

Public Document Pack

Overview and Scrutiny Committee Agenda

Wednesday, 20 January 2021 at 6.00 pm

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Agenda Item 3 Public Document Pack

OVERVIEW AND SCRUTINY COMMITTEE

9 DECEMBER 2020

Present: Councillors Davies (Chair), Levane (Vice-Chair), Battley, Beaney, Bishop, Cox, Edwards, Lee, Rankin, Turner and Webb

58. APOLOGIES FOR ABSENCE

None.

59. DECLARATIONS OF INTEREST

None.

60. MINUTES OF THE PREVIOUS OVERVIEW AND SCRUTINY COMMITTEE

RESOLVED- (Unanimously) that the minutes of the meeting held on the 24 September 2020 be approved.

61. FINANCE UPDATE

This item was moved up the agenda at the committee's consent.

The Assistant Director, Finance Service and Revenues provided an update about the council's current financial status to the Overview and Scrutiny committee.

The Mid Term Financial Strategy update to cabinet in October gave a projection and forecast of the councils finances up to 2023/24. COVID-19 has had a huge impact on income streams such as from car parks and cliff railways. It has also had an impact on collections from Council Tax and Non-Domestic Rates. There has also been a huge increase in the costs of homelessness. These and other factors have meant that the £1.2 million shortfall predicted at the Budget Council in February now looks to be £2.7 million. There has been additional funding from the government to cover additional costs, but this do not cover this shortfall in full. These additional costs will impact the council's finances in the future.

There has been financial savings through the council's capital investment programme. In terms of investment returns, the performance was better than estimated. The interest rates are still at historically low levels but there was a 1% hike in borrowing rates in October 2019 for the PWLB (Public Works Loan Board).

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The council has also been administering the government issued COVID-19 support grants for local businesses and £21 million has been distributed through this scheme. As part of the funding for this the council receives a new burden grant to help with the covering of costs. The scheme has influenced other parts of the councils work as officers have had to prioritise this work over other agreed projects.

Overall whilst COVID -19 has hugely impacted the councils finances they were none the less under control and the council is surviving financially this year.

The Chair asked if the activities highlighted in the Corporate Plan needed to change due to the increase in the council's deficit?

The Corporate Plan would need to be reviewed as a result of changing costs. The deficit is now higher than predicted at the February Budget council meeting. This could change if the government gives further assistance towards the council's costs.

Councillors asked questions about the substantial amounts of money the council has received already from the government to assist with the COVID-19 crisis. Most of the monies received were for individual financial assistance. The council does get to retain a small amount of for administration of these schemes.

The Chair thanked the Assistant Director, Finance services and Revenues for his report and update.

62. COVID-19 UPDATE

The Managing Director gave an update on the COVID-19 situation within the town and the impact on the council's work. There has been a sharp increase in cases of COVID within the town and worryingly it looks like the infection period was during the second lockdown. A bigger communications strategy has been planned to reinforce the protective social distancing measures people need to undertake in order to remain safe.

It was recognised that this was a particularly challenging time for people who are having to go out for various reasons such as work and education. There is a strong need to follow the rules in order to protect each other, local businesses and the NHS.

There are plans in place for Christmas cover that range from providing emergency food to having officers on call for COVID-19 safe rest centres.

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Officers have been directed to work from home but despite this measure 3 senior task force members have caught COVID. Other Officers have been re assigned to other services in order to support key areas such as the community hub and the cemetery & crematorium. The council is still looking at retraining officers in case there is a need to divert resources. There are officers working with local businesses and the council now has in place COVID compliance officers to help with this.

There are now COVID testing sites for residents to use and as a council we are encouraging people with even the mildest symptoms to get tested. The council recognises that the vaccine rollout won't be a quick process and will be happy to help in any way needed.

The council continues to plan for recovery and events such as the forthcoming elections and the impact of Brexit.

Despite COVID-19 impact there are still lots of positive things occurring within the council. The Town Deal and the Local Plan are just a few examples of forthcoming projects that will impact residents positively.

The Chair thanked the Managing Director and invited questions from the committee.

Councillors asked questions about the COVID-19 testing centres and whether residents should book tests even if they are asymptomatic. This is currently not a government strategy, but we do know that COVID-19 transmission has occurred by asymptomatic people. The council is encouraging residents even with the mildest symptoms to get tested.

Councillors commented on residents' complaints about the NHS 111 service as residents have not received the call backs promised. The councillors also why the initial vaccine rollout didn't include frontline workers which they felt was a mistake given the high risks this group was experiencing.

Councillors highlighted that there has been a great deal of change in the working arrangements for officers. Would any lessons be learned from this that could result in a new way of working or potential savings? The response from the Managing Director was that prior to the COVID-19 crisis there was a resistant to working online but now many officers have embraced it. There were still those that found working from home difficult for several reasons and the council would likely offer office working for people which make be temporary such as when new people join the organisation.

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There many positive reasons for working from home and the office space should be used for the most beneficial reasons. In the future the council can look at how much office space it needs and look to either selling or renting out the existing spaces it owns.

The councillors drew attention to the impact COVID-19 has had on education provision and quality for the pupils in the community. It was noted how many low incomes and BAME communities had been more effected by COVID than any other community. The council was looking at how it could immediately support communities and realised the broader impact that shutting schools had. Moving forward we would be looking at how we could be working together better on things.

63. PERFORMANCE MONITORING QUARTER 2 (2020/21) UPDATE

The Continuous Improvement and Democratic Services Manager introduced this item and drew the committee's attention to the new updated performance dashboard. This is on the website in the public domain and the aim is to allow residents to access the information about their council when they wanted to rather than wait for the quarterly meetings for updates. It is hoped that this will contribute to the council communicating better to residents.

This has been an accumulation of years of work by officers and this forms a tangible outcome for moving forward with the council's communication strategy. It is still a work in progress and will get better moving forward. Any feedback on the current format would be appreciated. It is hoping that the new performance dashboard will allow the Overview and Scrutiny committee to perform their monitoring of the council's activities more efficient.

The Chair led the discussions through the exceptions chart found on the performance dashboard.

The Chair highlighted how many councils' departments capacity is stretched and key teams such as the transformation team contracts are ending soon. With that in mind would the corporate plan be delivered and incorporate residents' expectations? The Managing Director advised that the ideal would be that the corporate plan would still be delivered but the impact of COVID-19 could see staff being moved away from these projects. They would be needed for the key priorities of running statutory services and supporting residents.

Councillors asked about future of live arts buildings. They referred to the White Rock Theatre that has received substantial funding over the years. They asked

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whether the future of these venues and performances would still be viewed physically or through new technology.

The Deputy Leader advised that there was still a contract for the theatre with the council. COVID-19 has impacted the live arts harshly and they need substitutes in order to survive the pandemic. Technology has changed how people interact with the arts, but people still have a desire to see performances live and this doesn't look to change. The future of live arts will be dependent on what they are able to put on and whether they are able to maintain their building.

Councillors asked about the use of the amber on the performance dashboard. The use of the amber colour would mean that something isn't finished surely this would mean that the target hadn't been met? The Managing Director responded that some of these targets were ongoing for the year. Some have been put on hold due to COVID-19 impact this year. At the end of the year reporting the amber could be taken out to make it clearer if the target had been met or not.

The homelessness targets had changed due to the government needing local councils to get all rough sleepers off the street. The government has given funding for this and officers continue to apply for funding. There are now 50-60 entrenched rough sleepers in temporary accommodation. There is still a high amount of people approaching the council for help with homelessness with 30-35 new cases a week.

The Chair thanked officers for their work on the new performance dashboard.

64. EQUALITIES UPDATE

Since the equalities motion had passed at full council work had already started on producing an equalities charter. Work had commenced on looking at updating the existing equalities policy and reviewing the current equalities impact statement. A small working group had been put together to look at this. Currently a document was being created for consultation and comment. Ideally the consultation would include the various groups within the borough that are helping to work towards equality within the community. The charter would be a framework for the whole community. Currently the development of this document includes getting the legal framework right and capturing the data that shows the community's needs. This will contribute to the shaping of the document. It is hoped that the Overview and Scrutiny committee will help with this due to their connections to the community and their insights.

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(The Chair declared the meeting closed at. 7.19 pm)

Agenda Item 4



Report To: Budget Overview and Scrutiny
Date of Meeting: Wednesday, 20 January 2021
Report Title: Draft Budget and Corporate Plan Update 2021-22
Report By: Jane Hartnell Managing Director
Key Decision: N/A
Classification: Open

Purpose of Report

To invite the Budget Overview and Scrutiny Committee to comment on the draft budget and corporate plan update for 2021/22 and alert Scrutiny members to the proposed updates, performance reporting arrangements, consultation and approvals timetable and next steps

Recommendation(s)

1. That the comments of the Budget Overview and Scrutiny Committee on the draft budget and corporate plan update be referred to Budget Cabinet on the 8 th February 2021.

Reasons for Recommendations

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

Introduction

1. The council agreed its [corporate plan \(2020-24\)](#) and budget (2020-21) back in February 2020. Shortly after, COVID-19 spread with unprecedented impacts across the globe.
2. As a result, alongside other local authorities and their partners, HBC took on, and continues to take on, several new activities, roles and responsibilities.
3. In October 2020 the council's COVID-19 recovery [themes and actions](#) were approved by cabinet, setting out new and or changed council activities at that time in response to the ongoing pandemic.
4. The council's recovery themes and actions align with ongoing partnership working with the Hastings and St Leonards Local Strategic Partnership, reflected in the town wide response and recovery efforts, and a shared [statement of intent](#).
5. This report sets out the annual updates that are proposed to the corporate plan (2020-24) reflecting our current response and recovery intentions, and associated performance reporting arrangements for 2021/22 together with consultation arrangements to seek views on the draft corporate plan update and budget (2021-22).

Corporate plan 2020 – 2024 what's new?

6. The bulk of the corporate plan [2020-24](#) is unchanged, this includes our [approach](#) and the [three outcomes and six priorities](#).
7. Where new data is available, the '[Our borough](#)' and '[Your council](#)' sections have been updated to provide the latest figures. These set the local scene and give the demographic context for the [key work we are doing](#).
8. The draft corporate plan annual update is published [here](#) on the council's website for consultation. The headline key activities proposed for delivery in 2021/22 include:
 - a. on-going actions – including those that were paused or delayed by the pandemic or which were not expected to be completed in 2020/21
 - b. the relevant [recovery themes and actions](#) commitments agreed by Cabinet in October 2020
 - c. new key activities
9. The pandemic continues to bring into sharp focus a continued need and desire to work together with our partners and residents so that together our town can emerge from the pandemic better and stronger.
10. This partnership focus was identified in the recovery themes and actions commitments agreed by Cabinet in October 2020 alongside a desire to ensure that our most vulnerable residents continue to be prioritised in line with the Council's equalities intentions.
11. Both a partnerships and equalities focus cross cut the priorities in the corporate plan, our recovery themes and actions, and the proposed updated headline key activities for 2021/22.

12. Following approval of the draft annual update, further work will be undertaken to firm up milestones and measures for each key activity so performance can be tracked via the reporting arrangements for 2021/22 outlined below.

Performance reporting 2021-22

13. In December 2020 we began publishing performance information online via a new [performance dashboard](#). We intend to further refine and improve this approach in 2021/22. The key activities included in the annual update will be incorporated into this dashboard from the 1st of April 2021, so that local people can hold the council to account for its performance.
14. On this Dashboard there are a number of performance indicators that will continue to be monitored that complement key activities. The targets for these performance indicators will be set at year end as identified in the next steps table below at paragraph 18.
15. In addition, the Overview and Scrutiny (O & S) committee will continue to monitor performance quarterly, these meetings are held in public and are streamed live on our website.

Consultation and next steps

16. The draft budget and corporate plan update were published [here](#) on the council's website at the start of the public consultation period (11th January until 9am 8th February).
17. The views of the Budget Overview and Scrutiny Committee are sought on these documents as part of the wider consultation outlined below.
18. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Draft budget and corporate plan updates 2021/22 published for consultation	Documents published on the council website	11 January 2021	Assistant Director Financial Services & Revenues Continuous Improvement and Democratic Services Manager
Consultation meeting with Hastings Community Network	Meeting held, views sought and summarised for budget cabinet	18 January 2021	Deputy Leader TBC
Consultation meeting with the Staff and Management Forum	Meeting held, views sought and summarised for budget cabinet	26 January 2021	TBC

Consultation meeting with Overview and Scrutiny	Meeting held, views sought and summarised for budget cabinet	20 January 2021	Leader and Deputy
Consultation meeting with Hastings Area Chamber of Commerce	Meeting held, views sought and summarised for budget cabinet	28 January 2021	TBD
Consultation meeting with Hastings Young Persons Council	Meeting held, views sought and summarised for budget cabinet	28 January 2021	Leader
Corporate plan annual update and budget 2021/22 finalised and published on the council's website	Documents approved by full Council 17 th of February	22 February 2021 (subject to amendments required)	Assistant Director Financial Services & Revenues Continuous Improvement and Democratic Services Manager
2021/22 performance milestones and measures integrated into performance dashboard	Dashboard refreshed.	1 st April 2021	Continuous Improvement and Democratic Services Manager
2019/20 yearend performance data collated and used to propose draft Performance Indicators for 2021/21 for consideration by O&S.	O and S and Cabinet report	July 2021	Continuous Improvement and Democratic Services Manager

Wards Affected

All.

Policy Implications

Reading Ease Score:

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

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

Additional Information

Appendix A - Draft Corporate Plan headline key activity updates and draft budget papers 2021/22:

<https://www.hastings.gov.uk/my-council/consultations/cp-update-2021/>

2020- 24 Corporate Plan:

<https://www.hastings.gov.uk/my-council/corp-plan/>

Officer to Contact

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Appendix A- Draft key activities update for 2021/22

Page 13	<p>Tackling homelessness, poverty and ensuring quality housing</p>
	<ul style="list-style-type: none"> • Review our council tax reduction scheme for 2021/22 by November 2021.
	<ul style="list-style-type: none"> • Conclude implementation and encourage take up of new self-service modules for revenues and benefits.
	<ul style="list-style-type: none"> • Achieve key performance and collection targets in respect of Benefit processing times and collection rates for council tax & business rates.
	<p>Continue our programme to maximise delivery of much needed new, affordable and retrofitted homes in our town:</p> <ul style="list-style-type: none"> ▪ Establish a new 5 year target with partners for the provision of additional affordable homes in the Borough and implement a delivery plan for their achievement ▪ Provide good quality move-on accommodation for people in temporary accommodation through the expansion of our social lettings agency and a new Housing First programme ▪ 30 Homes retrofitted to reduce fuel poverty funded by the Green Homes Grant phase 1A in 2021/22 ▪ Lower Tier 2021/22 milestones (towards 192 new homes at Bulverhythe): <ul style="list-style-type: none"> ○ Enabling works contractor appointed ○ Enabling works start on site ○ Main contractor for housing delivery appointed
	<ul style="list-style-type: none"> • Implement the Next Steps Accommodation Programme, to expand accommodation options for individuals with multiple and complex needs.
	<ul style="list-style-type: none"> • Adopt a new Housing Strategy and review key policy documents, including the Social Housing Allocation scheme.
	<ul style="list-style-type: none"> • Conclude reviewing our approaches to temporary and emergency accommodation to date, and apply lessons learned to firm up future provision arrangements.
	<ul style="list-style-type: none"> • Make sure homes are adapted and made fit for the future where we have power and resources to do so.
	<ul style="list-style-type: none"> • 100 homes adapted through Disabled Facility Grant funding in 2021/22.
<p>Keeping Hastings clean and safe</p>	
<p>Ensuring delivery of our statutory refuse, recycling and street cleansing services, including:</p> <ul style="list-style-type: none"> • Enhancing our existing contracted out refuse and recycling service by working closely with the contractor. For example, where appropriate, adjusting collection rounds to improve service delivery to residents 	

Page 14	<ul style="list-style-type: none"> • Monitoring progress of the Government’s Environment Bill for implications for council services. For example, the potential introduction of a kerbside collection of food waste service from residential properties • Building on the good performance of our in-house street cleansing service, continue to work in partnership (including our voluntary sector partners such as Tidy up St Leonards) towards identifying potential improvements to the way the service is operated, and implement them where sufficient budget is identified and authorised • Maintaining our three green flag accreditations for our parks (St Leonards Gardens, Alexandra Park & Hastings Country Park)
	<p>Ensuring effective delivery of our statutory street scene enforcement services delivered through our Warden team including:</p> <ul style="list-style-type: none"> • Continuing to tackle anti- social behaviour and enviro crime in line with our statutory commitments in partnership with other agencies such as the police • Maintaining a primary focus on the multi-agency approach to reducing negative environmental, social and economic impacts on areas such as the town centre and seafront associated with the street community
	<p>Ensuring statutory delivery of our licensing and environmental health commitments including:</p> <ul style="list-style-type: none"> • Supporting businesses to comply with rules (normal and Covid 19 related) as they seek to return to business as usual during 2021/22 • Working with partners such as Hastings BID and ESCC, to support the local economy restart when safe to do so • Monitoring developments arising from EU-exit that may affect local businesses for which the council is the enforcement agency. For example, local businesses exporting fishery products.
	<p>Making best use of our land, buildings, public realm and cultural assets</p>
	<ul style="list-style-type: none"> • Prepare and implement delivery of succession arrangements following the end of the grounds maintenance and building - public convenience cleaning contracts ending in 2022. • Complete the preparatory arrangements to enable the statutory improvement works to commence at the Buckshole reservoir. • Completion and opening of the new visitor centre at the Hastings Country Park (subject to any further delays caused by COVID and/or the EU exit).
	<ul style="list-style-type: none"> • Keep open council owned and run visitor attractions where it is safe and we can afford to do so, bringing forward ways to run these better, cheaper and or differently. • Milestones TBD for Museum, Cliff railways etc.
	<ul style="list-style-type: none"> • Continue work on our Local Plan engaging our citizens and partners to help set how the borough will shape up for the future. <p>Milestones include: Completion of Regulation 19 consultation, submit draft Local Plan to Secretary of State, prepare for examination in public during 2021/22.</p>
	<ul style="list-style-type: none"> • Asset Management and Capital programme reviewed given Covid 19 and 2021/22 plans and actions refreshed and delivered accordingly. • Example milestones for Churchfields, Cornwallis & Harold Place: <ul style="list-style-type: none"> ○ Lease agreements signed (Q1/2)

- Planning applications progressed (Q3/4)

Minimising environment and climate harm in all that we do

Complete our actions in the climate change strategy and action plan for 2021/22 having reviewed lessons learned and opportunities in response to Covid 19.

Examples for 2021/22 include:

- Delivery of the Wayfinding and DestiSmart projects improving opportunities to move around the town on foot, by cycle (active travel) and through sustainably powered vehicles (subject to movement and access programmes through the town deal)
- Scoping how to best restore, protect, rewild and enhance the towns natural spaces and where feasible, integrate findings into the climate change action plan
- Implement our sustainable procurement policy and review take up through the council's performance [review process](#).
- Review our services, assets and activities to look at how we can run them in an environmentally friendly way.

Delivery of our major regeneration schemes

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Develop and deliver a Town Investment Plan (TIP) to get access to up to £25m Town Deal funding for investment in the town as well as lever in any further private investment or other government funding streams.

Examples for 2021/22 include:

- supporting towns fund project leads in developing robust business cases
 - supporting the Town Deal Board to assess developed business cases for towns fund projects and HBC capital programme
 - Deliver year 3 of the Connecting Hastings and Rother Together programme.
 - Progress the development of West Marina project.
- ### **Ensuring the council can survive and thrive into the future**
- Reprioritising and reorganising services and learning lessons from Covid19, in order to meet our commitments, budgetary challenges and rebuild reserves, and where necessary make in year budget reductions during 2021/22.
 - Further improve our performance reporting arrangements using our new dashboard to help citizens track how we are doing by:
 - smartening existing targets
 - integrating risk and finance reporting
 - publishing an action plan for the delivery of our corporate standard
 - Subject to capacity, complete any outstanding digital first programme work, integrate lessons learned and realise digital first programme benefits.

- Building on the recovery 'statement of intent' drafted through the Local Strategic Partnership, continue working with partners towards a town wide narrative and plan that reflects and communicates shared recovery aspirations.

New key activities (i.e. not previously included in our 2020-24 Corporate Plan)

On-going management of response phase of pandemic:

Milestones TBD:

- Environmental Health, Licensing and Warden Services continuing to support businesses and the community
- Vaccination programme (TBD).
- Involvement in the developing pan-Sussex track and trace systems led by ESCC Public Health.
- Excess deaths management (TBD).
- Community Hub as required.

Identifying and implementing learning from pandemic:

- Determine post-pandemic working arrangements balancing needs of service delivery and staff welfare with environmental benefits of reduced travel and an economic business case of office space provision
- Ensuring provision of essential ICT infrastructure to enable (post) pandemic working arrangements
- Confirm Community Hub future arrangements with partners continuing to support our most vulnerable residents
- Share learning with our partners to inform joint recovery efforts

Recovering from the pandemic, where capacity, resources and safety arrangements allow by:

- Ensuring delivery and assurance of business support grants as a result of Covid 19 (until March 2022)
- Complementing partner efforts including Team East Sussex, Town Deal, CHART and SELEP
- Mitigating risks and impacts and maximising opportunities as a result of EU exit
- Supporting the arts, heritage, culture, leisure and tourism sectors and encourage wellbeing, healthy and active lifestyles (Milestones TBD)
- Supporting close working with the Voluntary and Community Sector to ensure the breadth of our citizens needs underpin joint recovery efforts.
- Working with our local community to develop a shared equalities charter to ensure that response to and recovery from the pandemic benefits the breadth of our local community.

