

# Overview and Scrutiny Committee Agenda

**Monday, 5 February 2024 at 6.00 pm**

Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY. Please enter the building through the Contact Centre entrance via the seafront.

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	<i>Kit Wheeler (Chief Finance Officer)</i>	

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# Agenda Item 3 Public Document Pack

## OVERVIEW AND SCRUTINY COMMITTEE

20 NOVEMBER 2023

Present: Councillors Patmore (Chair), Sinden (Vice-Chair), Carr, Cooke, Foster, Hilton, Turner and Pragnell

Officers: Jane Hartnell (Chief Executive), Kit Wheeler (Chief Finance Officer)

Members of Cabinet Present: Councillor Barnet and Batsford

### 1. APOLOGIES FOR ABSENCE

Apologies received from Councillors Bacon, Roberts and Hay (Substituted by Cllr Pragnell)

### 2. DECLARATIONS OF INTEREST

None

### 3. MINUTES OF THE LAST MEETING 18/10/23

**RESOLVED - That the minutes of the meeting held on 18<sup>th</sup> October 2023 be approved as a true record.**

### 4. BUDGET SAVINGS PROPOSALS

Councillor Barnett as the Leader of Hastings Borough Council explained to the committee it makes sense to have the principles of the budget agreed now that its prudent, realistic and sensible to bring the budget planning forward to December. There is a £4m deficit for 24/25 and this budget planning looks to find saving to meet that deficit. The shared service plan will be to look for partners locally and nationally, where we can work together and deliver a decent standard of service. Councillor Patmore asked what public responses have been received. Councillor Barnett answered that the responses sent directly to him have been mostly positive.

The committee asked questions:

**How can you state that the restructure retains the ability to grow through income generation and grant funding when there will be no capacity to do either?**

The Chief Executive explained this is related to the economic development and regeneration area and capacity and if government provides appropriate funding for management of initiatives, we can grow a team to deliver them.

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### **Can you clarify role of Customer Services Officer and their possible relation to signposting residents to emergency housing advice?**

The Chief Executive answered that not filling the post that is proposed is because of the introduction of the Citizen's Access online system, which means residents can upload documents and not all will need to come to Muriel Matters House to hand them into officers who currently upload them.

Councillor Hilton suggested a report after 6 months to review Citizens Access.

Councillors Pragnell asked regarding the vacant Planning post and if it will have an impact on service? The Chief Executive answered that all vacant posts will reduce quality of services across the organisation.

### **The report states that a 'service delivery model transformation' team will be established. Will these be new members of staff and where is the funding coming from? 40% saving in first year is very ambitious. Will you be establishing basic levels of performance and quality of service that needs to be achieved by these shared services?**

The Chief Finance Officer answered that the right team needs to be put in place and there is some funding available from Government. Costs will be shared where they can.

Councillor Turner asked regarding the shared services and the Chief Finance Officer explained governance and pay structures will have to be reviewed with the partners.

Councillor Pragnell asked regarding the confidence in the projected savings from sharing services. The Chief Executive explained the difference now is that many more partners are looking to share services as a means of coping with less funding.

Councillor Foster asked regarding the process mapping and if this work is completed with other partners and what is the time scale? The Chief Executive explained process mapping has been completed for several years. The Chief Finance Officer answered that if the right approach is taken then the proposals are achievable.

Councillor Hilton asked to have a sensitivity analysis included as only 80% of savings were achieved on saving last year. This will be included in the revised document.

Councillor Cooke asked if other councils shared services programmes have been reviewed. The Chief Executive answered that there are various models of sharing services, and it would be for Councillors to agree at Full Council what level of integration is followed.

Councillor Carr asked what would happen if a Council in a shared service entered a section 114? The Chief Finance Officer answered that Hastings Borough Council would still have a legal obligation to still provide those services.

