



# Council Meeting

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**21 February 2018**

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## HASTINGS BOROUGH COUNCIL

Dear Councillor

You are hereby summoned to attend a meeting of the Hastings Borough Council to be held at the Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY, on Wednesday, 21st February, 2018 at 6.00 pm at which meeting the business specified below is proposed to be transacted.

Yours sincerely,

Chief Legal Officer

Muriel Matters House  
Breeds Place  
Hastings

13 February 2018

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### **AGENDA**

1. Apologies for Absence
2. Declarations of Interest
3. Reports of Committees
  - a) To resolve that the public be excluded from the meeting during the discussion of any items considered while the public were excluded by the relevant committee because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in the respective paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the minutes of the relevant committee.
  - b) To receive and consider the recommendations and any decisions of the following committees.

<b>Minute No.</b>	<b>Subject</b>	<b>Cabinet Member / Chair</b>
<b>BUDGET CABINET – 12 FEBRUARY 2018</b>		
63 (C)	Draft Corporate Plan 2018/19 – 2020/21	Forward
64 (C)	Revenue Budgets 2017/18 (Revised) and 2018/19, plus Capital Programme 2018/19 to 2019/20	Chowney
65 (C)	Treasury Management and Annual Investment Strategy 2018/19	Chowney
66 (C)	Discretionary Business Rates Relief Policy	Chowney

(C) – Council Decision

Note: Nothing contained in this agenda or in the attached reports and minutes of committees constitutes an offer or acceptance of an offer or an undertaking or contract by the Borough Council

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# Agenda Item 3 Public Document Pack

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Present: Councillors Chowney (Chair), Forward, Batsford, Beaney, Poole, Fitzgerald, Lee, Patmore

### 62. DECLARATION OF INTERESTS

Councillor	Minute Number	Interest
Chowney	65 – Revenue Budgets 2017/18 (Revised) and 2018/19, plus capital Programme 2018/19 to 2020/21	Personal - he has a car park permit for Castle Hill Car Park. Councillor Chowney commented that he intended to declare a prejudicial interest in this matter when it was decided at the Budget Council meeting.

### 63. DRAFT CORPORATE PLAN 2018/19 - 2020/21

The Director of Corporate Services and Governance presented the draft corporate plan for 2018/19 – 2020-21, together with feedback from the consultation. The corporate plan sets out the council's strategic direction, based around 3 key opportunities; inclusion, growth and futureproofing. Comments on the council's draft corporate plan were sought from residents, council staff and a range of community organisations.

Members welcomed the new layout and methods of reporting back information from across the authority included in the corporate plan.

Thanks were given to those who had prepared the document, and all those who had submitted comments as part of the public consultation.

Councillor Forward proposed approval of the recommendations to the report, which was seconded by Councillor Chowney.

**RESOLVED (by 6 votes for, 2 against) that:**

- 1. The cabinet recommends to Full Council, that the content of the attached documents form the basis of the council's corporate plan 2018/19-2020/21, subject to the proviso that any significant amendment made to the council's draft budget be reflected in the final corporate plan text**
- 2. That delegated authority be given to the Director of Corporate Services and Governance, after consultation with the Leader of the Council to**

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- make further revisions as is considered necessary to the attached plan prior to publication to reflect decisions made on the council's budget
3. That all those who submitted views as part of the consultation process be thanked for their contribution.

The reason for this decision was:

The council needs to approve the corporate plan as its statement of Hastings Borough Council's strategic direction to 2021.

64. **REVENUE BUDGETS 2017/18 (REVISED) AND 2018/19, PLUS CAPITAL PROGRAMME 2018/19 TO 2020/21**

The Assistant Director, Financial Services and Revenues presented a report on the revenue budgets 2017/18 (revised) and 2018/19, plus the capital programme for 2018/19 to 2020/21.

The report reflected the final grant settlement figures, which had been received from the government on 6 February 2018. The Assistant Director, Financial Services and Revenues, commented that it may be necessary to revise the figures set out in appendix M of the report, once East Sussex Fire and Rescue Service had met to consider their council tax precept.

The report gave an overview of the key factors impacting on the budget and updated members on the council's progress to achieve further efficiencies and generate additional income.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Forward.

**RESOLVED (6 votes for, 2 votes against) that:**

**Cabinet recommend to Full Council to:**

- (i) Approve the revised revenue budget for 2018/18 (Appendix A)
- (ii) Approve the draft 2018/19 revenue budget (Appendix A)
- (iii) Approve a 2.99% 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 £6m (plus General Fund Balance) i.e an increase of £1m from 2017/18
- (v) Approve the Capital Programme 2017/18 (revised) to 2020/21 (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 monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the Leader of the Council.

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- (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 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) through the Strategic Budget Group 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 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 (updated for Full Council)
- (xii) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants.
- (xiii) Approve an increase in the Council Tax premium chargeable for long term empty properties to 200% (from 150%), subject to the required legislation being in place along with sufficient time to undertake annual billing.

### The reason for this decision was:

1. Major reductions in funding in 2018/19 are set to continue into 2019/20 and 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 65% 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. The potential downside risks of Brexit and the increased reliance on income streams provide further potential volatility to the Council's future funding.
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 2018/19 and beyond.

### **65. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2018/19**

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The Assistant Director, Financial Services and Revenues, presented a report on the treasury management and annual investment Strategy for 2018/19. The strategy provides a framework for the management of the council's investments, cash flow and borrowing activities. The council's treasury management practices have been revised to take account of changes in the Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice.

The council operates a balanced budget, which broadly means that cash raised will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. The capital plans provide a guide to the borrowing needs of the council. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet council risk or cost objectives.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Forward.

### **RESOLVED that:**

- 1. The council adopts the new CIPFA Treasury Management Code of Practice (2017).**
- 2. Council formally adopts, as part of the Council's Constitution and financial rules the four clauses recommended by the Code of Practice as detailed in Appendix 8.**
- 3. The Council approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual Investment Strategy, and that a Capital Strategy is developed for 2019/20**
- 4. That the strategies continue to be reviewed in 2018/19 in the light of the requirements of the new Codes of Practice and that the Financial rules and Financial Operating Procedures of the Council are reviewed and amendments proposed as necessary.**
- 5. That the authorised limit for external debt is increased by £10m to allow for short term borrowing for cash flow purposes at year end in particular.**

### **The reason for this decision was:**

The council seeks to minimise the costs of borrowing and maximise investment income whilst ensuring the security of its investments. The Council is seeking to increase opportunities for income generation, particularly where there are benefits to the residents of Hastings in doing so, and this will continue to involve the council in taking on additional borrowing. The sums involved are large and the assumptions made play an important part in determining the annual budget. A new CIPFA Code of Practice (2017 Edition) has been released to take account of the more commercialised approach being adopted by councils and the enhanced levels of transparency required. The code represents best practice and helps ensure compliance with statutory requirements.

The council has the ability to diversify its investments and must consider carefully the level of risk against reward against a background still of historically low interest rates.



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Investments can help to close the gap in the budget in the years ahead and thus help to preserve services.

### **66. DISCRETIONARY BUSINESS RATES RELIEF POLICY**

Assistant Director, Financial Services and Revenues presented a report which sought approval for a policy in respect of the level of discretionary business rate relief to be granted to certain defined ratepayers in the council's area.

Following a revaluation of premises in April 2017, a number of local business have seen an increase in the business rate liabilities. Under the localism act 2011, the council may grant discretionary business rate relief. The council has been awarded an additional grant by the government for a 4 year period, to assist businesses affected by the revaluation.

The funding reduces significantly over the 4 year period, and it is therefore necessary for the council to review its policy each year. Once approved, the new policy will come into effect on 1 April 2018.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Lee.

#### **RESOLVED (unanimously) that:**

- 1. The Cabinet approves the attached policy.**
- 2. To authorise the Assistant director of Financial Services and Revenues (Chief Finance Officers), in consultation with the leader of the Council, to make any necessary amendments to the policy, where the total relief being granted is potentially going to be above or below the level of grant.**
- 3. To delegate authority to the Chief Finance Officer to approve the schemes in future years.**

The reason for this decision was:

The council needs a policy to set out how they will allocate the grant monies received from central government to help local businesses affected by the revaluation.

(The Chair declared the meeting closed at. 6.34 pm)

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**Report to:** Council

**Date of Meeting:** 21 February 2018

**Report Title:** Revenue Budgets 2017/18 (Revised) and 2018/19, plus Capital Programme 2018/19 to 2020/21

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

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### Purpose of Report

1. This report presents the revised revenue budget for 2017/18 and a budget for 2018/19. The revised budget for 2017/18 takes account of the known variations to expenditure and income streams that have occurred since setting the budget in February 2017.
2. This report has been updated since going out to consultation and following the receipt of the final government grant settlement on the 6 February 2018.
3. In setting the budget for 2018/19, 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 2018/19 although this involves using £1,039,000 of reserves built up for this purpose. The forecast deficit for 2019/20 is some £1,036,000, in 2020/21 it is £1.9m, and in 2021/22 it is £2.4m. The alignment of the Council's available resources to its priorities requires the achievement of additional income streams and the continuing review of services during the next 12 months in order to achieve balanced and sustainable budgets in the years beyond.
4. The Cabinet meeting on the 12 February was a key part of the budget setting process. This full Council meeting on the 21 February 2018 is 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 2018/19 of 2.99%.
5. Please note that the final grant settlement figures from government were received on 6 February 2018 (after the first report to budget Cabinet was produced and circulated) . The figures have yet to be received for Disabled Facility Grants. Once received adjustments will be made to the figures detailed in this report. Precepts will also be updated as and when final figures are received from the Police and Crime Commissioner, ESCC and the Fire authority.

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## Recommendation(s)

Cabinet recommended to full Council to:-

- (i) Approve the revised revenue budget for 2017/18 (Appendix A).
- (ii) Approve the draft 2018/19 revenue budget (Appendix A)
- (iii) Approve a 2.99% 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 £6m (plus General Fund Balance) i.e. an increase of £1m from 2017/18.
- (v) Approve the Capital Programme 2017/18 (revised) to 2020/21 (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 Chief Finance Officer 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) through the Strategic Budget Group 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 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 (updated for full Council).
- (xii) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants.
- (xiii) Approve an increase in the Council Tax premium chargeable for long term empty properties to 200% (from 150%), subject to the required legislation being in place along with sufficient time to undertake annual billing.

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## Reasons for Recommendations

1. Major reductions in funding in 2018/19 are set to continue into 2019/20 and 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 65% 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. The potential downside risks of Brexit and the increased reliance on income streams provide further potential volatility to the Council's future funding.
  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 2018/19 and beyond.
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## Introduction

1. The Chancellor's November 2017 autumn budget identified that the real term reductions in local government funding would continue. Total public sector net debt amounted to £1.70tn in October 2017 (87.2% of GDP – an increase of £147.8bn compared to October 2016). 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. 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 2017 forecast that there would be a deficit in 2017/18 of some £555,000, and £1,676,000 in 2018/19. A balanced budget for the two years being achieved by using limited amounts of the Council's reserves. The position had improved in 2017/18 following in-year initiatives such as the purchase of the Bexhill Road retail park, service transformation work and an

improvement in the Social Letting Agency's position. However the Council is having to make provision for legal costs from the Pier claim. The deficit now forecast for 2017/18 is some £434,000 (the precise amounts of the legal claim costs are not yet known).

4. For 2018/19 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 some £1,039,000. 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.
5. The Council accepted the government's 4 year settlement offer last year. This results in a reduction in the Settlement Funding Assessment for Hastings BC in 2018/19 of some 6.8% or £381,000. The Revenue Support Grant decreases by £496,000 or 24.3% to £1,542,000. With the level of government grant continuing to decrease at such significant levels the Council will need to make further substantial savings, generate income, or both, in order to produce sustainable balanced budgets in the years ahead.
6. 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. However, the Council will need to further prioritise its full resources, at least for a while, on areas that generate or will generate additional income or where costs can be reduced or activities cut or postponed. Staff resources will need to be redirected.
7. It should be noted that the budget does now include the anticipated increases in expenditure (both Capital and Revenue) and increases in income that will arise during the year as income generation schemes are realised. The projections for the income achievable from energy initiatives have been reprofiled but remain very ambitious nonetheless.

## **Strategic Priorities**

8. 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 2018/19.
9. 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**

10. The Medium Term Financial Strategy, approved in November 2017, provided indicative budget forecasts for the 5 year period 2017/18 to 2021/22.
11. 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.
12. 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 2017 gives a 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

13. 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 2018/19 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.
14. The business rate, itself, is set by the government with regard to the change in the Retail Prices Index. The proportion retained in Hastings is 40% (9% is payable to ESCC, 1% to the Fire and Rescue Authority and 50% to the Government).
15. In order to project business rate income account is taken of planning approvals for new commercial buildings and for change of use to residential and an allowance is made for the likely reductions due to successful appeals against rateable values. Businesses see no difference in the way the tax is set. Rate setting powers remain under the control of central government and the revaluation process remains the same – save for a new revaluation every three years.
16. Under the scheme 50% of business rates is localised through a system of top-ups and tariffs that fix an amount to be paid by high yield authorities and distributed to low yield authorities – this amount being increased annually by inflation (CPI). Local authorities retain a proportion of all business rate growth or conversely experience a reduction in resources if the business rate base declines.
17. The 50% central government share is distributed through the formula grant process – thus enabling the government to control the overall amount received by local authorities. Where there is disproportionate growth this will be used to provide a safety net for those authorities experiencing little or negative growth and allow the treasury to top slice business rates income. A reset mechanism is in place with the first reset in 2020/21 (expected to be overtaken with the Fair Funding review). The system, the calculations required, accounting treatments, and particularly the budgeting requirements are not straightforward.
18. The changes increase the level of instability in the forecast of resources and the interaction with economic growth or decline will increase the associated risks. A decline in an industry within the borough could result in both a decrease in the business rate base and an increase in demand for Council Tax support – both increasing Council costs.
19. The government after determining the business rates baseline levels included small business rate relief within its own budget proposals. This effectively reduced

Councils' income. The government is reimbursing authorities for this lost income which is now estimated to amount to some £900,715 for Hastings in 2017/18 and some £1,113,725 in 2018/19.

20. The rateable value (RV) of business properties at the start of the 2018/19 year is forecast to be some £62.7m. However given the level of appeals, forecasting income levels for 2018/19 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.
21. Multiplying the rateable value figure by the rate poundage and after charity and other reliefs the Council will collect some £21.1m of which the Council share is some 40% (£8.37m in 2018/19). 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 £5,500,927 in 2018/19. The estimate of the business rate income collected that will be retained by the Council in 2018/19 amounts to £2,756,000.
22. 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.
23. The Business Rates Pooling arrangement within East Sussex will recommence on 1 April 2018. This has followed due consideration as 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. The latest estimate is a £57,589 p.a. benefit to the Council.

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

24. The 2018/19 provisional finance settlement was announced on 19 December 2017 with the final settlement figures being received on the 6 February 2018. 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	£5,216	-£389	-6.9%	-27.5%
2019/20 (Est)	£4,743	-£473	-9.1%	-34.1%

25. 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 £496,000 in Revenue Support Grant in 2018/19, 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	£1,542	-£496	-24.3%	-£2,185	-58.6%
2019/20 (Est)	£988	-£554	-35.9%	-£2,739	-73.5%

26. The Council will no longer receive any Transition Grant funding in 2018/19 (£5,493 in 2017/18).
27. Discretionary Housing Payments (DHP's) play a vital role in supporting a lot of people affected by the welfare changes. The grant figure for 2017/18 amounted to £412,154. The figure for 2018/19 is £381,729 i.e. a reduction of £30,425. This funding will be fully subscribed.

## Summarised Grant Position

28. The level of grants received from the government between 2010/11 (the year before the previous Comprehensive Spending Review) and 2018/19 have decreased by some 69% 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).
29. **In 2018/19 the Council will lose £496,000 in Revenue Support Grant. New Homes Bonus is some £359,000 less than in 2017/18 as detailed in the report and is set to fall further. These two grants losses alone amounting to some £855,000. 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.**

## Fair Funding Review & Business Rates Retention

30. The government have issued a consultation paper on the future funding mechanism – the Fair Funding Review. The consultation lasts for 12 weeks from 19 December 2017 to 12 March 2018. The Communities Secretary also confirmed the government's aim to increase business rates retention for all local authorities in 2020 to 2021 to help meet the commitment to give local authorities more control over the money they raise locally.
31. This review will calculate new baseline funding levels based on an up-to-date assessment of the relative needs and resources of local authorities. Business rates will be redistributed according to the outcome of the new assessment, alongside the resetting of business rates baselines, subject to suitable transitional measures.
32. The government wants local authorities to retain 75% of business rates from 2020 to 2021. This will be through incorporating existing grants into business rate retention including Revenue Support Grant.

## Income Generation

33. The Council has a number of key income streams besides Council Tax and business rates. These include for example rents from land and industrial estates and shopping centres, cemetery, cliff railways, planning, licensing, lettings and land charges.
34. The Council has stepped up the level of income it is receiving from property and is looking to diversify its income streams further through the housing company and from energy. The table below highlights some of the more recent acquisitions and initiatives that have either generated or saved money and will go a little way to meeting the massive funding reductions the Council is experiencing and thus helps to protect services.

<b>Location</b>	<b>Income</b>	<b>MRP and Interest</b>	<b>Net Additional Income</b>
	£	£	£
Muriel Matters	321,000	220,800	
MM Shops	41,000		
<b>Totals</b>	<b>362,000</b>	<b>220,800</b>	<b>141,200</b>
Town Hall	97,000		97,000
Sedlescombe Rd North	460,000	294,613	165,387
BD Food Factory	40,000	91,488	51,488
Sea Front Kiosks	7,900	0	7,900
Bexhill Rd Retail Park	543,000	356,660	186,340
Property Fund	80,000	0	80,000
<b>Totals</b>	<b>1,589,900</b>	<b>963,561</b>	<b>626,339</b>

35. Given the Council's need to generate significant levels of new income if services are to be protected, an income generation strategy was agreed in September 2017. The Council's income generation plans involve both capital and revenue expenditure.
36. 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.
37. The Council agreed at its Cabinet meeting on 11 September 2017 to spend £50m on Commercial Property, Housing and Energy initiatives over the next 3 years. These initiatives are intended to support key priorities within the Corporate Plan e.g. economic, regeneration, housing and sustainability, provide additional income streams, or both.