Budget - DRAFT

2021-2022



Financial Services
www.hastings.gov.uk

Report To: Cabinet (DRAFT)

Date of Meeting: 8 February 2021

Report Title: Revenue Budgets 2020/21 (Revised) and 2021/22, plus Capital Programme 2021/22 to 2023/24

Report By: Peter Grace
Chief Finance Officer

Key Decision: Yes

Classification: Open

Purpose of Report

1. This report presents the revised revenue budget for 2020/21 and a budget for 2021/22. The revised budget for 2020/21 takes account of the known variations to expenditure and income streams that have occurred since setting the budget in February 2020.
2. This report will be updated for Cabinet and full Council, potentially verbally, following the receipt of the final government grant settlement - generally received in early February.
3. In setting the budget for 2021/22, recognition has to be taken of the potential for further reductions in external funding and the uncertainties that exist for the years ahead given the absence of anything more than a one year settlement again, and the further delays in the Fair Funding review (now retitled to Review of Relative Needs and Resources).
4. The report identifies that a balanced budget can be achieved in 2021/22 although this involves using £1.592m of reserves. The forecast deficit for 2022/23 is some £2.1m, in 2023/24 it is estimated at £2.5m, and in 2024/25 it is estimated at £2.6m.
5. The alignment of the Council's available resources to its priorities requires further attention, delayed by Covid-19 prioritisation, to achieve a sustainable budget in the years ahead. Financial rules, operating procedures, and management controls need to be strengthened still in some areas and strictly followed to ensure that the Council is in full control of the reducing financial resources.
6. The Cabinet meeting on the 8 February is a key part of the budget setting process. The full Council meeting on the 17 February 2021 is responsible for setting a balanced budget and determining the Council Tax. Whilst savings of £484,000 have been identified for 2021/22, there are also unavoidable increases in costs (£889,000) that result in further use of the Council's fast diminishing reserves – £1,592,000 of reserves being required. 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 2021/22 of 1.99%.

7. Please note that the final grant settlement figures from government have not been received. Likewise, not all the other grant figures will be received before determining the budget. As such some figures will remain as estimates and adjustments will be made to the figures detailed in this report e.g. figures for Disabled Facility Grants are not expected until well into 2021/22. Precept figures will be updated following receipt of the final figures East Sussex County Council, Police and Fire Authority.

Recommendation(s)

Cabinet recommends that full Council:-

- (i) Approve the revised revenue budget for 2020/21 (Appendix A).
- (ii) Approve the draft 2021/22 revenue budget (Appendix A)
- (iii) Approve a 1.99% increase in the Borough Council's part of the Council Tax.
- (iv) Agree that car parking charges remain frozen for 2021/22
- (v) Agree that the absolute minimum level of reserves that shall be retained be £6m (plus General Fund Balance).
- (vi) Approve the Capital Programme 2020/21 (revised) to 2023/24 (Appendix P).
- (vii) 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.
- (viii) 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.
- (ix) Agree that the Council does not seek to undertake any capital project/scheme purely for yield that would prevent the Council from borrowing either commercially or from the PWLB.
- (x) 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.
- (xi) Agree that where a Capital scheme involves a net increase in overall revenue costs to the Council, or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions continue to be made by full Council.
- (xii) Agree that, no Council properties or land be disposed of, either by sale or long leasehold, at less than market value without further express approval by Full Council.
- (xiii) Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.

- (xiv) Agree that work on Priority Income and Efficiency Reviews (PIER) through the Strategic Oversight and Planning Board 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 financial pressures.
- (xv) 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 (Appendix M – to be provided/updated for full Council).
- (xvi) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.
- (xvii) Full Council adopt the existing Council Tax Support scheme subject to amendments to allowances in line with national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.

Reasons for Recommendations

1. The Council must by law set a balanced budget. It will have used the remainder of its Transition Reserve along with some of the General Reserve to fund 2020/21 expenditure.
2. A major overhaul of the funding mechanism for local authorities has again been postponed and when combined with a one year Spending Review, continues to provide considerable uncertainty on funding for 2022/23 and beyond.
3. Despite identifying Priority Income and Expenditure Review (PIER) savings of £484,000 these are insufficient to balance the budget in 2021/22 without the use of General and other Reserves. Further significant savings need to be found during 2021/22 in order to reduce the call on the General Reserves, achieve a balanced budget, and ensure that Reserve levels can be maintained at above the minimum recommended level.
4. 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 – as highlighted by the Covis-19 crisis. In the light of increased in-year spend on temporary accommodation this requires a much greater degree of service cuts elsewhere and spend within housing areas must again be reprioritised.
5. The Council remains exposed to a much greater degree of volatility in terms of its income from Non Domestic Rates and expenditure in terms of Council Tax Support claims – the cost falling directly on the Council and the preceptors. The potential downside risks of Brexit and the increased reliance on income streams provide greater volatility to the Council's funding. On top of this is the impact of covid-19 and an economic downturn.
6. The government have provided additional funding for 2020/21 which has significantly helped the financial position and there are some additional measures that will assist with the 2021/22 position; These are detailed later in the report.

Introduction

1. The Council continues to find itself in a very challenging financial period that is anticipated to continue for the foreseeable future. 2022/23 is now expected to be the year that will see wholesale changes in the way in which local authorities are funded – but there is now some doubt given the consequences of Covid-19. However, there appears to be no likelihood of any easing of austerity for councils like ours.
2. The Council when setting the budget in February 2020 forecast that there would be a deficit in 2020/21 of some £1,182,000. The revised budget identifies a lower deficit of some £756,000 largely as a result of additional government funding and the impact on Council Tax and Business rates being accounted for in the 2021/22 accounts.
3. The estimates for 2020/21 and 2021/22 are more subjective than usual due to the uncertainties related to the pandemic and particularly the ongoing impacts on income streams, Council Tax and Business Rates
4. Temporary accommodation costs have continued to increase dramatically throughout the current year and are estimated to be approaching some £900,000 above the existing 2020/21 budget . The Council will have invested some £5.3m in purchasing temporary accommodation within the town to mitigate the impact of the higher private sector costs currently being incurred. Some redirection of Flexible Homeless Support grant is occurring to offset these costs.
5. Whilst the Council has identified savings of some £484,000 for 2021/22, it is also incurring additional expenditure and expects significant reductions in some income streams e.g. Council Tax Support scheme, Business rates and rental income. For **2021/22** the deficit is estimated at some £1,592,000 if all savings identified and growth areas in the report are accepted. The level of risk within the budget and uncertainty within the forecasts has increased – particularly the uncertainties surrounding Covid, Brexit, business rate income, and significantly higher demands on services.
6. The Fair Funding Review (the level and distribution of the monies between Councils) has again been postponed. Uncertainty remains about the promised introduction of the 75% retention of business rates). The ending of the New Homes Bonus Scheme and what will replace it, if anything, provides more uncertainty; the government will be consulting on this shortly. What does appear to be clearer is that of the funding available those providing adult and children's care services will receive greater priority – along with the police and teaching professions.
7. The Council was already facing its most challenging financial period before Covid-19 and now finds itself facing even higher levels of uncertainty. Unless the Council balances its budget in the near future it will be unable to afford to undertake itself, or underwrite, the major redevelopment initiatives that remain so important for the town. Going forward the council can only sustain new initiatives where it can resource these in financial and human terms. As detailed first in February 2020 priority should again be given to redevelopment initiatives which:-
 - Produce income or are self-sustaining
 - Can attract substantial external funding
 - Deliver key desired outputs on climate change, housing and economic growth

- Address legal obligations
 - Can be demonstrated as viable and deliverable
8. This makes it critical that future potential programmes like the Town Deal are effectively co-ordinated with the use of land and resources by the council and its partners. The Council will need to continue to fund staff and other costs against programmes like this in order to maintain current staffing levels if it able to do so.
 9. As soon as the Covid-19 crisis permits, the Council needs to concentrate on
 - reviewing existing budgets and service provision,
 - delivering those projects that produce income or have significant health and safety or climate change implications,
 - delivering those regeneration and economic development schemes that have significant funding attached.
 10. **The Council could reach the point in 2021/22 where unallocated reserves meet the absolute minimum level that the Council should hold (£6m). This could leave little to fund the upfront costs of schemes and expenditure that cannot be capitalised e.g. feasibility studies.**
 11. In terms of forward planning, even if the Council identifies sufficient savings to achieve a sustainable budget on current assumptions, until there is a degree of clarity and certainty for at least a significant part of the Council's funding stream in the years ahead the Council will need to prioritise its expenditure on the assumption of continued reductions in funding. It is understood that the MHCLG have been looking at a safety net where councils experience year on year reductions of greater than 5%p.a. This Council needs to prepare for such a scenario.
 12. The Council's external auditors have in the past commended the Council on its approach to financial management and its approach to maintaining and enhancing reserves whenever possible. This approach has helped the Council in its transition to date. However, the Council must now further prioritise its limited 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. Regrettably this is likely, once again, to involve making staff reductions along with others being redirected to other priorities. The Covid-19 pandemic has not unexpectedly stretched the council's already limited resources and has inevitably delayed the identification of further cuts.
 13. Whilst funding and increased demand is of overriding concern, there are many positives in terms of what the Council can and does achieve. The council's existing programmes would still be regarded as ambitious in many places. Currently a new hotel in Cornwallis Street, Harold Place redevelopment, units at Churchfields Industrial Estate, the town's Lower Tier and West Marina development are potentially valuable regeneration schemes. Given the town's economic and social position the council needs to stimulate economic growth and the provision of new housing. Using the revision of the Borough Plan and the opportunity the Towns Fund affords (£25m for Hastings – subject to successful application) it is critical to establish an attractive framework to encourage investment and ensure the Council's resources are effectively focused in partnership with others.

14. The importance of retaining reserves has become ever more apparent. The uncertainties surrounding future funding, the difficulties in achieving savings and the ability to meet unexpected increases in demand. The massive increase in Temporary Accommodation costs that the council is now experiencing has been possible largely because the Council has retained sufficient reserves.
15. A number of amendments to the budget figures are expected from that published at the consultation stage as a result of government funding notifications yet to be received. These for example include funding levels for Housing Benefit Administration grant, Discretionary Housing Payments. Work continues to refine estimates in respect of temporary accommodation costs, Council Tax Support Scheme costs and Business Rate Income.

Strategic Priorities

16. The Council's strategic priorities have been reviewed for 2021/22 in the light of the continuing challenges that the Council and the community face particularly in the light of the reduced funding levels and the climate change emergency. The Corporate Plan is due to be considered by Budget Cabinet and Budget Council alongside this budget report.
17. The priorities are:
 - Tackling poverty, homelessness and ensuring quality housing
 - Keeping Hastings clean and safe
 - Making best use of our buildings, land and public realm assets
 - Minimising environment and climate harm in all that we do
 - Delivery of our major regeneration schemes
 - Ensuring the council can survive and thrive into the future
18. The Council's corporate plan continues to remain very ambitious when set against the background of reductions in grants and the continuing demand pressures – particularly around homelessness and temporary accommodation requirements.
19. The Council has a very good track record of achieving its objectives and improving performance and will look to further enhance income streams too. It can continue to be well placed to deliver the programme in 2021/22 but must substantially refine its priorities. Significantly reduced resources will inevitably impact on service delivery in the years ahead.

Financial Planning - Medium Term Financial Strategy

20. The Medium Term Financial Strategy, approved in October 2020, provided indicative budget forecasts for the 4 year period 2020/21 to 2023/24. These have been updated within the budget papers attached.
21. 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.
22. That robustness is built upon a foundation of key principles:
 - (i) **Ensure the continued alignment of the Council's available resources to its priorities**

All key decisions of the Council relate to the Corporate Plan. Priorities are determined and reviewed in the light of any changes to the Plan.

(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 had consciously strengthened its reserves in the last few years, knowing that these will be required to ease the transition to a lower spending Council and to meet key corporate priorities. The Council has required the use of these reserves to achieve balanced budgets in every year since 2018/19 and will need to do so again in 2021/22.

(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 "base budgets" to identify efficiency savings and to ensure existing spend is still a Council priority (Priority Income and Efficiency Reviews – PIER). The Council established an Invest to Save Reserve to assist in this regard – which will be exhausted by the end of 2021/22.

(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, if available, 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 were built up over a number of years and specifically identified to ease the transition to a lower spending Council and to meet key corporate priorities. These are now all but exhausted. A hardship fund was established in the February 2016 budget. Volatility within business rates and the Council Tax Support scheme resulted in the establishment of a separate reserve to smooth some of the fluctuations. The useable earmarked reserves are reducing rapidly, and this will impact significantly on Council priorities in future years e.g. funding of Renewal and Repair programmes.

(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 report produced by the Council's external auditors on the 2018/19 Final Accounts gave 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.**

23. The level of risk that the Council is facing from fluctuations in income streams has increased significantly particularly where there is reliance on commercial property income. This is recognised by the government and Chartered Institute of Public Finance Accountants (CIPFA) resulting in new codes of practice and government regulations. These have been introduced to help ensure that councils do not over extend themselves in this challenging environment. Key new prudential indicators are included in the Treasury Management Strategy, which include, for example, limitations on the use of reserves to temporarily fund capital expenditure, limitations on the gearing of the local authority i.e. total debt compared to total assets and limitations on the level of reserves that are not held in cash or cash equivalents. Additional guidance was received in November 2019 from CIPFA – “Prudential Property Investment”.

The Key Factors Impacting on the Budget

Spending Review, Fair Funding Review & Business Rates Retention

24. The government’s 2020 Spending Review has provided funding projections for local government for just one year i.e. 2021/22. This makes forward planning very difficult.
25. **Review of Relative Needs and Resources (Formerly the Fair Funding Review)**
26. The Government have again postponed a review of local government funding (Fair Funding Review) and have also announced that the level of business rate growth retained by local councils will remain unaltered for next year – instead of increasing from 50% retention to 75%. There will also be no resetting of the business rate growth /baselines in 2021.
27. The government were to have fundamentally changed the funding methodology for local authorities by now – but this has been postponed. This would have seen the end of direct government grant (Revenue Support Grant) for those still receiving it and a move to increased funding from business rates retention (75% retention – up from the current 50% level). This originally being to help meet the commitment given to local authorities for more control over the money they raise locally.
28. It is clear from the government’s forward spending plans, at the time of writing, that the overall level of spending on local government will not be increasing. Given the funding pressures on Adult Social Care budgets in particular, district and borough councils cannot plan for a more equitable, or greater, distribution of funding.
29. **Revenue Support Grant (RSG)**
30. The Council receives Revenue Support Grant and retains a percentage of business rates (base line funding level). Next year the baseline funding level will be frozen as the government are freezing the business rate multiplier next year – to help businesses. The council will be compensated by additional Section 31 grant.

31. The Council will receive £1,009,837 in 2021/22 – an increase of £5,554.

Funding from Business Rates

32. 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 the Council received Revenue Support Grant (RSG) and the Business Rate Baseline Funding level (expressed as Baseline Need). The two figures effectively made 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 actually received for this element of the settlement i.e. the level of RSG was guaranteed throughout the year whilst the business rate element is not.

33. The business rate, itself, is set by the government with regard to the change in the Retail Prices Index. The proportion retained in Hastings would with 50% retention be 40% to Hastings BC, 9% to ESCC, and 1% to the Fire and Rescue Authority. The remaining 50% collected by the Council goes to the Government.

34. 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 now instead of five – but unclear thereafter). The revaluation 1 April 2021 has now been postponed.

35. Under the existing scheme 50% of business rates is localised (40% to HBC, 9% ESCC, 1% Fire Authority) 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 (normally) 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.

36. The existing 50% central government share is distributed through the annual local government settlement 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 but has once again been postponed (overtaken with the Fair Funding review). The system, the calculations required, accounting treatments, and particularly the budgeting requirements are not straightforward.

37. 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

38. Business Rates (Non Domestic rates) - Collection Rates

39. As at the end of November 2020, the net amount due for the year amounts to £10,610,838. This is significantly less than the £23,472,000 that was originally budgeted for. The difference being the government's rate exemptions granted in the March budget/Covid-19

assistance packages; mainly for Retail, Hospitality and Leisure businesses along with the extensions granted e.g. nurseries.

40. Of this £10.61m, £7.713m (72.69%) has been collected by the end of November 2020. This is 2.83% less than that collected at the same stage last year and is 4.11% below the 2020/21 target. In cash terms, using these percentages, this would represent £300,000 less than at the same stage as last year and £436,000 less than the target.
41. The limited ability to take recovery action, businesses entering administration, and valuation appeals are all impacting on the income receivable. In addition, the economic climate adds increasing uncertainty and as such Business rates income remains one of the biggest financial risk areas for the Council currently and for the future. The income streams are increasingly hard to predict and whether it remains viable for the Council to remain in the pooling arrangement within East Sussex will need to be determined very shortly.

Business Rates Income – 2021/22

42. The government after determining the business rates baseline levels back in 2013 included small business rate relief within its own budget proposals - this effectively reduced Councils' income. The government is reimbursing authorities for this and other changes it has made over the years.
43. Last year the government announced in the 2020 budget a whole raft of business rate exemptions and discounts – particularly for the Retail, hospitality and leisure sectors. This effectively reduced the level of business rates collectable by over £12m. This sum has been reimbursed by Section 31 grant monies from the government.
44. The majority of the exemptions and discounts end on 31 March 2021. The Chancellor may make announcements on future reliefs in the next budget - on 4 March 2021.
45. The rateable value (RV) of business properties at the start of the 2021/22 year is forecast to be some £61.56m (some £988,000 lower than 2020/21). However, given the level of appeals, non-payments, and bad debt levels, forecasting income levels for 2021/22 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.
46. Multiplying the rateable value figure by the rate poundage and after charity and other reliefs the Council would collect some £20.7m in theory of which the Council share is some 40% in 2021/22 (some £8.27m). 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 £5,667,405 in 2021/22. The estimate of the business rate income collected that will be retained by the Council in 2021/22 as a result of entering into the Business rate pool amounts to £2,602,000. These figures are subject to significant change.
47. 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.
48. The continuous changes to the legislation and the calls on a national basis to reform business rates completely provides major uncertainty for what is intended to be the

Council's major source of external funding in the future.

49. **Business Rate Reliefs for 2021/22**

50. The March 2020 budget provided for properties falling into the retail, leisure and hospitality sectors such as shops, cafes and pubs to pay no rates in 2020/21. The exemptions were also been extended since that date to include other properties, such as lettings agents, nurseries.

51. At present the additional reliefs will end at 31 March 2021. There may be further announcements in the March 2021 budget.

External Funding – Annual Grant Settlement

52. The 2021/22 provisional finance settlement was finally announced on 17 December 2020 with the final settlement figures expected in February 2021 (last year there were no changes between the provisional and final settlement).

53. The settlement provides details of the Revenue Support Grant (**£1,009,837**) and level of Business Rates that the government expects councils to retain – the Settlement Funding Assessment.

54. **Lower Tier Services Grant**; This is a new grant for 2021/22 amounting to **£162,661** provided to lower tier local authorities for services such as homelessness, planning, recycling and refuse collection, and leisure services. A funding floor ensures no council sees a year-on-year reduction in Core Spending Power.

External funding – Benefit and Council Tax Administration Grant

55. The figures for both the Benefit Administration Grant and the Council Tax Support Administration Grant receivable in 2021/22 are awaited.

56. Discretionary Housing Payments (DHP's) play a vital role in supporting a lot of people affected by the welfare changes. It should also be noted that the Discretionary Housing Payments (DHP's) funding received from the government to assist those in severe financial hardship, is not only covering those with Housing Benefit claims, but also covers those in receipt of Universal Credit. As such the number of referrals from Universal Credit recipients is increasing – and adding an extra layer of administrative complication. The figure for 2021/22 is awaited. This funding will be fully subscribed.

57. **General Funding**

58. The government have provided some much needed support to businesses e.g. Small business grants, rate relief, and hardship support, but Councils were not eligible for these schemes. The Council has however received significant unringfenced funding, totalling some **£2,048,518**, towards the additional costs it faces e.g. supporting local people, homelessness, rough sleepers, etc.

59. The government has provided four tranches of funding for councils - two £1.6bn tranches amounting to £3.2bn in total. The first tranche was split into £210m for general support and £1,390m for Adult social care. The £210m was allocated on the basis of Settlement Funding

Assessments (SFA) and resulted in some £67,268 for Hastings Borough Council. The second tranche in two tier areas gave a split between counties and districts of 65:35. This second tranche had a higher weighting towards districts in two tier areas given the recognition of the financial pressures being faced by districts and their greater general reliance on income from sales, fees and charges; this amounted to £918,693. A further package of £500m of support was announced in July 2020, and the allocation methodology was based on a new Covid-19 Relative Needs Formula – taking account of population and deprivation. A further £1bn was announced on 12 October of which £919m was to be distributed as unringfenced grant. This tranche, based on round 3 methodology, recalculated the total grant distributed to date and effectively redistributed the balances due as if the new distribution formula had been used throughout.

60. **General Funding Support 2020-21 (Unringfenced Grants)**

Tranche 1 - £67,268
Tranche 2 - £918,693
Tranche 3 - £222,734
Tranche 4 - £839,823

Total Grant = £2,048,518

61. **External Funding – Covid-19 related**

The Spending Review on the 25 November 2020 made a number of funding announcements which provide additional funding for 2021/22 (these are detailed below).

62. **Income Compensation Scheme (Sales Fees and Charges)**

COVID-19 has impacted upon the Council's ability to generate revenues in a number of service areas as a result of lockdown, government restrictions and social distancing measures, related to the pandemic. The government announced in July 2020 the introduction of a one-off income loss scheme which will compensate for irrecoverable and unavoidable losses from sales, fees and charges and income generated in the delivery of services, in the financial year 2020-21.

63. The scheme involves a 5% deductible rate, whereby councils will absorb losses up to 5% of their planned sales, fees and charges income, with the government compensating them for 75p in every pound of relevant loss thereafter.
64. Initial assessment identified some £1.7m of sales fees and charges income that could be eligible for inclusion, resulting in a potential claim under the scheme of some £803,000.
65. The first claim for April – June 2020 was paid on 27 November (£531,225). The next claim was submitted on the 23 December and amounts to £207,000 (net of deductibles and off-setting savings). Thereafter there was to be one more claim after the financial year end.
66. The government have recently announced that the scheme is to be extended to cover the first 3 months of 2021/22 (April – June 2021) – which is positive news.

Spreading of 2020/21 Council Tax and Business Rates Deficits

67. The Council is required to spread the deficits on the Collection Fund arising from 2020/21 over the next 3 financial years. The deficits/surpluses arising from earlier years are not spread.

Council Tax Support Scheme (CTSS)

68. The government have allocated £670m to help finance the costs of additional Council Tax Support Scheme Costs in 2021/22. HBC will, according to the provisional figures, receive some £199,520 – other preceptors will have a share of the £1,516,584 total. The Council will receive the funding as a Section 31 grant.