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Councillor Hilton asked if AI has been considered? The Chief Executive explained it is on the agenda but there is not the capacity to explore opportunities for developing AI at this time, but by being part of a larger team we may be able to find that capacity.

Councillor Patmore asked are there are quick wins possible? The Chief Finance Officer gave an example of Internal Audit service which is currently being provided by Orbis. This has been successful in terms of quality of service, staff development opportunities and cost efficiency.

Councillor Patmore asked whether the proposals would result in redundancies. The Chief Executive explained that to meet the extent of the saving some redundancies will be unavoidable.

Councillor Carr asked regarding White Rock Theatre and if it will be put into a cultural trust? Councillor Batsford answered that hasn't been discussed at this moment and the new arrangement for leasing of the theatre was shortly going to go live. Councillor Pragnell asked about how repairs to the theatre would be funded. The Chief Executive explained there will be a contribution of up to £50k towards the maintenance of the White Rock Theatre retained in the budget.

Councillor Carr asked if events will be charged more for using Hastings Borough Council's assets. Councillor Batsford answered that feedback has been received and noted regarding fees and charges and meetings are progressing with events holders regarding becoming self-sustaining.

Councillor Foster asked regarding alternative funding for tackling anti-social behaviour. The Chief Executive answered it is hoped funding could come from safer streets and the endowment fund announced which has a focus on town centre.

Councillor Hilton suggested the Overview and Scrutiny committee review the restructure proposals when they are further progressed including new performance indicators.

**Youth Council. What assessment has been made of the success or otherwise of the youth cabinet since it moved to EFT. Have you spoken to the current youth council about these proposals and what they would see as a better approach? Who is leading on this important conversation?**

Councillor Barnett answered a meeting is planned with Connected Futures to review how best to engage young people's voices at the table of strategic meetings where key decisions affecting the town's future are made. Councillor Carr highlighted her disappointment at the decline in the Youth Council and the loss of the dedicated Hastings Borough Council Officer. Councillor Batsford explained the need for young person's voices to be heard is vitally important.

**Cashless operations – how are you going to address the risk of digital exclusion?**

The Chief Executive explained that the cash collection contract is mostly pays to collect cash from our car parking machines . Data suggests that most people who use

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car parks have mobile phones or contactless debit cards. There are a few other areas where the council still accepts cash – these will be reviewed and where possible alternative options promoted. The Chief Finance Officer explained the cash collection contract is up for renewal soon so the decision needs to be made very soon.

Councillor Carr asked if the age friendly group has been consulted. The Chief Finance Officer explained that in order to achieve the savings then there would be no cash collections. Councillor Carr asked how cashless toilets would work? Councillor Batsford answered that would have to be part of the review. Councillor Patmore asked regarding the cost of updating the parking machines. The Chief Finance Officer answered that the cost would be repaid through fees and charges.

Councillor Carr asked if the CCTV control room reopening has been reviewed? The Chief Executive answered that the costs to re-open would be significant (at least four posts were deleted when the original savings were taken). Councillor Barnett added that this may be reviewed next summer when there maybe funding from Government to assist with tackling anti-social behaviour in the town centre.

**Asset sales – what level of asset sales would result in a saving of £500,000 on the MRP per year? Assume this level of sales needs to happen every year of the three years to continue to achieve this saving?**

The Chief Finance Officer answered that asset sales would be used to reduce borrowing costs. Capital spend needs to be reduced and asset sales will assist with this.

Councillor Patmore asked if assets can be switched. The Chief Finance Officer answered that the data and full cost model is not available at present.

Councillor Carr asked if the Asset Management review will be available before December Full Council? Councillor Barnett answered the report has been delayed to January 2024.

Councillor Hilton asked if tighter figures will be available in February? The Chief Finance Officer answered that getting clarity in terms of decision making from Councillors now will help going forward and by February there should be more details around shared services, but it will be on a case by case basis.