The table below highlights the proposed Capital spend

	2017/18	2018/19	2019/20	2020/21
	£	£	£	£
<b>Commercial Property</b>	9,000,000	20,000,000		
<b>Housing</b>	1,500,000	5,000,000	5,000,000	3,500,000
<b>Energy</b>		2,000,000	2,000,000	2,000,000
<b>Total</b>	10,500,000	27,000,000	7,000,000	5,500,000

38. The table below shows the additional income projections for the main initiatives. In addition £2m was invested with a Property Fund (CCLA) in April 2017. The income projections continue to be refined, particularly around energy with £80,000 of net income being allowed for in 2018/19 budget estimates compared to the £280,000 in the Income generation strategy projection.

	2017-18 Revised Budget £000's	2018-19 Projection £000's	2019-20 Projection £000's	2020-21 Projection £000's	2021-22 Projection £000's
<b>Additional Income Generation Projections</b> (Cabinet 11 September 2017)					
Income Generation - Commercial Property	(92)	(373)	(570)	(576)	(576)
Income Generation - Housing Company	(20)	(60)	(147)	(200)	(200)
Income Generation - Energy		(280)	(540)	(540)	(540)
Total	(112)	(713)	(1,257)	(1,316)	(1,316)

39. Given the funding gap that remains, the Council will need to consider its appetite for further risk involving income generation and its ability to identify further efficiencies or reductions in services.

## Fees and Charges

40. The Council has limited reserves and remains reliant upon income streams and investment returns to balance the budget. 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.
41. With a number of exceptions, fees and charges have generally been increased by a minimum of the retail price index - except where set by statute, or in line with

market fees. 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 it remains unclear as to when the revision of the statutory charges will apply. The government have announced that fees can be increased by 20% as long as the additional resources are retained in planning – the details are awaited.

42. Car parking charges were last increased in February 2017 for a 12 month period (increases were applicable from 1 April 2017). The Council has experienced a significant increase in business rates on some of its car parks following the 2017 national revaluation and the phased increases will continue. 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 be conducting a condition survey of the Priory Street car park during 2018, with the potential of significant additional expenditure in 2019/20 and beyond in order to substantially extend its future life. Whilst there are considerable cost pressures the economic vitality and attractiveness of the town remain a key priority for the Council and no increases in charges are proposed for 2018/19.

## **Investment and Borrowing**

43. Base rates increased in 2017 to 0.5% from their previous level of 0.25%. Given the restricted counterparties list and short investment periods, investment returns of around 0.5% (excluding property funds) are predicted in 2018/19. The Treasury Management Strategy will continue to advocate a policy of keeping the respective levels of debt and investment under review.
44. The Council has had additional borrowing requirements in 2017/18 to finance 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 (the Minimum Revenue Provision).

## **Inflation**

45. This had 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 2017 it was 3.9% (Retail Price Index) whilst the government’s preferred measure CPI (Consumer Price Index) was 3.1%.
46. Inflation, according to the Bank of England inflation report is expected to be at or around the 2% target in the next two years.
47. Based upon the above projections, general inflation is being estimated at 2% overall for 2018/19 and beyond. However, only contract inflation is 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

48. The figures in the Medium Term Financial Strategy assumed a 1.5% increase for 2018/19 and 2% beyond. In addition there are contractual increments (equivalent of around ½%). Since then a headline offer of 2% for each of the next 2 years has been made by the employers. The rate is higher for those on lower grades. Some 71 staff at the Council would receive more than the 2%. Nationally the settlement is assessed as being between 2.7% and 2.8% p.a. (It is understood that the offer has not been accepted)
49. The salaries budget together with national insurance and pension costs amounts to some £11.2m in 2017/18. The costs are estimated to increase by some £250,000 in 2018/19.
50. The Council remains committed to paying the accredited living wage (£8.75 per hour for over 18's), which is significantly higher than the national minimum wage of £7.05 per hour for under 25's, and the new national living wage for over 25s of £7.50. The pay settlement makes proposals for pay scales to be amended reflecting the effects of the higher increases at lower pay scales.

## Council Tax Reduction Scheme

51. 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 in 2016/17 and 2017/18, and the same again for 2018/19 (Full Council in December 2017).
52. 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 in the numbers seeking assistance and this has resulted in fewer discounts being granted. This reduction impacts positively on the calculation of the Council Taxbase.
53. 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 2018/19, and is doing so in conjunction with neighbouring authorities.

## Universal Credit & Benefit Administration Grant

54. 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 2018/19. 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.



55. 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 is becoming better understood and necessitates changes to the Council Tax Support scheme if the Council is not to be engulfed in numerous change of circumstance requests. It should be noted that the final stage of converting the stock of existing working age Housing Benefit claims onto Universal Credit is still some years away – to be completed by 2022. However there appears to be no immediate plans for the transfer of pensioners or the more complex cases away from Housing benefit – which could see the Council retaining some 40% of cases.
56. The Department for Work and Pensions (DWP) are providing additional funding to the Council in 2018/19. Some of this will be required to fund external support organisations 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.
57. The Benefit Administration Grant for 2018/19 has been reduced to £420,606 (from £460,841) – a loss of £40,235 (8.7% reduction). Please note the Council Tax Support Grant has been separated out from the Benefit Administration Grant line (see Appendix 1).
58. The level of Council Tax Support Administration Grant receivable in 2018/19 has now been notified at £166,913 (£178,405 received in 2017/18). This represents a reduction of £11,492 (a 6.5% reduction).
59. 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 - Empty Homes Premium**

60. From April 2013, billing authorities in England took on an additional power over certain Council Tax discounts.
61. The government is keen to encourage owners of empty homes to bring their properties back into use. To help achieve this, local authorities will be able to increase the council tax premium from 150% to 200%. The County Council, Police and Fire Authority who are all experiencing funding pressures would also benefit. It is recommended that the percentage be increased to 200% from 1 April 2018.
62. Based on current numbers the estimated additional net income to Hastings BC is some £10,000 p.a. If however the policy succeeds the level of income will naturally be less.- although this would offset pressures elsewhere.

### **Pension Fund Contributions**

63. 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 was undertaken in 2016 with revised contribution rates becoming payable from April 2017.

The rates currently payable by the Council consist of the primary contribution rate plus 0.75% for future ill health retirements (these are percentages of salaries of staff in the pension scheme) plus a lump sum (secondary rate), namely:

2017/2018 -17.3% +0.75% + lump sum of £489,000 (6.5%)  
2018/2019 -17.3% +0.75% + lump sum of £540,000 (6.5%)  
2019/2020 -17.3% +0.75% + lump sum of £594,000 (6.5%)

64. The above lump sum figures represent growth of £51,000 in 2018/19, and further growth of £54,000 in 2019/20. The rates are expected to be more stable in the years beyond 2020/21 and no increase has been allowed for above and beyond the percentage pay increases.

## Grants

65. 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 few 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).
66. 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),
67. Most of the bids made have been successful and the resultant regeneration work within Hastings remains significant.
68. Of significance is the monies paid to the Council from the Clinical Commissioning Group (CCG) for various joint initiatives which are included in the Council’s budget (some £1.7m in total over the next few years). It should be noted that this inflates the Council’s net expenditure figures (the funding is included in transfers from reserves).

## New Homes Bonus

69. 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 2017/18 amounting to £1,008,963.
70. 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 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 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.

71. The Council Tax Base return (CTB 1 in October 2017) identifies that the number of new properties completed and the number of long term empty properties brought back into use (net) amounted to some 292 properties (some 243 band D equivalent properties), which results in income amounting to some £142,362 for 2018/19 .
72. The table below shows the New Homes Bonus receivable by the Council in 2018/19 and estimates for future years.
73. Table: New Homes Bonus

Year	2017/18	2018/19	2019/20 (Est)	2020/21 (Est)	2021/22 (Est)	2022/23 (Est)
	£	£	£	£	£	£
Year 1						
Year 2						
Year 3	119,097					
Year 4	382,670					
Year 5	119,542	119,542				
Year 6	382,055	382,055	382,055			
Year 7	5,600	5,600	5,600	5,600		
Year 8		142,362	142,362	142,362	142,362	
Year 9			100,000	100,000	100,000	100,000
Year 10				100,000	100,000	100,000
Year 11					100,000	100,000
Year 12						100,000
<b>Total</b>	<b>1,008,964</b>	<b>649,559</b>	<b>630,017</b>	<b>347,962</b>	<b>442,362</b>	<b>400,000</b>

74. The reduction between 2017/18 and 2018/19 is a funding loss of £359,000 – a 36% reduction. Over two years the reduction amounts to some £738,000.
75. 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.

### Revised Budget 2017/18

76. The revised 2017/18 total service expenditure budget amounts to £15m, against an original budget of £14.9m (Appendix A). The deficit amounts to some £433,919.

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

1. Property – income is currently higher than original budget estimates as a result of property purchases e.g. Bexhill Road Retail park, where the full year income receivable amounts to some £543,000.
2. Investment income is higher than the original budget following the decision to invest in the Property Management Fund (CCLA). The Council investing some £2m in April 2017).
3. Business rate income remains an area of high volatility and risk. Whilst the level of business rates collected is on target the level of appeals both nationally and locally is a threat that has materialised and as in previous years is impacting significantly on the retained income levels. The Council is receiving a separate payment from the government following the extension to the Small Business rate relief scheme – which effectively reduced the council's income from business rates. This further complicates the picture. Given government changes to the scheme, the Council is no longer having to collect relatively small sums from a number of businesses and is instead reimbursed by the government for the income foregone.
4. A relatively good summer and mild autumn to date has resulted in parking income being more buoyant than projected. Off-Street Parking income is forecast to be higher than originally budgeted by some £100,000.
5. Inflation: The Council allowed around 2% overall for inflation on its main contracts in 2017/18. With some £5m of major outsourced contracts, inflation assumptions remain important for budget planning purposes. Estimates indicate that there will be additional costs of some £93,000 p.a. on major contracts.
6. Council Tax Support Scheme – lower levels of claims continue to be experienced in 2017/18, which results in higher levels of council tax being collected. The caseload is currently 10,193 and represents a decrease of 4.7% from September 2016. Housing Benefit caseload also continues to decrease, now standing at 8,180 – a decrease of 17.6% from September 2016 (the cost of the claims being funded by government in this instance).
7. Since determining the budget in February 2017, the Council's budget has been enhanced by the receipt of a number of grants and additional funding sources, all of which will be matched with expenditure and are not therefore expected to reduce the in-year deficit. Additional funding includes:
  - Flexible Homelessness Support Grant - £451,597 (2017/18) & £519,586 (2018/19)
  - Community Housing Funding - £244,098
  - Clinical Commissioning Group Monies – Total expenditure some £1.728m in period to 2019/20
  - Discretionary Housing Payments £412,154 (2017/18)

Of the above, some £940,000 is expected to be additional spend in 2017/18 and is included within the revised budget.

8. It is recommended that if there were to be any underspends at year end these are transferred to the Invest to Save Reserve.

## **Budget 2018/19**

77. The Council's total service expenditure in 2018/19 is estimated at £12.8m. This compares to a revised estimate of £15.1m for 2017/18 and represents a decrease in net expenditure of 15.2%. Two key areas account for the majority of the reduction, firstly timing of payments in respect of the Clinical Commissioning group expenditure and secondly provision for legal costs.
78. The Revenue Support Grant receivable from the government in 2018/19 of £1,542,000 represents a £496,000 (28.1%) reduction from the 2017/18 settlement. The impact of the settlement in 2018/19 is even more severe given the reduction in New Homes Bonus monies (a reduction of £379,000 (27.3%) from 2017/18).
79. In addition to the reductions in central funding and New Homes Bonus there are a number of costs, that impact on 2018/19. These include :
- i) 2% Pay increase (est)
  - ii) Pension increase
  - iii) Interest rate - borrowing rates
  - iv) Rateable values
  - v) Redundancy costs fall within the year that the decision is made. Additional costs are anticipated in 2018/19 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 2018/19.
  - vi) The estimate of the deficit on the Collection Fund in respect of business rates (largely appeals) is some £63,896 (£236,000 in 2017/18). This is recovered in the 2018/19 accounting period as a charge to the General Fund.
80. The estimated balance on the Collection Fund at 31 March 2017 in respect of Council Tax is a surplus of £125,899 (Hastings BC share), but the estimated deficit of £63,896 (HBC share) in respect on business rates, reduces the overall surplus to some £62,003. This compares to a £4,488 deficit that was charged to the 2017/18 budget.
81. Savings and some areas of growth have been identified through the PIER process which amount to £487,000 (net) in 2018/19 (Appendices - K and Kii).
82. Of particular note are the income generation projections, but also the growth areas in respect of Homelessness (plus £156,000) and Policy Planning (plus £61,000).

83. 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 a further £46,000 in 2018/19
84. Discretionary Housing Payments – £412,000 was received in 2017/18. The figure for 2018/19 is £381,729 i.e. a reduction of £30,425.
85. 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 2017 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 2018/19 and beyond under delegated powers by the Chief Finance Officer in consultation with the leader of the Council.
86. 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.
87. 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.
88. In summary there is an estimated deficit of £1,039,000 in 2018/19. The savings identified and additional income generated, mean that a balanced budget can be achieved in 2018/19 using some £839,000 of the Transition Reserve, £100,000 from the Economic Development Reserve and £100,000 from the Community Safety Reserve.
89. In view of the reduced resources available in 2018/19 and beyond the Council must continue to review the level of service it can provide and transform the way it delivers those services. Priority, at least in the short to medium term, needs to be directed towards income generation and balancing the budget.

### **Budget 2019/20 and beyond**

90. 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.
91. The indicative Revenue Support Grant reductions to be implemented over the period 2018/19 to 2019/20 amount to £2,739,000 (73.5%).
92. To achieve a balanced budget in 2019/20 (without using reserves) savings of £1,036,000 need to be identified. This figure reduces to zero after allowing for part use of the Community Safety Reserve (£100,000), part use of the Economic

Development Reserve (£100,000), and a further £836,000 from the Transition Reserve.

93. To achieve a balanced budget in 2020/21 (without using reserves) savings of £1.9m need to be identified. This figure reduces to £1.6m after allowing for part use of the Community Safety Reserve (£100,000), part use of the Economic Development Reserve (£100,000), and what remains by then in the Transition Reserve (£91,000).
94. By 2021/22, the Transition fund would be extinguished completely. The funding shortfall estimated for the year being some £2.4m.
95. The future projections are identified in Appendix G. These estimates assume savings and additional expenditure and will be refined as and when more information is available e.g. once the theatre tenders are received/negotiations are completed.
96. 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 2019/20 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.
97. The reserve 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.
98. In order to address the budgetary issues ahead whilst also looking to improve the customer experience, and join up the major initiatives across the Council, it is recommended that the Priority Income and Efficiency Review process (PIER) be continued.

## Council Tax

99. 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 (£)
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% (£5)	3.1%	245.33
2017/18	2.0% (£5)	4.0%	250.33

100. The tax base for 2018/19 is some 1.94% higher, as a result of additional properties and a significant reduction in the Council Tax Support being claimed. The effect is to increase the tax base from 25,095 to 25,582 (worth some £122,000 p.a. to HBC alone).
101. It is again open to the Council to increase Council Tax for 2018/19. One percent on the Council Tax will equate to around £64,000 of income for this Council.
102. The 2018/19 budget projection assumes a further contribution of £126,000 from the Council's Collection Fund in respect of Council Tax due to a good collection record. However there remains a deficit in business rates income mainly caused by the high level of successful rating appeals. An estimated deficit of £63,000 has currently been included in the strategy but this figure could be amended significantly before the year end.
103. The government announced on the 19 December 2017 that shire district Councils will be allowed increases of less than 3%, or up to and including £5, whichever is higher in 2018-19 and 2019-20 without the need for a referendum. The Council could agree a higher level if a referendum was held that supported a bigger increase.
104. The figures in the appendices (Appendix M) show an indicative 2.99 % increase for Hastings BC and a 2.99% increase for ESCC and 3% in respect of the Social Care Levy (5.99% in total), 2.94% for the Fire Authority and a £12 (7.8%) increase for the Police and Crime Commissioner .
105. Council Tax is at £250.33 (Band D – Hastings BC element) and a 2.99% (£7.48 for a Band D property) increase in 2018/19 would take this to £257.81.

### **Asset Sales - Capital Receipts**

106. 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.
107. 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.
108. 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.



109. 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**

110. The capital programme analysed by service is attached (Appendix P).

111. 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.

112. 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.

113. For 2017/18 there will be slippage on a number of schemes, including the Country Park Visitor Building, and the Castle. The overall spend will exceed the original budget estimates following the purchase of Bexhill Road Retail Park, the establishment of the housing company, and approval for York Buildings and the capital contribution to Priory Meadow in respect of the Council's share of capital investment over the next three years (£250,000). Additional land and property acquisitions in the year have also been approved by the Council.

114. There are also substantial calls being made on the Council's resources to fund replacement equipment on playgrounds and maintain sports grounds, pitches and other facilities. An additional £250,000 has been allowed for in the Capital programme to be funded from the repairs and renewals reserve and S106 monies.

115. The purchase of a further Retail Park in 2017/18 plus completion of other capital schemes has resulted in some £13m of expenditure (as at the time of writing) and this figure could increase by the end of the financial year.

116. The level of Disabled Facility Grant (DFG) funding for 2017/18 was £1,543,547 with another £154,000 recently allocated. Figures have not yet been advised for 2018/19. 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 will be revised once figures for 2018/19 are advised. On a national basis funding for DFG's increased from £220m in 2015/16 to £394m in 2017/18. It is set to increase to £500m by 2019/20 but the government have provided no indicative figures beyond 2017/18. 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.
117. The Council approved in late 2016 the purchase of a parcel of industrial land. Proposals for development are in the pipeline, but affordability is an issue. No allowance for this is made within the capital programme and as such will be the subject of a further report once funding options are fully explored.
118. The capital programme in summary (net of external funding) amounts to:-

	<b>Revised 2017/18 £'000s</b>	<b>2018/19 £'000s</b>	<b>2019/20 £'000s</b>	<b>2020/21 £'000s</b>
<b>Gross Capital Expenditure</b>	17,027	32,938	8,767	7,162
<b>Net Capital Expenditure</b>	13,145	28,691	7,210	5,623
<b>Financing from own resources</b>	968	1,531	210	123
<b>Borrowing Requirement</b>	12,177	27,160	7,000	5,500

119. In terms of net cost, the 2017/18 programme has been revised to £13,145,000 from £15,310,000. The 2018/19 programme amounts to £28,691,000 (£32,938,000 Gross).
120. 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

121. 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**

122. In determining the affordability of new capital proposals the Council has been required to consider the incremental impact on the Council Tax for future years. 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.
123. 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 2018/19.