69. 2020/21 Local Tax Income Guarantee Scheme

70. The government announced a £762m support package for Council Tax and business rate income. The scheme will compensate for 75% of the irrecoverable income losses accrued during 2020/21 as reported after year end. The losses will approximate the deficits on the Collection Fund, save that it excludes prior year deficits.

71. There are expected to be a greater level of bad debts in the future, and a greater number of successful business rate valuation appeals related to Covid-19. The assessment and calculation of these could have a significant impact on the Councils final accounts for 2020/21.

72. It is understood that lower collection levels and higher CTSS costs in the years beyond 2021/22 may be taken account of in future spending reviews. However, the money the government has identified for local government funding to date remains finite.

73. Additional Covid-19 Funding

74. The government announced a further tranche of funding (£1.55bn) for Local authorities to help meet ongoing costs/ loss of income in 2021/22. This amounts to **£698,862** for Hastings BC and is to be paid in April 2021. This is an unringfenced grant.

Local Authority Compliance and Enforcement Grant (Covid-19)

The Council has received £63,357 in respect of this grant to assist in the enforcement activities around Covid-19 compliance.

External Funding - New Homes Bonus

75. 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 2021/22 amounting to £173,162 in total (down from £199,482 in 2020/21 - **a funding loss of £26,320**).

76. The government changed the scheme in December 2016 to divert money to social care. It reduced the period it was payable for - from 6 years to 4 years with a transition year for 2017/18 whereby 5 years was 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

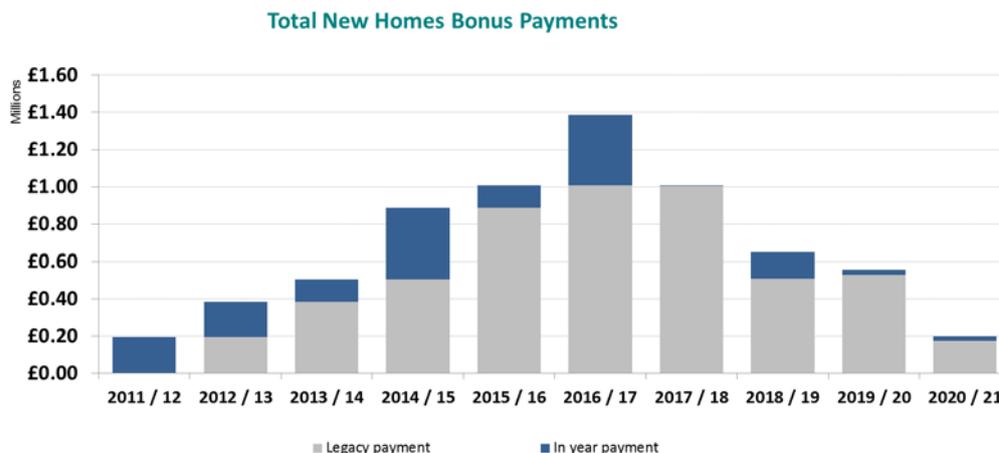
reflects a percentage of housing that would have been built anyway. The payment of a small amount to reflect the increase in affordable properties was not affected by the threshold decision – the council will receive £4,480 in respect of this aspect for 2021/22.

77. The Council Tax Base return (CTB 1 in October each year) identifies the number of new properties completed and the number of long term empty properties brought back into use (net). The funding for 2021/22, like that for 2020/21, is a “one-off” with no ongoing legacy payments.
78. The table below shows the estimated New Homes Bonus receivable by the Council in 2021/22 and estimates for future years – based on no further changes to the grant.

Table: New Homes Bonus

Year	2017/18	2018/19	2019/20	2020/21	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			26,320	26,320	26,320	26,320
Year 10				25,200		
Year 11					4,480	
Total	1,008,964	649,559	556,337	199,482	173,162	26,320

79. The reduction between 2020/21 and 2021/22 is a funding loss of £26,320. The graph below identifies the funding levels since 2011/12 and the massive reductions since 2016/17.



80. Councils have used 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.

81. As identified in February 2019 there remains a real risk that this grant regime could be ended as part of the “Fair Funding review” and not be replaced. The government have stated that they would explore how to incentivise housing growth most effectively, by for example using the housing delivery test results to reward delivery or incentivise local plans that meet or exceed local need. A consultation exercise is expected to be launched in early 2021. As it stands the Council will lose another £147,000 in 2022/23.

Summarised Grant Position

82. For the period 2010/11 to 2021/22 the reduction in cash grant funding is estimated at 72% 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).
83. If there is a funding review with resources redirected towards authorities with social care responsibilities, it would be hoped that the worst case scenario would see transition schemes in place limiting the funding reductions to some 5% in future years.
84. In 2021/22 the Council will receive business rate income and also Revenue Support Grant at a combined level that is similar to the Settlement Funding Assessment for 2020/21. New Homes Bonus is however some **£26,320** less than in 2020/21 as detailed in the report and is set to end. A new Lower Tier Services Grant amounting to **£162,661** will assist the Council as will the Council Tax Support funding (**£199,520** – provisionally). The additional one off funding of **£698,862** in unringfenced grant to help meet as yet unquantifiable costs/income losses through 2021/22 will clearly be of great assistance. Likewise, the Lost Income Compensation scheme provides a safety net for further as yet unquantified income losses (from Sales, Fees and Charges only – it excludes rents).
85. Whilst there has been very significant additional financial assistance from the government in 2020/21, and also some more for 2021/22, the ability to forward plan remains challenging in the absence of any clarity on future funding. In the meantime, the Council, loses income, and has the additional costs from inflation, pay increases, temporary accommodation costs and other demand pressures. The need to make further savings at this time presents the Council with significant financial and resource challenges.

Fees and Charges (Including Car Parking)

86. The Council has limited reserves and remains reliant upon income streams and investment returns to balance the budget. 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.
87. With a number of exceptions, e.g. chalets, cemetery and crematorium, green waste, fees and charges have generally been increased in line with market fees, and as a minimum by the retail price index - except where set by statute. The majority of planning fees are determined nationally by government.
88. It remains important that those car parks situated near to the commercial hub are priced effectively to ensure that spaces are available for shoppers whilst not deterring shoppers. Car parking charges were last increased in February 2019 for a 12 month period (applicable

from 1 April 2019). Given the impact of Covid-19 on the retail sector it is **recommended that there are no increases to car parking charges for 2021/22.**

Investment and Borrowing

89. Base rates decreased in March 2020 firstly to 0.25% (from 0.75%) and then to 0.1%. This time last year the Council's Treasury advisers were predicting a rate of 1% by March 2021.
90. Given the restricted counterparties list, investment returns of around 0.2% (excluding property funds) are currently estimated for 2021/22. The Treasury Management Strategy will continue to advocate a policy of keeping the respective levels of debt and investment under review.
91. The Council will have additional borrowing requirements of some £9.2m in 2020/21 to finance the acquisition of temporary accommodation, commercial properties and other capital schemes. The decrease in the Public Works Loan Board (PWLB) rate by 1% across all periods on 26 November 2020 reduces the borrowing costs for capital projects – which will help to offset the loss of income and additional Capital costs in some instances.
92. In 2021/22 and beyond borrowing requirements are high given the ambitious plans of the Council. The affordability of these needs to be properly tested, on an ongoing basis given the ongoing uncertainty around Council funding, the level of reserves available. The Capital programme currently does not include the Bexhill Lower Tier site – which could involve a joint venture and further significant borrowing requirements.
93. The conditions for borrowing from the PWLB have been tightened and do not allow for borrowing where the objective is purely for yield. Whilst alternative borrowing sources to the PWLB can be identified, the costs may be significantly higher and the timescales to obtain funding will be far longer and processes and loan agreements far more involved and time consuming. It is **recommended** that the Council does not seek to undertake any capital project/scheme purely for yield and thus prevent the Council from borrowing from the PWLB.
94. The Capital programme if approved will increase borrowing levels to some £87m by 2023/24 and potentially up to £125m if the Council approves and funds the development of the lower tier Bexhill road site at a future date. These figures exclude any borrowing in respect of Bohemia or in respect of the town centre and any leisure centre . This programme would increase annual borrowing costs substantially as well as the amount required to be set aside each year to repay this debt (the Minimum Revenue Provision) – this is **not** a sustainable option given the Council's financial position unless additional funding is identified.
95. There are a number of potential projects and developments that are identified in the Capital Strategy that are currently considered unaffordable given the current level of financial commitments, the sustainability of the council's budget, and the continued uncertainty on future funding.

Inflation

96. This had not been a major issue over the last couple of years. In November 2020 the Retail Price Index (RPI) was 0.9% (from 1.3% in October)) whilst the government's preferred measure CPI (Consumer Price Index) was 0.3% (down from 0.7% in October 2020).
97. Inflation (CPI), according to the government's Monetary Policy Report (August 2020) is expected to remain below the 2% target this year - largely reflecting the direct effects of Covid-19. These include the impact of energy prices and temporary cut in VAT for hospitality,

holiday accommodation and attractions. As these effects unwind, inflation rises, supported by a gradual strengthening of domestic price pressures as spare capacity diminishes. In the Monetary Policy Committee's central projection, CPI inflation is expected to be around 2% in two years' time (1.8% Qtr. 3 in 2021).

98. Based upon the above projections, general inflation is being allowed for at 2% overall for 2021/22 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

99. The salary increase for 2020/21 was agreed in August 2020 and amounted to 2.75% (backdated to April 2020). There are also contractual increments (equivalent of around ½%).
100. The salaries budget together with national insurance and pension costs amount to some £14m in 2021/22. The Council's salary costs increased as a result of taking on the Street Cleaning service in 2020/21.
101. The Council remains committed to paying the accredited living wage of £9.50 per hour (for over 18's from 1 April 2021 – up from £9.30p/h (a 2.1% increase). This is higher than the national minimum/living wage - which increases to £8.91 from 1 April 2021 from £8.72 (a 2.1% increase). These payment levels are being extended to the over 23's (currently over 25's).
102. The Medium Term Financial Strategy allowed for a 1% increase in 2021/22 (plus increments). The Chancellors Spending Review announcement was for a pay freeze for those earning above £24,000 and £250 for those earning below. The net saving, against the Medium Term Financial Strategy projection would amount to some £77,000 if implemented.
103. It should be noted however that Local Government pay is not set by the government (unless legislated for) and it is understood that the unions will be submitting a pay claim in the new year. The local government settlement announcement (17 December) increased the Settlement Funding Assessment by some 0.5% (CPI September was 0.5%).
104. **The budget figures only allow for a pay increase in line with the Chancellors spending review announcement. If higher, the monies would need to be funded from the contingency provision.**

Universal Credit and Benefit Administration Grant

105. Universal Credit was originally expected to commence in October 2013 in respect of new claims with the transfer of existing claims being completed by 2018/19. The first new claims actually took place in April 2015 but 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.
106. The timescales for the final stage of converting existing working age Housing Benefit claims onto Universal Credit remains unclear – albeit to be completed by 2022 supposedly. 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.

107. The Department for Work and Pensions (DWP) are providing some additional funding to the Council, but much of the funding is now being paid directly to external support organisations e.g. to those providing debt advice, etc., and is paid on a per head basis; Some funding is payable to the Council to meet the additional burdens on dealing with DWP enquiries, complex cases and closing down existing claims. How much, and for how long this funding remains, is uncertain.

Council Tax Support Scheme

108. In 2013/14 the government paid an upfront grant in respect of Council Tax Support/Benefit, 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 decreased in line with the annual reductions in government grant funding.

109. The Council determined that the Council Tax Support Scheme would remain the same for 2015/16, 2016/17, 2017/18 and 2018/19. In 2020/21 the Council retained 100% support for those most in need but made various changes to the scheme e.g. limiting assistance to the maximum of a Band D equivalent property.

110. The projections are that the cost of the scheme could increase from £10.98m in 2020/21 to some £12.58m in 2021/22, and the deficit identified in this budget report would increase by a further £206,000 (HBC’s share of an additional £1.6m p.a. additional cost). If there is severe recession with a doubling of unemployment and with more people claiming benefit the costs could increase beyond this level (In 2013 claimant numbers peaked at 8,393 – if this was the case, then HBC costs could increase by some £370,000 p.a.). There is additional government grant funding in 2021/22 that will help to offset this increase.

111. The other East Sussex Councils amended their schemes for 2016/17 given the ever increasing unaffordability of the scheme. The major change made by them being that all households of working age made a minimum 20% payment.

112. In the current crisis the council’s scheme continues to help some of those in the community that are most in need. Following a review by lead members it is proposed that there will not be any material change to the scheme for 2021/22 other than to amend the allowances/deductions in line with national changes. **It is recommended that full Council adopt the existing scheme subject to the determination of allowances being delegated to the Chief Finance Officer in line with prior year practice.**

113. The Council Tax Reduction Scheme continues to pose a significant financial risk for the Council as the furlough scheme unravels and businesses assess their staffing needs. The 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 i.e. the Resilience and Stability Reserve, as the scheme cannot be amended mid-year.

114. Given the ongoing budget deficits and no clarity on future funding levels from the government, the Council will again need to review the affordability of the scheme during 2021/22; it will look to do so in conjunction with neighbouring authorities where practical.

Council Tax Support (CTS) – Hardship Fund

115. The government have provided £500m to enable billing authorities to support those eligible for Council Tax Support (of working age) with a reduction of £150 in their Council Tax – may be less if their remaining liability, after CTS is lower. The Revenues and Benefits team

rebilled those affected in April 2020 – some 1,300 out of the 9,611 then claiming. The Council's share of the money amounted to £1,281,991 and is required to be spent by 31 March 2021 - or returned.

116. As at the start of December the revenues team had credited some 2,572 accounts with a Covid-19 hardship payment - some £297,817 being committed. This figure is still expected to increase significantly as unemployment rises – however the timing of this and the numbers involved are hard to estimate and particularly so given the furlough scheme.
117. Opportunities are being sought to increase the scope and levels of assistance available whilst ensuring there remains sufficient funding to meet the legal requirement to reduce the bills for those eligible i.e. when claim levels over the remainder of the year are unpredictable.

Pension Fund Contributions

118. 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 2019 with revised contribution rates becoming payable from April 2020.
119. The actuary calculated that the fund liabilities in respect of Hastings staff (past and present) amount to some £122,444,000 whilst assets amount to some £122,188,000. This represents a deficit of some £256,000 (£18.247m at 31 March 2016) and represented a significant improvement in the position of the fund within a short space of time. This position could have changed significantly in terms of the assets given Covid-19 and it was possible that contribution rates may have been amended from 2021/22 onwards – indications are however that this is not the case. The valuation of assets and liabilities for 2019/20 final accounts purposes shows a deficit of some £37.226m on the Council's part of the fund as at 31 March 2020.
120. The rates payable by the Council consist of the primary contribution rate plus 0.75% for future non-ill health retirements (these are percentages of salaries of staff in the pension scheme) plus a secondary rate(or lump sum), namely:

2020/2021 is : 17.6% +0.75% + secondary contribution rate of £538,000 (some 6.5%)
2021/2022 is : 17.6% +0.75% + secondary contribution rate of £508,000 (some 6.0%)
2022/2023 is : 17.6% +0.75% + secondary contribution rate of £476,000 (some 5.5%)
121. The reductions in secondary contributions in 2021/22 and the following year were expected to be offset by the impact of the annual increase in pay on pension costs. However currently there is a saving of some £30,000 in 2020/21.

Staffing, Information Technology and Property

122. In order to deliver its priorities, the Council not only requires financial resources but also good quality staff, IT, and property. There is only a finite resource available to deliver priorities whether directly by the Council or in partnership with others. Service planning is important to ensure that there is sufficient capacity to deliver the corporate plan.
123. The Council's capacity to respond to change, and lead on new initiatives is dependent upon the strengths and abilities of the workforce. The Council has a clear strategy for workforce development and sufficient funding will be retained within the budget to fully finance the training and development programme.

Grants

124. The Council receives a number of revenue grants each year e.g. New Homes Bonus, Flexible Homelessness Support, Discretionary Housing Payments but has also been very successful in attracting numerous “one off” type grants in the last few years e.g. Rogue Landlord funding, Rough Sleeper Prevention, Coastal Communities funding, Future Cities, and Active Women Programme, Answers in the Local Economy (ACE), Hastings Fisheries Local Action Group (HFLAG).
125. 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) Coastal Communities Fund 4 (Destination White Rock) – continuing the economic revival. Total project value (grant and match: £1,081,270).
 - (v) **Towns Fund** – this is a £3.6bn national initiative focusing on 100 towns of which Hastings is one. The Council is invited to submit proposals for a £25m funded grant to aid further transformation. To assist the Council in pulling a proposal together, developing business plans and establishing a Town Deal Board it is receiving £173,029 of funding. The Town Investment proposal is to be submitted in 2021.
 - (vi) **Towns Fund (Accelerated Programme)** - The Council has received £1m in respect of this programme and has already distributed the majority of the funding to the 4 successful projects.
126. The Towns fund provides the means to carry on the transformation of Hastings when other funding remains unclear e.g. loss of EU grants and what if anything will replace them.

Levelling Up Fund

127. The government announced a levelling up Fund worth £4 billion for England for investments in infrastructure. The Fund will be open to all local areas and allocated competitively. The spending Review makes available £600m in 2021/22, with further funding spread to 2024/25. A prospectus and first round of bidding to be launched in the new year.

UK Shared Prosperity Fund (UKSPF)

128. The fund is intended to level up and create opportunity across the UK for people and places and could reach up to £1.5 billion p.a. to match the loss of receipts from EU structural funds. More details will be included in the next Spending Review (2021). It is understood that the Government will provide £220 million in 2021/22 of additional funding to support communities to pilot programmes and new approaches - details to be published in the New Year (2021).

Revised Budget 2020/21

129. Since determining the budget in February 2020, the Council's budget has been radically impacted by the effects of Covid-19, and the impact of measures taken by the government to assist businesses and citizens alike.
130. The Council's income streams have been impacted e.g. car parking, cliff railways, rental income, Council tax and business rates. There has been additional cost and demand pressures e.g. homelessness, Council Tax Support scheme, support for the leisure centre, PPE.
131. The government extended the business rate relief scheme to provide 100% relief to those in the Retail, Hospitality, and leisure sectors, resulting in the Council needing to collect significantly less business rates in the year. However, collection rates remain subdued in respect of business rates and Council Tax and are expected to remain below previous levels for some time.
132. The government have provided some £2.048m in unringfenced grants to date, along with a lost Income compensation scheme, and a Local Tax income guarantee scheme.
133. New Burdens Funding

The Council has received £130,000 to cover administration costs in respect of the main Business grant scheme (RHL and Small business grants) for the first lockdown period. It has also received funding for the Test and Trace administration (£27,812). A further £58,500 has been received in late December in respect of the second national lockdown and for the fraud assurance programmes that have been set up; these are likely to be in place throughout next year and potentially beyond and will have continuing resource implications.

134. **The revised 2020/21 total service expenditure budget amounts to £13.9m, against an original budget of £12.3m (Appendix A). The original deficit was estimated at £1.182m and is now estimated to amount to some £756,000.**

The main income and expenditure variations are summarised in Appendix C. Of significance are:-

- (i) the additional costs of temporary accommodation – now estimated to exceed the budget by some £888,000.
- (ii) Income Losses of £1.951m
- (iii) Covid grants (unringfenced) amounting to £2.048m
- (iv) New Burdens Funding amounting to £210,000
- (v) Lost Income compensation Scheme - £803,000 (estimated)
135. The Council had savings plans for 2020/21 amounting to some £1.784m and additional cost pressures were identified in the budget of £786,000 e.g. homelessness, cliff and reservoir works. The majority of the savings have been achieved. The ones to date, that have not, include:-
- land sales and the investment of the proceeds (£75k),
 - leisure management contract extension (£30k) – delayed to 2021/22, and

- income from further property acquisitions/economic development (£100k) – some £27,000 of new income (net) achieved.
- Senior Management Restructure – partly achieved

136. The additional cost pressures (growth item) in respect of temporary accommodation have far exceeded the £386k envisaged at the time the budget was agreed in February 2020, albeit the additional funding from government is now helping to offset these costs for this year at least.

137. Homelessness and Rough Sleeping Grants

138. Rough sleepers or those at risk of rough sleeping have been supported by the government allocating £3.2m of initial emergency funding if they need to self-isolate to prevent the spread of Covid-19. This funding was announced in March 2020 and was made available to local authorities in England. The Council seeks reimbursement from the government retrospectively e.g. £15,750 in respect of 21 rough sleepers in March 2020.

139. In terms of the Council's budget, the Council has received £745,258 in respect of Flexible Homelessness Support Grant and £211,517 in respect of Homelessness Reduction Grant (£956,775 in total). The Council has also now received additional funding for the Rough Sleeping Initiative (£764,759 and £1,529,518) along with monies for the Next Steps Accommodation Pathway (£963,300). A significant element of the Rough Sleeping initiative money is the result of a pan East Sussex bid and is to be shared between the respective authorities.

140. A further £180,000 has recently been received for repeated rough sleepers – to be spent by 31 March 2021. The implications of the funding on existing budgets is still being assessed and is likely to impact on the final outturn for 2020/21

141. The Council has been buying properties (£5.324m) to reduce the overall costs of homelessness. There is a further £1.855m in the programme for purchasing properties under the Next Steps Accommodation pathway

142. Even with the grants received to date the service expects there to be budget deficits on homelessness and rough sleepers amounting to some £888,000 in 2020/21

143. **Leisure Services** - The government previously announced a £100m pot of funding that will assist Councils in meeting the ongoing costs of supporting leisure centres. This will require councils to submit a detailed funding application by 8 January 2021. The Council agreed at the meeting of Cabinet on 6 July 2020 to provide support to Freedom Leisure. The estimated costs being some £334,000 for 2020/21 – the net cost potentially reducing should funding be received from government.

144. Capital Expenditure

145. In terms of Capital expenditure in 2021-21 the Council is planning to spend £13,863,000 (Original budget £26,100,000) on capital projects during 2020-21. Of this £9,248,000 is due to be funded from borrowing, £4,601,000 by grants and contributions, and just £4,000 from capital receipts.