Councillor Cooke asked how much of asset saving is an estimate? The Chief Finance Officer answered that all figures are forecasts but that he is very confident of the figures.

The Councillors asked regarding the sale of beach huts and what area they are in. Councillor Barnett explained that unused assets should be reviewed and officers will bring forward a business case which will go into detail.

**How has this centralised contingency been arrived at?**

The Chief Finance Officer explained that the Chief Executive, Deputy Chief Executive and himself have reviewed each departments line by line budgets and identified where

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centralising contingency budgets will help reduce spend as there will be more control of essential spend. Councillor Cooke asked if this is a saving. The Chief Finance Officer explained it is a saving and the departments budgets have been cut back but where essential spend is required that will be funded centrally.

**Renewals and reserves changes. Is there more information on the way this funding will change and how it's managed. It's essential we don't let our assets deteriorate.**

The Chief Finance Officer answered that a contribution from reserves to this budget is made each year, but the plan is for assets to pay for themselves in future by full cost recovery where possible.

**Capital Project Costing. Is there more detail to True and Whole Costs?**

The Chief Finance Officer answered that grant funding may have been missed due to paying capital costs from revenue funding.

**Treasury Investment. A large increase, what basis is this built on? How will this relate to the long standing commitment to a responsible investment policy first committed to in 2017/18?**

The Chief Finance Officer answered that the Council will not work outside of the agreed Treasury Management Policy. Short term investing has been completed recently and that next year's targets are achievable. Councillor Barnett explained the target in the proposal is less than achieved this year and explained how the investment with Barclays has been reduced and will be zero by next year.

**102 New Homes bonus – more info required on where these 102 new homes are?**

The Chief Finance officer answered that an exercise undertaken by a consultant working in consultation with the Housing department have identified new 102 homes for which the council will be paid additional money by the government.

Councillor Patmore highlighted the figures in the totals are wrong and requested the public document to be updated. This will be acted upon shortly.

Councillor Foster asked why the Council Tax review is next year and not now? The Chief Finance Officer explained that a referendum would be needed to increase Council tax above the government's limit. Councillor Barnett explained there would be a significant cost to holding a referendum.

Councillor Carr asked if the 100% Council tax reduction scheme is guaranteed. Councillor Barnett answered that a review will be undertaken but there are no proposals to change it for the 2024/25 year.

Councillor Patmore asked when the revised Housing savings would be available. Councillor Barnett answered that the new Head of Housing presented some

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information to the committee at its last meeting, and that since then targets have been reviewed and agreed and will be shared shortly.

Councillor Barnet gave his thanks for to the Overview and Scrutiny Committee and asked for any further suggestions to be submitted. There is a public consultation day on November 28<sup>th</sup> at the Stade Hall from 13:00 – 19:00

### **Resolved (Unanimously)**

**That the views of the Overview and Scrutiny Committee on the draft budget proposals are referred to the Budget Planning Cabinet meeting on 4th December 2023.**

### **Reasons**

To ensure Overview and Scrutiny Committee's views on the draft budget proposals are considered by the Budget Planning Cabinet, prior to final recommendations being made to the Full Council.

(The Chair declared the meeting closed at. 7.55 pm)



# Agenda Item 4



**Report To:** Overview and Scrutiny Committee

**Date of Meeting:** 5 February 2024

**Report Title:** Summary DRAFT Revenue Budget 2024/25, and Capital Programme 2024/25 to 2026/27

**Report By:** Kit Wheeler  
Chief Finance Officer

**Key Decision:** Yes

**Classification:** Open

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## Purpose of Report

1. To present a summary of the DRAFT Revenue and Capital budget for 2024/25, including an updated MTFS (Medium Term Financial Strategy) forecast for future years.
2. To seek the Committee's feedback as part of the process of agreeing the 2024/25 budget which will be a matter for the whole council at the Budget Council Meeting on 21 February 2024.