### **Investment in Council Assets**

124. In protecting the economic vitality of the town, it remains important to maintain the Council's commercial estate in order to maximise occupancy rate and to support the local economy as far as possible. In doing so the Council will be in a position to take advantage of any sustained upturn in the economy in the future.
125. The Council's Renewals and Repairs Fund is reviewed on a regular basis in order to ensure sufficient resources are available to fund necessary works. Planned maintenance is normally cheaper in the long term than reactive maintenance. Additional substantial calls (£400,000 in total) have been made on the fund for works on the cliffs. It is however clear that a further sum of up to £100,000 will be required to address some further immediate concerns (to be addressed within the next 12 months). As such a further £100,000 has been included within the contingency budget, funded from the Renewal and Repairs reserve for 2018/19, but further substantial sums may be required.

### **Minimum Revenue Provision (MRP)**

126. 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.
127. 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 2018/19 is estimated at £1,116,000 (excluding any notional figures for leasing arrangements).
128. 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. For example, an asset that cost £100,000 and has a 10 year life, and that was financed by borrowing, would necessitate putting aside £10,000 in each year (£100,000 divided by 10) to repay the debt.
129. 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. Should the existing financing assumptions alter, and additional borrowing is required, there will be a direct and additional pressure on the revenue budget.
130. The MRP is set to increase substantially in 2018/19 and beyond as a result of additional borrowing, particularly in respect of income generation initiatives. The Council's MRP policy is determined by full Council as part of the Treasury Management Strategy in February for the forthcoming year.

131. The table below identifies the estimated Capital Financing Requirement (CFR) for each of the next four years and the Minimum Revenue Provisions (MRP).

Year	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
CFR-Opening	29,918,363	37,961,885	64,033,807	69,686,196	75,204,866
MRP	777,978	928,078	1,633,554	1,831,358	2,037,609
CFR Closing	37,961,885	64,033,807	69,686,196	75,204,866	73,577,684

These figures are very much dependent upon the level and timing of capital acquisitions, the level of capital receipts received and the useful life of the assets acquired or constructed. The figures will continue to be reviewed throughout 2018/19 and regularly thereafter, based on the proposed Capital programme, and subsequent changes and timing thereof.

## 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. For the strategy reserves at 31 March 2018 are estimated to consist of:-

<b>General Reserves</b>	<b>Estimated Balance at 31.3.2018 £'000s</b>
Revenue Reserves	7,658
Capital Reserve (Revenue monies)	513
<b>Total</b>	<b>8,171</b>

<b>Earmarked Reserves</b>	<b>Estimated Balance at 31.3.2018 £'000s</b>
Renewals and Repairs Reserve	1,492
Insurance & Risk Management Reserve	310
IT Reserve	150
S106 Reserve	404
VAT Reserve (incl. Senior and Youth support & Capital contributions)	207
Government Grant Reserve	424
Revenue Hardship Fund	80
Monuments in Perpetuity	43
Ore Valley	250
Mortgage Reserve (LAMS)	151
Invest to Save and Efficiency Reserve	502
Resilience and Stability Reserve	600
Transition Reserve	1,788
Redundancy Reserve	648
Community Safety Reserve	350
Economic Development Reserve	501
Disabled Facilities Reserve	974
Clinical Commissioning Group	101
Selective Licensing	53
Other reserves	247
<b>Total</b>	<b>£9,275</b>

The protection of key services remains of crucial importance to the Council and the Transition Reserve, Economic Development Reserve and Community Safety Reserve has provided the Council with the opportunity to protect some key services and activities into the future e.g. the ability to continue regeneration and attract grant funding to the town remains a key priority. The strategy continues to identify the use of these reserves in 2018/19 and beyond.

136. At 31 March 2018 General and Capital Reserves will amount to an estimated £8.17m, of which some is already committed e.g. empty homes strategy.

137. The estimated reserves position, as at 31 March 2018, is shown in Appendix H. As an absolute minimum, the combined level of the Capital Reserve and General Reserve should be £6m i.e. the non- earmarked reserves. This is an increase of £1m on 2017/18 and reflects the more difficult funding regime, as well as the experience of recent years 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 down turns in income sources, and was arrived at as follows:-

- (i) 10% downturn in income (sales, fees, rents, etc) - £2m (Projection)
- (ii) 5% over run in expenditure (including capital) - £2m
- (iii) Unforeseen events/losses - £2m

138. 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.

139. 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.

140. 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**

141. The draft Corporate Plan and Budget being the subject of consultation (from Friday 12 January 2018). The closing date for comments (Friday 9 February) being after the dispatch of the Cabinet agenda and therefore any comments received are reported verbally to Budget Cabinet on 12 February. Comments received from the business community, voluntary and community sector organisations and the Overview and Scrutiny Committee meeting being included within the Corporate Plan report elsewhere on the agenda.

142. The full Council meets to set the budget on 21 February 2018.

## **Equalities and Community Cohesiveness**

143. 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

144. 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. It will need to further prioritise its objectives and identify where it will need to make savings to balance the budget in 2019/20 and beyond.
145. 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.
146. The Council seeks to identify further opportunities for contract savings, plus identify, investigate and implement efficiencies, identify income generation opportunities and ensure that potential savings are monitored and achieved.
147. 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) **Fair Funding Review & Business Rates retention.**

2020/21 will see the introduction of the 75% retention of business rates and the results of the fair funding review – which may or may not provide additional resources.

Business rates in the meantime continue to present real uncertainties. Volatility in income streams arising from both local and national economic pressures, the level of successful rating appeals, and the collection rates achieved

(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 is helping the Council to

identify and progress viable schemes – thus helping to reduce the risk of unbalanced budgets in future years. There remains considerable pressure on existing staff and prioritisation of work 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/ contracts.** The Council had 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, and 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.

The early termination of the waste and street cleaning contract provides uncertainty as to future costs. Re-letting of the Waste and Street Cleaning contracts, given the state of the recycling market in particular, could see the costs to the Council increase. An additional £300,000 p.a. is being included within the budget projections for planning purposes from 2019/20 onwards.

The Council does rely on external service providers, it is particularly reliant on IT and software companies. Due diligence on the award of any contracts remains critical to the effective provision of services.

- (iv) **Staffing / Knowledge Management.** The loss of key staff through early retirement or redundancy, and in the short term – through illness..
- (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 2019. The Council will consider a new scheme for 2019/20 with all the implications this has on the local community and the Council in devising the scheme. Universal Credit arrangements continue to change with more cases, and particularly the more complex cases falling on the shoulders of the Council. According to the DWP timetable the transfer of existing working age claimants to Universal Credit is still 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 2017 was £648,000). The intention will be to meet any additional redundancy costs from either the existing 2018/19 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. The management of the Council’s debt portfolio and its assets becomes increasingly important – especially in a rising interest rate environment.
- (ix) **Potential Liabilities**
  - (i) The Council continues to rebut a backdated claim for mandatory rate relief in respect of NHS properties amounting to some £4.3m for a period of 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%). This claim would now be higher given the period that has now elapsed since receiving the claim. 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) Cliffs – Whilst a further £100,000 has been allocated from the renewal and repairs reserve for additional works, further costs could arise once further clearance and repair work is undertaken.
- (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 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

148. The report supports the alignment of corporate priorities with available resources, produces a robust and balanced budget for 2018/19 (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.

149. The financial implications in 2018/19 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.
150. 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 2018/19 and beyond.
151. 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**

152. The Council has limited available reserves and has an ambitious corporate plan. To stand a chance of achieving a sustainable budget in the future, priorities must be reassessed and staff must be directed, at least temporarily towards those areas that will generate significant income or significantly reduce costs. 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**

153. The Council took the decision to retain the Council Tax Support scheme in its existing form in December 2017 and hence help protect some of the more vulnerable households in the community.

### **Equalities and Community Cohesiveness**

154. An assessment of equality impacts is set out in Appendix K2 and will be considered as part of the consultation process.

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### **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

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### **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

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### **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/](http://www.hastings.gov.uk/decisions_democracy/transparency/budgets_finance/)

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# Budget - DRAFT

2018-2019

Management Edition



Financial Services  
[www.hastings.gov.uk](http://www.hastings.gov.uk)

# Appendices to Budget Report

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## REVENUE BUDGET SUMMARY

## Appendix A

	2017-2018 Original Budget £	2017-2018 Revised Budget £	2018-2019 Estimate Budget £
<b>Directorates</b>			
Corporate Resources	2,692,710	2,688,490	1,244,970
Operational Services	11,802,367	12,400,050	11,055,900
<b>Direct Service Expenditure</b>	14,495,077	15,088,540	12,300,870
Contingency Provision (incl. R&R Reserve)	400,000	29,410	500,000
<b>Total Service Expenditure</b>	14,895,077	15,117,950	12,800,870
Provision for the Repayment of Principal (MRP)	831,669	785,000	1,116,000
Net Interest (Earnings) / Payments	232,753	642,884	1,189,955
<b>Total Expenditure</b>	<b>15,959,499</b>	<b>16,545,834</b>	<b>15,106,825</b>
<b>Amount to be met from Grant and Collection Fund</b>			
Government Grant - Revenue Support Grant	(2,038,000)	(2,038,000)	(1,542,094)
New Homes Bonus	(1,008,963)	(1,008,963)	(649,559)
New Homes Bonus Return Funding	(8,670)	(8,670)	(8,670)
NNDR (Surplus) / Deficit	236,693	236,693	63,396
Council Tax (Surplus) / Deficit	(232,205)	(232,205)	(125,899)
Housing Benefit Administration Grant	(460,841)	(460,841)	(420,606)
Council Tax Support Admin Grant	(178,467)	(178,405)	(166,913)
Transition Grant	(5,466)	(5,466)	0
Business Rates	(2,997,209)	(3,052,382)	(2,756,880)
Business Rates - Pooling	0	0	(57,589)
Business Rates - Section 31 Grant	(723,998)	(900,715)	(1,113,725)
Council Tax	(6,282,031)	(6,282,031)	(6,595,295)
<b>Total Funding</b>	<b>(13,699,157)</b>	<b>(13,930,985)</b>	<b>(13,373,834)</b>
Funding deficit / (surplus)	2,260,342	2,614,849	1,732,991
<b>Reserve movements</b>			
Contributions to Capital from Grant and Revenue (Appendix B)	0	0	0
Contributions to Reserves (e.g. R&R)	971,099	1,016,570	1,071,784
Use of Earmarked Reserves (see Appendix H)	(2,676,496)	(3,197,500)	(1,766,012)
<b>Net Contribution to/(from) Reserves</b>	<b>(1,705,397)</b>	<b>(2,180,930)</b>	<b>(694,228)</b>
<b>Use of Reserves to fund Deficit</b>			
Transfer from Transition Reserve	(354,945)	(433,919)	(838,763)
Transfer to/(from) Specific Reserve	(200,000)	0	(200,000)
<b>Total</b>	<b>(554,945)</b>	<b>(433,919)</b>	<b>(1,038,763)</b>
<b>General Fund Movement</b>	(0)	(0)	(0)
<b>Net Council Expenditure</b>	<b>14,254,102</b>	<b>14,364,904</b>	<b>14,412,597</b>

**Appendix A (continued)**

**COUNCIL TAX**

<b><u>2017-2018</u></b>			<b><u>2018-2019</u></b>		
Total	Band D		Total	Band D	Increase
£	£		£	£	%
13,699,157		Budget requirement	13,373,834		
(2,038,000)		Revenue Support Grant	(1,542,094)		
(178,467)		Council Tax Administration Support Grant	(166,913)		
(1,008,963)		New Homes Bonus	(649,559)		
4,488		Collection Fund (Surplus) / Deficit	(62,503)		
(1,198,975)		Other non-ring fenced grants	(1,600,590)		
(2,997,209)		Retained Business Rates	(2,756,880)		
<b>6,282,031</b>	<b>250.33</b>	<b>Borough Council Tax</b>	<b>6,595,295</b>	<b>257.81</b>	2.99%
32,983,864	1,314.36	County Council Precept	35,638,540	1,393.11	5.99%
2,218,398	88.40	Fire Authority Precept	2,327,962	91.00	2.94%
3,862,371	153.91	Police and Crime Commissioner Precept	4,244,310	165.91	7.80%
<b>45,346,664</b>	<b>1,807.00</b>	<b>Total Council Tax</b>	<b>48,806,107</b>	<b>1,907.83</b>	5.58%
	<b>25,095.00</b>	<b>Council Taxbase at Band D</b>		<b>25,582.00</b>	

TABLE OF COUNCIL TAX BANDS AND AMOUNTS :

<b><u>2017-2018</u></b>		<b><i>Relationship</i></b>	<b><i>East Sussex</i></b>	<b><i>Police and Crime</i></b>	<b><i>East Sussex</i></b>	<b><i>Hastings</i></b>	Total
<b><i>Amount</i></b>	<b><i>Band and Value *</i></b>	<b><i>to Band D</i></b>	<b><i>C.C.</i></b>	<b><i>Commissioner</i></b>	<b><i>Fire Authority</i></b>	<b><i>B.C.</i></b>	<b>Amount</b>
£1,204.67	A - up to £40,000	6 / 9	£928.74	£110.61	£60.67	£171.87	£ 1,271.89
£1,405.45	B - £40,001 up to £52,000	7 / 9	£1,083.53	£129.04	£70.78	£200.52	£ 1,483.87
£1,606.23	C - £52,001 up to £68,000	8 / 9	£1,238.32	£147.48	£80.89	£229.16	£ 1,695.85
£1,807.00	D - £68,001 up to £88,000	-	£1,393.11	£165.91	£91.00	£257.81	£ 1,907.83
£2,208.55	E - £88,001 up to £120,000	11 / 9	£1,702.69	£202.78	£111.22	£315.10	£ 2,331.79
£2,610.11	F - £120,001 up to £160,000	13 / 9	£2,012.27	£239.65	£131.44	£372.39	£ 2,755.75
£3,011.67	G - £160,001 up to £320,000	15 / 9	£2,321.85	£276.52	£151.67	£429.68	£ 3,179.72
£3,614.00	H - over £320,000	18 / 9	£2,786.22	£331.82	£182.00	£515.62	£ 3,815.66
43,141	Number of properties on Council Tax Banding List						43,141
£25,095	Each £1 of Council Tax at Band D will raise					£	25,582



**Appendix A (continued)**

**1. BUSINESS RATES BASELINE**

	<b>Budget 2017-18 Amount</b>	<b>Revised Budget 2017-18 Amount</b>	<b>Budget 2018-19 Amount</b>
	£	£	£
<b>NNDR Income</b>			
Gross rateable value	62,971,867	62,697,362	62,697,362
Small business multiplier	46.6	46.6	48.0
Gross rates receivable	<u>29,344,890</u>	<u>29,216,971</u>	<u>30,094,734</u>
Reliefs and allowances for bad debt and appeals	<u>(8,387,381)</u>	<u>(8,484,191)</u>	<u>(9,030,653)</u>
Net rates less losses	20,957,509	20,732,780	21,064,081
Cost of Collection allowance	<u>(133,508)</u>	<u>(133,508)</u>	<u>(131,620)</u>
<b>NNDR Income</b>	<u>20,824,001</u>	<u>20,599,272</u>	<u>20,932,461</u>
<b>Hastings BC Share (40%)</b>	<b>8,329,600</b>	<b>8,239,709</b>	<b>8,372,984</b>
<b>Tariff Calculation</b>			
Business Rates Baseline for HBC	8,810,215	8,810,215	9,175,012
DCLG calculation of baseline funding level	3,566,924	3,566,924	3,674,085
<b>Tariff</b>	<b>5,243,291</b>	<b>5,243,291</b>	<b>5,500,927</b>
<b>Levy calculation</b>			
Total income	8,329,600	8,239,709	8,372,984
Add proportion of small business relief	659,301	629,627	882,205
Add reliefs attracting Section 31 grant	<u>(486)</u>	<u>8,733</u>	<u>150,176</u>
Adjusted income	8,988,415	8,878,069	9,405,365
Less Tariff	<u>(5,243,291)</u>	<u>(5,243,291)</u>	<u>(5,500,927)</u>
	3,745,124	3,634,778	3,904,438
Baseline funding level	<u>(3,566,924)</u>	<u>(3,566,924)</u>	<u>(3,674,085)</u>
Growth	<u>178,200</u>	<u>67,854</u>	<u>230,353</u>
<b>Levy payable (50% of growth)</b>	<b>89,100</b>	<b>33,927</b>	<b>115,177</b>
<b>Pooling income (50% of levy)</b>	<b>0</b>	<b>0</b>	<b>(57,589)</b>
<b>Safety Net calculation</b>			
Baseline funding level	3,566,924	3,566,924	3,674,085
Threshold (92.5% of baseline funding level)	3,299,405	3,299,405	3,398,529
Adjusted income less Tariff	3,745,124	3,634,778	3,904,438
Difference	<u>445,719</u>	<u>335,373</u>	<u>505,909</u>
<b>Safety Net receivable</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Business Rates Collection</b>			
Business Rates precept	8,329,600	8,329,600	8,372,984
Tariff	(5,243,291)	(5,243,291)	(5,500,927)
Levy	(89,100)	(33,927)	(115,177)
Safety Net	0	0	0
<b>Net Business Rates collection</b>	<b>2,997,209</b>	<b>3,052,382</b>	<b>2,756,880</b>

**2. COLLECTION FUND**

	<b>2017-18 Original Budget</b>	<b>2017-2018 Revised Budget</b>	<b>2018-2019 Estimate Budget</b>
	£	£	£
Council Tax (Surplus)/ Deficit	(232,205)	(232,205)	(125,899)
Non Domestic Rates (Surplus)/ Deficit	236,693	236,693	63,396
<b>Total Collection Fund (Surplus)/ Deficit</b>	<b>4,488</b>	<b>4,488</b>	<b>(62,503)</b>