Budget 2021/22

146. The Council's total service expenditure in 2021/22 is estimated at £13.36m. This compares to a revised estimate of £13.9m for 2020/21. The total expenditure for the Council increases to £16.497m in 2021/22 once net borrowing and debt repayment costs are taken into account.
147. After allowing for a 1.99% increase in Council Tax and an increase in the Council tax base of 1%, the total funding to be met from Grant and the Collection Fund is estimated at £13.845m (down from £14.844m in 2020/21 due to reductions in Covid-19 funding).
148. The funding settlement included a new grant, The Lower Tier Services Grant, and amounts to £162,661 in 2021/22. An additional Covid-19 unringfenced grant is also to be received in April 2021 amounting to £698,862. In addition, the government is to provide support for the expected increase in Council Tax Support scheme costs – provisionally estimated at £195,200. The government have also extended the Lost Income Compensation scheme in respect of reduced Sales, fees and charges for 3 months into 2021/22. Against this are additional costs of homelessness and as yet unknown ongoing costs/loss of income arising from covid-19. The contingency budget has been increased from £300,000 to £500,000 as a result of the uncertainties.
149. **A balanced budget can be achieved with the use of £1.592m of reserves in 2021/22 This deficit being funded from the Council's Resilience and Stability Reserve (£400,000) and the General Reserve (£1.192m) – leaving the General Reserves at level which is just above the minimum level recommended (£6m).**
150. To help achieve the balanced budget for 2020/21, PIER saving targets were set as part of the budget setting process in February 2020; the achievement or otherwise of these will be reported to Cabinet in July 2021.
151. Services need to continue to identify opportunities to make in-year savings during 2021/22 and investigate other ways of achieving corporate objectives when staff leave the organisation.
152. After ten years of funding reductions, there are few illusions left about the difficulty in identifying the further budget reductions required to even achieve the levels of reduction required. The cuts directly impact on services, staff and their families.
153. As part of this year's process reductions of £484,000 have been identified for 2021/22, These reductions have been offset by growth – particularly with regard to homelessness. Please see Appendices K and K2 for details. Some of the big savings were identified as part of previous year exercises and are now included in the base budget e.g. reductions in Community Partnership Funding, theatre funding.
154. Significant additional funding has been received in the last few years to help address the homelessness issues. For 2021/22 we will receive £1,078K (**an additional £122k**) in respect of homelessness – the detail and what the money is required to cover has yet to be evaluated.
155. In addition to the reductions in grant funding e.g. New Homes Bonus, there are a number of costs, that impact on 2021/22. These include :
- i) Pay increase (estimated)
 - ii) Interest rates – Investments vs borrowing rates
 - iii) Rateable values and appeals

iv) Local election

156. Transformation Team (Digital by Design)

The 2019/20 budget included additional monies, £80,000 p.a. for 2 years, to help transform services to greater digital provision. The monies funded two additional posts.

157. The transformation team (4.5 FTE) continues to programme manage the customer first programme, revise processes and conduct reviews. The team work alongside IT to develop solutions which make long term efficiencies and improvements to the customer experience.
158. The transformation programme is seen as key to making further long term savings and to preserve as many services to the community as possible – albeit delivered in a different way. The work of the team has been disrupted as a result of Covid-19 and as such it is proposed that the team be funded for a further year.
159. The Invest to Save fund is being used to fund one post already in 2021/22, but is insufficient to fund all of the costs and **hence it is recommended that additional funding be identified to retain the two posts to 31 March 2022 at a cost of some £80,000 p.a.** The posts are currently shown in the 2021/22 budget - funded from General Reserves
160. An alternative option will be to use part of the Government Grant Reserve. New burdens funding has been received (credited to the Government Grant Reserve) to help meet the costs arising from Universal Credit and the requirement to make system changes: One of the most significant system changes in 2021/22 is the move to Self-Service – for Revenues and Benefits.
161. The remaining Invest to Save monies are largely committed. In February 2020 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 2021/22 and beyond under delegated powers by the Chief Finance Officer in consultation with the leader of the Council. The reserve will largely be exhausted during 2021/22.
162. 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 revenue reserves. Likewise, the Council can recover some costs of disposal (revenue costs) from capital receipts when assets are sold.
163. Given the continuing pressure on revenue resources and reserves the Council will soon be unable to afford the upfront costs associated with new projects/disposals unless it is able to set a sustainable budget in the very near future.
164. **In summary there is an estimated deficit of £1,592,000 in 2021/22. The savings identified and additional income generated, mean that a balanced budget can be achieved in 2021/22 by using £1,592,000 of reserves.**
165. To achieve a balanced budget in 2021/22 without using reserves at this stage of the budget process would be difficult given the notice and consultation periods required for staff redundancies. Whilst difficult to achieve for the start of 2021/22, the Council must continue to review the level of service it can provide and transform the way it delivers those services in order to balance the budget. Priority, at least in the short to medium term, needs to be directed towards making urgent in year savings, whilst also concentrating on achieving the savings identified in the PIER process as listed in Appendix K. Priorities also remain for

enhancing and preserving existing income streams, recovery of debt, transformation of services and making a successful bid for the £25m Towns Fund, and at the same time undertake a significant reorganisation without losing key staff.

Budget 2022/23 and beyond

166. Given that the government's Spending Review (2020) was for one year only, forecasting future funding for 2022/23 and beyond remains difficult. However, based on current assumption of no new monies being available to Borough and District Councils overall, this section makes a best estimate of future budget shortfalls.
167. The table below shows deficits of £2.174m in 2022/23, £2.5m in 2023/24, and some £2.6m in 2023/24. The figures assume PIER savings and income generation projections, already identified, will be achieved in full or alternative savings to at least the same amount will be achieved.

	2020/21 (Revised) (£000's)	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2023/24 (£000's)
Net Expenditure	15,601	15,437	15,431	15,973	16,320
Funding	(14,845)	(13,845)	(13,058)	(13,273)	(13,725)
Shortfall	756	1,592	2,374	2,700	2,595
Use of Reserves	(756)	(1,592)	(200)	(200)	0
Estimated Shortfall	0	0	2,174	2,500	2,595

168. To achieve a balanced budget in 2022/23 further savings, or additional income needs to be generated. Failure to identify the savings would result in the further use of the General Reserve to balance the budget. Even deeper cuts would be required thereafter not only to achieve a balanced budget but also to restore reserves to minimum recommended levels.
169. These projections carry significant uncertainty – and take no account of any potential 5% annual decreases in future funding levels. Likewise, the figures do not show a full recovery of income streams – a structural change in market rent levels may occur in retail and office buildings for some time along with that of business rate income.
170. The future projections are identified in more detail in Appendix G. These estimates assume savings and additional expenditure and will be refined as and when more information is available.
171. The deficits are significantly higher than those calculated in February 2020, mainly as a result of additional homelessness costs and future reductions in income streams – particularly rentals, investment income, business rates and Council Tax.

Council Tax

172. The Council has a record of lower than average tax increases, as identified in the table below.

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
2018/19	2.99%	5.1%	257.81
2019/20	2.98%	4.7%	265.50
2020/21	1.99%	3.9%	270.78

173. As at the end of November 2020, the net amount due for the year amounted to £55,558,227 and £42,438,476 (76.39%) had been collected. This was some 1.18% less than that collected at the same stage last year and is some 2.63% below the 2020/21 target. In cash terms this represents £658,000 less than at the same stage as last year and some £1.461m less than the target.
174. The Council strengthened its recovery team last year with the assistance of a £50,000 annual contribution from ESCC. This will have had a positive impact on collection rates, but the impact of Covid-19 is evident given the very limited access to the courts, and the limited use of bailiffs to aid the recovery process.
175. The provision for bad debts is expected to increase significantly not only for 2020/21 but also for prior years. The impact will not be fully understood until after the year end. This could increase the budgeted deficit further and be a greater call on the Resilience and Stability Reserve or the General Reserve.
176. The government are requiring all billing authorities to spread the deficits that may arise on their Collection Fund this year over the next 3 year period. While not removing the deficit, it does allow a longer period over which it can be recovered i.e. allows a longer period for authorities to find savings. The compensation scheme detailed later should also partly assist with the shortfalls. The tax base for 2021/22 is some 1.8% lower as a result of few additional properties and the projected increase in the number of Council Tax Support claims. The effect is to decrease the tax base from 26,197 to 25,722 (a reduction equivalent to £128,000 p.a. to HBC alone).
177. It is again open to the Council to increase Council Tax for 2021/22. One percent on the Council Tax will equate to around £69,650 of additional income for this Council.
178. For 2021/22 the government have announced a shire district or borough Council can increase Council Tax by up to 2%, or up to and including £5, whichever is the higher. If higher than this the Council would be required to hold a referendum.

179. The figures in the appendices (Appendix M available at budget Council) show an indicative 1.99% increase for Hastings BC, a 4.99% increase for ESCC, 1.99% for the Fire Authority and a £15 increase for the Police and Crime Commissioner. **(The actual increases will be advised by the respective authorities in due course).**
180. Council Tax is at £270.78 p.a. (Band D – Hastings BC element) and a 1.99% increase for 2021/22 would take this to £276.17 p.a. This is a £5.39 per annum increase for a Band D property – a 10p per week increase (in respect of the Hastings Borough Council element).

Asset Sales - Capital Receipts

181. A number of revisions to the programme have been made to take account of changing circumstances. Appendix L provides the profile of programmed receipts.
182. The council will continue to consider if there are options other than outright disposal that might generate revenue income and/or address strategic housing or economic priorities. Proposals for partnership with others (particularly the private sector) may provide alternative options to achieve council objectives. If such options are developed, they would obviously require close scrutiny and clear understanding of longer term implications as well as short term benefits.
183. It had been the aspiration of the Council to develop out its own sites e.g. Harrow Lane, Mayfield E, Bexhill Road sites. However, the Council can no longer afford to develop all the sites itself and needs the income streams from investing the receipts in order to help balance the budget. It also needs to ensure the sites are developed rapidly in order to meet a severe housing need – and reduce the temporary accommodation costs. The budget proposals continue to include the disposal of sites such as Harrow Lane, Mayfield E, Bexhill Road (South), and land at Whitworth Road , which have been delayed by the pandemic.
184. It is the intention that the Council will fund (or part fund) the development of a number of sites that it owns, namely Cornwallis Street car park (hotel development), Harold Place (Restaurant/Bistro), Industrial units (Churchfields Estate), York Buildings (conversion above shop to 6 flats), Bexhill Road (housing).
185. As ever it remains imperative that the Council maximises its capital receipts. These will be invested directly or used to finance borrowing (thus avoiding borrowing costs). Failure to maximise these may necessitate curtailment of the already limited capital programme given the costs of borrowing.
186. 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/borrowing requirement over the life of the capital programme.
187. 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.
188. Amendments to Financial Rules and Financial Operating Procedures were agreed at full Council in February 2020 to ensure that where a capital scheme involves a net increase in revenue costs to the Council e.g. Buckshole Reservoir, **or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions are now made by full Council.**

189. **Likewise, it was agreed that no properties or land be disposed of, either by sale or long leasehold, at less than market value without the express approval of Full Council.**

Capital Programme & Borrowing

190. The Capital programme (Appendix P), has not been immune to the impacts of Covid-19. The gross capital programme spend for 2020/21 is now estimated to be some £13.863m (Original budget £26.1m), with a net budget of some £9.252m. The £8.65m spend on property acquisitions for economic development and regeneration purposes in 2020/21 is not expected to occur given the uncertainties around property and the economy – this has now been removed from the programme. Individual opportunities will be considered on their merits by Council – currently there is potential for an almost unlimited Capital programme given the requirements within the Towns Fund and other opportunities for regeneration within the town. The level of borrowing required is expected to be some £9.2m this year against the estimated £16.5m in the original budget.

191. 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.

192. For 2020/21 there is slippage on a few schemes, including the restoration of Pelham Arcade Works and Roadway, Private Sector Housing renewal, Energy (Solar), Harold Place redevelopment, York Buildings.

193. The completion of the commercial development site in Bexhill Road should help to regenerate the area, provides new jobs and business rate income.

194. The level of Disabled Facility Grant (DFG) funding for 2020/21 was £1,812,584 The Council has been notified of additional funding from the government for Disabled Facility Grants amounting to £244,071. This takes the total receivable for 2020/21 to 2,056,655. The use of the additional money is yet to be established.

195. The capital programme will be revised as and when figures for 2021/22 are received – if different. 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 transferred to an earmarked reserve, with a risk that they may need to be repaid. The service advises that Covid -19 has resulted in delays and that it expects the money to be fully used.

196. The capital programme in summary (net of external funding) amounts to:-

	Revised 2020/21 £'000s	2021/22 £'000s	2022/23 £'000s	2023/24 £'000s
Gross Capital Expenditure	13,863	21,263	12,145	1,959
Net Capital Expenditure	9,252	12,331	10,306	120
Financing from own resources	4	125	216	120
Borrowing Requirement	9,248	12,206	10,090	0

197. In terms of **net cost**, the **2020/21** programme has been revised to £9,252,000 from £16,936,000.
198. The **2021/22** programme amounts to £12,331,000 net of grants and contributions (£21,263,000 Gross).
199. 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
200. It is proposed that **schemes marked with an asterisk (*)** proceed without further reference to Cabinet or Council.
201. **Future Proposals:** Of significance are the potential schemes that will need funding in the long term e.g. new leisure centre, and the development of the lower tier site on the Bexhill road. The potential sums involved are very significant and are identified within the Capital Strategy elsewhere on the agenda – but are NOT yet included in the capital programme.
202. Should the Council seek to develop any sites itself, following viability assessments and proper business cases, and financed by borrowing, then the Council's Treasury Management Strategy and the Capital Strategy will need to be further reviewed and approved by full Council – as the borrowing limits and Prudential indicators can only be determined by full Council. This can take place at any time through the financial year if necessary.

Capital Programme – Impact on Revenue Account

203. In determining the affordability of new capital proposals, the Council had been required to consider the incremental impact on the Council Tax for future years (this is no longer a reporting requirement). The Council does need to scrutinise business cases for capital proposals and carefully assess the potential future financial burden of such decisions both in terms of the interest costs and the amount of money it has to set aside to repay debt (the Minimum Revenue Provision).
204. The capital programme has significantly increased in the last few years, as economic and regeneration opportunities have been taken. In 2021/22 borrowing is set to increase to some £88m if Capital schemes proceed and approaches £105m by the end of 2022/23. To allow for the development of the Bexhill road site (North) the Council may need to allow for an additional £30m of borrowing headroom.

Investment in Council Assets

205. 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.
206. 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.
207. It should be noted that the expenditure on planned maintenance has been exceeding the annual provision made and will not be sustainable at current levels. The latest rounds of cliff works has all been funded from the reserve.

Minimum Revenue Provision (MRP)

208. 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.
209. 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.
210. The MRP is set to increase substantially in 2021/22 and beyond as a result of additional borrowing, particularly in respect of economic and regeneration initiatives. The MRP for 2021/22 is estimated at £1,685,000 (excluding any notional figures for leasing arrangements). The Council's MRP policy is determined by full Council as part of the Treasury Management Strategy in February for the forthcoming year.
211. The table below identifies the estimated Capital Financing Requirement (CFR) for the current and next three years and the Minimum Revenue Provisions (MRP).

	2019/20 Actual	2020/21 (Est)	2021/22 (Est)	2022/23 (Est)	2023/24 (Est)
	£'000s	£'000s	£'000s	£'000s	£'000s
CFR- Opening	58,094	66,373	74,122	84,643	92,800
less MRP	(1,176)	(1,499)	(1,685)	(1,933)	(2,520)
Plus New Borrowing	9,455	9,248	12,206	10,090	0
CFR- Closing	66,373	74,122	84,643	92,800	90,280

212. These figures are very much dependent upon the level and timing of capital acquisitions/payments, the level of capital receipts received, and the useful life of the assets acquired or constructed. The figures will continue to be reviewed throughout 2021/22 and

regularly thereafter, based on the proposed Capital programme, and subsequent changes and timing thereof.

213. The Commercial properties and housing assets are generally financed over 40 years. A new development on Bexhill Road would be financed over 50 years. Vehicles are financed over their useful lives (7 to 10 years).

Reserves

214. 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.

215. 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.

216. 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.

217. For the budget strategy reserves at 31 March 2021 are estimated to consist of:-

General Reserves	Estimated Balance at 31.3.2021 £'000s	Estimated Balance at 31.3.2022 £'000s
Revenue Reserves	7,099	5,907
Capital Reserve (Revenue monies)	150	100
Total	7,249	6,007

Earmarked Reserves	Estimated Balance at 31.3.2021 £'000s	Estimated Balance at 31.3.2022 £'000s
Renewals and Repairs Reserve	1,367	1,070
Insurance & Risk Management Reserve	300	285
IT Reserve	189	155
On Street Car Parking	40	40
Section 106 Reserve (Revenue)	484	435
Section 106 Reserve (Capital)	8	1
Government Grant Reserve	619	546
Monuments in Perpetuity	46	45
Ore Valley Reserve	250	250
Resilience and Stability Reserve	1,200	800
Transition Reserve	0	0
Redundancy Reserve	986	761
Safer Hastings Partnership	92	92
Disabled Facilities Grants Reserve (DFG'S)	2,126	2,066
Invest to Save and Efficiency Reserve	87	5
Carry Forward Reserve	81	0
Controlling Migration	33	
Towns Fund	113	0
Selective Licensing (Incl. redundancy)	100	100
Housing Licensing Reserve	413	414
Revenue Hardship Fund	80	80
Syrian Refugee resettlement Programme	21	21
Community Housing Fund	40	40
Total	£8,674	£7,206

218. At 31 March 2021 General Reserves will amount to an estimated £7.249m (unaudited), of which some is already committed e.g. empty homes strategy (£150k). Earmarked Reserves amount to £8.674m of which most is not available to use on other than specific areas e.g. DFG grants. Total reserves at 31 March 2021 are estimated at £15.923m. The reserves are projected to decrease to £13.213m by 31 March 2022 (The estimated reserves position is shown in more detail in Appendix H).

219. As an absolute minimum, the General Reserve should be £6m i.e. the non- earmarked reserves. The use of the General Reserve to balance the 2021/22 budget leaves the General Reserves at the minimum level. The £6m level reflects the more difficult funding regime, volatility in income streams that the Council is so reliant upon as well as the experience of recent years which has seen financial claims being made against the Council e.g. pier claim and the mandatory rate relief claim in respect of NHS properties, and of course the pandemic. As advised over the last decade, 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. The £6m was arrived at as follows:-

- (i) 15% downturn in income (sales, fees, rents, etc) - £2m (Projection)
- (ii) 5% over run in expenditure (including capital) - £2m
- (iii) Unforeseen events/losses - £2m

220. 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.
221. It is estimated that there will be some £5.907m of unallocated (at present) General Reserve by the end of 2021/22. This is the only remaining funding that would be available to help fund and cover those costs that cannot be capitalised in any development programme. The further use of the Reserve takes the level below the minimum recommended level.
222. If the Council does not produce a balanced or sustainable budget during 2021/22 then the General Reserve would have to be used to balance it. The carrying costs e.g. up front and interest costs of building major schemes such as Lower Bexhill Road, York buildings, new industrial units at Churchfields, Visitor Centre, Harold Place, Hotel, will become increasingly hard to finance.
223. The Council continues to spend more on Renewal and Repair costs than it is setting aside and there are significant additional costs on the horizon e.g. further cliff maintenance and repairs that could be in the region of £1m over the medium term (2-10 years). The 2021/22 budget includes a further £50,000 funded from the Renewal and Repair reserve, with a £100,000 in the following year.
224. A sum of £600,000 has been added to the Resilience and Stability Reserve in 2020/21. This additional sum will help fund the 2020/21 deficit on the Collection fund which has to be spread over the next 3 years (HBC's share). £200,000 of the current balance is identified to help fund the deficit in 2021/22 – as a result of additional Council Tax Support Scheme costs and lower business rate receipts.

Budget and Resilience (Financial Stress) & Chief Finance Officer Statement

225. Flowing from the financial problems at Northampton CC, CIPFA developed a range of financial indicators relating to the resilience of local authorities given the funding crisis.

These included :-

- Reserves Sustainability Measure
- Level of Reserves
- Change in Reserves
- Interest Payable/Net Revenue Expenditure
- Gross External Debt
- Fees and Charges to service Expenditure Ratio
- Council Tax Requirement/ Net revenue Expenditure
- Growth above Business rate Baseline

226. The last figures produced by Cipfa were based on 2018-19 figures.

Table: Showing CIPFA Indicators of Financial Stress for Hastings BC

Results Breakdown



227. Whilst some of the comparative data is out of date, the implications remain largely unchanged. The key reserves sustainability measure places the Council in the higher risk spectrum. The ones that are not in the higher risk, based on 2018/19 figures, are the level of Reserves and level of earmarked reserves. There is no longer any material business rate growth above the baseline.

However it needs to be made clear that these results are backward looking and the useable (by HBC) earmarked reserves can provide a misleading view e.g. includes Disabled Facility grants. The Council's external debt is increasing, and the total debt payments will also increase.

228. The reserves continue to be depleted faster than at other Councils and there is a very low level of unallocated reserves. The analysis identifies that grants and Council Tax form a significant element of the Council's net budget, as do income streams and as external funding diminishes this poses a greater risk to the Council's sustainability.

Reserves

229. The Covid-19 pandemic has been unprecedented in modern times, and whilst this will hopefully not occur for a long time, this is exactly the kind of unexpected financial shock reserves are designed to help councils absorb.

230. The increasing use of the reserves has been fully highlighted elsewhere in this report, and whilst it was always intended to use the transition reserves to help move to a lower spending Council the point has been reached where the Council needs to find savings during 2021/22 in order not to go below the minimum recommended level of reserves.

231. There is a view that the Council has significant reserves and can continue to operate for a couple more years with the large revenue deficits. Whilst not in the Northampton County Council position of having to issue a Section 114 notice to stop all spending, the implications of reducing the reserves further severely jeopardises the ability to meet unexpected costs, claims, shortfalls in income and particularly to finance the capital programme and new regeneration opportunities.

232. When reserves meet minimal levels and if there are no viable plans to reduce the deficits, it would be expected that the external auditors would issue a report under section 24 of the Local Audit and Accountability Act. This notice requires Councils to meet within a month, to consider any report issued, and start taking the difficult decisions required. A section 114 notice may follow shortly thereafter from the Chief Finance Officer. To reach this stage the

Council could be said to have effectively failed in its responsibilities to manage its resources effectively. The Council is not in this position.