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## Recommendation(s)

That the comments of the Overview and Scrutiny Committee on the draft Revenue and Capital budget for 2024/25 and updated Medium Term Financial Strategy forecast for future years be referred to the Budget Cabinet on 12 February 2024.

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## Reasons for Recommendations

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. This report summarises the key information and issues that will be included in the Chief Finance Officer's report to the Budget Cabinet (published on 2 February).
2. The report will include the following recommendations:

That Cabinet recommends that full Council:-

- i. Approve the draft 2024/25 revenue budget (Appendix B)
- ii. Approve a 2.99% increase in the Borough Council's part of the Council Tax (Appendix C)
- iii. Approve the detailed recommendations in Appendix C, which relate to the setting of Council Tax in accordance with Sections 31 to 36 of the Local Government Act 1992 (Appendix C – to be provided/updated for full Council).
- iv. Approve the Capital Programme 2024/25 to 2026/27 (Appendix E) and that any marked with an asterisk can proceed without further reference to Cabinet or Council.
- v. Approve the proposed use of Reserves as detailed in Appendix I that can proceed without further reference to Cabinet or Council.
- vi. Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.
- vii. Council adopt the existing Council Tax Support Scheme subject to amendments to allowances in line with any national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.
- viii. The application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) from a period of one year with effect from 1st April 2024.
- ix. The application of a premium of 100% for all dwellings which are unoccupied but substantially furnished (second homes) with effect from 1st April 2025; and
- x. That the Section 151 Officer is given delegated powers to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State or regulation.

3. The reasons for the recommendations are as follows:

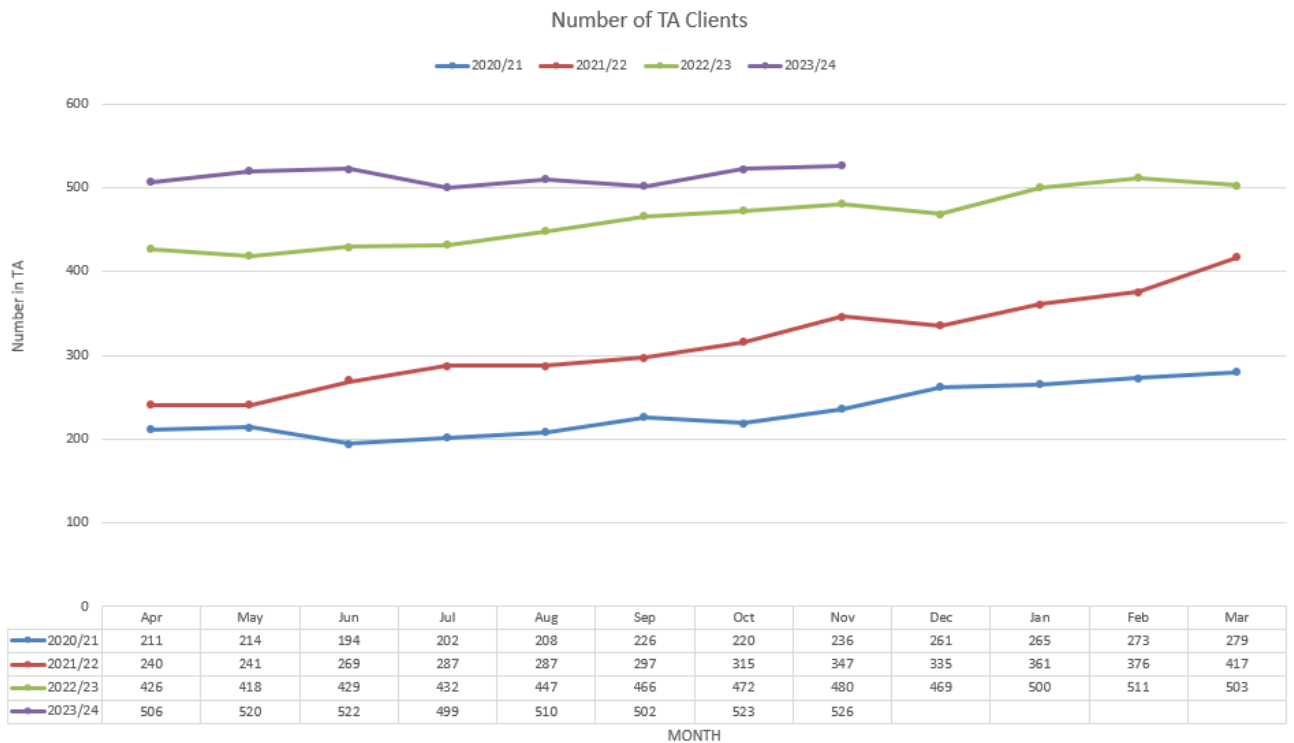
- i. The Council has a statutory responsibility to set a balanced Budget and Council Tax in advance of the commencement of the new financial year.
- ii. The report identifies that a balanced budget in 2024/25 can only be achieved by using £700k of General reserve funding.
- iii. The level of grant funding, Council Tax increases and income from fees and charges is insufficient to meet the annual increases in costs e.g. inflation, pay increases, demand pressures, in particular Homelessness.
- iv. The Council is only able to increase Council Tax by a maximum of 2.99% without a referendum.
- v. 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.
- vi. The Council needs to manage its Capital Financing requirements carefully to avoid unnecessary and costly interest charges. Therefore, it has reduced its