**INTEREST, MINIMUM REVENUE PROVISION & CONTRIBUTIONS TO RESERVES**

**Appendix B**

	2017-18 Original Budget £000's	2017-18 Revised Budget £000's	2018-19 Estimated Outturn £000's
Net Interest Payments	233	643	1,190
Contributions to Reserves	971	1,017	1,072
Minimum Revenue Provision (Statutory provision for principal repayment arising from borrowing requirement)	832	785	1,116
<b>Total</b>	<b>2,036</b>	<b>2,445</b>	<b>3,378</b>
<b>Interest</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Gross Interest Payable	974	1,022	1,655
Gross Interest Received	(187)	(292)	(395)
Income and expenditure in relation to investment properties	(535)	(68)	(70)
Fees	0		
Other charges	(19)	(19)	0
	<b>233</b>	<b>643</b>	<b>1,190</b>
<b>Contributions to Capital Spend from Reserves</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Disabled Facilities Grant	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contributions to Reserves</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
IT Reserve	214	218	214
Government Grant Reserve	213	84	109
Section 106 Reserve	0	0	0
Transfer to Reserves re: LAMS	3	3	0
Transfer to Specific Reserve re: Selective Licensing	33	202	130
Transfer to Specific Reserve re: Housing Licensing		2	110
R&R General	420	420	420
R&R White Rock Theatre	80	80	80
R&R re: New Vehicles	8	8	8
	<b>971</b>	<b>1,017</b>	<b>1,072</b>
<b>Transfers to/ between Reserves</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
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
Transfer between General Reserve to Community Housing Reserve		244	0
General Reserve	0	0	0
Invest to Save and Efficiency Reserve	0	0	0
	<b>0</b>	<b>244</b>	<b>0</b>
<b>Total Income and Transfers</b>	<b>971</b>	<b>1,261</b>	<b>1,072</b>

## REVENUE BUDGET VARIATION ANALYSIS

## Appendix C

	2017-2018		2018-2019	
	£'000	£'000	£'000	£'000
Original 2017/18 Budget		14,495		14,495
<b><u>Inflation</u></b>				
Pay & Prices		0		513
<b><u>Income Variations</u></b>				
Energy Initiatives		0		(150)
Flexible Support Funding Grant		(18)		10
Fraud and Error Reduction Incentive Scheme		(26)		0
Rents - New Properties		(992)		(1,745)
Cemetery and Crematorium Income		15		0
Bulky Waste Collections		(6)		(6)
Additional Parking Income		(200)		(200)
Development Control		(62)		(30)
Land Charges		30		18
Flexible Housing Support Grant		(15)		(5)
New CCG Funding		123		(1,047)
Selective/ HMO Licensing schemes		(171)		(267)
Syrian Resettlement Scheme (External Funding)		130		98
Social Lettings		8		41
Coastal Communities Fund		(35)		(15)
FLAG - new funding		(14)		(14)
Seafood & Wine		8		(11)
Net Shops		3		3
Cliff Railways		9		(7)
Chalets - Delayed Installation		23		(7)
Licensing (Gambling)		3		3
Fees and Charges		68		28
Fixed Penalty Notices		(9)		3
		(1,129)		(3,298)
<b>Budget Reductions</b>				
Staff Turnover Savings		(103)		(14)
Coastal Protection		(13)		(13)
Navigational Aids		(6)		(6)
Reduction in unfunded pension costs		(9)		(9)
Water Monitoring Costs		(3)		(19)
Recovery of time spent on Housing Company		(13)		(50)
PIER savings (appendix K)		(25)		(24)
		(170)		(134)
<b><u>Growth &amp; Commitments</u></b>				
Finance staffing		(31)		65
Digital By Design Saving achieved in other codes		61		61
Pier closure legal fees 2017-18 only		100		0
Provisions		1,063		(4)
Housing Benefit Payments		0		50
ERP Project		15		20
Surveyors / Professional Fees in relation to acquisitions		171		6
Elections Reprofiling (local in 2018-19)		9		100
Pension Revaluation		0		51
Purchase of new tablets for members		1		17
Additional Staffing		47		74
IT Systems		24		(10)
Community Housing Grant		241		(3)
Local Land Charges		30		5
Homelessness Increase in Accommodation Costs		44		147
Cultural Development		5		10
Planning Policy		111		86
Tourist Information Centre		10		11
White Rock Development Project		24		(55)
Chalets		20		6
White Rock Theatre		5		21
Museum - Resilience Fund		20		(5)
Sports Centres		(18)		13
Cleaning Contract		58		13
		2,041		756
Previous years unspent budgets carried forward into 2017/18		182		(1)
Other Minor Changes		36		60
Internal Recharges		0		0
Invest to save funded items		(47)		53
R&R Reserve funded items		85		(112)
IT Reserve		(30)		27
Severance Reserve		(325)		0
Grant - IER		(22)		(10)
S106 Reserve		(28)		(28)
Parking Investment Reserve		(40)		0
Foreshore Trust Recharges		(9)		(9)
Opening Doors Reserve		27		9
Street Games Reserve		(3)		(16)
Sport For All Reserve		10		1
Active Hastings Reserve		14		(5)
<b>TOTAL - Net Additional/ (Reduced) Council Expenditure</b>		<b>594</b>		<b>(2,194)</b>

## CAPITAL PROGRAMME SUMMARY

	Capital Costs					
	2017/18	2017/18	2018/19	2019/20	2020/21	Total over
	Original	Revised				Prog Period
	£'000	£'000	£'000	£'000	£'000	£,000
Corporate Resources	500	9,584	20,907			30,491
Operational Services	1,618	3,561	7,784	7,210	5,623	24,178
	<b>2,118</b>	<b>13,145</b>	<b>28,691</b>	<b>7,210</b>	<b>5,623</b>	<b>54,669</b>

	Revenue Costs					
	2017/18	2017/18	2018/19	2019/20	2020/21	Full
	Original	Revised				Year
	£'000	£'000	£'000	£'000	£'000	£,000
	(139)	(256)	(422)	(621)	(621)	(621)
	52	89	78	162	468	613
	<b>(87)</b>	<b>(167)</b>	<b>(344)</b>	<b>(459)</b>	<b>(153)</b>	<b>(8)</b>

### Net cost by Service

### Net cost by Status

Committed Schemes	c	1,841	11,390	1,145	210	123	12,868
Uncommitted Schemes	u	277	70	250			320
New Schemes	n		1,685	27,296	7,000	5,500	41,481
		<b>2,118</b>	<b>13,145</b>	<b>28,691</b>	<b>7,210</b>	<b>5,623</b>	<b>54,669</b>

	(100)	(200)	(115)	(86)	(71)	(77)
	13	4	18	30	30	30
		29	(247)	(403)	(112)	39
	<b>(87)</b>	<b>(167)</b>	<b>(344)</b>	<b>(459)</b>	<b>(153)</b>	<b>(8)</b>

### Net cost of schemes analysed by service

Corporate Resources	500	10,004	20,952			30,956
Operational Services	5,295	7,023	11,986	8,767	7,162	34,938
Appendix E	<b>5,795</b>	<b>17,027</b>	<b>32,938</b>	<b>8,767</b>	<b>7,162</b>	<b>65,894</b>

**CAPITAL PROGRAMME FINANCING STATEMENT****Appendix E**

	2017/18	2017/18	2018/19	2019/20	2020/21	Total over life of Programme
	£'000	Revised £'000	£'000	£'000	£'000	£'000
<b>Spending</b>						
<b>Capital Spending</b>						
Total Gross Spend	5,795	17,027	32,938	8,767	7,162	65,894
Assumed Slippage	0	0	0	0	0	0
Funding from other HBC sources	0	138	48	7	12	205
Capital Grants and Contributions Received	(3,677)	(3,882)	(4,247)	(1,557)	(1,539)	(11,225)
<b>Capital Requirement</b>	<b>2,118</b>	<b>13,283</b>	<b>28,739</b>	<b>7,217</b>	<b>5,635</b>	<b>54,874</b>
<b>Financing available</b>						
New Capital receipts in year	3,772	790	4,965	50	50	5,855
Bfwd Capital Receipts	5	5	0	3,710	3,634	
Total	3,777	795	4,965	3,760	3,684	13,205
<b>Finance Used</b>						
Capital Reserve / Revenue/R&R reserve	307	311	324	56	12	703
Capital Receipts used from asset sales	936	790	1,255	126	88	2,259
Capital receipts from prior years		5		35	35	75
<b>Total Financing available from internal resources</b>	<b>1,243</b>	<b>1,106</b>	<b>1,579</b>	<b>217</b>	<b>135</b>	<b>3,037</b>
<b>Remaining Financing Requirement</b>	<b>875</b>	<b>12,177</b>	<b>27,160</b>	<b>7,000</b>	<b>5,500</b>	<b>51,837</b>

Government Grant Reserves

Appendix F

Cost Centre	Description	Holding account	Balance b/f 1 April 2017 £ 000's	Income & Transfers £ 000's	Expenditure & Transfers £ 000's	Balance c/f 31 March 2018 £ 000's	Income & Transfers £ 000's	Expenditure & Transfers £ 000's	Balance c/f 31 March 2019 £ 000's
1055	DCE-Revenues Division	X394	(332)		24	(308)		50	(258)
1054	New Burdens	X896	(10)			(10)			(10)
1985	Coastal Change Pathfinders	X396	(25)	0	0	(25)	0	0	(25)
1988	FLAG	X407	(16)	0	0	(16)	0	0	(16)
4137	Land Auction Pilot	X409	(67)	0	67	0	0	0	0
6657	Active Hastings	X094	(15)		15	0	0	0	0
6666	PCT play grant	X376	(1)		1	0	0	0	0
6651	Street Games	X065	(20)		2	(18)	0	0	(18)
6675	Sports for All	X550	(6)		6	0	0	0	0
6508	Countryside Stewardship	X321	(36)	0	0	(36)	0	0	(36)
6640	Opening Doors - Sport England	X551	(38)	0	27	(11)	0	11	0
<b>Total</b>			<b>(566)</b>	<b>0</b>	<b>142</b>	<b>(424)</b>	<b>0</b>	<b>61</b>	<b>(363)</b>

## Revenue Budget Forward Plan

## Appendix G

Ref	Revenue Budget Forward Plan	2017-18 Revised Budget £000's	2018-19 Budget £000's	2019-20 Projection £000's	2020-21 Projection £000's	2021-22 Projection £000's
1	<b>Net Service Expenditure</b>	15,089	12,301	12,647	13,000	13,360
2	<b>Funding Commitments:-</b>					
3	Pension Fund - Employers increase			54	54	54
4	Election Costs (bi-annually)			(90)		(90)
5	Waste and Street Cleaning Contract			225	300	300
6	<b>Savings/Additional Income Identified</b>					
7	PIER savings (Apx K budget book -net)			(888)	(1,190)	(1,099)
8	Fees and Charges			(60)	(120)	(180)
9	Contingency Provision	29	500	400	400	400
10	Interest (net of Fees ) & other Adjustments	643	1,190	1,190	1,190	1,190
11	Minimum Revenue Provision (excl. Inc Gen Adj)	785	1,116	1,116	1,116	1,116
12	Contribution to Reserves	1,017	1,072	1,072	1,072	1,072
13	Net Use of Earmarked Reserves	(3,198)	(1,766)	(1,766)	(1,766)	(1,766)
14	<b>Net Council Expenditure</b>	<b>14,365</b>	<b>14,413</b>	<b>13,899</b>	<b>14,055</b>	<b>14,357</b>
15	Taxbase	25,095	25,582	25,710	25,838	25,968
16	Council Tax	250.33	257.81	262.97	268.23	273.60
	<b>Funding</b>					
17	From Collection Fund - Council Tax	(6,282)	(6,595)	(6,761)	(6,931)	(7,105)
18	From Collection Fund - Business Rates	(3,052)	(2,757)	(2,757)	(2,757)	(2,757)
19	Revenue Support Grant	(2,038)	(1,542)	(988)	(438)	0
20	New Homes Bonus	(1,009)	(650)	(630)	(348)	(442)
21	New Homes Bonus return funding	(9)	(9)	(9)	(9)	(9)
22	Council Tax Support Admin Grant	(178)	(167)	(154)	(144)	(134)
23	Housing Benefit Admin Grant	(460)	(421)	(389)	(360)	(333)
24	Transition Grant	(6)				
25	NNDR (Surplus) / Deficit	237	63			
26	NNDR Pooling		(58)	(58)	(58)	(58)
27	Business Rates Section 31 Grant	(901)	(1,114)	(1,117)	(1,117)	(1,117)
28	Council Tax Surplus	(232)	(126)	0	0	0
29	<b>Contribution To General Fund</b>	<b>(13,931)</b>	<b>(13,374)</b>	<b>(12,863)</b>	<b>(12,161)</b>	<b>(11,954)</b>
30	<b>Funding Shortfall / (Surplus)</b>	<b>434</b>	<b>1,039</b>	<b>1,036</b>	<b>1,894</b>	<b>2,402</b>
31	<b>Use of General Reserve</b>	0				
32	<b>Use of Transition Reserve</b>	(434)	(839)	(836)	(91)	
33	<b>Use of Resilience and Stability Reserve</b>					
34	<b>Use of Community Safety Reserve</b>		(100)	(100)	(100)	(50)
35	<b>Use of Economic Development Reserve</b>		(100)	(100)	(100)	(100)
36	<b>Net Funding Shortfall / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,603</b>	<b>2,252</b>

## RESERVES

## Appendix H

Account Code (hide for final)	2017 / 18			2018 / 19				
	Balance at 1 April 2017 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2018 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2019 £'000	
General Reserve	V163	(7,644)	(258)	244	<b>(7,658)</b>	0	0	<b>(7,658)</b>
Capital Reserve	V160	(637)	0	124	<b>(513)</b>	0	70	<b>(443)</b>
<b>Earmarked Reserves</b>		0						
Renewal and Repairs Reserve	V162	(1,748)	(508)	764	<b>(1,492)</b>	(508)	872	<b>(1,128)</b>
Risk Management Reserve	V175	(330)	0	20	<b>(310)</b>	0	20	<b>(290)</b>
Information Technology Reserve	V168	(186)	(218)	254	<b>(150)</b>	(214)	311	<b>(53)</b>
On-Street Car Parking Surplus Reserve	V172	(48)	0	0	<b>(48)</b>	0	40	<b>(8)</b>
s106 Reserve	X191	(542)	0	138	<b>(404)</b>	0	92	<b>(312)</b>
VAT Reserve	V150	(257)	0	50	<b>(207)</b>	0	207	<b>0</b>
Government Grant Reserve	Appendix F	(566)	0	142	<b>(424)</b>	0	61	<b>(363)</b>
Monuments in Perpetuity	V140	(48)	0	5	<b>(43)</b>	0	5	<b>(38)</b>
Ore Valley Reserve	V194	(250)	0	0	<b>(250)</b>	0	0	<b>(250)</b>
Mortgage reserve (LAMS)	X410	(148)	(3)	0	<b>(151)</b>	0	0	<b>(151)</b>
Resilience and Stability Reserve	X428	(600)	0	0	<b>(600)</b>	0	0	<b>(600)</b>
Transition Reserve	V152	(2,222)	0	434	<b>(1,788)</b>	0	839	<b>(949)</b>
Redundancy Reserve	V159	(648)	0	0	<b>(648)</b>	0	225	<b>(423)</b>
Community Safety Reserve	V158	(350)	0	0	<b>(350)</b>	0	100	<b>(250)</b>
Economic Development Reserve	V157	(501)	0	0	<b>(501)</b>	0	100	<b>(401)</b>
Registration of Electors - IER Grant	X552	(19)	0	0	<b>(19)</b>	0	0	<b>(19)</b>
Safer Hastings Partnership	X424	(43)	0	0	<b>(43)</b>	0	0	<b>(43)</b>
Disabled Facilities Grant	X553	(431)	(1,698)	1,155	<b>(974)</b>	(1,544)	1,500	<b>(1,018)</b>
Bathing Water Project	X426	(32)	0	32	<b>0</b>	0	0	<b>0</b>
First World War Project	X427	(17)	0	1	<b>(16)</b>	0	0	<b>(16)</b>
Coastal Communities Grant Reserve	X429	(10)	0	10	<b>0</b>	0	0	<b>0</b>
Invest to Save and Efficiency Reserve	X431	(778)	0	276	<b>(502)</b>	0	174	<b>(328)</b>
Clinical Commissioning Group	X432	(1,264)	0	1,163	<b>(101)</b>	0	0	<b>(101)</b>
Carry-forward Reserve	X190	(271)	0	271	<b>(0)</b>	0	0	<b>(0)</b>
Selective Licensing Reserve		0	(202)	149	<b>(53)</b>	(130)	0	<b>(183)</b>
Revenue Hardship Fund	X434	(80)	0	0	<b>(80)</b>	0	0	<b>(80)</b>
Syrian Refugee Resettlement Programme		(36)	(84)	0	<b>(119)</b>	(109)	0	<b>(229)</b>
Housing Licensing Reserve		0	(2)	0	<b>(2)</b>	(110)	0	<b>(112)</b>
Community Housing Fund	X392	0	(244)	244	<b>(0)</b>	0	0	<b>(0)</b>
		(19,706)	(3,217)	5,477	<b>(17,446)</b>	(2,615)	4,615	<b>(15,446)</b>



**EXPENDITURE FUNDED BY USE OF RESERVES**

(expenditure &amp; transfers) / Income &amp; transfers

Cost Centre	2017-18 Original £	2017-18 Revised £	2018-19 Estimate £
<b>General Reserve</b>			
General reserve Saving to/(Use of)	0		
	0		0
Total	0	0	0
<b>Transfers between Reserves</b>			
Selective Licensing Reserve to General Reserve	32,645	149,426	
Bathing Water Reserve Transfer to General Reserve	0	31,830	0
Coastal Communities Grant Reserve to General Reserve		9,794	
General Reserve to Community Housing Fund		244,098	
Government Grant Reserve to General Reserve		67,000	
	32,645	502,147	0
<b>Carry forward Reserve</b>			
Carried forward		(271,000)	
	0	(271,000)	0
<b>Capital Reserve</b>			
2016 - 950th Anniversary (£330k in total over 3 years)	0	(64,000)	0
Various Capital Expenditure to be Financed			
CPO - Empty Homes Strategy -capital	(70,000)	(60,000)	(70,000)
	(70,000)	(124,000)	(70,000)
<b>Disabled Facilities Grant</b>			
Disabled Facilities Grant - Salaries	(60,000)	(60,000)	(60,000)
Disabled Facilities Grant - Capital	(1,000,000)	(1,095,000)	(1,440,000)
	(1,060,000)	(1,155,000)	(1,500,000)
<b>VAT reserve</b>			
Castle Capital Scheme	(237,000)	(50,000)	(207,000)
	(237,000)	(50,000)	(207,000)
	£	£	£
<b>Economic Development Reserve</b>			
General Fund (17/18)	(100,000)	0	(100,000)
	(100,000)	0	(100,000)
<b>Community Safety Reserve</b>			
General Fund	(100,000)	0	(100,000)
	(100,000)	0	(100,000)
<b>Renewal &amp; Repairs Reserve</b>			
(per programme of works - Appendix J)	(626,500)	(735,070)	(626,500)
Capital	0	0	(45,280)
Vehicles	0	0	0
Contingency	(100,000)	(29,410)	(200,000)
	(726,500)	(764,480)	(871,780)
<b>Transition Reserve</b>			
Transfer to General Fund	(354,945)	(433,919)	(838,892)
<b>Resilience and Stability Reserve</b>			
	0	0	0
<b>Information Technology Reserve</b>			
(per programme of works - Appendix I)	(284,000)	(253,750)	(310,750)
	(284,000)	(253,750)	(310,750)
<b>Invest to Save &amp; Efficiency Reserve</b>			
Transfer to General Fund	(178,170)	(275,790)	(173,662)
Transfer to Capital Reserve			
	(178,170)	(275,790)	(173,662)
<b>Redundancy Reserve</b>			
Transfer to General Fund	(225,000)	0	(225,000)
	(225,000)	0	(225,000)