Chief Finance Officer Statement

233. 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 (Chief Finance Officer) that

(i) the processes followed, and the information systems used are sound and that the regular reporting and involvement of senior managers in managing budgets provides a degree of assurance that the resultant estimates are as robust as present economic circumstances and resources allow. However, the degree of uncertainty when determining the likely level of income receipts for 20/21 and 21/22 is unprecedented and the Council needs to be aware that the call on reserves could be significantly higher or potentially lower than the budget estimates allow.

(ii) the reserves are currently adequate – but may fall to below the minimum recommended level of £6m in 2021/22. As such they are no more than adequate given the uncertainties surrounding future funding streams and expenditure pressures, and the difficulties that will be faced in identifying and achieving more savings or generating additional income. Using more of the unallocated reserves could risk the future sustainability of the Council, and its ability to manage unforeseen events.

(iii) the reserves could now quite quickly become inadequate should the demand pressures increase, funding settlements for 2022/23 and beyond prove to be poor, or there continues to be significant unforeseen expenditure. The reserves would not be considered adequate to undertake any number of large capital schemes before the future funding position is known. No Council should embark on large Capital programmes without due consideration of the financing implications in both the long and short term.

(iv) Financial monitoring and control within the Council was further strengthened when setting the 2020/21 budget. However, the further management restructure will need to ensure that it will be capable of achieving the requirements of the forthcoming Financial Management Code. In particular the Council's Financial Rules need to be fully supported and adhered to. When services become aware that budgets may be exceeded or income to be less than projected offsetting savings need to be identified and achieved in the year wherever possible. Financial reporting needs to be enhanced.

(v) The Council has a very good record of identifying and achieving savings over the last 10 years. The Council has again identified spending reductions for 2021/22, which combined with the need to achieve PIER savings identified in prior years, transformation of existing services, a significant reorganisation, and the need to make further savings present serious challenges for the Council to achieve in a short timescale.

Consultation

234. The draft Corporate Plan and Budget being the subject of consultation (from Friday 8 January 2021). The closing date for comments (Friday 5 February 2021) being after the dispatch of the Cabinet agenda and therefore any comments received are reported verbally

to Budget Cabinet on 8 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.

235. The full Council meets to set the budget on 17 February 2021.

Equalities and Community Cohesiveness

236. The equalities implications of the proposals included in the draft budget and corporate plan are set out in **Appendix K2 (to follow)**. 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).

237. 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

238. Numerous risks are highlighted in this report, and further comment is made below. The Council did not identify pandemic in its risk register but has prudently maintained reserves for unforeseen events. There are both short and long term implications arising from Covid-19 and these will need further evaluation. The Council's policy on Reserve levels has stood it in a good position to date.

239. 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.

240. The Council must seek 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. **Where services are overspending, rapid action must be taken in year to ensure that costs are contained within overall budgets. The luxury of having reserves available to cover such costs has substantially reduced.**

241. The Council maintains risk registers for corporate risks and for individual services. These must be updated and reviewed on a more regular basis and steps taken to mitigate the risks wherever possible and practical. The transition to a Council with fewer staff and resources poses additional risks.

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

(i) Fair Funding Review & Business Rates retention

The Spending Review 2020 (SR20) provided some funding projections, but only a one year settlement for local government. The Fair Funding Review (with a new grant funding regime) has been postponed yet again.

If the move to 75% retention business rate retention (from the current 50%) does happen, this will pass on the additional risks and volatility to councils – the implications will be very much in the detail but will not be the secure income stream once envisaged.

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. Rateable values, following appeals have declined in 2020/21 with the consequent impact on income.

(ii) **Income**

The Council has been seeking to grow its income streams considerably in the last few years. New initiatives need proper and effective governance arrangements and business cases need to be robust. Due diligence needs to be undertaken thoroughly, including complex financial and taxation implications, and often within restricted timescales.

There remains considerable pressure on existing staff and prioritisation of work is 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.

Covid-19 and the economy will continue to impact on businesses, business rate and Council Tax collection rates, as well as major income streams such as property rentals and parking charges.

(iii) **Existing Services - Increased Demand**

Increased demand for public services – homelessness and temporary accommodation. 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. social lettings agency, energy, temporary accommodation. Each of these has financial repercussions if business plan objectives are not achieved.

Sufficient oversight and review must be maintained on existing high priority services and areas where demand is increasing.

(iv) **Staffing / Knowledge Management.** The loss of key staff through early retirement or redundancy. The impacts on remaining staff can be significant. Likewise, the impact of illness on a smaller organisation can be more acute.

(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 would normally fall wholly on the Council. The government have however identified additional funding for 21/22 that should partially offset the costs. The total costs will depend upon the level of claims and the resultant deficit or surplus will show in the Collection Fund at the end of 21/22.

The Council will investigate a new scheme for 2022/23 with all the implications this has on the local community and the Council in devising the scheme.

The Council is not proposing any change to the scheme for 2021/22.

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 of last year the transfer of existing working age claimants to Universal Credit was expected to be completed by 2022 – whether this is delayed by Covid-19 remains unclear.

- (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 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. The provision in the accounts and balance on the reserve is expected to be sufficient to meet the additional costs of transformation in 2021/22 given changes to the national pension scheme rules.

- (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 low interest rate environment.

(ix) **Potential Liabilities**

- (i) **NHS Foundation Trust High Court Case** – The NHS and their agents have been pursuing a case in the High Court with regards applications for mandatory rate relief on the grounds of, in the first instance, foundation trusts being charitable organisations.

The view of the High Court is that Derby Teaching Hospitals NHS Foundation Trust is not a charity for the purposes of S43(6) of the Local Government Finance Act 1988, which means that mandatory rate relief is not appropriate. The full decision runs to 28 pages. The cost to the Council had it been successful amounting to some £4.3m, with an ongoing loss of revenue of some £350,000 p.a. The Council's share of the £4.3m would amount to some £1.9m (44%). This was a very welcome decision, but they have sought to appeal further. As such we may see this issue continue for some time to come.

- (ii) **Business Rate Valuations/ Appeals** – The Valuation Office Agency (VOA) have advised that there will be a number of successful valuation appeals on large hospitals and NHS properties depending upon age and construction. The resultant payments being backdated to 2017. This follows a similar decision on ATMs' this year which will have seen the Council pay out more than £½million by August 2020.

- (iii) **Cliffs** – A further £50,000 has been allocated from the Renewal and Repairs reserve for additional works in 2021/22. Further costs are expected to arise once further clearance and repair work is undertaken and additional monies (£100k) are included in the budget for 2022/23. The Renewal and Repairs reserve cannot sustain this level of expenditure indefinitely.

- (x) **The Economy** – The economic and financial uncertainty surrounding Covid-19, Brexit and world wide trade agreements remains a major risk. The Council relies upon its income streams to provide services.
- (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.
- (xii) **Asset Disposals** – The Council resolved to dispose of some assets during 20/21 in order to enhance income streams . Covid-19 has delayed the sales.
- (xiii) **Contract Awards** – The Council does rely on external service providers; it is particularly reliant on external IT and software companies. Effective due diligence in the award of contracts remains critical to the effective provision of Council services.
- (xviii) **Land charges** – The transfer of key parts of the service to the land registry by 2022 will result in the loss of income – which continues to fall significantly as more searches are conducted privately.

Economic/ Financial Implications

- 242. The report supports the alignment of corporate priorities with available resources and produces a balanced budget for 2021/22 (albeit with significant use of reserves).
- 243. The financial implications in 2021/22 and beyond are detailed in the report. However, significant further action by the Council will be required to produce a sustainable budget beyond 2021/22 and this may result in more job losses and service cuts.
- 244. The economic regeneration of the town remains a key priority for the Council, and the Towns Fund can play a significant role in achieving the ambitious objectives in these challenging times. The ability to work with partners to help stimulate the local economy continues but could be seriously impacted in the future with the reductions in our funding. There are also a number of significant projects within the capital programme that will help with the continued regeneration of Hastings.
- 245. The budget strategy continues to identify the risks of reduced funding levels from government for the next few years. Income streams are being re-profiled but remain at significant risk. There are additional demand and cost pressures in terms of homelessness, growth in terms of the Council Tax Reduction scheme, volatility on business rates, and loss of new homes bonus after 2022/23, plus contract inflation and wage settlements.
- 246. The Council's reserves may fall below the minimum level recommended during 2021/22. The ongoing impact of Covid-19 on the economy and Hastings is difficult to determine and hence the level of contingency has been increased – but could still be insufficient.

Organisational Consequences

- 247. The consequence is that besides staff reductions, others must be redirected - at least temporarily, towards priority areas. It is becoming clear that in some service areas there will be a significant backlog of work and projects to catch up on in 2021/22 and some staff will be catching up on missed leave.
- 248. There will inevitably be organisational consequences from time to time as savings must be made and staff redirected to other priorities. The review process continues given the substantial savings the Council is required to make and the uncertainty that still surrounds

future funding, and the demand pressures on the Council. The Council seeks to minimise the impact wherever possible through redeployment and voluntary severance.

Anti-Poverty

249. The recommendation to full Council is that the Council Tax Support scheme remains unchanged save for the updating of allowances/deduction in line with national changes. The draft scheme continues to provide 100% support for those claimants most in need and hence helps to protect some of the more vulnerable households in the community. The overall costs to the scheme are estimated to be at an increased cost in 2021/22 – estimated to be in the region of £200,000 p.a. to Hastings BC alone, given the expected increase in claimants, although these costs are being offset by an additional government grant in 2021/22.

Consultation

250. The 2021/22 budget proposals will be consulted upon from the 12 January 2021 and will be considered by Budget Cabinet on the 8 February 2021 and determined by Budget Council on 17 February 2021.

Timetable of Next Steps

251. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Budget Consultation	Draft Budget Papers published 12 January 2021	Consultation Closes 5 February 2021	Chief Finance Officer
Budget Cabinet		8 February 2021	Chief Finance Officer
Budget Council		17 February 2021	Chief Finance Officer

Wards Affected

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

Policy Implications

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

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

Additional Information

The Appendices and supporting documents are also available from the Council's website under the heading of Hastings Borough Council budget

http://www.hastings.gov.uk/decisions_democracy/transparency/budgets_finance/

Officer to Contact

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Appendices to Budget Report

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REVENUE BUDGET SUMMARY

Appendix A

	2020-2021 Original Budget £	2020-2021 Revised Budget £	2021-2022 Estimate Budget £
Directorates			
Corporate Resources	376,330	(348,480)	807,560
Operational Services	11,624,144	14,249,290	12,053,130
Direct Service Expenditure	12,000,474	13,900,810	12,860,690
Contingency Provision (incl. R&R Reserve)	300,000	0	500,000
Total Service Expenditure	12,300,474	13,900,810	13,360,690
Provision for the Repayment of Principal (MRP)	1,624,000	1,499,551	1,684,990
Net Interest (Earnings) / Payments	1,568,240	1,248,983	1,452,027
Total Expenditure	15,492,714	16,649,344	16,497,707
Amount to be met from Grant and Collection Fund			
Government Grant - Revenue Support Grant	(1,004,283)	(1,004,283)	(1,009,837)
Covid Grants (Unringfenced)	0	(2,048,518)	(698,862)
Lower Tier Services Grant	0	0	(162,661)
New Homes Bonus	(199,482)	(199,482)	(173,162)
NNDR (Surplus) / Deficit	187,752	187,752	133,623
Collection Fund Deficit 20/21 - spreading			200,000
Council Tax (Surplus) / Deficit	(50,307)	(50,307)	(96,516)
Housing Benefit Administration Grant	(397,789)	(397,789)	(397,789)
Council Tax Support Admin Grant	(157,497)	(164,592)	(164,592)
Business Rates	(2,771,268)	(2,324,878)	(2,602,886)
Business Rates - Pooling	(12,462)	(12,090)	(1)
Business Rates - Section 31 Grant	(1,564,173)	(1,736,715)	(1,569,173)
Council Tax - Section 31 Grant	0	0	(199,520)
Council Tax	(7,093,624)	(7,093,624)	(7,103,645)
Total Funding	(13,063,133)	(14,844,526)	(13,845,020)
Funding deficit / (surplus)	2,429,581	1,804,818	2,652,687
Reserve movements			
Contributions to Reserves (e.g. R&R)	722,000	1,376,780	723,150
Use of Earmarked Reserves (see Appendix H)	(1,969,420)	(2,425,040)	(1,784,300)
Net Contribution to/(from) Reserves	(1,247,420)	(1,048,260)	(1,061,150)
Use of Reserves to fund Deficit			
Transfer from Transition Reserve	(253,102)	(253,102)	0
Transfer from General Reserve	(929,059)	(503,456)	(1,191,537)
Transfer to/(from) Specific Reserve	0	0	(400,000)
Total	(1,182,161)	(756,558)	(1,591,537)
General Fund Movement	0	0	0
Net Council Expenditure	14,245,294	15,601,084	15,436,557

COUNCIL TAX

2020-2021			2021-2022		
Total	Band D		Total	Band D	Increase
£	£		£	£	%
13,063,133		Budget requirement	13,845,020		
(1,004,283)		Revenue Support Grant	(1,009,837)		
(157,497)		Council Tax Administration Support Grant	(164,592)		
(199,482)		New Homes Bonus	(173,162)		
137,445		Collection Fund (Surplus) / Deficit	237,107		
(1,974,424)		Other non-ring fenced grants	(3,028,005)		
(2,771,268)		Retained Business Rates	(2,602,886)		
7,093,624	270.78	Borough Council Tax	7,103,645	276.17	1.99%
39,086,448	1,492.02	County Council Precept	40,292,788	1,566.47	4.99%
2,502,599	95.53	Fire Authority Precept	2,506,121	97.43	1.99%
5,237,042	199.91	Police and Crime Commissioner Precept	5,527,915	214.91	7.50%
53,919,713	2,058.24	Total Council Tax	55,430,469	2,154.98	4.70%
	26,197.0	Council Taxbase at Band D		25,722.0	

TABLE OF COUNCIL TAX BANDS AND AMOUNTS :

2020-21	Relationship	East Sussex	East Sussex	Hastings	2021-2022		
Total Amount	Band and Value *	to Band D	C.C.	Police and Crime Commissioner	Fire Authority	B.C.	Total Amount
£1,372.16	A - up to £40,000	6 / 9	£1,044.31	£143.27	£64.95	£184.11	£1,436.64
£1,600.86	B - £40,001 up to £52,000	7 / 9	£1,218.37	£167.15	£75.78	£214.80	£1,676.10
£1,829.55	C - £52,001 up to £68,000	8 / 9	£1,392.42	£191.03	£86.61	£245.48	£1,915.54
£2,058.24	D - £68,001 up to £88,000	-	£1,566.47	£214.91	£97.43	£276.17	£2,154.98
£2,515.62	E - £88,001 up to £120,000	11 / 9	£1,914.58	£262.67	£119.08	£337.54	£2,633.87
£2,973.02	F - £120,001 up to £160,000	13 / 9	£2,262.68	£310.43	£140.73	£398.91	£3,112.75
£3,430.40	G - £160,001 up to £320,000	15 / 9	£2,610.79	£358.18	£162.39	£460.28	£3,591.64
£4,116.48	H - over £320,000	18 / 9	£3,132.94	£429.82	£194.86	£552.34	£4,309.96
43,683	Number of properties on Council Tax Banding List						43,744
£25,865	Each £1 of Council Tax at Band D will raise						£25,722

Appendix A (continued)

1. BUSINESS RATES BASELINE

	Budget 2020-21 Amount £	Revised Budget 2020-21 Amount £	Budget 2021-22 Amount £
NNDR Income			
Gross rateable value	62,553,968	61,565,469	61,565,469
Small business multiplier	49.9	49.9	49.9
Gross rates receivable	<u>31,214,430</u>	<u>30,721,169</u>	<u>30,721,169</u>
Reliefs and allowances for bad debt and appeals	<u>(9,923,272)</u>	<u>(10,549,536)</u>	<u>(9,913,272)</u>
Net rates less losses	21,291,158	20,171,633	20,807,897
Cost of Collection allowance	<u>(130,479)</u>	<u>(130,479)</u>	<u>(132,166)</u>
NNDR Income	<u>21,160,679</u>	<u>20,041,154</u>	<u>20,675,731</u>
Hastings BC Share (44% / 40%)	8,463,597	8,016,462	8,270,292
Tariff Calculation			
Business Rates Baseline for HBC	9,486,922	9,486,922	9,486,922
DCLG calculation of baseline funding level	3,819,518	3,819,518	3,819,518
Adjustment for Revised budget	0	0	0
Tariff	<u>5,667,404</u>	<u>5,667,404</u>	<u>5,667,405</u>
Levy calculation			
Total income	8,463,597	8,016,462	8,270,292
Add 50% small business relief	741,722	1,217,120	763,353
Add reliefs attracting Section 31 grant	331,450	301,700	314,049
Adjusted income	<u>9,536,769</u>	<u>9,535,282</u>	<u>9,347,694</u>
Less Tariff	<u>(5,667,404)</u>	<u>(5,667,404)</u>	<u>(5,667,405)</u>
	3,869,365	3,867,878	3,680,289
Baseline funding level	<u>(3,819,518)</u>	<u>(3,819,518)</u>	<u>(3,819,518)</u>
Growth	<u>49,847</u>	<u>48,360</u>	<u>(139,228)</u>
Levy payable (50% / 25% growth (pool share))	<u>24,924</u>	<u>24,180</u>	<u>1</u>
Pooling income (50% of levy / additional pool share)	<u>(12,462)</u>	<u>(12,090)</u>	<u>(1)</u>
Safety Net calculation			
Baseline funding level	3,819,518	3,819,518	3,819,518
Threshold (95.0% / 92.5% of baseline funding level)	3,533,054	3,628,542	3,533,054
Adjusted income less Tariff	3,869,365	3,867,878	3,680,289
Difference	<u>336,311</u>	<u>239,336</u>	<u>147,235</u>
Safety Net receivable	0	0	0
Business Rates Collection			
Business Rates precept	8,463,597	8,016,462	8,270,292
Tariff	(5,667,404)	(5,667,404)	(5,667,405)
Levy	(24,924)	(24,180)	(1)
Safety Net	0	0	0
Net Business Rates collection	<u>2,771,269</u>	<u>2,324,878</u>	<u>2,602,886</u>

2. COLLECTION FUND

	2020-21 Original Budget £	2020-21 Revised Budget £	2021-22 Estimate Budget £
Council Tax (Surplus) / Deficit	(50,307)	(50,307)	(96,516)
Non Domestic Rates (Surplus) / Deficit	187,752	187,752	133,623
Total Collection Fund (Surplus) / Deficit	137,445	137,445	37,107

INTEREST, MINIMUM REVENUE PROVISION & CONTRIBUTIONS TO RESERVES

Appendix B

	2020-21 Original Budget £000's	2020-21 Revised Budget £000's	2021-22 Estimated Outturn £000's
Net Interest Payments	1,568	1,249	1,452
Contributions to Reserves	722	1,377	723
Minimum Revenue Provision (Statutory provision for principal repayment arising from borrowing requirement)	1,624	1,500	1,685
Total	3,914	4,125	3,860
Interest	£000's	£000's	£000's
Gross Interest Payable	2,315	1,854	2,115
Gross Interest Received	(693)	(551)	(609)
Income and expenditure in relation to investment properties	(64)	(64)	(64)
Fees	10	10	10
	1,568	1,249	1,452
Contributions to Reserves	£000's	£000's	£000's
IT Reserve	214	214	214
Government Grant Reserve	0	0	0
Transfer to Specific Reserve re: Resilience and Stability Reserve	0	600	0
Transfer to Specific Reserve re: Housing Licensing	0	55	1
R&R General	420	420	420
R&R White Rock Theatre	80	80	80
R&R re: New Vehicles	8	8	8
	722	1,377	723
Transfers to/ between Reserves	£000's	£000's	£000's
Transfer from General Reserve to IT Reserve	0	0	0
Transfer to Transition Reserve from Capital Reserve	0	0	0
Transfer to Transition Reserve from General Reserve	0	0	0
Transfer between General Reserve to Community Housing Reserve	0	0	0
General Reserve	0	0	0
Invest to Save and Efficiency Reserve	0	0	0
	0	0	0
Total Income and Transfers	722	1,377	723

SUMMARISED FULL BUDGET VARIATION ANALYSIS

Appendix C

	2020/21 Revised Budget		2021/22 Budget	
	£	£	£	£
2019/20 Budget Surplus / (deficit)		(1,182,161)		(1,182,161)
Growth Items				
Inflation	0		(248,040)	
R&R Reserve funded items	0		(107,500)	
Income Losses - Covid related	(1,951,650)		0	
PIER Growth items -				
Temporary accommodation costs	(888,000)		(777,000)	
Housing Renewal /Enforcement - Additional Post	0		(20,000)	
Hastings Country Park - Visitor Centre operating costs	0		(20,000)	
Emergency Planning -increased use of ESCC resource	(6,000)		(13,000)	
Communications & Marketing - Additional Post	(29,000)		(13,000)	
Public Conveniences - Deep Cleaning	(46,000)		(46,000)	
	0		0	
		(2,920,650)		(1,244,540)
Fees and charges additional income		0		0
Additional rental income		0		0
Savings				
PIER Savings - See Appendix K	60,000		484,000	
		60,000		484,000
Other changes				
(Increase) / Decrease in Provision for the Repayment of Principal (MRP)		124,449		(60,990)
Increase in Contingency Provision		300,000		(200,000)
Additional interest costs		319,257		116,213
New Burdens Grant - Covid		210,000		0
Government Grant - Revenue Support Grant		0		5,554
Covid Grants (Unringfenced)		2,048,518		698,862
Lower Tier Services Grant		0		162,661
New Homes Bonus		0		(26,320)
NNDR Reduced Deficit		0		54,129
Collection Fund Deficit 20/21 - spreading		0		(200,000)
Council Tax (Surplus) / Deficit		0		(46,208)
Housing Benefit Administration Grant		0		0
Council Tax Support Admin Grant		7,095		7,095
Business Rates		(446,390)		(168,382)
Business Rates - Pooling		(372)		(12,462)
Business Rates - Section 31 Grant		172,542		5,000
Council Tax - Section 31 Grant		0		199,520
Council Tax Income Change		0		10,021
R&R Reserve funded items		114,700		0
Other Net Changes		237,294		(379,799)
Reserve movements		199,160		186,270
Unfunded Deficit		(756,558)		(1,591,537)
Use of Reserves to fund deficit				
Transfer from Transition Reserve	253,102		0	
Transfer from General Reserve	503,456		1,191,537	
Transfer to/(from)Specific Reserve	0		400,000	
		756,558		1,591,537
Balance		0		0