Capital Programme aspirations accordingly, and looking to maximise any potential Capital receipts.

## Summary of key issues

4. Local Government continues to find itself in a challenging financial period for all concerned. The Council is currently forecasting a budget deficit of £1.6m for 2023/24.
5. Despite identifying substantial Priority Income and Expenditure Review (PIER) savings of £3.8m for 2024/25 these are insufficient to balance the budget without the further use of Reserves.
6. 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.
7. Whilst savings of £3.8m have been identified for 2024/25, there are also unavoidable increases in costs such as contractual obligation inflation increases, and service demands that result in further use of the Council's reserves being required.
8. If the recommendations in the draft budget are approved by Council, there will be an increase in the Borough's part of the Council Tax in 2024/25 of 2.99% which is the maximum permissible without a referendum.
9. Not all the external grant figures are received before determining the budget. As such, some figures will remain as estimates and adjustments will be made when details are known e.g. figures for Disabled Facility Grants are not expected until well into 2024/25. Precept figures will be presented to Budget Council once determined by East Sussex County Council, Police and Crime Commissioner, and Fire Authority.
10. For 2024/25 the deficit is estimated at c.£700k if all savings identified in the budget are achieved. Whilst every effort is made to include achievable savings in the budget, inevitably circumstances may affect deliverability of these. The Council's historic savings performance is around 80%. If that performance were to be replicated, then there would be an additional £775k worth of deficit to cover.
11. The minimum level of General Reserve Balance is recommended to be £4m, which is made up of the following:
  - £1.8m (10% contingency of total Net Expenditure based on 2023/24 Budget)
  - £1.04m (20% Homelessness costs fluctuations)
  - £1.2m (Other unexpected / unforeseen events)Total = £4.04m (say **£4m**).
12. As savings are built into the revenue budget for 2024/25 the potential risk of unachieved savings of £775k is taken into consideration as part of the 10% contingency above.
13. The number of people in temporary accommodation remains stable, but a key driver of costs has been an increase in provider (i.e. landlord) costs.

14. The graph below shows the demand for temporary housing and the growth over the past number of financial years and why it has been considered the Councils primary strategic focus.