<u>Earmarked Reserves</u>	Cost Centre	2017-18 Original £	2017-18 Revised £	2018-19 Estimate £
<b><u>Government Grant Reserve</u></b>				
capital (further details - Appendix F)	various	(58,770)	(75,000)	(61,000)
		<u>(58,770)</u>	<u>(75,000)</u>	<u>(61,000)</u>
<b><u>Monuments in Perpetuity</u></b>				
capital Revenue	3102	(5,000)	(5,000)	(5,000)
		<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
<b><u>§106 Reserve</u></b>				
Capital			(138,000)	(48,000)
Revenue	various	(16,000)		(44,100)
		<u>(16,000)</u>	<u>(138,000)</u>	<u>(92,100)</u>
<b><u>On-Street Car Parking Surplus Reserve</u></b>				
Bus Shelter improvements	1501	0		0
Havelock Road Crossing	1504	(40,000)		(40,000)
		<u>(40,000)</u>	<u>0</u>	<u>(40,000)</u>
<b><u>Risk Management Reserve</u></b>				
Risk Management Schemes	5299	(20,000)	(20,000)	(20,000)
		<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>
<b><u>Registration of Electors</u></b>				
IER Grant		(18,600)		
		<u>(18,600)</u>	<u>0</u>	<u>0</u>
<b><u>Clinical Commissioning Group</u></b>				
Housing NHS CCG		(1,040,956)	(1,163,480)	0
Lets Get Moving		0		
		<u>(1,040,956)</u>	<u>(1,163,480)</u>	<u>0</u>
<b><u>First World War Reserve</u></b>				
		(3,500)	(1,000)	
		<u>(3,500)</u>	<u>(1,000)</u>	<u>0</u>
<b><u>Community Housing Fund</u></b>				
Housing Administration			(244,000)	0
		<u>0</u>	<u>(244,000)</u>	<u>0</u>
<b>Total use of earmarked and capital reserves *</b>		<b><u>(4,538,441)</u></b>	<b><u>(4,974,419)</u></b>	<b><u>(4,615,184)</u></b>
Revenue use of earmarked reserves		(2,676,496)	(3,197,500)	(1,766,012)
Transfers between Reserves		(32,645)	(502,147)	0
Capital use of earmarked reserves		(1,307,000)	(1,343,000)	(1,810,280)
Transition Reserve and Com / Econ Reserve		(554,945)	(433,919)	(1,038,892)
Total Expenditure & Transfers (Excl General Reserve Use)		<u>(4,571,086)</u>	<u>(5,476,566)</u>	<u>(4,615,184)</u>

<b>INFORMATION TECHNOLOGY RESERVE</b>					Appendix I
	2017-18	2017-18	2018-19	2019-20	2020-21
	Original	Revised	ESTIMATE	ESTIMATE	ESTIMATE
	£'000	£'000	£'000	£'000	£'000
<b>OPENING BALANCE :</b>					
BALANCE B/FWD. AT 1 APRIL	(186)	(186)	(150)	(53)	(29)
<b>EXPENDITURE :</b>					
VIRTUALISATION (SERVER REFRESH)					
AGGRESSO UPGRADE					
GOVCONNECT	9	9	9	9	9
MICROSOFT LICENSING FOR TEST ENVIRONMENT			15		
RESILIENCE IMPROVMENTS		9.75	9.75	9.75	9.75
ANTI VIRUS				25	
SCANNING AND ARCHIVING PHASE 2	20		20		
PLANNING SYSTEM EDRMS UPGRADES					
KACE SYSTEMS MANAGEMENT SERVER		5			
EMAIL ARCHIVING	20		20		
SERVICE REVIEW EFFICIENCY PROJECTS	80		80	80	80
PC HARDWARE AND SOFTWARE	115	115	115	115	115
MICROSOFT SERVER LICENSING					
JD PROJECT MANAGEMENT					
AH REFURBISHMENT	25				
ROOM BOOKING SYTEM					
SERVER ROOM ELECTRICS					
TERMINAL SERVER FARM REFRESH	15		15		
EXCHANGE SERVER REFRESH			15		
TWO FACTOR AUTHENTICATION REFRESH			12		
STORAGE AREA NETWORK REFRESH		70			
LEGAL CASE MANAGEMENT SYSTEM		10			
WIRELESS NETWORK		25			
DISK BASED BACKUP		10			
	284	254	311	239	214
<b>INCOME :</b>					
CONTRIBUTIONS TO RESERVE - FROM GENERAL FUND	(214)	(214)	(214)	(214)	(214)
ADDITONAL CONTRIBUTIONS TO RESERVE - FROM GENERAL FUND		(4)			
<b>CLOSING BALANCE :</b>					
BALANCE IN-HAND C/FWD. AT 31 MARCH	(116)	(150)	(53)	(29)	(29)

**RENEWAL AND REPAIRS RESERVE****APPENDIX J**

2016-17		2017-18 ORIGINAL BUDGET £	2017-18 REVISED BUDGET £	2018-19 ESTIMATED BUDGET £
Actual £				
<b><u>OPENING BALANCE:</u></b>				
1,853,643	BALANCE BROUGHT FORWARD	1,470,023	1,748,438	1,491,958
<b><u>INCOME:</u></b>				
508,000	CONTRIBUTIONS TO RESERVE - GENERAL	508,000	508,000	508,000
508,000		508,000	508,000	508,000
<b><u>EXPENDITURE:</u></b>				
613,205	PROGRAMMED REPAIRS AND REDECORATIONS	213,500	217,160	213,500
	OTHER REPAIRS & RENEWALS	413,000	517,910	413,000
613,205	SUB TOTAL	626,500	735,070	626,500
0	CAPITAL EXPENDITURE FUNDED FROM RESERVES	0	0	45,280
0	VEHICLES	0	0	0
0	PROVISION FOR UNEXPECTED ITEMS	100,000	29,410	200,000
613,205		726,500	764,480	871,780
<b><u>CLOSING BALANCE:</u></b>				
1,748,438	BALANCE CARRIED FORWARD	1,251,523	1,491,958	1,128,178

PROGRAMMED REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE			Appendix J (con't)				
Cost Centre	PROPERTY	DESCRIPTION OF WORK	2017-2018 ORIGINAL BUDGET PLUS C/F	2017-2018 REVISED BUDGET	2018-2019 ESTIMATE	2019-2020 ESTIMATE	2020-2021 ESTIMATE
						£	£
1151	TOWN HALL	Internal / External redecs & repairs	30,000	30,000	30,000	20,000	30,000
1160	ALL BUILDINGS - ASBESTOS	Asbestos surveys and re-inspections	2,000	2,000	2,000	2,000	2,000
1160	ALL BUILDINGS - ASBESTOS	Works arising out of asbestos inspections	1,000	1,000	1,000	1,000	1,000
1160	ALL BUILDINGS - FIRE RISK	Fire risk assessments & works arising	6,000	6,000	12,000	6,000	6,000
1160	ALL BUILDINGS - AIR CONDITIONING	AC energy efficiency certification (every 3 years)	4,000	4,000	4,000	4,000	4,000
1160	ALL BUILDINGS - ENERGY CERTIFICATION	Annual Display Energy Certs for major bldgs	1,000	1,000	1,000	1,000	1,000
1160	ALL BUILDINGS - LEGIONELLA RISK	Automated checks & monitoring inc hygiene assess	39,000	39,000	25,000	30,000	40,000
1160	ALL BUILDINGS - ELECTRICAL TESTING	routine cyclical testing & works arising	6,000	6,000	9,000	6,000	6,000
1160	ALL BUILDINGS - SAFETY ANCHORS	Annual testing of access safety anchors	2,000	2,000	2,500	2,000	2,000
1160	ALL BUILDINGS - AUTOMATIC DOORS	Annual maintenance routine	500	500	500	500	500
2404	BANK BUILDINGS	External redecs to rear elevation	0	0	2,000	0	0
2201	MICRO UNIT FACTORIES	External redecs	0	0	0	0	5,000
2201	FACTORY UNITS	External redecs/roof repairs to empty units	30,000	30,000	30,000	30,000	30,000
2404	FAIRLIGHT PLACE FARM COTTAGES	External redecs.	4,000	0	8,000		
2404	OTHER BUILDINGS (ESTATES MISC.)	Essential upgrades/repairs.	10,000	10,000	10,000	10,000	10,000
2502	WEST HILL CLIFF RAILWAYS	Redecorations & repairs	5,000	5,000	5,000	5,000	5,000

PROGRAMMED REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE			Appendix J (con't)				
Cost Centre	PROPERTY	DESCRIPTION OF WORK	2017-2018 ORIGINAL BUDGET PLUS C/F	2017-2018 REVISED BUDGET	2018-2019 ESTIMATE	2019-2020 ESTIMATE £	2020-2021 ESTIMATE £
2502	EAST HILL CLIFF RAILWAYS	Redecorations & repairs	5,000	5,000	5,000	5,000	5,000
2640	FALAISE SPORTS CENTRE	External redecorations.	0	0	0	25,000	0
3102	CREMATORIUM	Internal / External redecorations.	3,000	5,000	0		
3102	CREMATORIUM - CREMATORS	Rebricking / rehearthing of cremators	10,000	10,000	0	20,000	10,000
3102	CEMETERY	Path health & safety repairs	8,000	8,780	8,000	8,000	8,000
6300	PARKS	Path health & safety repairs	12,000	12,000	12,000	12,000	12,000
5241	FRONT LINE	Concrete health & safety inspection & testing	6,000	6,000	6,000	6,000	6,000
5241	FRONT LINE	Concrete health & safety repair works	10,000	10,000	5,000	5,000	5,000
5241	FRONT LINE	Alcoves, seating, bottle alley - repairs/redecs	9,000	9,000	9,000	9,000	900
6005	FISHERMENS MUSEUM	External redecs/stonework pointing	0	0	0	2,000	0
6100	SUMMERFIELDS SPORTS CENTRE	External redecs	0	0	0	0	6,000
6301	SPORTS PAVILIONS	Int/ext redecs.	10,000	10,000	8,000	10,000	10,000
6301	ALEXANDRA PARK RAILINGS	Phased railing redecorations	5,000	4,880	5,000	5,000	5,000
6301	ST. LEONARDS GARDENS	Lodge - re-decorations	0	0	10,000	0	0
6503	HASTINGS COUNTRY PARK -OPERATIONAL BUILDINGS	Int/ext redecs.	0	0	2,000	0	0
5257	HASTINGS STATION - FISHING BOAT FEATURE	Repairs / redecs	0	0	2,000	0	2,000
5257	TOWN CENTRE UNDERPASS	Decoration	0	0	0	0	2,000
<b>Total of Programmed work</b>			<b>218,500</b>	<b>217,160</b>	<b>214,000</b>	<b>224,500</b>	<b>214,400</b>

OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE				Appendix J (con't)				
Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2017-2018 ORIGINAL BUDGET plus CF	2017-2018 REVISED BUDGET	2018-2019 ESTIMATE	2019-2020 ESTIMATE	2020-2021 ESTIMATE
				£			£	£
1300	OR307	CARLISLE CP	Redecorations	75,000	75,000	35,000	0	0
2201	OR304	THEAKLEN DRIVE ROOFS	Roof re-coating	0	0	0	50,000	0
2502	OR247	EAST HILL LIFT LOWER STATION	Roof replacement	0	0	0	30,000	0
2601	OR250	WHITE ROCK THEATRE	General repair contributions	20,000	20,000	20,000	20,000	20,000
2601	OR251	WHITE ROCK THEATRE	Automation of stage flying system	0	0	0	0	100,000
6301	OR231	CLIFF REPAIR SURVEY	Bi-annual or Sextennial survey	0	0	8,000	0	8,000
6503	OR211	HASTINGS COUNTRY PARK - TACKLEWAY	Health & safety repairs and repointing	0	0	0	1,000	1,000
6301	OR320	RECREATIONAL GROUNDS	Emergency lighting upgrade	4,000	0	0	4,000	0
6100	OR326	INDOOR BOWLS CENTRE	DDA works	0	0	50,000	0	0
6100	OR	INDOOR BOWLS CENTRE	Recovering of bowling green roof coverings	0	0	0	0	200,000
6301	OR327	ROCK A NORE CLIFFS	Rock a Nore Cliff Works	15,000	15,000	0	0	0
5236	OR328	STREET LIGHTS	White Rock Promenade Improvements	14,500	14,500	0	0	0
6100	OR331	SUMMERFIELDS LEISURE CENTRE	Landlord obligation - progressive replacement of existing swimming pool filtration plant	3,000	3,000	0	0	0
6100	f	SUMMERFIELDS LEISURE CENTRE	Installation of UV water hygiene treatment, if req'd and justified by FL due to alterations to regulations.	0	0	0	5000	0
2640		FALAISE FITNESS CENTRE	Improvements to ventilation of gymnasium	15,000	0	30,000	0	0
6000	OR334	JOHNS PLACE MUSEUM	Essential stoneworks repairs - Phase1	16,600	29,000	0	10000	0
3102	OR335	CEMETERY AND CREMATORIUM OFFICES	Exterior stonework repairs	10,000	10,000	0	0	0
2404	OR336	3 PLACE FARM COTTAGES, FAIRLIGHT	Energy efficiency improvements	8,000	0	8,000	0	0
6100	OR337	INDOOR BOWLS CENTRE	External Works (Ramp and Entrance Lobby)	30,000	0	5,000	0	0

OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE				Appendix J (con't)				
Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2017-2018 ORIGINAL BUDGET plus CF	2017-2018 REVISED BUDGET	2018-2019 ESTIMATE	2019-2020 ESTIMATE	2020-2021 ESTIMATE
				£			£	£
6301	OR339	CLIFFS	Cliff Repairs arising from engineer's inspections	178,750	200,000	125,000	20,000	20,000
1157	OR340	MURIEL MATTERS HOUSE REPLACEMENT RISING MAIN	Replacement of existing rising main in rear of building to avoid further flooding issues	10,000	20,000	0	0	0
1157	OR341	MURIEL MATTERS HOUSE - HEATING CONTROLS	Control unit £20k plus £10k for valves etc.	30,000	30,000	0	0	0
1157	OR342	MURIEL MATTERS HOUSE - PASSENGER LIFTS	Heavy duty door closing mechanisms	0	0	0	5,000	0
6301	OR343	WHITE ROCK GARDENS - SHED DEMOLITION	Removal of redundant unsafe and easily accessible former irrigation room.	7,000	5,090	0	0	0
2502	OR344	WEST HILL LIFT - RETAINING WALL REPAIRS	Repairs to bulging brickwork retaining wall to east of rails	7,000	2,000	5,000	0	0
2502	OR345	WEST HILL LIFT OLD MOTOR ROOM - STRUCTURAL REPAIRS	Provision of permanent support works to café floor and external area.	20,000	0	2,000	18,000	0
6503	OR346	HCP PATHS WEST SIDE	Resurfacing of existing using Fibredec	17,000	20,000	0	0	0
2502	OR347	WEST HILL LIFT - ATTENDANT'S & STORE AREAS	Works to patio waterproofing prevent water ingress	0	0	0	18,000	0
5241	OR348	PROMENADE SURFACING	Further tarmac repairs to worst areas	10,000	10,000	10,000	20,000	20,000
6301	OR349	ALEX PARK HARMERS LAYBY	Tarmac surface (spend to save)	7,000	7,000	0	0	0
6301	OR350	REPAIRS TO COUNCIL OWNED WALLS	Wall repairs	0	0	0	35,000	0
6301	OR352	ALEX PARK BUCKSHOLE RESERVOIR	Repairs out of 10yr survey, possibly building up channel sides. Impact of dam breaching and other study.	20,000	0	25,000	0	0
6301	OR354	PRICILLA McBEAN SANDSTONE WALLING	Repoint walling	0	0	3,000	0	0
6301	OR357	ALEX PARK PEACE GARDEN	Tarmac path & resin bond surface	6,000	6,730	0	0	0
6301	OR358	SANDHURST RECREATION GROUND	Replace roadside fencing	0	0	8,000	0	0
6301	OR359	WARTLING CLOSE BRIDGE	Replace bridge railings	22,000	22,000	0	0	0
6301	OR360	ALEX PARK HARMERS RESERVOIR OUTFALL	Remove or cap disused outfall tower, fill tunnel and wing walls to make safe.	0	0	25,000	0	0
6503	OR361	HCP ECCLESBOURNE VEHICLE ACCESS	Construct retaining wall and infill path to prevent erosion and loss of access route.	0	0	0	20,000	0
6503	OR362	HCP PLACE FARM FARM YARD	Roadway resurfacing of farmyard	0	0	0	20,000	0
2502	OR363	EAST HILL LIFT LANDSCAPING	Re-landscape and lay new pathway.	0	0	0	0	30,000
6301	OR364	BEXHILL REC WEST	Internal redecoration	0	0	0	0	10,000



OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE				Appendix J (con't)				
Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2017-2018 ORIGINAL BUDGET plus CF	2017-2018 REVISED BUDGET	2018-2019 ESTIMATE	2019-2020 ESTIMATE	2020-2021 ESTIMATE
				£			£	£
1157	OR365	MURIEL MATTERS HOUSE	Lightning Protection	0	0	25,000	0	0
6000		JOHNS PLACE MUSEUM	Interior works to extension rooflight	0	0	4,000	0	0
6301		ST LEONARDS GARDENS	Possible remedial works to sewer / drain	0	10,000	0	0	0
2404		ESTATES - EPC UPGRADES	Town Hall Offices, Old Town Hall and Ore Valley Adventure Playground	0	13,000	0	0	0
1300		CASTLE HILL CAR PARK	Health and Safety Works	0	5,590	0	0	0
6301		SUMMERFIELDS WALLED GARDEN	Contribution to wall repairs	0	0	27,000	0	0
6000		HASTINGS MUSEUM - PUBLIC LIFTS	Replace lift hydraulic ram	0	0	8,000	0	0
6000		HASTINGS MUSEUM - LIGHTINIG	Provide LED lightng	0	0	0	40,000	0
3102		CEM & CREM CHAPEL WINDOWS	Repair stonework and lead glazing	0	0	0	20,000	0
1151		TOWN HALL LED LIGHTING	Provide new LED lighting	0	0	0	0	30,000
1502		WEST HILL LIFT - WEST HILL ARCADE GDN	Brickworks repairs	0	0	12,000	0	0
1502		WEST HILL LIFT - ENTRANCE ROOF	Replace railings with galv. steel railings	0	0	0	5,000	0
1300		CARLISLE PARADE UGCP - OLD SEA WALL	Remove paint from stonework	0	0	0	20,000	0
2404		ESTATES - EPC UPGRADES	Alex Pk Depot work shop, office	0	0	0	15,000	0
2404		ESTATES - FALAISE HALL - EPC UPGRADE	Groundsmen mess room	0	0	0	4,000	0
5241		FORESHORE - FORMER LIFEGUARD STORE	Concrete repairs to prom slab	0	0	0	20,000	0
2404		ESTATES - INDUSTRIAL ESTATE SIGNAGE	Renew road and welcome signs	0	0	0	5,000	0
1300		PRIORY STREET MSCP	Structural Survey / Concrete Testing	0	0	20,000	0	0
		<b>Total of Other Work</b>		<b>545,850</b>	<b>517,910</b>	<b>455,000</b>	<b>405,000</b>	<b>439,000</b>

**PIER Outcomes****Appendix K**

	Cost centre	Account	Revised			
			<u>2017-18</u> £'000	<u>2018-19</u> £'000	<u>2019-20</u> £'000	<u>2020-21</u> £'000
<b>Cross cutting</b>						
IT - Access East Sussex Licensing			(9)	(9)	(9)	(9)
Digital by Design - Paper & printing costs	various			(46)	(46)	(46)
<b>Total Cross Cutting</b>			<b>(9)</b>	<b>(55)</b>	<b>(55)</b>	<b>(55)</b>
<b>Income Strategy</b>						
Property Fund (CCLA)			(80)	(80)	(80)	(80)
Commercial Property (Net of borrowing Costs)			(92)	(373)	(570)	(576)
Housing Company (net contribution)			(20)	(60)	(147)	(200)
Energy (Net of borrowing Costs)			0	(80)	(280)	(540)
<b>Total Income Strategy</b>			<b>(192)</b>	<b>(593)</b>	<b>(1,077)</b>	<b>(1,396)</b>
<b>Other</b>						
Council Tax - Empty Homes premium (200%)	Collection Fund				(10)	(10)
Resort Services Man & Admin	1075		(22)	(21)	(21)	(21)
Civic and Ceremonial	5507			(1)	(1)	(1)
Meteorological Service	5237			(2)	(2)	(2)
Community Awareness	5705			(4)	(4)	(4)
Twining/ Sierra Leone	5720			(1)	(1)	(1)
Raising the Profile - Hastings Week	5722			(1)	(1)	(1)
Raising the Profile - Hastings Carnival	5724			(1)	(1)	(1)
Raising the Profile - Trolley Bus	5727			(2)	(2)	(2)
Raising the Profile - Town Crier	5728			(2)	(2)	(2)
Raising the Profile - Achievers Awards (End)	5730			(1)	(1)	(1)
Raising the Profile - Events - Bonfire Society (-10%)	5725			(0)	(0)	(0)
Cultural Development - Coastal Currents	1945			(20)	(20)	(20)
Theatre - Reduced Contribution	2601			0	(120)	(170)
Community Partnership Fund	5120			0	(12)	(20)
<b>PIER Savings/Income</b>			<b>(223)</b>	<b>(704)</b>	<b>(1,330)</b>	<b>(1,707)</b>
<b>Growth Items</b>						
Planning Policy		1603		61	61	61
Homelessness		4000/4138		156	156	156
Waste and Street Cleaning Costs					225	300
<b>Total Growth</b>			<b>-</b>	<b>217</b>	<b>442</b>	<b>517</b>
<b>Net Overall Savings</b>	<b>Total</b>		<b>(223)</b>	<b>(487)</b>	<b>(888)</b>	<b>(1,190)</b>

## Hastings Borough Council Efficiencies, Income, and Savings Proposals for 2018/19 onwards and equality impact assessment

	Efficiency, Income or Savings Proposals & Changes for 2016/17	Savings			Likelihood of negative impact on equalities/protected characteristics Low-Medium-High
		2018/19	2019/20	2020/21	
ICT	Reduction in access East Sussex Licensing, dedicated network link no longer required.  <b>Staffing implications: N/A</b>	9,000	9,000	9,000	<b>Low</b> – unlikely to impact disproportionately on any equality groups.
Digital by Design	Paper and print reduction savings from implementation of new digital first-print last approach supported by new SharePoint, new Multi-functional devices (MFDs), new virtual mail room contract and a change in culture: i.e. 'doing it differently'.  <b>Staffing implications: N/A</b>	46,000	46,000	46,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.
Property fund (CCLA)	Income earned from investments made in external property fund  <b>Staffing implications: N/A</b>	80,000	80,000	80,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.
Commercial property	Income earned from investments in commercial property (net of borrowing costs)  <b>Staffing implications: N/A</b>	373,000	570,000	576,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.
Housing company	Net contribution from Housing Company investment  <b>Staffing implications: N/A</b>	60,000	147,000	200,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.
Energy	Income earned from investment in energy projects (net of borrowing costs)  <b>Staffing implications: N/A</b>	80,000	280,000	540,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.
Council Tax	Empty homes premium (100% increase, is now 200%)  <b>Staffing implications: N/A</b>	-	10,000	10,000	<b>Low</b> unlikely to impact disproportionately on any equality groups.

Resorts services	Management and administration savings following deletion of Resorts Services manager post in 2017 <b>Staffing implications: N/A</b>	21,000	21,000	21,000	Low unlikely to impact disproportionately on any equality groups.
Civic and ceremonial	Reducing transport costs <b>Staffing implications: N/A</b>	1,000	1,000	1,000	Low unlikely to impact disproportionately on any equality groups.
Meteorological service	Paid volunteer coordinator post not replaced, mileage paid to volunteers <b>Staffing implications: N/A</b>	2,000	2,000	2,000	Low unlikely to impact disproportionately on any equality groups.
Community Awareness	25% reduction in budget used for advertising of local events – use alternative methods <b>Staffing implications: N/A</b>	4,000	4,000	4,000	Low unlikely to impact disproportionately on any equality groups.
Twinning/Sierra Leone	Reduce £3k budget for Sierra Leone twinning <b>Staffing implications: N/A</b>	1,000	1,000	1,000	Low unlikely to impact disproportionately on any equality groups.
Raising the Profile	Savings across a number of budgets: Hastings week (£1k) Hastings carnival (£1k) Trolley Bus (£2k) Town Crier (£2k) Achievers Award (£1k) Bonfire (£300) <b>Staffing implications: N/A</b>	6,000	6,000	6,000	Low unlikely to impact disproportionately on any equality groups.
Cultural development – Coastal Currents	As agreed by Council in last year's budget, a final year of pump priming funding was given in 2017/18 to enable the event to become self-financing. <b>Staffing implications: N/A</b>	20,000	20,000	20,000	Low unlikely to impact disproportionately on any equality groups.
White Rock Theatre	Reduced contribution following Cabinet decision to negotiate terms for the extension of the current contract with HQ Theatres & Hospitality for a period of 5 years <b>Staffing implications: N/A</b>	-	120,000	170,000	Low unlikely to impact disproportionately on any equality groups.

Community Partnership Fund	Services have been commissioned for 2017/18 and 2018/19 – there are no further reductions proposed to this budget for 2018/19.  <b>Staffing implications: N/A</b>	0	12,000	20,000	<b>N/A</b> – decision was made last year following a detailed review and services have been commissioned for a two-year period (2017/18 and 2018/19)
<b>Total savings/income</b>		<b>704,000</b>	<b>1,330,000</b>	<b>1,707,000</b>	

**Growth items**

Planning policy	Studies, resources and work required for White Rock Area and Town Centre Area Action Plan, including examination in public and Strategic Flood Risk Assessment  <b>Staffing implications:</b> Increased by 1.3 FTE 1FTE funded by external funding and 0.3FTE (growth) to reinstate to a FTE senior planner.	61,000	61,000	61,000	
Homelessness	Increased costs of temporary accommodation anticipated to meet demand	156,000	156,000	156,000	
Waste and street cleansing	Additional costs anticipated following re-procurement of waste and street cleansing services from June 2019	-	225,000	300,000	

**Land and Property Disposal Programme**

**Estimated  
Receipts  
£**

**2017/18**

Upper Wilting Farm  
Stable Flat  
Other  
Less cost of disposal  
Sale of Ex Council Houses

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**790,040**

**2018/19**

Mayfield E  
Former Bathing Pool site  
Harrow Lane Playing Fields  
Land r/o Bexhill Road  
Land North of Bexhill Rd  
Land at Sandrock  
Less cost of disposal  
Sale of Ex Council Houses  
Other

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**4,965,200**

**2019/20**

Sale of Ex Council Houses  
Other

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**50,000**

**2020/21**

Sale of Ex Council Houses  
Other

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**50,000**

**Council Tax – Overall**

**The Council is recommended to resolve as follows:**

- 1 It be noted that the Council has calculated the Council Tax Base 2018/19 for the whole Council area as 25,582 [Item T in the formula is Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]
- 2 Calculate that the Council Tax requirement for the Council's own purposes for 2018/19 is £6,595,167
- 3 That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:
  - (a) 82,535,118 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils
  - (b) 75,939,951 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act
  - (c) 6,595,295 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
  - (d) 257.81 Being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year
  - (e) £0 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
  - (f) 257.81 Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates

## Appendix M (cont)

4. To note that the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings.

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hastings Borough Council	171.87	200.52	229.16	257.81	315.10	372.39	429.68	515.62
East Sussex County Council (Including Adult Social Care +3%)	928.74	1,083.53	1,238.32	1,393.11	1,702.69	2,012.27	2,321.85	2,786.22
East Sussex Fire Authority	60.67	70.78	80.89	91.00	111.22	131.44	151.67	182.00
Police and Crime Commissioner	110.61	129.04	147.48	165.91	202.78	239.65	276.52	331.82
Aggregate of Council Tax Requirements	1,271.89	1,483.87	1,695.85	1,907.83	2,331.79	2,755.75	3,179.72	3,815.66

6. The Council's basic amount of Council Tax for 2018/19 is not excessive as determined in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. To be deemed excessive the Borough's Council Tax would need to be increased by 3%, or more than 3%, and also more than £5 in 2018/19.



## CORPORATE SERVICES AND GOVERNANCE

## Appendix O

Reference NO.	2016-17 ACTUAL	SERVICE	2017-18		2018-19 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	<b>SUMMARY OF REVENUE ESTIMATES</b>	£	£	£
CR1	171,096	1023 - Director of Corporate Services and Governance	171,560	171,680	<b>174,880</b>
CR2	327,217	1024 - Corp. Policy, Partnerships and Performance	348,140	329,760	<b>340,150</b>
CR3	195,336	1031 - Electoral Services	195,900	202,960	<b>208,030</b>
CR4	346,747	1022 - Estates Services	341,860	353,970	<b>354,380</b>
CR5	205,171	1029 - Building Surveyors	204,670	206,650	<b>212,260</b>
CR6	388,072	1032 - Legal Services	382,230	431,560	<b>376,230</b>
CR7	234,601	1051 / 1058 - Audit and Investigations Services	212,140	212,530	<b>219,990</b>
CR8	817,888	1052 - Accountancy Services	785,310	828,150	<b>945,870</b>
CR9	2,541,934	1054 / 1055 - Revenues Services	2,502,840	2,411,350	<b>2,576,590</b>
CR10	602,333	1020 - People, Customer and Business Support	608,560	603,190	<b>618,330</b>
CR11	153,239	1090 - Corporate Personnel Expenses	202,560	202,190	<b>203,210</b>
CR12	860,247	5712 - Contact Centre	895,580	871,790	<b>891,630</b>
CR13	248,084	1085 - Transformation Team	162,350	272,990	<b>258,030</b>
CR14	111,436	1151 - Admin Buildings - Town Hall	53,440	53,310	<b>51,430</b>
CR15	426,647	1157 - Admin Buildings - Murial Matters House	424,400	471,620	<b>466,420</b>
CR16	100,806	1160 - Admin Buildings - General Expenses	100,500	98,440	<b>77,960</b>
CR17	43,940	1169 - Admin Buildings - Corporate Archive	47,420	47,460	<b>48,110</b>
CR18	1,162,678	1080 - Corporate Expenses	1,187,440	1,180,840	<b>1,261,460</b>
CR19	705,656	1034 - IT	706,910	712,490	<b>752,600</b>
CR20	336,517	5228 - IT Reserve / Hardware	374,980	345,480	<b>407,580</b>
CR21	39,757	5227 - Land & Property Systems-GIS	40,290	40,440	<b>41,530</b>
	(10,019,403)	Less recharges to other services	(9,949,080)	(10,048,850)	<b>(10,486,670)</b>
	0	Unallocated Balance	0	0	<b>0</b>
CR22	701,391	5510 - Corporate Management Expenses	725,910	1,896,120	<b>773,800</b>
CR23	430,408	5511 - Non Distributed Costs	670,540	662,050	<b>713,280</b>
CR24	1,426,499	4200 / 4250 / 5900 - Benefit Payments and Administration	1,469,180	1,409,990	<b>1,569,200</b>
CR25	713,464	5950 - Council Tax and Business Rates Collection	529,900	499,090	<b>557,820</b>
CR26	(344,730)	2101 - Employment Areas	(346,130)	(352,800)	<b>(347,480)</b>
CR27	(1,210,328)	2201 - Factory Units	(1,173,400)	(1,244,980)	<b>(1,263,690)</b>
CR28	(1,180,835)	2404 - Farms and Other Properties	(1,052,070)	(1,826,840)	<b>(2,718,380)</b>
CR29	26,422	2602 - St Mary in the Castle	26,570	26,610	<b>26,740</b>
CR30	69,359	5299 - Other Expenditure	522,630	130,900	<b>614,220</b>
CR31	192,652	1200 - 1205 - Registration of Electors	208,150	190,510	<b>205,330</b>
CR32	840,364	5501 - Cost of Democracy	829,300	841,380	<b>871,350</b>
CR33	184,448	5503 / 5504 / 5505 - Election Expenses	115,210	127,380	<b>221,360</b>
CR34	25,652	5224 - Local Strategic Partnership	27,260	25,820	<b>26,630</b>
CR35	21,735	3405 - Sustainable Energy & Development	23,910	40,780	<b>(126,570)</b>
CR36	8,540	5513 - Public Consultation	9,090	8,610	<b>8,880</b>
CR37	155,807	5004 - Pier Closure Costs	0	100,000	<b>0</b>
CR38	21,591	1501 - Shelters and Seats	19,030	23,900	<b>19,100</b>
CR39	11,653	1502 - Street Naming and Numbering	8,220	8,210	<b>8,210</b>
CR40	66,687	5236 - Decorative Lighting	79,410	106,640	<b>64,990</b>
CR41	0	5514 - Corporate Systems ERP	0	15,000	<b>20,000</b>
CR42	0	1946 / 1983 / 1989 / 5289-96 / 6668 - Foreshore Trust	0	120	<b>180</b>
	2,160,781		2,692,710	2,688,490	<b>1,244,970</b>

OPERATIONAL SERVICES

Appendix O (cont.)

Reference NO.	2016-17 ACTUAL	SERVICE	2017-18		2018-19 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	<b>SUMMARY OF REVENUE ESTIMATES</b>	£	£	£
OS1	703,765	1009 - Environmental Services Management & Administration	631,500	634,800	<b>642,520</b>
OS2	409,518	1071 - Amenities Administration	397,410	411,950	<b>420,950</b>
OS3	950,702	1074 - Waste and Parking Team	890,070	904,790	<b>938,380</b>
OS4	670,076	1072 - Administration - Housing	875,260	1,138,500	<b>918,620</b>
OS5	121,452	1005 - Local Land Planning Management & Admin	130,270	129,750	<b>134,840</b>
OS6	186,011	1015 - Director of Operational Services	181,140	180,450	<b>184,400</b>
OS7	241,146	1070 - Leisure Administration	234,710	248,190	<b>253,850</b>
OS8	230,269	1075 - Resort Services Management and Administration	179,770	160,010	<b>169,900</b>
OS9	319,620	1021 - Regeneration Administration Division	309,120	321,310	<b>333,940</b>
OS10	511,815	1025 - Communications & Marketing	443,030	450,240	<b>467,020</b>
	(4,344,374)	Less recharges to other services	(4,272,280)	(4,579,990)	<b>(4,464,420)</b>
	0	Unallocated Balance	0	0	<b>0</b>
OS11	60,341	1008 - Building Control	53,340	54,410	<b>54,520</b>
OS12	919,854	1600 - Development Control & 1607 Conservation	931,930	908,300	<b>941,320</b>
OS13	(254,319)	5211 - Local Land Charges Register	(235,789)	(178,870)	<b>(212,950)</b>
OS14	512,533	4000 - Homelessness & 4138 Preventing Repossessions	443,030	518,170	<b>604,000</b>
OS15	182,594	4001 - Homelessness Prevention	204,790	213,100	<b>213,880</b>
OS16	(45,563)	4002 - Rough Sleeper Prevention	0	45,560	<b>0</b>
OS17	(35,778)	4004 - Syrian Resettlement Programme	(213,054)	(80,170)	<b>(108,884)</b>
OS18	(34,785)	4025 - Social Lettings	(45,550)	(34,690)	<b>(2,320)</b>
OS19	122,713	4050 - Homelessness Strategy	148,060	164,390	<b>161,320</b>
OS20	55,148	4120 - Housing Register	65,980	86,240	<b>72,260</b>
OS21	61,235	4051 - Deposits funded by ESCC	18,700	23,200	<b>23,200</b>
OS22	25,290	4055 - Youth Homelessness	20,660	29,080	<b>26,820</b>
OS23	5,200	4057 - Anti Poverty	5,200	0	<b>0</b>
OS24	42,000	4060 - POAL Officer	0	0	<b>0</b>
OS25	374,590	4140 - Housing Renewal	409,015	453,770	<b>423,520</b>
OS26	43,155	4143 - Rogue landlords	0	0	<b>0</b>
OS27	(54,216)	4158 - Selective licensing	(32,645)	(182,660)	<b>(126,870)</b>
OS28	71,269	4160 - Housing Licensing	0	(2,000)	<b>(150,270)</b>
OS29	(413,636)	4130 - Housing Solution Services	20,580	32,220	<b>29,400</b>
OS30	27,861	4300 - Coastal Space Enforcement Activities	11,270	14,740	<b>11,820</b>
OS31	3,515	5001 - Dangerous Structures	2,500	2,500	<b>2,500</b>
OS32	5,463	1953 - Coastal Local economic Partnership (LEP)	4,650	4,650	<b>4,650</b>
OS33	402,340	4045 - Housing - NHS Clinical Commissioning Group CCG	1,040,956	1,123,900	<b>0</b>
OS34	26,115	4183 - Sustainable Housing in Inclusive Neighbourhoods	30,670	41,210	<b>33,300</b>
OS35	14,328	4185 - Climate Active Neighbourhoods	12,670	17,980	<b>13,630</b>
	2,117,247	<b>Housing and Built Environment</b>	2,896,963	3,255,030	<b>2,014,846</b>

OPERATIONAL SERVICES

Appendix O (cont.)