CAPITAL PROGRAMME SUMMARY

	Original 2020/21	Revised 2020/21	2021/22	2022/23	2023/24	Subseq. Years	Total over Prog Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net cost by Service							
Corporate Resources	13,379	6,053	11,243	311	0	2	17,609
Operational Services	3,557	3,199	1,088	9,995	120	2,082	16,484
	16,936	9,252	12,331	10,306	120	2,084	34,093

Net cost by Status

Committed Schemes	c	5,471	7,298	12,166	8,190	120	1,642	29,416
Uncommitted Schemes	u	8,650	0	0	0	0	0	0
New Schemes	n	2,815	1,954	165	2,116	0	442	4,677
		16,936	9,252	12,331	10,306	120	2,084	34,093

Gross cost of schemes analysed by service

Corporate Resources	14,179	6,053	12,043	311	0	2	18,409
Operational Services	11,921	7,810	9,220	11,834	1,959	4,253	35,076
	26,100	13,863	21,263	12,145	1,959	4,255	53,485

CAPITAL PROGRAMME FINANCING STATEMENT

Appendix E

	2020/21	2020/21	2021/22	2022/23	2023/24	Total over life of Programme £'000
	Original £'000	Revised £'000	£'000	£'000	£'000	
<u>Spending</u>						
<u>Capital Spending</u>						
Total Gross Spend	26,100	13,863	21,263	12,145	1,959	49,230
Capital Grants and Contributions Received	(9,164)	(4,611)	(7,332)	(1,839)	(1,839)	(15,621)
Capital Requirement	16,936	9,252	13,931	10,306	120	33,609
<u>Financing available</u>						
New Capital receipts in year	185	30	5,030	30	30	5,120
Bfwd Capital Receipts	0	0	26	5,000	0	0
Total	185	30	5,056	5,030	30	5,120
<u>Finance Used</u>						
Capital Reserve / Revenue/R&R reserve	184	0	69	186	90	345
Capital Receipts used from asset sales	185	4	30	30	30	94
Capital receipts from prior years	0	0	26		0	26
Total Financing available from internal resources	369	4	125	216	120	465
<u>Remaining Financing Requirement</u>	16,567	9,248	13,806	10,090	0	33,144

Government Grant Reserves

Appendix F

Cost Centre Code	Description	Holding Account Code	Balance b/f 1 April 2020 £ 000's	Income & Transfers £ 000's	Expenditure & Transfers £ 000's	Balance c/f 31 March 2021 £ 000's	Income & Transfers £ 000's	Expenditure & Transfers £ 000's	Balance c/f 31 March 2022 £ 000's
20110	DCE-Revenues Division	Q1028	(524)	0	60	(464)	0	60	(404)
20124	EU Exit Funding Reserve	Q1039	(47)	0	5	(42)	0	5	(37)
20298	High Street Clean-up	Q1041	(16)	0	16	(0)	0	0	(0)
20216	FLAG	Q1011	(16)	0	16	0	0	0	0
20310	Local Authority Parks Improvement	Q1043	(15)	0	15	0	0	0	0
20262	Street Games	Q1032	(21)	0	0	(21)	0	0	(21)
20263	Sports for All	Q1030	(28)	0	0	(28)	0	0	(28)
20314	Countryside Stewardship	Q1007	(72)	0	8	(64)	0	8	(56)
Total			(739)	0	120	(619)	0	73	(546)

Revenue Budget Forward Plan

Appendix G

Ref	Revenue Budget Forward Plan	2020-21 Revised Budget £000's	2021-22 Budget £000's	2022-23 Projection £000's	2023-24 Projection £000's	2024-25 Projection £000's
1	Net Service Expenditure	13,901	12,861	13,218	13,582	13,954
2	Funding Commitments:-					
3	Election Costs (bi-annually)			(70)	0	0
4	Savings/Additional Income Identified					
5	Previous PIER savings					
6	Theatre - reduced contributions			(100)	(100)	(100)
7	Land sales - Interest generated from investment of proceeds			(75)	(75)	(75)
8	Senior Management Restructure - remaining parts			(96)	(96)	(96)
9	PIER savings - Other			(49)	(49)	(49)
10	Income - Commercial Property			(25)	(25)	(25)
11	Income - re Schemes in Capital Programme			(54)	(662)	(669)
12	Fees and Charges			(30)	(60)	(90)
13	Other:					
14	Contingency Provision	0	500	300	300	300
15	Interest (net of Fees) & other Adjustments	1,249	1,452	1,600	1,699	1,701
16	Minimum Revenue Provision (excl. Inc Gen Adj)	1,500	1,685	1,873	2,520	2,531
17	Contribution to Reserves	1,377	723	723	723	723
18	Net Use of Earmarked Reserves	(2,425)	(1,784)	(1,784)	(1,784)	(1,784)
19	Net Council Expenditure	15,601	15,437	15,431	15,973	16,320
20	Taxbase	26,197	25,722	25,979	26,239	26,501
21	Council Tax	270.78	276.17	281.67	287.27	292.99
22	Funding					
23	From Collection Fund - Council Tax	(7,094)	(7,104)	(7,317)	(7,538)	(7,765)
24	From Collection Fund - Business Rates	(2,325)	(2,603)	(3,639)	(3,675)	(3,712)
25	Revenue Support Grant	(1,004)	(1,010)	0	0	0
	Covid Grants Unringfenced	(2,049)	(699)			
26	Lower Tier Services Grant		(163)	(163)	(163)	(163)
27	New Homes Bonus	(199)	(173)	(26)	0	0
28	Council Tax Support Admin Grant	(165)	(165)	(152)	(141)	(130)
29	Housing Benefit Admin Grant	(398)	(398)	(368)	(340)	(315)
30	NNDR (Surplus) / Deficit	188	134	0	0	0
	Collection Fund Deficit 20/21 - spreading		200	200	200	
31	NNDR Pooling	(12)	(0)	(0)	(0)	(0)
32	Business Rates Section 31 Grant	(1,737)	(1,569)	(1,593)	(1,617)	(1,641)
	Council Tax - Section 31 Grant		(200)			
33	Council Tax Surplus	(50)	(97)	0	0	0
34	Contribution To General Fund	(14,845)	(13,845)	(13,058)	(13,273)	(13,725)
35						
36	Funding Shortfall / (Surplus)	757	1,592	2,374	2,700	2,595
37						
38	Use of General Reserve	(503)	(1,192)	0	0	0
39	Use of Transition Reserve	(253)	0	0	0	0
40	Use of Resilience and Stability Reserve	0	(400)	(200)	(200)	0
###						
44	Net Funding Shortfall / (Surplus)	0	0	2,174	2,500	2,595

RESERVES**Appendix H**

	2020 / 21			2021 / 22			
	Balance at 1 April 2020 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2021 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2022 £'000
General Reserve	(7,307)	(295)	503	(7,099)	0	1,192	(5,907)
Capital Reserve	(150)	0	0	(150)	0	50	(100)
<u>Earmarked Reserves</u>							
Renewal and Repairs Reserve	(1,556)	(508)	697	(1,367)	(508)	805	(1,070)
Risk Management Reserve	(315)	0	15	(300)	0	15	(285)
Information Technology Reserve	(122)	(214)	147	(189)	(214)	248	(155)
On-Street Car Parking Surplus Reserve	(40)	0	0	(40)	0	0	(40)
Section 106 Reserve (Revenue)	(533)	0	49	(484)	0	49	(435)
Section 106 Reserve (Capital)	(336)	0	328	(8)	0	7	(1)
Government Grant Reserve	(739)	0	120	(619)	0	73	(546)
Monuments in Perpetuity	(46)	0	1	(46)	0	1	(45)
Ore Valley Reserve	(250)	0	0	(250)	0	0	(250)
Resilience and Stability Reserve	(600)	(600)	0	(1,200)	0	400	(800)
Transition Reserve	(253)	0	253	0	0	0	0
Redundancy Reserve	(986)	0	0	(986)	0	225	(761)
Safer Hastings Partnership	(96)	0	5	(92)	0	0	(92)
Disabled Facilities Grant	(2,186)	0	60	(2,126)	0	60	(2,066)
Invest to Save and Efficiency Reserve	(169)	0	82	(87)	0	82	(5)
Clinical Commissioning Group	(260)	0	260	0	0	0	0
Carry-forward Reserve	(977)	0	896	(81)	0	81	0
Controlling Migration	0	(204)	171	(33)	0	33	0
Towns Fund	0	(173)	60	(113)		113	0
Selective Licensing Reserve (incl redundancy)	(604)	0	504	(100)	0	0	(100)
Revenue Hardship Fund	(80)	0	0	(80)	0	0	(80)
Syrian Refugee Resettlement Programme	(21)	0	0	(21)	0	0	(21)
Housing Licensing Reserve	(358)	(55)	0	(413)	(1)	0	(414)
Community Housing Fund	(71)	0	31	(40)	0	0	(40)
	(18,055)	(2,049)	4,181	(15,923)	(723)	3,434	(13,213)

EXPENDITURE FUNDED BY USE OF RESERVES

(expenditure & transfers) / Income & transfers

	Cost Centre / Account	2020-21 Original £	2020-21 Revised £	2021-22 Estimate £
General Reserve				
General reserve Saving to/(Use of)	Q1012	(929,059)	503,456	(1,191,537)
Total		<u>(929,059)</u>	<u>503,456</u>	<u>(1,191,537)</u>
Transfers between Reserves				
Carry Forward Reserve to General Reserve	Q1004	0	(19,000)	0
Government Grant Reserve to General Reserve	Q1011	0	(16,000)	0
Carry Forward Reserve to Controlling Migration	NEW	0	(204,410)	0
CCG Reserve to General Reserve	Q1020	0	(260,000)	0
Carry Forward Reserve to Towns Fund	NEW	0	(172,910)	0
		<u>0</u>	<u>(672,320)</u>	<u>0</u>
Carry Forward Reserve				
Carried forward	Q1004	(77,740)	(499,680)	(81,000)
		<u>(77,740)</u>	<u>(499,680)</u>	<u>(81,000)</u>
Capital Reserve				
2016 - 950th Anniversary (£330k in total over 3 years)	Q1017	0	0	0
Various Capital Expenditure to be Financed				
CPO - Empty Homes Strategy -capital		0	0	(50,000)
		<u>0</u>	<u>0</u>	<u>(50,000)</u>
Disabled Facilities Grant				
Disabled Facilities Grant - Salaries	Q1008	(60,000)	(60,000)	(60,000)
Disabled Facilities Grant - Capital		(1,752,584)	(940,000)	(1,752,584)
		<u>(1,812,584)</u>	<u>(1,000,000)</u>	<u>(1,812,584)</u>
Renewal & Repairs Reserve				
(per programme of works - Appendix J)	Q1026	(812,000)	(697,300)	(704,500)
Capital		0	0	(46,000)
Vehicles		0	0	0
Contingency		(100,000)	0	(100,000)
		<u>(912,000)</u>	<u>(697,300)</u>	<u>(850,500)</u>
Transition Reserve				
Transfer to General Fund	Q1034	(253,102)	(253,102)	0
		<u>(253,102)</u>	<u>(253,102)</u>	<u>0</u>
Resilience and Stability Reserve				
	Q1031	0	0	(400,000)
		<u>0</u>	<u>0</u>	<u>(400,000)</u>
Information Technology Reserve				
(per programme of works - Appendix I)	Q1013	(214,000)	(147,000)	(248,000)
		<u>(214,000)</u>	<u>(147,000)</u>	<u>(248,000)</u>
Invest to Save & Efficiency Reserve				
Transfer to General Fund	Q1015	(159,000)	(82,000)	(82,000)
Transfer to Capital Reserve		0	0	0
		<u>(159,000)</u>	<u>(82,000)</u>	<u>(82,000)</u>
Redundancy Reserve				
Transfer to General Fund	Q1024	(225,000)	0	(225,000)
		<u>(225,000)</u>	<u>0</u>	<u>(225,000)</u>

<u>Earmarked Reserves</u>	Cost Centre	2020-21 Original £	2020-21 Revised £	2021-22 Estimate £
<u>Government Grant Reserve</u>	Various			
capital		0	0	0
(further details - Appendix F)		(80,000)	(104,000)	(73,000)
		<u>(80,000)</u>	<u>(104,000)</u>	<u>(73,000)</u>
<u>Monuments in Perpetuity</u>	Q1023			
capital				
Revenue	20303	(500)	(500)	(500)
		<u>(500)</u>	<u>(500)</u>	<u>(500)</u>
<u>S106 Reserve</u>				
Capital	Q2451	0	(328,000)	(7,000)
Revenue	Q1029	(20,000)	(49,000)	(49,000)
		<u>(20,000)</u>	<u>(377,000)</u>	<u>(56,000)</u>
<u>On-Street Car Parking Surplus Reserve</u>	Q1003			
Havelock Road Crossing	20292	(40,000)	0	0
		<u>(40,000)</u>	<u>0</u>	<u>0</u>
<u>Risk Management Reserve</u>	Q1014			
Risk Management Schemes	20135	(15,000)	(15,000)	(15,000)
		<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
<u>Ore Valley</u>	Q1002	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<u>Safer Hastings partnership</u>		0	(4,500)	0
		<u>0</u>	<u>(4,500)</u>	<u>0</u>
<u>Clinical Commissioning Group</u>	Q1020			
Housing NHS CCG		0		0
Lets Get Moving		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<u>Selective Licensing</u>	Q1042			
Selective Licensing surplus / deficit	20195	(127,180)	(504,000)	0
		<u>(127,180)</u>	<u>(504,000)</u>	<u>0</u>
<u>First World War Reserve</u>	Q1010	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<u>Housing Licensing Reserve</u>	Q1036			
Housing Licensing Reserve		(39,000)	0	0
		<u>(39,000)</u>	<u>0</u>	<u>0</u>
<u>Syrian Refugee Resettlement Programme</u>	Q1033	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<u>Community Housing Fund</u>	Q1037			
Housing Administration		0	(30,840)	0
		<u>0</u>	<u>(30,840)</u>	<u>0</u>
<u>Controlling Migration</u>	NEW	0	(171,310)	(33,300)
		<u>0</u>	<u>(171,310)</u>	<u>(33,300)</u>
<u>Revenue Hardship Fund</u>	Q1027	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
<u>Towns Fund</u>	NEW	0	(59,910)	(113,000)
		<u>0</u>	<u>(59,910)</u>	<u>(113,000)</u>
Total use of earmarked and capital reserves *	A	<u>(3,975,106)</u>	<u>(3,946,142)</u>	<u>(4,039,884)</u>
Revenue use of earmarked reserves		(1,969,420)	(2,425,040)	(1,784,300)
Transfers between Reserves		0	(672,320)	0
Capital use of earmarked reserves		(1,752,584)	(1,268,000)	(1,855,584)
Transition Reserve and Com / Econ Reserve		(253,102)	(253,102)	(400,000)
Total Expenditure & Transfers (Excl General Reserve Use)	B	<u>(3,975,106)</u>	<u>(4,618,462)</u>	<u>(4,039,884)</u>

INFORMATION TECHNOLOGY RESERVE

Appendix I

	2020-21	2020-21	2021-22	2022-23	2023-24
	Original	Revised	ESTIMATE	ESTIMATE	ESTIMATE
	£'000	£'000	£'000	£'000	£'000
OPENING BALANCE :					
BALANCE B/FWD. AT 1 APRIL	(122)	(122)	(189)	(155)	(155)
EXPENDITURE :					
GOVCONNECT	9	0	9	9	9
MICROSOFT LICENSING FOR TEST ENVIRONMENT	0	1	15	0	0
RESILIENCE IMPROVMENTS	0	3	0	0	0
ANTI VIRUS	0	10	0	0	0
KACE SYSTEMS MANAGEMENT SERVER	0	4	4	0	0
SERVICE REVIEW EFFICIENCY PROJECTS	80	0	90	90	90
PC HARDWARE AND SOFTWARE	115	115	115	115	115
GOVCONNECT	0	0	0	0	0
MICROSOFT 365	0	7	0	0	0
TELEPHONE SYSTEM UPGRADE	0	0	0	0	0
PLANNING SYSTEM UPGRADES	0	0	0	0	0
NEW ELECTORAL REGISTRATION SYSTEM	0	0	0	0	0
SERVER OPERATING SYSTEMS UPGRADES	10	0	10	0	0
UPS UPGRADES	0	7	0	0	0
COMMVault UPGRADE	0	0	5	0	0
	214	147	248	214	214
INCOME :					
CONTRIBUTIONS TO RESERVE - FROM GENERAL FUND	(214)	(214)	(214)	(214)	(214)
ADDITIONAL CONTRIBUTIONS TO RESERVE - FROM GENERAL FUND	0	0	0	0	0
CLOSING BALANCE :					
BALANCE IN-HAND C/FWD. AT 31 MARCH	(122)	(189)	(155)	(155)	(155)

RENEWAL AND REPAIRS RESERVE**APPENDIX J**

2019-20		2020-21	2020-21	2021-22
Actual		ORIGINAL	REVISED	ESTIMATED
£		BUDGET	BUDGET	BUDGET
		£	£	£
<u>OPENING BALANCE:</u>				
1,599,714	BALANCE BROUGHT FORWARD	1,201,134	1,555,956	1,366,656
<u>INCOME:</u>				
354,889	CONTRIBUTIONS TO RESERVE - GENERAL	508,000	508,000	508,000
354,889		508,000	508,000	508,000
<u>EXPENDITURE:</u>				
398,648	PROGRAMMED REPAIRS AND REDECORATIONS	282,500	259,500	199,000
	OTHER REPAIRS & RENEWALS	529,500	437,800	505,500
398,648	SUB TOTAL	812,000	697,300	704,500
0	CAPITAL EXPENDITURE FUNDED FROM RESERVES	0	0	46,000
0	VEHICLES	0	0	0
0	PROVISION FOR UNEXPECTED ITEMS	100,000	0	100,000
398,648		912,000	697,300	850,500
<u>CLOSING BALANCE:</u>				
1,555,956	BALANCE CARRIED FORWARD	797,134	1,366,656	1,024,156

PROGRAMMED REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE

Appendix J (con't)

Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2020-2021 ORIGINAL BUDGET £	2020-2021 REVISED BUDGET £	2021-2022 ESTIMATE £	2022-2023 ESTIMATE £	2023-2024 ESTIMATE £
20116	PR001	TOWN HALL	Isolated internal / external redecs & repairs. MEWP high level stonework H&S inspection	20,000	10,000	20,000	30,000	30,000
20118	PR047	ALL BUILDINGS - ASBESTOS	Asbestos surveys and re-inspections	2,000	2,000	2,000	2,000	2,000
20118	PR048	ALL BUILDINGS - ASBESTOS	Works arising out of asbestos inspections	1,000	1,000	1,000	1,000	1,000
20118	PR049	ALL BUILDINGS - FIRE RISK	Fire risk assessments & works arising	6,000	6,000	6,000	6,000	6,000
20118	PR051	ALL BUILDINGS - AIR CONDITIONING	AC energy efficiency certification (every 3 years)	4,000	4,000	4,000	4,000	4,000
20118	PR52	ALL BUILDINGS - ENERGY CERTIFICATION	Annual Display Energy Certs for major bldgs	1,000	1,000	1,000	1,000	1,000
20118	PR54	ALL BUILDINGS - LEGIONELLA RISK	Automated checks & monitoring inc hygiene assess	25,000	20,000	20,000	25,000	25,000
20118	PR55	ALL BUILDINGS - ELECTRICAL TESTING	routine cyclical testing & works arising	6,000	6,000	6,000	6,000	6,000
20118	PR57	ALL BUILDINGS - SAFETY ANCHORS	Annual testing of access safety anchors	2,000	2,000	2,000	2,000	2,000
20118	PR58	ALL BUILDINGS - AUTOMATIC DOORS	Annual maintenance routine	500	500	500	500	500
20132	PR008	BANK BUILDINGS	External redecs to front elevation	0	0	8,000	0	0
20131	PR009	MICRO UNIT FACTORIES	External redecs	0	0	5,000	0	0
20131	PR037	FACTORY UNITS	External redecs/roof repairs to empty units	30,000	30,000	30,000	0	0
20132	PR041	OTHER BUILDINGS (ESTATES MISC.)	Essential upgrades/repairs.	10,000	10,000	10,000	0	0
20245	PR023	WEST HILL CLIFF RAILWAYS	Redecorations & repairs	5,000	5,000	5,000	5,000	5,000
20245	PR024	EAST HILL CLIFF RAILWAYS	Redecorations & repairs	5,000	5,000	5,000	5,000	5,000
20258	PR034	FALAISE FITNESS CENTRE	External redecorations.	0	0	0	25,000	25,000
20303	PR013	CREMATORIUM	Internal / External redecorations. Main GF offices	5,000	5,000	0	0	0
20303	PR014	CREMATORIUM - CREMATOR FT2	Rehearthng & rebricking of cremator FT2	46,000	46,000	7,000	7,000	7,000
20303	PR014	CREMATORIUM - CREMATOR FT3	Rebricking / rehearthng of cremator FT3	47,000	47,000	8,000	8,000	8,000
20303	PR52a	CEMETERY	Path health & safety repairs	16,000	8,000	8,000	8,000	8,000
20310	PR52	PARKS	Path health & safety repairs	10,000	10,000	10,000	10,000	10,000
20250	OR210	FRONT LINE	Concrete health & safety inspection & testing	6,000	6,000	6,000	6,000	6,000
20250	OR255	FRONT LINE	Concrete health & safety repair works	9,000	9,000	9,000	9,000	9,000
20250	PR025	FRONT LINE	Alcoves, seating, bottle alley - repairs/redecs	9,000	9,000	9,000	9,000	9,000
20252	PR029	FISHERMENS MUSEUM	External redecs/stonework pointing	0	0	0	2,000	2,000
20259	PR033	SUMMERFIELDS SPORTS CENTRE	External redecs	0	0	5,000	0	0
20310	PR026	SPORTS PAVILIONS	Int/ext redecs.	8,000	8,000	4,000	8,000	8,000
20310	PR044	ALEXANDRA PARK RAILINGS	Phased railing redecorations	5,000	5,000	5,000	5,000	5,000
20313	PR028	HASTINGS C P - VISITOR CENTRE	Int/ext redecs.	0	0	2,500	0	0
20306	PR030	HASTINGS STATION - FISHING BOAT FEATURE	Survey repairs / redecs	2,000	2,000	0	0	0
20306	PR031	TOWN CENTRE UNDERPASS	Decoration	2,000	2,000	0	0	0
		Total of Programmed work		282,500	259,500	199,000	184,500	184,500

OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE

Appendix J (con't)

Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2020-2021 ORIGINAL BUDGET £	2020-2021 REVISED BUDGET £	2021-2022 ESTIMATE £	2022-23 ESTIMATE £	2023-24 ESTIMATE £
20245	OR247	EAST HILL LIFT LOWER STATION	Roof replacement	0	0	0	30,000	0
20249	OR250	WHITE ROCK THEATRE	General repair contributions	0	0	20,000	20,000	0
20249	OR251	WHITE ROCK THEATRE	Contribution to large plant / boiler replacement	51,000	41,300	0	0	0
20306	OR314	FISHING BOAT AT STATION APPROACH	Repairs inc. stone dressing	0	0	2,000	0	0
20310	OR231	CLIFF REPAIR SURVEY	Biennial or Sextennial survey	8,000	8,000	0	15,000	0
20313	OR211	HASTINGS COUNTRY PARK - TACKLEWA	Health & safety repairs and repointing	0	0	0	1,000	0
20259	OR326	INDOOR BOWLS CENTRE	Equality Act works	20,000	20,000	10,000	0	0
20259	OR332	SUMMERFIELDS LEISURE CENTRE	Installation of UV water hygiene treatment, if req'd and justified by FL due to alterations to regulations.	0	0	0	5,000	0
20251	OR334	JOHNS PLACE MUSEUM	Essential stoneworks repairs to interior of window openings	3,000	3,000	0	9,000	0
20310	OR339	CLIFFS	Cliff Repairs arising from engineer's inspections	100,000	100,000	50,000	100,000	0
20117	OR340	MURIEL MATTERS HOUSE REPLACEMENT RISING MAIN	Replacement of existing rising main in rear of building to avoid further flooding issues	10,000	10,000	0	0	0
20117	OR342	MURIEL MATTERS HOUSE - PASSENGER LIFTS	Heavy duty door closing mechanisms	0	0	0	5,000	0
20245	OR347	WEST HILL LIFT - ATTENDANT'S & STORE AREAS	Works to patio waterproofing to prevent water ingress	0	0	18,000	0	0
20250	OR348	PROMENADE SURFACING	Further tarmac repairs to worst areas	30,000	30,000	30000	50000	0
20310	OR364	BEXHILL REC WEST	Internal redecoration	10,000	0	10000	0	0
20245	OR374	WEST HILL LIFT - ENTRANCE ROOF	Replace railings with galv. steel railings	5,000	0	5000	0	0
20310	OR385	ALEXANDRA PARK	Information Shelter lower decoration	2,000	0	2,000	0	0
20310	OR392	ALEXANDRA PARK	Lower Stream Culvert Wall	4,000	4,000	0	0	0
20310	OR395	WHITE ROCK GARDENS	Demolition of old toilet block	0	0	9,000	0	0
20245	OR405	EAST HILL CLIFF RAILWAY - UPPER STATION	Pedestrian paths resurfacing - deterioration of existing patched up surface creating trip hazards	10,000	0	10000	0	0
20303	OR410	CEMETERY CHAPEL	Front window and stone reveal repairs	0	0	20,000	0	0
20313	OR411	HASTINGS COUNTRY PARK	Surface dressing to Coastguard Lane tarmac/asphalt path surfacing	25,000	0	25,000	0	0
20246	OR412	HASTINGS CASTLE	Curtain wall consolidation following emergency stabilisation works	25,000	25,000	0	0	0
20251	OR413	HASTINGS MUSEUM & ART GALLERY	Works to improve security following report	10,000	10,000	0	0	0
20259	OR416	SUMMERFIELDS LEISURE CENTRE	Re-tiling of edge of pool	100,000	100,000	0	0	0
20310		BEXHILL REC BRIDGE 6	Repair & redec to steel support (H&S)	2,000	2,000	0	0	0
20313		HCP LOWER ECCLESBOURNE GLEN	2 no. new boardwalk bridges (H&S)	3,000	3,000	0	0	0
20310		ST JOHNS PLAYGROUND	Stabilise playground retention wall	2,500	2,500	0	0	0
20310		TORFIELD MUGA	Survey of subsidence to MUGA corner	2,000	2,000	2,500	0	0
20310		SUMMERFIELDS WOODS	New bridge over heritage site Roman Bath (H&S)	4,000	4,000	0	0	0
20310		WEST MARINA GARDENS	Timber repairs & redecorate	0	0	2,000	0	0
20310		ALEXANDRA PARK SHORNDEN	Reservoir access point for Idverde	0	0	1,500	0	0
20313		HASTINGS COUNTRY PARK OLD VISITOR CENTRE	External & redecoration	0	0	2,500	0	0

OTHER REPAIRS AND REDECORATIONS FINANCED BY THE RENEWAL AND REPAIRS RESERVE

Appendix J (con't)

Cost Centre	Reference	PROPERTY	DESCRIPTION OF WORK	2020-2021 ORIGINAL BUDGET £	2020-2021 REVISED BUDGET £	2021-2022 ESTIMATE £	2022-23 ESTIMATE £	2023-24 ESTIMATE £
20313		HASTINGS COUNTRY PARK HIGH WICKHAM	Replace knee rail with posts	0	0	2,500	0	0
20310		GENSING GARDENS	Sandstone wall repairs	0	0	3,000	0	0
20310		WHITE ROCK GARDENS EAST	Make good to pillar remains	2,000	2,000	0	0	0
20310		WHITE ROCK GARDENS WEST	Repair or replace tennis court fence	0	0	3,500	0	0
20310		ALEXANDRA PARK	Resin bonded paths phased resurfacing	0	0	5,000	0	0
20313		HASTINGS COUNTRY PARK YARD	Clear historic waste	0	0	6,000	0	0
20287		CARLISLE PARADE UNDERGROUND CAR PARK	Replacement of lighting	10,000	10,000	0	0	0
20251		HASTINGS MUSEUM & ART GALLERY	Lightning protection upgrade	5,000	0	5,000	0	0
20250		BOTTLE ALLEY	Cleaning of glass mosaic	10,000	10,000	0	0	0
20117		MURIEL MATTERS HOUSE	Heating pipe insulation	0	0	15,000	0	0
20313		HASTINGS COUNTRY PARK PATHS - EAST COASTGUARD LANE	Reapply 'Fibredec' last laid in 2015	25,000	0	25,000	0	0
20117		MURIEL MATTERS HOUSE	Repairs to rear car park waterproofing	20,000	20,000	0	0	0
20250		WEST OF HAVEN	Resurface MP path to worn areas of mesh	6,000	6,000	0	0	0
20250		CINQUE PORTS WAY	Resurface highway tarmac (non ESCC)	15,000	15,000	0	0	0
20250		MILLSTONE FOUNTAIN	Replace inlet grille & improve internals	0	0	2,000	0	0
20250		BOTTLE ALLEY UPPER	Railing replacement - heritage railings poor	0	0	25,000	0	0
20245		EAST HILL LIFT PUBLIC CONVENIENCE	Interior refit due to dampness	10,000	10,000	0	0	0
20310		GENSING GARDENS WALL	Rebuild wall in Conservation Area.	0	0	60,000	0	0
20310		BEXHILL EAST SPORTS PAVILION	Full roof replacement	0	0	34,000	0	0
20310		WARRIOR SQUARE GARDENS (EAST)	Major repair works	0	0	8,000	0	0
20310		WHITE ROCK GARDENS	Major repair works to west boundary wall	0	0	12,000	0	0
20310		WHITE ROCK SUN SHELTER	Repair and redecorate shelter railings	0	0	2,000	0	0
20287		GRAND PARADE UGCP	Concrete repairs to prom support beams	0	0	20,000	0	0
20148		BUS SHELTERS	Repair & Replacement Programme	0	0	12,000	15,000	0
20251		HASTINGS MUSEUM & ART GALLERY HEATING BOILERS	Replace existing heating boiler	0	0	0	30,000	0
20132		12/13 York Buildings Flat Conversion	Contribution to capital project	0	0	46,000	0	0
		Total of Other Work		529,500	437,800	505,500	280,000	0

PIER Outcomes**Appendix K**

	Cost Centre	Revised			
		2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
PIER Savings identified in 2019/20 for 2021/22 & beyond (not included elsewhere)					
1 Environmental Services Management and Admin (Part Senior Man. Restructure)	20169	18	34	34	34
2 Senior Management Restructure (remainder - £130k p.a.in total when completed)	20135	0	0	96	96
3 Reduce support to" In 2 Play"	20267	0	10	19	19
4 Business Support/HR - Create Administration Hub	Various	0	0	30	30
5 Theatre - Reduced Contribution	20249	0	100	100	100
6 Community Partnership Fund - Cease from 2021/22	20219	0	148	148	148
7 Land sales - Interest generated by proceeds from land sales - revised	Various	0	75	150	150
Total Prior year identified savings for 2020-21 onwards		18	367	577	577
PIER Savings identified for 2020/21 Budget Process					
8 Tourism/Marketing - Revised operations and location of TIC	20225	0	43	43	43
9 Waste Services - Management & Administration	20316	0	0	0	0
10 Parking Services - Reduction in leased Vehicles	20317	9	9	9	9
11 Local Licensing Manager	20281	0	11	11	11
12 Contact Centre - Staffing	20113	33	33	33	33
PIER Savings identified for 2021/22 Budget Process	Sub-total	42	96	96	96
13 Rental Space - Muriel Matters House	Various		21	29	29
PIER Additional Income Identified 2021/22 Budget Process (excluding fees and charges)	Sub-total	0	21	29	29
Total PIER Savings		60	484	702	702
Growth Items					
14 Housing Temporary Accommodation (may be offset by additional Gov't grants)	20182	(888)	(777)	(777)	(777)
15 Housing Renewal /Enforcement - Additional Post from October 2020	20191	0	(20)	(40)	(40)
16 Hastings Country Park - Visitor Centre operating costs	20312	0	(20)	(20)	(20)
17 Emergency Planning -increased use of ESCC resources	20286	(6)	(13)	(13)	(13)
18 Communications & Marketing - Additional Post	20324	(29)	(13)	(13)	(13)
19 Public Conveniences - Deep Cleaning	20315	(46)	(46)	0	0
20 Total Growth	Sub-total	(969)	(889)	(863)	(863)
21 Net Overall Savings/ (Growth)	Total	(909)	(405)	(161)	(161)

Land and Property Disposal Programme

	Estimated Receipts £
<u>2019/20</u>	
Former Bathing Pool site	
Link Road CPO land	
Plot D3 Whitworth Road	
Upper Wilting Farm Shop	
Other	
Less cost of disposal	
Sale of Ex Council Houses	
	<hr/> 17,802
<u>2020/21</u>	
Mayfield E	
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	
	<hr/> 30,000
<u>2021/22</u>	
Harrow Lane	
Mayfield E	
Bexhill Road South	
Whitworth Road	
Sale of Ex Council Houses	
Other	
	<hr/> 5,030,000
<u>2022/23</u>	
Sale of Ex Council Houses	
Other	
	<hr/> 30,000
<u>2023/24</u>	
Sale of Ex Council Houses	
Other	
	<hr/> 30,000
<u>2024/25</u>	
Sale of Ex Council Houses	
Other	
	<hr/> 30,000

**CORPORATE SERVICES AND
GOVERNANCE**

Appendix O

Reference NO.	2019-20 ACTUAL	SERVICE	2020-21	2020-21	2021-22
			ORIGINAL BUDGET	REVISED BUDGET	ESTIMATED OUTTURN
	£	<u>SUMMARY OF REVENUE ESTIMATES</u>	£	£	£
CR1	177,423	20101 - Managing Director	179,560	215,820	215,860
CR2	326,263	20102 - Corp. Policy, Partnerships and			
CR3	211,254	Performance	269,230	267,980	241,880
CR4	381,112	20103 - Electoral Services	221,870	208,540	229,930
CR5	213,185	20104 - Estates Services	388,380	396,250	394,640
CR6	493,229	20105 - Building Surveyors	221,210	218,020	228,020
CR7	238,352	20106 - Legal Services	462,340	491,770	522,220
CR8	971,230	20107 / 20108 - Audit and Investigations			
CR9	2,337,442	Services	232,490	239,550	243,840
CR10	586,965	20109 - Accountancy Services	1,014,010	1,026,870	1,018,630
CR11	183,330	20110 - Revenues Services	2,384,900	2,366,720	2,388,110
CR12	821,994	20111 - People, Customer and Business			
CR13	286,402	Support	617,280	615,190	625,670
CR14	56,351	20112- Corporate Personnel Expenses	185,670	185,680	185,680
CR15	500,614	20113 - Contact Centre	856,270	763,060	805,930
CR16	47,384	20115 - Transformation Team	265,160	265,880	262,000
CR17	44,059	20116 - Admin Buildings - Town Hall	50,290	42,010	40,460
CR18	1,311,229	20117 - Admin Buildings - Muriel Matters			
CR19	728,548	House	486,760	392,810	415,970
CR20	339,534	20118- Admin Buildings - General Expenses	71,320	66,320	66,320
CR21	46,525	20119 - Admin Buildings - Corporate Archive /			
	(10,302,447)	DSO Operational Building	57,270	44,560	45,250
		20120 - Corporate Expenses	1,244,500	1,298,090	1,254,500
		20121 - IT	714,920	714,510	719,550
		20122 - IT Reserve / Hardware	310,940	243,440	344,940
		20123 - Land & Property Systems-GIS	48,170	49,150	50,060
		Less recharges to other services	(10,282,540)	(10,282,530)	(10,282,540)
		(27) Unallocated Balance	0	(170,310)	16,920
CR22	300,089	20124 - Corporate Management Expenses	575,430	575,430	575,530
CR23	740,911	20125 - Non Distributed Costs	820,000	820,000	790,000
CR24	1,561,764	20126 / 20127 / 20128 - Benefit Payments and .	1,475,400	1,475,400	1,475,400
CR25	823,635	20129 - Council Tax and Business Rates Collec	613,820	613,820	613,820
CR26	(365,956)	20130 - Employment Areas	(363,900)	(363,900)	(363,630)
CR27	(1,291,809)	20131 - Factory Units	(1,324,650)	(1,022,180)	(1,120,180)
CR28	(2,739,913)	20132 - Farms and Other Properties	(3,265,520)	(3,028,870)	(3,194,710)
CR29	0	20133 - St Mary in the Castle	0	0	0
CR30	14,430	20135 - Other Expenditure	293,600	(854,130)	431,620
CR31	212,609	20136 / 20137 - Registration of Electors	213,220	213,370	229,020
CR32	880,867	20138 - Cost of Democracy	898,020	890,580	886,750
CR33	164,864	20139 / 20140 - Election Expenses	200,940	133,940	200,940
CR34	25,546	20144 - Local Strategic Partnership	21,080	21,080	21,080
CR35	20,228	20145 - Sustainable Energy & Development	16,690	16,690	16,690
CR36	8,515	20146 - Public Consultation	7,030	7,030	7,030
CR37	8,536	20148 - Shelters and Seats	18,250	27,390	30,410
CR38	6,992	20149 - Street Naming and Numbering	8,210	8,220	8,230
CR39	74,398	20150 - Decorative Lighting	87,870	109,870	88,220
CR40	(113)	20318 - Corporate Systems ERP	0	0	0
CR41	222,607	20151 / 20152 / 20155-61 - Foreshore Trust	0	0	0
CR42	93,486	20324 - Communications and Design	80,840	107,090	94,420
CR43	0	Covid - General Expenses	0	71,000	0
	761,661		376,330	(348,480)	807,560

OPERATIONAL SERVICES

Appendix O

Reference NO.	2019-20 ACTUAL	SERVICE	2020-21	2020-21	2021-22 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	<u>SUMMARY OF REVENUE ESTIMATES</u>	£	£	£
OS1	982,139	20169 - Environmental Services Management & Administration	1,023,960	993,900	997,020
OS2	411,375	20170 - Amenities Administration	392,220	405,810	419,230
OS3	433,799	20316 - Waste Service - Management and Admin	465,010	487,220	469,670
OS4	801,227	20317 - Parking Service - Management and Admin	871,090	845,940	861,640
OS5	959,485	20172 - Administration - Housing	978,670	1,017,230	985,220
OS6	133,687	20173 - Local Land Planning Management & Admin	(45,450)	(43,940)	(44,790)
OS7	184,626	20174 - Director of Operational Services	189,010	100,980	0
OS8	290,808	20175 - Leisure Administration	283,930	442,350	282,590
OS9	223,969	20176 - Resort Services Management and Administration	161,150	161,240	161,390
OS10	548,899	20177 - Regeneration Administration Division	368,570	369,240	369,190
OS11	372,483	20178 - Communications & Marketing	353,420	361,550	367,130
	(5,342,439)	Less recharges to other services	(5,041,580)	(5,041,580)	(4,852,570)
	57	Unallocated Balance	0	99,940	15,720
OS12	50,009	20179 - Building Control	61,000	53,690	63,350
OS13	952,662	20180 - Development Control & Conservation	788,360	851,420	791,670
OS14	(114,509)	20181 - Local Land Charges Register	(103,230)	(116,490)	(106,570)
OS15	1,306,131	20182 - Homelessness	1,048,290	1,936,590	1,825,150
OS16	80,847	20207 - Rough Sleeper Prevention	0	62,500	0
OS17	0	20206 - Syrian Resettlement Programme	0	10	0
OS18	149,919	20184 - Social Lettings	68,350	103,390	297,520
OS19	108,890	20185 - Homelessness Strategy	123,750	106,530	106,970
OS20	79,939	20186 - Housing Register	86,080	79,580	79,240
OS21	23,217	20187 - Funded Deposits	0	0	45,700
OS22	38,355	20188 - Youth Homelessness	16,170	(6,520)	18,950
OS23	442,985	20191 - Housing Renewal	355,750	325,290	410,540
OS24	(96,371)	20193 - Rogue landlords	77,740	219,910	33,300
OS25	77,172	20195 - Selective licensing	127,180	339,760	0
OS26	(152,616)	20196 - Housing Licensing	32,230	(54,780)	(1,150)
OS27	23,561	20197 - Housing Solution Services	13,760	72,800	9,430
OS28	17	20199 - Coastal Space Enforcement Activities	0	0	0
OS29	15,600	20200 - Dangerous Structures	2,500	19,410	2,500
OS30	2,178	20322 - Housing Company	0	(2,180)	0
OS31	0	20334 - CHART - Live, Work, Thrive	0	0	0
OS32	88,957	20202 - Housing - NHS Clinical Commissioning Group CCG	0	0	0
OS33	(6,564)	20204 - Sustainable Housing in Inclusive Neighbourhoods	30,630	30,630	0
OS34	18,823	20205 - Climate Active Neighbourhoods	0	0	0
	3,089,200	<u>Housing and Built Environment</u>	2,728,560	4,021,540	3,576,600

OPERATIONAL SERVICES

Appendix O

Reference NO.	2019-20 ACTUAL	SERVICE	2020-21	2020-21	2021-22 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	<u>SUMMARY OF REVENUE ESTIMATES</u>	£	£	£
OS35	325,132	20208 - Regeneration Activity	313,370	313,480	316,540
OS36	168,773	20209 - White Rock Area Development	101,750	122,540	100,750
OS37	291,919	20211 - Planning Policy	332,120	403,680	352,340
OS38	209,396	20212 - Cultural Activities	108,170	85,770	107,660
OS39	93,046	20214 - External Funding Initiatives	88,620	92,950	88,480
OS40	58,008	20215 - Community Cohesion	31,100	21,790	31,100
OS41	(23,066)	20216 - Fisheries Local Action Group (FLAG)	0	0	0
OS42	(319)	20326 - Hastings Fish Brand	0	0	0
OS43	21,253	20217 - Coastal Communities Fund	0	0	0
OS44	(15,777)	20269 - CHART CLLD - Connecting Hastings and Rother Together Community Led Local Development	(15,800)	(15,800)	(15,800)
OS45	26,988	20325 - DESTI Smart	0	0	0
OS46	276,316	20219 - Community Partnership	211,900	192,470	0
OS47	2,890	20220 - Older and Younger People	0	0	0
OS48	4,455	20221 - Youth Activities (Young Persons Council)	5,000	5,000	5,000
OS49	(172,917)	20166 - Towns Fund	0	59,910	113,000
OS50	120,095	20222 - 1066 Country Campaign	178,990	225,990	179,300
OS51	(2,990)	20223/ 20224 - Battle Marketing	0	2,990	0
OS52	135,028	20225 - Tourist Information Centre	115,510	124,630	94,610
OS53	1,200	20226 - Community Awareness	33,710	40,210	33,710
OS54	100,929	20228, 20229, 20230-20233, 20234-20235, 20237, 20238 - Raising the Profile of Hastings	74,720	77,330	85,730
OS55	5,444	20239 - Meteorological Expenses	820	1,400	1,420
OS56	32,244	20240 - Civic & Ceremonial Expenses	39,170	35,710	38,070
OS57	(18,361)	20241 - Filming	(4,000)	(10,000)	(4,000)
OS58	19,460	20242 - Coastal Protection	15,110	14,110	15,110
OS59	7,743	20243 - Navigational Aids	3,030	5,470	3,030
OS60	30,982	20244 - Env. Schemes Net Shops	24,420	12,760	24,420
OS61	(43,408)	20245 - Cliff Railways	(155,860)	144,840	(147,420)
OS62	(25,539)	20246/20247 - Castle and Caves	5,410	13,250	(15,640)
OS63	(165,090)	20248 - Chalets and Beach Huts	(245,410)	(249,100)	(241,000)
OS64	515,240	20249 - White Rock Theatre	484,294	474,590	353,290
OS65	151,685	20250 - Seafront	219,740	208,040	215,970
OS66	341,230	20251 - Museums	433,300	475,500	439,580
OS67	948	20256 - First World War Project	0	0	0
OS68	4,048	20257 - Sports Management	(3,370)	18,300	(5,340)
OS69	45,732	20258 - Falaise Fitness Centre	45,300	48,160	45,300
OS70	93,982	20259 - Sports Centres	182,240	539,590	47,240
OS71	199,993	20264 - Active Hastings & Play Development	187,580	213,370	149,370
OS72	68,834	20267 - Play Pathfinder	58,710	58,710	48,710
OS73	110,254	20321 - Renewable Energy Solutions	147,640	144,360	151,070
OS74	19,696	20327 - Museum & Schools Project	(10)	9,090	0
OS75	(18,000)	20273 - British BID DCLG - Loan Fund (Business Improvement District)	0	0	0
	----- 2,997,476 -----	<u>Regeneration and Culture</u>	----- 3,017,274 -----	----- 3,911,090 -----	----- 2,611,600 -----

