 70 | 0 | 0 | 70 | 0 | 0 | 0 | 0 |

Revenue Costs

| | | | | | | | | |
|----------------------------|--|--|----------|----------|----------|----------|----------|----------|
| Financing Charge | | | 0 | 4 | 7 | 7 | 7 | 7 |
| Other | | | | | | | | |
| Total Revenue Costs | | | 0 | 4 | 7 | 7 | 7 | 7 |