Reference NO.	2016-17 ACTUAL	SERVICE	2017-18	2017-18	2018-19
			ORIGINAL BUDGET	REVISED BUDGET	ESTIMATED OUTTURN
	£	<b>SUMMARY OF REVENUE ESTIMATES</b>	£	£	£
OS36	492,804	1900, 1904 Regeneration Activity	474,090	502,710	436,830
OS37	255,919	1603 - Planning Policy	295,580	408,430	393,420
OS38	201,193	1922 - Cultural Activities	140,110	142,020	143,640
OS39	196,103	1945 - Cultural Development	82,720	88,510	95,180
OS40	127,669	1934 - External Funding Initiatives	88,920	91,320	90,770
OS41	54,109	1980 - Community Cohesion	53,580	53,750	54,600
OS42	(2,892)	1988 - Fisheries Local Action Group (FLAG)	0	(13,890)	(9,210)
OS43	0	1998 - Coastal Communities Fund	0	(35,000)	(15,000)
OS44	35,409	1999 - Employability	0	0	0
OS45	(214)	2020 - Talent Match	0	0	0
OS46	401	2030 - Sea Escapes - CCF III Coastal Communities Fund Revenue	0	0	0
OS47	56	2040 - CHART CLLD - Connecting Hastings and Rother Together Community Led Local Development	(15,800)	(15,800)	(15,800)
OS48	304,328	5120 - Community Partnership	252,190	248,250	249,240
OS49	1,383	5121 - Older and Younger People	0	4,160	0
OS50	10,200	6006 - Youth Activities (Young Persons Council)	5,000	5,000	5,000
OS51	25,465	5116 - 1066 Community Grants	0	0	0
OS52	0	5118 - Town Centre Management (BID)	9,300	9,300	9,300
OS53	0	5119 - Community Development Activity	5,000	5,000	5,000
OS54	18,000	1995 - Image Raising Campaign Project	0	0	0
OS55	148,995	5701 - 1066 Country Campaign	126,010	127,850	130,470
OS56	106,999	5702, 5703 - Tourism Marketing	108,700	106,210	112,990
OS57	144,660	5714 - Tourist Information Centre	106,510	118,740	122,860
OS58	53,657	5705 - Community Awareness	49,870	53,340	54,640
OS59	13,817	5720 - Twinning / Sierra Leone	10,970	11,100	11,410
OS60	139,482	1962, 5719, 5721-5725, 5727-5728, 5730, 5780, 5781 Raising the Profile of Hastings	122,130	128,730	114,320
OS61	(178)	5731 - Norman Castles Interreg Project	0	0	0
OS62	3,293	5237 - Meteorological Expenses	3,920	2,250	1,240
OS63	61,877	5507 - Civic & Ceremonial Expenses	55,890	55,910	57,400
OS64	(4,553)	5740 - Filming	(4,000)	(4,000)	(4,000)
OS65	26,866	1400 - Coastal Protection	31,440	20,980	21,900
OS66	5,402	1410 - Navigational Aids	11,090	4,800	5,010
OS67	3,453	1608 - Env. Schemes Net Shops	10,590	13,790	13,760
OS68	(81,449)	2502 - Cliff Railways	(120,050)	(141,480)	(133,510)
OS69	(17,010)	2510 / 2512 - Castle and Caves	(30,390)	(29,080)	(32,350)
OS70	(155,088)	2514 - Chalets and Beach Huts	(207,720)	(166,780)	(210,570)
OS71	659,313	2601 - White Rock Theatre	663,510	667,010	683,610
OS72	145,748	5241 - Seafront	146,904	142,680	139,044
OS73	442,786	6000 / 6005 / 6008 / 6009 / 6016 - Museums	404,840	424,610	412,970
OS74	4,022	6015 - First World War Project	3,500	1,330	0
OS75	10,147	6150 - Sports Management	17,090	10,340	16,770
OS76	36,535	2640 - Falaise Fitness Centre	36,180	21,760	52,000
OS77	75,467	6100 - Sports Centres	53,980	37,160	68,120
OS78	8,439	6409 - William Parker Athletic Track	8,330	8,560	8,660
OS79	(608)	6640 - Opening Doors	0	27,350	11,040
OS80	89,007	6650 - Sports Development	80,810	84,550	86,050
OS81	25,310	6651 - Street Games	15,510	12,630	0
OS82	(3,912)	6675 - Sports for All	0	10,140	0
OS83	79,755	6657 - Active Hastings	63,130	77,170	62,110
OS84	138,064	6660 - Play Development	134,680	139,320	141,870
OS85	2,600	6666 - Primary Care Trust Play Grant	0	1,250	0
OS86	41,739	6667 - Play Pathfinder	42,340	43,050	43,350
OS87	(9)	6670 - Playground Projects	0	0	0
OS88	28,822	6641 - Lets get Moving (CCG)	0	39,580	0
OS89	23,031	1937 - British BID DCLG - Loan Fund (Business Improvement District)	5,250	5,250	5,250
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	3,976,408	<b>Regeneration and Culture</b>	3,341,704	3,549,860	3,439,384
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OPERATIONAL SERVICES

Appendix O (cont.)

Reference NO.	2016-17 ACTUAL	SERVICE	2017-18		2018-19 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	<b>SUMMARY OF REVENUE ESTIMATES</b>	£	£	£
OS90	319,588	3401 - Food Safety	300,190	309,160	<b>309,390</b>
OS91	131,537	3402 / 3404 - Health and Safety	124,770	124,040	<b>125,090</b>
OS92	315,400	3403 - Environmental Protection	322,050	325,620	<b>340,130</b>
OS93	54,371	3407 - Pest Control	56,260	53,070	<b>54,620</b>
OS94	(51,023)	5100 - Local Licensing	(56,290)	(59,910)	<b>(55,990)</b>
OS95	4,521	5105 - Liquor Licensing	480	(8,150)	<b>(2,790)</b>
OS96	21,092	5106 - Gambling Licensing	13,330	11,780	<b>14,560</b>
OS97	48,128	5125 - Stray Dog Contract	45,640	46,210	<b>46,380</b>
OS98	60,027	5223 - Emergency Planning	58,560	61,450	<b>59,910</b>
OS99	(562,082)	1300 / 1350 - Parking	(487,990)	(567,130)	<b>(581,420)</b>
OS100	229,262	1370 - Closed Circuit Television	235,630	235,880	<b>239,760</b>
OS101	1,146	1506 - ESCC Highway Tree Maintenance	(3,000)	(3,000)	<b>(3,000)</b>
OS102	0	1504 - Public Realm	40,000	0	<b>40,000</b>
OS103	1,008,916	3303 - Waste Collection	1,076,820	1,077,350	<b>1,117,820</b>
OS104	218,736	3410 - Recycling	231,200	231,740	<b>245,910</b>
OS105	1,323,307	3313 - Street Cleansing	1,261,410	1,274,590	<b>1,310,550</b>
OS106	(47,116)	3411 - Greenwaste	(58,350)	(54,610)	<b>(49,740)</b>
OS107	424,047	3412 - Waste and Environmental Enforcement Team	422,260	414,220	<b>441,750</b>
OS108	36,686	5205 - Together Action	33,600	38,610	<b>34,260</b>
OS109	120,557	5214 - Safer Hastings Partnership (HBC)	125,600	120,260	<b>133,510</b>
OS110	(2,832)	5219 - Safer Hastings Partnership (External)	0	0	<b>0</b>
OS111	0	5226 - CS Domestic Violence (CCG)	0	0	<b>0</b>
OS112	30,003	1420 - Watercourses	32,300	32,330	<b>33,070</b>
OS113	(459,307)	3102 / 3103 - Cemetery and Crematorium	(517,590)	(476,880)	<b>(545,230)</b>
OS114	22,416	5140 - Travellers Costs	21,850	22,020	<b>22,120</b>
OS115	49,732	5257 - Town Centre	47,490	48,240	<b>51,090</b>
OS116	18,634	5280 - Allotments	14,300	15,120	<b>7,870</b>
OS117	49,547	5281 - Ecology	57,060	52,430	<b>53,300</b>
OS118	147,029	6200 - Arboriculture	140,970	141,170	<b>142,300</b>
OS119	1,542,024	6301 - Parks and Gardens	1,656,640	1,706,600	<b>1,648,730</b>
OS120	111,226	1355 / 6503 - Hastings Country Park	97,650	104,190	<b>85,350</b>
OS121	9,263	6508 - Countryside Stewardship	16,000	16,000	<b>16,000</b>
OS122	364,128	3033 - Public Conveniences	254,860	302,760	<b>266,370</b>
	5,538,963	<b>Environment and Place</b>	5,563,700	5,595,160	<b>5,601,670</b>
	<b>11,632,618</b>	<b>Operational Services Directorate Total</b>	<b>11,802,367</b>	<b>12,400,050</b>	<b>11,055,900</b>

## CAPITAL PROGRAMME SUMMARY

	Capital					Revenue						
	2017/18 Original £'000	2017/18 Revised £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total over Budget Period £'000	2017/18 Original £'000	2017/18 Revised £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Full Year £'000
<b>Net cost by Service</b>												
Corporate Resources	500	9,584	20,907	-	-	30,491	(139)	(256)	(422)	(621)	(621)	(621)
Operational Services	1,618	3,561	7,784	7,210	5,623	11,345	52	89	78	162	468	613
	<b>2,118</b>	<b>13,145</b>	<b>28,691</b>	<b>7,210</b>	<b>5,623</b>	<b>41,836</b>	<b>(87)</b>	<b>(167)</b>	<b>(344)</b>	<b>(459)</b>	<b>(153)</b>	<b>(8)</b>
<b>Net cost by Status</b>												
Committed Schemes	1,841	11,390	1,145	210	123	12,535	(100)	(200)	(115)	(86)	(71)	(77)
Uncommitted Schemes	277	70	250	-	-	320	13	4	18	30	30	30
New Schemes	-	1,685	27,296	7,000	5,500	28,981	0	29	-247	-403	-112	39
	<b>2,118</b>	<b>13,145</b>	<b>28,691</b>	<b>7,210</b>	<b>5,623</b>	<b>41,836</b>	<b>(87)</b>	<b>(167)</b>	<b>(344)</b>	<b>(459)</b>	<b>(153)</b>	<b>(8)</b>
<b>Gross cost of schemes analysed by service</b>												
Corporate Resources	500	10,004	20,952	-	-	31,456						
Operational Services	5,295	7,023	11,986	8,767	7,162	40,233						
	<b>5,795</b>	<b>17,027</b>	<b>32,938</b>	<b>8,767</b>	<b>7,162</b>	<b>71,689</b>						

## CORPORATE RESOURCES - CAPITAL PROGRAMME

## Appendix P (cont)

		Profile of Council Net Cost										
Scheme Ref.	Scheme	Class	Total Gross Cost	Total Net Cost	Before 31.3.17	2017/18	Revised 2017/18	2018/19	2019/20	2020/21	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	676	0	0	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-08	Aquila House Refurbishment	* c	608	608	608	0	0	0	0	0	0	
CR-09	New Factory unit	* c	1,535	1,535	1,495	0	40	0	0	0	0	
CR-10	Town Hall Works	* c	454	454	454	0	0	0	0	0	0	
RP16	CPO property	* c	0	0	0	0	0	0	0	0	0	
CR-11	Aquila House Purchase	* c	4,400	4,400	4,400	0	0	0	0	0	0	
CR-12	Kiosk above Bottle Alley	* c	90	90	60	0	30	0	0	0	0	
CR-13	Factory Block Churchfields Estates	* c	0	0	0	0	0	0	0	0	0	
CR- 15	Land at West Marina	* c	127	127	127	0	0	0	0	0	0	
CR-16	New ERP system	* c	930	465	0	500	440	25	0	0	0	
CR-17	Retail Property purchase	* c	7,707	7,707	7,707	0	0	0	0	0	0	
CR-18	Land on Churchfields Estate	* c	620	620	620	0	0	0	0	0	0	
CR-19	Bexhill Road Retail Park	* c	8,841	8,841	0	0	8,841	0	0	0	0	
CR-20	Conversion of 12/13 York Buildings	* c	682	682	0	0	25	657	0	0	0	
CR-22	Priory Meadow Contribution towards Capital works	* c	250	250	0	0	185	65	0	0	0	
CR-23	Commercial Property Investments	n	20,160	20,160	0	0	0	20,160	0	0	0	
Schemes Already Committed			c	27,038	26,533	16,202	500	9,584	747	0	0	
Schemes Uncommitted			u	0	0	0	0	0	0	0	0	
New Schemes			n	20,160	20,160	0	0	0	20,160	0	0	
Total Capital Expenditure				47,198	46,693	16,202	500	9,584	20,907	0	0	
Revenue Costs												
Schemes Already Committed			c			(139)	(224)	(224)	(224)	(224)	(224)	
Schemes Uncommitted			u			0	0	0	0	0	0	
New Schemes			n			0	(198)	(198)	(397)	(397)	(397)	
No further approval required			*									
Total Revenue Costs						(139)	(422)	(422)	(621)	(621)	(621)	

**Appendix P (cont)**

**CORPORATE RESOURCES - CAPITAL PROGRAMME**

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subsequent Years £'000
<b>ES04-2 Office Accommodation</b>								
9411								
Accommodation work not directly related to Aquila House project								
<u>Funding Source</u>								
Council		676	676	0				
Other		40	40	0				
<b>Total Funding</b>		<b>716</b>	<b>716</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other								
<b>Total Revenue Costs</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CR-06 Sandrock Park - Land Purchase</b>								
9594								
The purchase of land at Sandrock Park								
<u>Funding Source</u>								
Council		23		23				
Other		0						
<b>Total Funding</b>		<b>23</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
MRP				0	0	1	1	1
Interest				0	0	1	1	1
Financing Charge				<b>0</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>
Other								
<b>Total Revenue Costs</b>				<b>0</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>CR-08 Aquila House Refurbishment</b>								
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	608	608	0				
Other		0						
<b>Total Funding</b>		<b>608</b>	<b>608</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
MRP				0	0	0	0	0
Interest				25	25	25	25	25
Financing Charge				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other				(25)	(25)	(25)	(25)	(25)
<b>Total Revenue Costs</b>				<b>0</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>
<b>CR-09 New Factory unit</b>								
9800								
Construction of additional factory unit in Castleham								
<u>Funding Source</u>								
Council		1,535	1,495	40				
Other		0						
<b>Total Funding</b>		<b>1,535</b>	<b>1,495</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
MRP				51	51	52	52	52
Interest				61	62	63	63	63
Financing Charge				<b>112</b>	<b>113</b>	<b>115</b>	<b>115</b>	<b>115</b>
Other				(40)	(40)	(40)	(40)	(40)
<b>Total Revenue Costs</b>				<b>72</b>	<b>73</b>	<b>75</b>	<b>75</b>	<b>75</b>
<b>CR-10 Town Hall Works</b>								
9418								
Adapt Town hall for partial rental								
<u>Funding Source</u>								
Council	83	454	454					
Other		0						
<b>Total Funding</b>		<b>454</b>	<b>454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge				<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Other				(90)	(90)	(90)	(90)	(90)
<b>Total Revenue Costs</b>				<b>(85)</b>	<b>(85)</b>	<b>(85)</b>	<b>(85)</b>	<b>(85)</b>

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subsequent Years £'000
<b>9407 Aquila House Purchase</b>								
CR-11								
Purchase of the freehold of Aquila House								
<u>Funding Source</u>								
Council	4,400	4,400						
Other	0							
<b>Total Funding</b>	<b>4,400</b>	<b>4,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>251</b>	<b>251</b>	<b>251</b>	<b>251</b>	<b>251</b>	<b>251</b>
Other			(279)	(279)	(279)	(279)	(279)	(279)
<b>Total Revenue Costs</b>			<b>(28)</b>	<b>(28)</b>	<b>(28)</b>	<b>(28)</b>	<b>(28)</b>	<b>(28)</b>
<b>9741 Kiosk above Bottle Alley</b>								
CR-12								
Construction of circular kiosk in line with the HBC Seafront Strategy								
<u>Funding Source</u>								
Council	90	60		30				
Other	0							
<b>Total Funding</b>	<b>90</b>	<b>60</b>	<b>0</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>5</b>	<b>6</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>7</b>
Other			(8)	(8)	(8)	(8)	(8)	(8)
<b>Total Revenue Costs</b>			<b>(3)</b>	<b>(2)</b>	<b>(3)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>9131 Land at West Marina</b>								
CR-15								
Land at West Marina from the Hastings and St Leonards Charitable Trust								
<u>Funding Source</u>								
Council	127	127						
Other	0							
<b>Total Funding</b>	<b>127</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Other								
<b>Total Revenue Costs</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>9450 New ERP system</b>								
CR-16								
Purchase and development of new Enterprise Resource Planning system Total HBC budget £500K of which £35K revenue								
<u>Funding Source</u>								
Council	465		500	440	25			
Other	465			420	45			
<b>Total Funding</b>	<b>930</b>	<b>0</b>	<b>500</b>	<b>860</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>19</b>	<b>17</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>35</b>
Other								
<b>Total Revenue Costs</b>			<b>19</b>	<b>17</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>9130 Retail Property purchase</b>								
CR-17								
Purchase of Commercial property								
<u>Funding Source</u>								
Council	7,707	7,707	0	0				
Other	0							
<b>Total Funding</b>	<b>7,707</b>	<b>7,707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>
Other			(460)	(460)	(460)	(460)	(460)	(460)
<b>Total Revenue Costs</b>			<b>(148)</b>	<b>(148)</b>	<b>(148)</b>	<b>(148)</b>	<b>(148)</b>	<b>(148)</b>