OPERATIONAL SERVICES

Appendix O

Reference NO.	2019-20 ACTUAL	SERVICE	2020-21	2020-21	2021-22 ESTIMATED OUTTURN
			ORIGINAL BUDGET	REVISED BUDGET	
	£	SUMMARY OF REVENUE ESTIMATES	£	£	£
OS76	285,280	20276 - Food Safety	309,330	309,290	309,290
OS77	191,272	20277 / 20278 - Health and Safety	190,590	194,910	190,660
OS78	344,179	20279 - Environmental Protection	379,330	381,640	378,920
OS79	49,888	20280 - Pest Control	46,760	41,170	43,860
OS80	(9,639)	20281 - Local Licensing	8,160	7,530	(22,700)
OS81	(64,179)	20283 - Liquor Licensing	(68,060)	(58,060)	(68,060)
OS82	(17,883)	20284 - Gambling Licensing	(23,710)	(16,210)	(18,710)
OS83	46,002	20285 - Stray Dog Contract	45,710	46,210	46,210
OS84	54,232	20286 - Emergency Planning	54,140	61,080	67,680
OS85	(1,534,837)	20287 / 20288 - Parking	(650,260)	(242,720)	(626,790)
OS86	287,511	20290 - Closed Circuit Television	76,020	76,020	76,020
OS87	(3,305)	20291 - ESCC Highway Tree Maintenance	(3,000)	(3,000)	(3,000)
OS88	1,182,894	20293 - Waste Collection	1,249,860	1,201,860	1,221,990
OS89	715,106	20294 - Recycling	964,970	941,900	959,030
OS90	408,310	20295 - Street Cleansing	60,780	60,780	60,780
OS91	953,551	20323 - Waste and Street Cleansing (DSO)	1,409,290	1,335,000	1,377,280
OS92	(129,553)	20296 - Greenwaste	(192,830)	(195,070)	(252,420)
OS93	314,675	20297 - Waste and Environmental Enforcement Team	285,480	336,980	309,480
OS94	24,768	20298 - Together Action	37,470	37,470	37,470
OS95	105,552	20299 - Safer Hastings Partnership (HBC)	100,880	100,810	100,830
OS96	(14,759)	20300 - Safer Hastings Partnership (External)	0	4,500	0
OS97	36,412	20302 - Watercourses	33,320	33,260	33,370
OS98	(713,651)	20303 / 20304 - Cemetery and Crematorium	(548,030)	(562,050)	(596,630)
OS99	25,912	20305 - Travellers Costs	25,760	25,600	25,600
OS100	35,038	20306 - Town Centre	38,890	38,900	37,000
OS101	26,916	20307 - Allotments	(4,850)	(4,390)	(5,050)
OS102	18,403	20308 - Ecology	18,610	18,610	18,610
OS103	158,903	20309 - Arboriculture	143,560	156,220	143,730
OS104	1,407,219	20310 - Parks and Gardens	1,396,620	1,375,560	1,433,000
OS105	115,745	20312 / 20313 - Hastings Country Park	171,600	139,240	177,300
OS106	14,671	20314 - Countryside Stewardship	24,000	24,000	24,000
OS107	365,941	20315 - Public Conveniences	297,920	343,180	350,460
OS108	0	20338 - Hastings Country Park Grant Funded Works	0	0	0
OS109	0	20339 - Hastings Country Park Visitor Centre	0	6,500	20,000
	4,680,573	Environment and Place	5,878,310	6,216,720	5,849,210
	10,767,306	Operational Services Directorate Total	11,624,144	14,249,290	12,053,130

CAPITAL PROGRAMME SUMMARY

	Original 2020/21	Revised 2020/21	2021/22	2022/23	2023/24	Subseq. Years	Total over Prog Period
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net cost by Service							
Corporate Resources	13,379	6,053	11,243	311	0	2	17,609
Operational Services	3,557	3,199	1,088	9,995	120	2,082	16,484
	16,936	9,252	12,331	10,306	120	2,084	34,093

Net cost by Status

Committed Schemes	c	5,471	7,298	12,166	8,190	120	1,642	29,416
Uncommitted Schemes	u	8,650	0	0	0	0	0	0
New Schemes	n	2,815	1,954	165	2,116	0	442	4,677
		16,936	9,252	12,331	10,306	120	2,084	34,093

Gross cost of schemes analysed by service

Corporate Resources	14,179	6,053	12,043	311	0	2	18,409
Operational Services	11,921	7,810	9,220	11,834	1,959	4,253	35,076
	26,100	13,863	21,263	12,145	1,959	4,255	53,485

Profile of Council Net Cost

Scheme Ref.	Scheme	Class	Profile of Council Net Cost								
			Total Gross Cost	Total Net Cost	Before 31.3.20	2020/21	Revised 2020/21	2021/22	2022/23	2023/24	Subsequent Years
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CR-06	Sandrock Park - Land Purchase	* C	23	23	0	0	0	0	23	0	0
CR-16	New ERP system	* C	1,019	540	538	0	0	0	0	0	2
CR-19	Conversion of 12/13 York Buildings	* C	1,011	1,011	166	164	666	179	0	0	0
CR-22	Priory Meadow Contribution to Capital Works	* C	700	700	162	50	0	250	288	0	0
CR-23	Commercial Property Investments	* u	8,650	8,650	0	8,650	0	0	0	0	0
CR-26	Churchfields Business Centre	C	3,300	2,500	90	2,465	41	2,369	0	0	0
CR-27	Development / Furbishment of Lacuna Place	* C	9,612	9,612	9,265	350	159	188	0	0	0
CR-28	London Rd & Shepherd St	* C	1,350	1,350	1,311	0	0	0	0	0	0
CR-29	Cornwallis Street Development	* C	7,000	7,000	54	500	0	6,946	0	0	0
CR-30	Harold Place Restaurant Devt	* C	1,200	1,200	6	1,100	23	1,171	0	0	0
CR-32	Development of 311-323 Bexhill Rd (Aldi & Others)	* C	9,051	9,051	3,625	0	5,064	0	0	0	0
CR-33	Castleham Car Park resurfacing	n	100	100	0	100	100	0	0	0	0
CR-34	Castleham Industrial Units	N	140	140	0	0	0	140	0	0	0
	Schemes Already Committed	C	34,266	32,987	15,217	4,629	5,953	11,103	311	0	2
	Schemes Uncommitted	U	8,650	8,650	0	8,650	0	0	0	0	0
	New Schemes	N	240	240	0	100	100	140	0	0	0
	No further approval required	*									
Total Capital Expenditure			43,156	41,877	15,217	13,379	6,053	11,243	311	0	2

		Total Budget £'000	Before 31.3.20 £'000	Revised 20/21 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	Subsequent Years £'000
CR-06 71215	Sandrock Park - Land Purchase The purchase of land at Sandrock Park								
	<u>Funding Source</u>								
	Council	23	0	0	0	0	23	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	23	0	0	0	0	23	0	0
CR-16 71224	New ERP system Purchase and development of new Enterprise Resource Planning system								
	<u>Funding Source</u>								
	Council	540	538	0	0	0	0	0	2
	Other	479	479	0	0	0	0	0	0
	<u>Total Funding</u>	1,019	1,017	0	0	0	0	0	2
CR-19 71253	Conversion of 12/13 York Buildings Conversion of the upper floors of this grade 2 listed building to six Flats								
	<u>Funding Source</u>								
	Council	1,011	166	164	666	179	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	1,011	166	164	666	179	0	0	0
CR-22 71259	Priory Meadow Contribution to Capital Works Contribution to ensure continuing rental income								
	<u>Funding Source</u>								
	Council	700	162	50	0	250	288	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	700	162	50	0	250	288	0	0
CR-23 71260	Commercial Property Investments Acquisition of Commercial Property (General)								
	<u>Funding Source</u>								
	Council	8,650	0	8,650	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	8,650	0	8,650	0	0	0	0	0
CR-32 71261	Development of 311-323 Bexhill Rd (Aldi & Others) Acquisition of Commercial Property - 311-323 Bexhill Road (Aldi & Others)								
	<u>Funding Source</u>								
	Council	9,051	3,625	0	5,064	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	9,051	3,625	0	5,064	0	0	0	0
CR-26 71272	Churchfields Business Centre Sidney Little road Business Incubator Hub								
	<u>Funding Source</u>								
	Council	2,500	90	2,465	41	2,369	0	0	0
	Other - LGF funding £500k & CHART £300k	800	0	800	0	800	0	0	0
	<u>Total Funding</u>	3,300	90	3,265	41	3,169	0	0	0

		Total	Before	Revised			Subsequent		
		Budget	31.3.20	20/21	20/21	21/22	22/23	23/24	Years
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CR-27 71273	Development / Furbishment of Lacuna Place								
	Office building with ground floor retail accommodation totalling 39,696 Sq.ft.								
	<u>Funding Source</u>								
	Council	9,612	9,265	350	159	188	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	9,612	9,265	350	159	188	0	0	0
CR-28 71274	London Rd & Shepherd St								
	Purchase of 20 to 28 (even) London Road and Land at 35 Shepherd St, Hastings, St Leonards-on-Sea.								
	<u>Funding Source</u>								
	Council	c 1,350	1,311	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	1,350	1,311	0	0	0	0	0	0
CR-29 71275	Cornwallis Street Development								
	Redevelopment of Cornwallis Street for Hotel								
	<u>Funding Source</u>								
	Council	c 7,000	54	500	0	6,946	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	7,000	54	500	0	6,946	0	0	0
CR-30 71276	Harold Place Restaurant Devt								
	Redevelopment of Harold Place for Restaurant use								
	<u>Funding Source</u>								
	Council	c 1,200	6	1,100	23	1,171	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	1,200	6	1,100	23	1,171	0	0	0
CR-33 71281	Castleham Car Park resurfacing								
	Resurface Car Park								
	<u>Funding Source</u>								
	Council	c 100	0	100	100	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	100	0	100	100	0	0	0	0
CR-34 71285	Castleham Industrial Units								
	Over-Roofing Units 6,7,8 & 9/10								
	<u>Funding Source</u>								
	Council	c 140	0	0	0	140	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	140	0	0	0	140	0	0	0

Profile of Council Net Cost

Scheme Ref.	Scheme	Class	Total Gross Cost	Total Net Cost	Before 31.3.20	2020/21	Revised 2020/21	2021/22	2022/23	2023/24	Subsequent Years
			£'000	£'000	£'000	£'000	£'000	£'000	£,000	£,000	£'000
H07	Private Sector Renewal Support	* c	147	0	0	0	0	0	0	0	0
H08	Disabled Facilities Grant	* c	8,248	0	0	0	0	0	0	0	0
H15	Empty Homes Strategy - CPO	* c	250	250	100	50	0	50	50	50	0
OS-05	Purchase of Temporary Homelessness Accommodation	* n	6,086	5,766	4,011	2,575	1,313	0	0	0	442
RP04	Restoration of Pelham Crescent/ Pelham Arcade	* c	756	359	286	30	9	34	0	0	30
RP16	Road at Pelham Arcade	* c	125	75	11	64	30	34	0	0	0
RP11	Groyne Refurbishment	* c	175	175	0	35	0	70	35	35	35
ES35	Work on Harbour Arm and New Groynes	* c	2,995	30	0	0	30	0	0	0	0
ES36	Further Sea Defence works	* c	150	0	0	0	0	0	0	0	0
RP09	Public Realm	* c	260	169	88	50	50	31	0	0	0
ES32	Country Park - Interpretive Centre	* c	771	308	0	0	628	0	0	0	0
ES37	Playgrounds Upgrade Programme	* c	302	283	128	38	38	79	38	0	0
OS 28	Hastings Housing Company	c	9,309	9,309	5,428	0	0	0	3,881	0	0
OS 26	DSO - Waste and Cleansing service - Vehicles	* c	780	780	771	0	0	0	0	0	0
OS 27	DSO Waste and Cleansing service - Depot Works & Equipm	* c	331	331	133	0	4	0	0	0	0
OS06	Energy - Solar Panels	c	1,700	1,700	62	0	0	200	1,438	0	0
OS10	Energy - Ground Mounted Solar	c	2,184	2,184	0	200	0	284	1,900	0	0
OS07	Energy Generation - Unallocated	n	2,116	2,116	0	0	0	0	2,116	0	0
OS4	Buckshole Reservoir	* c	837	837	18	160	192	160	467	0	0
OS12	Priory Street Multi Storey Car Park	* c	1,520	1,520	0	0	145	0	0	0	1,400
OS13	Lower Bexhill Road	* c	7,040	140	0	35	0	35	70	35	0
OS14	Electric Vehicles	* c	468	468	0	172	207	86	0	0	175
OS15	Electric Vehicle Infrastructure	* c	8	8	2	8	12	0	0	0	0
OS16	Priory Street Works	n	140	140	0	140	115	25	0	0	0
OS-30	Next Steps Accommodation Pathway	n	1,855	426	0	0	426	0	0	0	0
OS29	S151 Towns Fund Capital	n	1,000	0	0	0	0	0	0	0	0
	Schemes Already Committed	c	38,356	18,926	7,027	842	1,345	1,063	7,879	120	1,640
	Schemes Uncommitted	u	0	0	0	0	0	0	0	0	0
	New Schemes	n	11,197	8,448	4,011	2,715	1,854	25	2,116	0	442
	No further approval required										
Total Capital Expenditure			49,553	27,374	11,038	3,557	3,199	1,088	9,995	120	2,082

	Total	Before		Revised				Subsequent
	Budget	31.3.20	20/21	20/21	21/22	22/23	23/24	Years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
H07	Private Sector Renewal Support							
71227	Property grants to bring conditions up to minimum standards.							
	<u>Funding Source</u>							
	Council	0	0	0	0	0	0	0
	Regional Housing Board Grant+ LEP funding of £46K	147	27	27	0	27	27	39
	<u>Total Funding</u>	147	27	27	0	27	27	39
H08	Disabled Facilities Grant							
71228	Property Grants for disabled facilities Grant of £1,812,584 for 2019/20 (DFG reserve 1.494m @ 31st March 2019)							
	<u>Funding Source</u>							
	Council	0	0	0	0	0	0	0
	Government Grant including additional £202.5K	8,248	0	1,812	1,000	1,812	1,812	1,812
	<u>Total Funding</u>	8,248	0	1,812	1,000	1,812	1,812	1,812
H15	Empty Homes Strategy - CPO							
71229	Rolling programme of purchases and disposals							
	<u>Funding Source</u>							
	Council	250	100	50	0	50	50	0
	Government Grant	0	0	0	0	0	0	0
	<u>Total Funding</u>	250	100	50	0	50	50	0
OS-05	Purchase of Temporary Homelessness Accommodation							
71266	Purchase of temporary accommodation to reduce B&B expenditure. Initial budget of £3,191k & a further £2,575k approved by Cabinet on Nov 4th 2019.							
	<u>Funding Source</u>							
	Council	5,766	4,011	2,575	1,313	0	0	442
	Government Grant / S106	320	0	0	0	0	0	320
	<u>Total Funding</u>	6,086	4,011	2,575	1,313	0	0	762
OS-30	Next Steps Accommodation Pathway							
71284	Next Steps Accommodation Pathway							
	<u>Funding Source</u>							
	Council	426	0	0	426	0	0	0
	Government Grant (plus £316k S106)	1,429	0	0	1,429	0	0	0
	<u>Total Funding</u>	1,855	0	0	1,855	0	0	0
RP04	Restoration of Pelham Crescent/ Pelham Arcade							
71231	Feasibility study and grants for restoration works, plus additional phase 2 works / grants to adjoining property							
	<u>Funding Source</u>							
	Council	359	286	30	9	34	0	30
	Historic England(English Heritage) £280K Council reserves £117K	397	293	0	0	104	0	0
	<u>Total Funding</u>	756	579	30	9	138	0	30
RP16	Road at Pelham Arcade							
71232	Road above Pelham Arcade							
	<u>Funding Source</u>							
	Council	75	11	64	30	34	0	0
	Other- Freeholder Contributions	50	0	50	0	50	0	0
	<u>Total Funding</u>	125	11	114	30	84	0	0

		Total	Before	Revised				Subsequent	
		Budget	31.3.20	20/21	20/21	21/22	22/23	23/24	Years
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RP11	Groyne Refurbishment								
71240	To maintain Beach and Groynes								
	<u>Funding Source</u>								
	Council	175	0	35	0	70	35	35	35
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	175	0	35	0	70	35	35	35
ES35	Work on Harbour Arm and New Groynes								
71241	Coastal Protection – FDGIA Funding for sea defence works								
	<u>Funding Source</u>								
	Council	30	0	0	30	0	0	0	0
	Contribution from DEFRA/EA	2,965	2,538	0	107	320	0	0	0
	<u>Total Funding</u>	2,995	2,538	0	137	320	0	0	0
ES36	Further Sea Defence works								
71242	Hastings Pier to South West Outfall								
	<u>Funding Source</u>								
	Council	0	0	0	0	0	0	0	0
	Other - DEFRA/EA	150	0	0	0	150	0	0	0
	<u>Total Funding</u>	150	0	0	0	150	0	0	0
RP09	Public Realm								
71244	Improvement & Refurbishment of public realm assets								
	<u>Funding Source</u>								
	Council	169	88	50	50	31	0	0	0
	Other -Coastal Communities Fund revenue	91	91	0	0	0	0	0	0
	<u>Total Funding</u>	260	179	50	50	31	0	0	0
ES32	Country Park - Interpretive Centre								
71248	Provision of a new Interpretive Centre. Council funding being provided by sale proceeds of Warren Cottage.								
	<u>Funding Source</u>								
	Council	308	0		628	0	0	0	0
	Other - European Funding 60%	463	0	463	463	0	0	0	0
	<u>Total Funding</u>	771	0	463	1,091	0	0	0	0

	Total	Before	Revised			Subsequent			
	Budget	31.3.20	20/21	20/21	21/22	22/23	23/24	Years	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ES37	Playgrounds Upgrade Programme								
71249	Hare Way, Mare Bay, Highwater View, Bexhill Road and other play spaces contribution to upgrades								
	<u>Funding Source</u>								
	Council	283	128	38	38	79	38	0	0
	Other S106	19	0	12	12	7	0	0	0
	<u>Total Funding</u>	302	128	50	50	86	38	0	0
OS 28	Hastings Housing Company								
71254									
	<u>Funding Source</u>								
	Council	9,309	5,428	0	0	0	3,881	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	9,309	5,428	0	0	0	3,881	0	0
OS 26	DSO - Waste and Cleansing service - Vehicles								
71255									
	<u>Funding Source</u>								
	Council	780	771	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	780	771	0	0	0	0	0	0
OS 27	DSO Waste and Cleansing service - Depot Works & Equipment								
71268									
	<u>Funding Source</u>								
	Council (£122k IT & equip, £206k Castleham works)	331	133	0	4	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	331	133	0	4	0	0	0	0
OS06	Energy - Solar Panels								
71256	Solar Panels on Council Owned Land / Buildings								
	<u>Funding Source</u>								
	Council	1,700	62	0	0	200	1,438	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	1,700	62	0	0	200	1,438	0	0
OS10	Energy - Ground Mounted Solar								
71269	Ground Mounted Solar								
	<u>Funding Source</u>								
	Council	2,184	0	200	0	284	1,900	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	2,184	0	200	0	284	1,900	0	0
OS07	Energy Generation - Unallocated								
71267	Future Green Energy Projects								
	<u>Funding Source</u>								
	Council	2,116	0	0	0	0	2,116	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	2,116	0	0	0	0	2,116	0	0

		Total	Before	Revised				Subsequent	
		Budget	31.3.20	20/21	20/21	21/22	22/23	23/24	Years
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
OS4	Buckshole Reservoir								
	Statutory Protection Works								
71258	Spillway, drawdown works, signage & Contract Works								
	Council	837	18	160	192	160	467	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	837	18	160	192	160	467	0	0
OS12	Priory Street Multi Storey Car Park								
71265	Car Park Improvements - Concrete Repairs								
	<u>Funding Source</u>								
	Council	1,520	0	0	145	0	0	0	1,400
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	1,520	0	0	145	0	0	0	1,400
OS13	Lower Bexhill Road								
71271	Housing Development								
	<u>Funding Source</u>								
	Council	140	0	35	0	35	70	35	0
	Other	6,900	638	6,000	600	5,662	0	0	0
	<u>Total Funding</u>	7,040	638	6,035	600	5,697	70	35	0
OS14	Electric Vehicles								
71278	Acquisition of Electric Vehicles								
	<u>Funding Source</u>								
	Council	468	0	172	207	86	0	0	175
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	468	0	172	207	86	0	0	175
OS15	Electric Vehicle Infrastructure								
71279	Electric Vehicle Charging points, Load loggers, remedial works & EV points								
	<u>Funding Source</u>								
	Council	8	2	8	12	0	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	8	2	8	12	0	0	0	0
OS16	Priory Street Works								
71280	LED Lighting replacement, rewiring & automated gate control								
	<u>Funding Source</u>								
	Council	140	0	140	115	25	0	0	0
	Other	0	0	0	0	0	0	0	0
	<u>Total Funding</u>	140	0	140	115	25	0	0	0
OS29	S151 Towns Fund Capital								
71282	Towns Fund Capital (Accelerated)								
	<u>Funding Source</u>								
	Council	0	0	0	0	0	0	0	0
	Other	1,000	0	0	1,000	0	0	0	0
	<u>Total Funding</u>	1,000	0	0	1,000	0	0	0	0

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