	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subsequent Years £'000
<b>9801 Land on Churchfields Estate</b>								
CR-18								
Acquisition of Land								
<u>Funding Source</u>								
Council	620	620			0			
Other	0							
<u>Total Funding</u>	620	620	0	0	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			26	26	26	26	26	26
Other								
<u>Total Revenue Costs</u>			26	26	26	26	26	26
<b>9132 Bexhill Road Retail Park</b>								
CR-19								
Purchase of Commercial Property								
<u>Funding Source</u>								
Council	8,841	0	0	8,841	0			
Other	0							
<u>Total Funding</u>	8,841	0	0	8,841	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	223	445	445	445	445
Other				(325)	(543)	(543)	(543)	(543)
<u>Total Revenue Costs</u>			0	(102)	(98)	(98)	(98)	(98)
<b>9802 Conversion of 12/13 York Buildings</b>								
CR-20								
<u>Funding Source</u>								
Council	682		0	25	657			
Other	0							
<u>Total Funding</u>	682	0	0	25	657	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	1	25	28	28	28
Other					(20)	(28)	(28)	(28)
<u>Total Revenue Costs</u>			0	1	5	0	0	0
<b>9981 Priory Meadow Contribution to Capital Works</b>								
CR-22								
Contribution to ensure continuing rental income								
<u>Funding Source</u>								
Council	250			185	65			
Other	0							
<u>Total Funding</u>	250	0	0	185	65	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	7	12	14	14	14
Other								
<u>Total Revenue Costs</u>			0	7	12	14	14	14
<b>9992 Commercial Property Investments</b>								
CR-23								
Acquisition of Commercial Property								
<u>Funding Source</u>								
Council	20,160				20,160			
Other	0							
<u>Total Funding</u>	20,160	0	0	0	20,160	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	0	555	1,109	1,109	1,109
Other					(753)	(1,506)	(1,506)	(1,506)
<u>Total Revenue Costs</u>			0	0	(198)	(397)	(397)	(397)

OPERATIONAL SERVICES - CAPITAL PROGRAMME

Appendix P (cont)

		Profile of Council Net Cost								
Scheme Ref.	Scheme	Class	Total Gross Cost	Total Net Cost	Before 31.3.17	Revised 2017/18	2018/19	2019/20	2020/21	Subseq. Years
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(1)	(2)	(3) (4)	(5)	(6)	(7)	(10)	(11)	(11)	(11)	(12)
H07	Private Sector Renewal Support	* c	147	0	0	0	0	0	0	0
H08	Disabled Facilities Grant	* c	5,655	0	0	0	0	0	0	0
H15	Empty Homes Strategy - CPO	* c	250	250	71	60	70	49	0	0
PL01	Central St. Leonards Town Heritage Initiative 2	* c	1,371	436	436	0	0	0	0	0
RP04	Restoration of Pelham Crescent/ Pelham Arcade	* c	756	359	166	90	103	0	0	0
RP16	Road at Pelham Arcade	* u	125	75	11	20	44	0	0	0
RP15	Ex Malvern Public House - matched funding	* c	0	0	0	0	0	0	0	0
RP14	Coastal Space Regeneration Project - Phase 2	* c	758	758	0	758	0	0	0	0
CR14	Coastal Space - Phase 3	* c	1,376	609	0	609	0	0	0	0
	Development of Land at Ore Valley	* c	700	0	0	0	0	0	0	0
	Energy Generation	* n	6,000	6,000	0	0	2,000	2,000	2,000	0
	Hastings Housing Company	* n	15,000	15,000	0	1,500	5,000	5,000	3,500	0
ES28	Castle Access/ Interpretation (£100k -15/16*)	u	350	350	94	50	206	0	0	0
RP11	Factory Refurbishment (ACE)	* c	0	0	0	0	0	0	0	0
RP15	White Rock Baths	* c	1,245	173	173	0	0	0	0	0
RP11	Groyne Refurbishment	* c	110	110	0	5	35	35	35	0
ES35	Work on Harbour Arm and New Groynes	* c	2,968	30	0	10	20	0	0	0
ES36	Further Sea Defence works	* c	150	0	0	0	0	0	0	0
ES39	Additional Chalets	* c	85	85	0	85	0	0	0	0
RP09	Public Realm	* c	348	257	47	60	50	50	50	0
ES34	Bottle Alley	* c	295	245	71	174	0	0	0	0
ES24	CCTV Control Room	* c	462	372	363	9	0	0	0	0
ES33	Crematorium and Chapel Enhancements	* c	0	0	0	0	0	0	0	0
ES32	Country Park -Interpretive Centre	c	504	246	74	32	140	0	0	0
ES37	Playgrounds Upgrade Programme	* c	313	246	58	29	45	76	38	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	371	89	89	0	0	0	0	0
ES40	Purchase of new parking machines and boards	* c	70	70	0	70	0	0	0	0
OS3	Coastal Communities scheme 4	n	414	0	0	0	0	0	0	0
OS4	Buckshole and Shornden Reservoirs	* c	71	71	0	0	71	0	0	0
	Schemes Already Committed	c	17,994	4,335	1,548	1,991	463	210	123	0
	Schemes Uncommitted	u	475	425	105	70	250	0	0	0
	New Schemes	n	21,485	21,071	0	1,500	7,071	7,000	5,500	0
Total Capital Expenditure			39,954	25,831	1,653	3,561	7,784	7,210	5,623	0
Revenue Costs										
	Schemes Already Committed	c				63	121	152	167	161
	Schemes Uncommitted	u				4	18	30	30	30
	New Schemes	n				22	-61	-20	271	422
	No further approval required	*								
Total Revenue Costs						89	78	162	468	613

**OPERATIONAL SERVICES - CAPITAL PROGRAMME**

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>H07 Private Sector Renewal Support</b>								
9314								
Property grants to bring conditions up to minimum standards.								
<u>Funding Source</u>								
Council	0							
Regional Housing Board Grant+ LEP funding of £46K	147		70	20	50	50	27	
<u>Total Funding</u>	147	0	70	20	50	50	27	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
<b>H08 Disabled Facilities Grant</b>								
9308								
Property Grants for Disabled Facilities Grant of £1,543K (before £60K salaries )for 2017/18 Awaiting 18/19 figures								
<u>Funding Source</u>								
Council	0							
Government Grant including additional £155K	5,655		1,000	1,155	1,500	1,500	1,500	
<u>Total Funding</u>	5,655	0	1,000	1,155	1,500	1,500	1,500	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
<b>H15 Empty Homes Strategy - CPO</b>								
9590								
Rolling programme of purchases and disposals								
<u>Funding Source</u>								
Council	250	71	70	60	70	49		
Government Grant	0							
<u>Total Funding</u>	250	71	70	60	70	49	0	0
<u>Revenue Costs</u>								
Financing Charge			4	3	9	14	17	17
Other								
<u>Total Revenue Costs</u>			4	3	9	14	17	17
<b>PL01 Central St. Leonards Town Heritage Initiative 2</b>								
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	436	436		0				
HLF lottery funds £700K;+ £24K-£8K and ERDF funding £250K.	935	935		0				
<u>Total Funding</u>	1,371	1,371	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

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>RP04 Restoration of Pelham Crescent/ Pelham Arcade</b>								
9558								
Feasibility study and grants for restoration works, plus additional phase 2 works / grants to adjoining property								
<u>Funding Source</u>								
Council	359	166	150	90	103			
Historic England(English Heritage) £280K Council reserves £117K	397	293	77	0	104			
<u>Total Funding</u>	756	459	227	90	207	0	0	0
<u>Revenue Costs</u>								
Financing Charge			7	5	13	18	18	18
Other								
<u>Total Revenue Costs</u>			7	5	13	18	18	18
<b>RP16 Road at Pelham Arcade</b>								
9554								
Road above Pelham Arcade								
<u>Funding Source</u>								
Council	75	11	40	20	44			
Other- Freeholder Contributions	50	0	50		50			
<u>Total Funding</u>	125	11	90	20	94	0	0	0
<u>Revenue Costs</u>								
Financing Charge			2	1	4	6	6	6
Other								
<u>Total Revenue Costs</u>			2	1	4	6	6	6
<b>RP15 Ex Malvern Public House - matched funding</b>								
9592								
Original Work re curtailed acquisition and demolition of Malvern Public House - matched funding								
<u>Funding Source</u>								
Council	0	0						
Other	0							
<u>Total Funding</u>	0	0	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
<b>RP14 Coastal Space Regeneration Project - Phase 2</b>								
9601								
Acquisition and refurbishment of dwellings in Central St Leonards, in partnership with Optivo. HBC grant funding reduced following reduction of 30 to 26 units								
<u>Funding Source</u>								
Council - Grant	758		875	758				
Council - Loan	0							
Other	0							
<u>Total Funding</u>	758	0	875	758	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			24	21	42	42	42	42
Other								
<u>Total Revenue Costs</u>			24	21	42	42	42	42
<b>CR14 Coastal Space - Phase 3</b>								
9993								
Acquisition and refurbishment of dwellings in Central St Leonards in partnership with Amicus Horizon								
<u>Funding Source</u>								
Council	609			609	0			
Other S106 received re Affordable Housing	100			100	0			
LAP contribution	667			667	0			
<u>Total Funding</u>	1,376	0	0	1,376	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	17	34	34	34	34

	Total Cost £'000	Before 31.3.17 £'000	Revised 17/18 £'000	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
Other								
<u>Total Revenue Costs</u>			0	17	34	34	34	34

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	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>Development of Land at Ore Valley</b>								
9994	Acquisition of Land at Ore Valley from Hastings & Bexhill Renaissance Limited							
<u>Funding Source</u>								
Council	0	0			0			
Other	700				700			
<b>Total Funding</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>700</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other								
<b>Total Revenue Costs</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Energy Generation</b>								
9995								
<u>Funding Source</u>								
Council	6,000	0			2,000	2,000	2,000	
Other	0				0			
<b>Total Funding</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>0</b>	<b>0</b>	<b>55</b>	<b>165</b>	<b>275</b>	<b>330</b>
Other					-280	-540	-540	-540
<b>Total Revenue Costs</b>			<b>0</b>	<b>0</b>	<b>-225</b>	<b>-375</b>	<b>-265</b>	<b>-210</b>
<b>Hastings Housing Company</b>								
9996								
<u>Funding Source</u>								
Council	15,000	0		1,500	5,000	5,000	3,500	
Other	0				0			
<b>Total Funding</b>	<b>15,000</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>5,000</b>	<b>5,000</b>	<b>3,500</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>0</b>	<b>42</b>	<b>220</b>	<b>495</b>	<b>729</b>	<b>825</b>
Other				-20	-60	-147	-200	-200
<b>Total Revenue Costs</b>			<b>0</b>	<b>22</b>	<b>160</b>	<b>348</b>	<b>529</b>	<b>625</b>
ES28	<b>Castle Access/ Interpretation</b>							
9588	Improvements to the Castle for the 950th anniversary and £100k for additional works							
<u>Funding Source</u>								
Council	350	94	237	50	206			
Heritage Lottery Fund	0							
<b>Total Funding</b>	<b>350</b>	<b>94</b>	<b>237</b>	<b>50</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>11</b>	<b>3</b>	<b>14</b>	<b>24</b>	<b>24</b>	<b>24</b>
Other								
<b>Total Revenue Costs</b>			<b>11</b>	<b>3</b>	<b>14</b>	<b>24</b>	<b>24</b>	<b>24</b>
RP11	<b>Factory Refurbishment (ACE)</b>							
9117	Pilot scheme of refurbishment to a factory unit to achieve advanced levels of environmental performance.							
<u>Funding Source</u>								
Council (ABG/reserves Estates R&R £42)	0	0						
Interreg (£416K less £155K in revenue 12/13 ) / LAA £87K	0	0						
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other								
<b>Total Revenue Costs</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
In addition to the figure above there is £155K in revenue funded by Interreg and £100K funded by partners								

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>RP15 White Rock Baths</b>								
9593								
Total project on white rock baths excluding tenant fit out - HBC £172k + loan £300k FST 150 ESI £235K								
<u>Funding Source</u>								
Council	173	173						
Loan FST £300K+ £127K	427	427						
Foreshore Trust total £200k ESCC (£235k +£85K)								
CCF £75k + Source (£49k)	645	645						
<u>Total Funding</u>	1,245	1,245	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
<b>RP11 Groyne Refurbishment</b>								
9007								
To maintain beach and groins								
<u>Funding Source</u>								
Council	110		5	5	35	35	35	0
Other	0							
<u>Total Funding</u>	110	0	5	5	35	35	35	0
<u>Revenue Costs</u>								
Financing Charge			1	1	3	6	9	10
Other								
<u>Total Revenue Costs</u>			1	1	3	6	9	10
<b>ES35 Work on Harbour Arm and New Groynes</b>								
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								
<u>Funding Source</u>								
Council	30		30	10	20			
Contribution from DEFRA/EA	2,938	528	2,410	1,210	1,200			
<u>Total Funding</u>	2,968	528	2,440	1,220	1,220	0	0	0
<u>Revenue Costs</u>								
Financing Charge			2	1	2	3	3	3
Other								
<u>Total Revenue Costs</u>			2	1	2	3	3	3
<b>ES36 Further Sea Defence works</b>								
Hastings Pier to South West Outfall								
<u>Funding Source</u>								
Council	0							
Other - DEFRA/EA	150		70	0	150			
<u>Total Funding</u>	150	0	70	0	150	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

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>RP09 Public Realm</b>								
9574								
Improvement & Refurbishment of public realm assets								
<u>Funding Source</u>								
Council	257	47	50	60	50	50	50	
Other -Coastal Communities Fund revenue 2015/16 £35,000	91	91						
<b>Total Funding</b>	<b>348</b>	<b>138</b>	<b>50</b>	<b>60</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			3	3	8	13	17	19
Maintenance of area								
<b>Total Revenue Costs</b>			<b>3</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>17</b>	<b>19</b>
<b>ES34 Bottle Alley</b>								
9740								
Improvements to Public Realm Bottle Alley lighting and concrete								
<u>Funding Source</u>								
Council	245	71		174	0			
Other -Coastal Revival fund	50	50		0	0			
<b>Total Funding</b>	<b>295</b>	<b>121</b>	<b>0</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			0	8	16	16	16	16
Maintenance of area								
<b>Total Revenue Costs</b>			<b>0</b>	<b>8</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>ES24 CCTV Control Room</b>								
9077								
Replacement of equipment and cost of transfer to an alternative site								
<u>Funding Source</u>								
Council	372	363		9				
ESCC £50k, Sussex Police £20k (was £15K), Sussex Coast College £20k (S106)	90	90						
<b>Total Funding</b>	<b>462</b>	<b>453</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			0	1	1	1	1	1
Other								
<b>Total Revenue Costs</b>			<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Sea Escapes - CCF III Coastal Communities</b>								
<b>Fund Capital</b>								
9650								
Promenade improvements around White rock area partly funded by CCF								
<u>Funding Source</u>								
Council	89	89						
HBC revenue repair budget	0	0						
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	282	282						
<b>Total Funding</b>	<b>371</b>	<b>371</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Revenue Costs</u>								
Financing Charge			0	0	0	0	0	0
Other								
<b>Total Revenue Costs</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>ES39 Additional Chalets</b>								
9752								
Build new chalets for Income generation								
<u>Funding Source</u>								
Council	85	0		85				
Other	0							
<u>Total Funding</u>	85	0	0	85	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	4	8	8	8	8
Other			(10)	(5)	(30)	(30)	(30)	(30)
<u>Total Revenue Costs</u>			(10)	(1)	(22)	(22)	(22)	(22)
<b>ES33 Crematorium and Chapel Enhancements</b>								
9604								
Provision of upgrade including building alterations works on the memorial and drainage								
<u>Funding Source</u>								
Council	0	0						
Other	0							
<u>Total Funding</u>	0	0	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
<b>ES32 Country Park -Interpretive Centre</b>								
9603								
Provision of a new Interpretive Centre. Council funding being provided by sale proceeds of Warren Cottage.								
<u>Funding Source</u>								
Council	246	74	161	32	140			
Other via Interreg -HBC £272k (less costs)	258			0	258			
<u>Total Funding</u>	504	74	161	32	398	0	0	0
<u>Revenue Costs</u>								
Financing Charge			8	2	10	16	16	16
Other								
<u>Total Revenue Costs</u>			8	2	10	16	16	16
<b>ES37 Playgrounds Upgrade Programme</b>								
9750								
Play spaces - contribution to programmed refurbishments								
<u>Funding Source</u>								
Council	246	58		29	45	76	38	
Other S106	67				48	7	12	
<u>Total Funding</u>	313	58	0	29	93	83	50	0
<u>Revenue Costs</u>								
Financing Charge			0	2	5	11	16	7
Other								
<u>Total Revenue Costs</u>			0	2	5	11	16	7
<b>ES38 Playgrounds Carnoustie &amp; Kensington Close</b>								
9751								
Carnoustie Close & Kensington Close Play spaces contribution to upgrades								
<u>Funding Source</u>								
Council	0							
Other S106	60	22		38				
<u>Total Funding</u>	60	22	0	38	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

	Total Cost £'000	Before 31.3.17 £'000	17/18 £'000	Revised 17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Subseq. Years £'000
<b>ES40 Purchase of new parking machines and boards</b>								
9037								
Installation of new Parking machines and tariff boards								
<u>Funding Source</u>								
Council	70			70				
Other S106	0							
<u>Total Funding</u>	70	0	0	70	0	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	4	7	7	7	7
Other								
<u>Total Revenue Costs</u>			0	4	7	7	7	7
<b>OS3 Coastal Communities scheme 4</b>								
<b>Promenade fountain WiFi Rock House &amp; Source</b>								
9545								
<u>Funding Source</u>								
Council	0			0				
Other CCF £222k+ £142K FST £50k)	414			272	142			
<u>Total Funding</u>	414	0	0	272	142	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
<b>OS4 Buckshole and Shornden Reservoirs</b>								
<b>Statutory Protection Works</b>								
9545								
9571								
<u>Funding Source</u>								
Council	71			0	71			
Other	0							
<u>Total Funding</u>	71	0	0	0	71	0	0	0
<u>Revenue Costs</u>								
Financing Charge			0	0	4	7	7	7
Other								
<u>Total Revenue Costs</u>			0	0	4	7	7	7