### Funding allocations from government

15. The Local Government Finance Settlement is the annual determination of funding to local government. It was announced on 18 December 2023.
16. The settlement provides details of the Revenue Support Grant and level of Business Rates that the government expects councils to retain – the Settlement Funding Assessment.
17. The Government continues to publicise the need to help local Councils and intimated that it would be supportive of the issues that Councils were facing including Homelessness.
18. Appendix B provides the full Revenue Forward Plan and an extract below provides a list of the additional funding that has been provided to Hastings as a Council through the Settlement process.
19. Highlighted below are the main areas of focus when comparing the changes in central funding allocations (those outside Council tax increases and Business Rates funding) year on year comparisons.

	2023-24 Projection	2024-25 Projection	£'000 Change from previous year	% Change from previous year
	£000's	£000's		
From Collection Fund - Council Tax	(7,680)	(7,933)	(253)	3%
2nd Homes Tax	0	(52)	(52)	100%
From Collection Fund - Business Rates	(2,624)	(2,354)	270	-10%
Revenue Support Grant	(1,309)	(1,395)	(87)	7%
Lower Tier Services Grant	(154)	(315)	(161)	105%
New Homes Bonus	(16)	(89)	(73)	456%
Council Tax Support Admin Grant	(237)	(237)	0	0%
Housing Benefit Admin Grant	(425)	(437)	(12)	3%
NNDR (Surplus) / Deficit	1,619	1,208	(411)	-25%
NNDR Pooling	(80)	(65)	15	-19%
Business Rates Section 31 Grant	(3,009)	(2,065)	944	-31%
Council Tax Surplus	(207)	(255)	(48)	23%
<b>Contribution To General Fund</b>	<b>(14,121)</b>	<b>(13,989)</b>	<b>132</b>	

20. As can be seen from the table above, the Council is projected to receive £132k less funding in total than in the current financial year when taking all funding streams into account.
21. However, some areas have received more funding and the individual percentage increases (or decreases) are included for ease of reference here and is important to understand the overall context of the funding available for Local Government, which for district councils like Hastings continues to be inadequate to fund the statutory and essential services we provide.
22. Along with the financial government support from the settlement there is also the ability for this Council to raise its share of council tax to a maximum of 2.99%. Officers are recommending to Council set the council tax level at the maximum, and the budget figures included in the appendices are based on the assumption that this is agreed.

### Council Tax Empty Homes and Second Homes Premiums

23. The Budget Council will also be recommended to change the Council's approach in respect of certain discretionary areas within Council Tax legislation. In the main, the changes will take effect from 1 April 2024, however the introduction of the Levelling Up and Regeneration Act 2023 will allow the Council to make further amendments to the levying of Council Tax premiums within the Borough with effect from both 1 April 2024 and 1 April 2025. Full details are provided in Appendix A
24. The changes are provided by the Levelling Up and Regeneration Act 2023 which has recently received Royal Assent. The changes within the Act essentially fall into two distinct parts namely:
- (a) To bring forward the period from two years to one year when an unoccupied and substantially unfurnished dwelling (empty dwelling) can be charged a premium of 100% All other empty dwelling premiums remains unchanged, namely:
- A premium of 200% where dwelling has remained empty for a period of 5 years or more;

- A premium of 300% where dwelling has remained empty for a period of 10 years or more; and
- (b) To enable the charging of a 100% premium for any dwellings which are:
- No one's sole or main residence; and
  - Substantially furnished.
25. When determining its policy, each billing authority has to decide the level of discount (if any) to be granted and the amounts (percentage) of any premium by the 31 March prior to the financial year in which it wants to introduce the changes.
  26. Where a change is proposed, there is a requirement to determine the level of any premium and a decision is now required to be made by full Council under Section 11A, 11B and the new 11C of the Local Government Finance Act 1992.
  27. The proposed changes if agreed would be expected to generate additional income for the Council (along with the preceptors East Sussex County Council, East Sussex Fire & Rescue Service and the Police). All preceptors have been consulted and agree with the proposal as part of this process.
  28. Hastings' share of the estimated additional income is listed in Appendix B over the lifetime of the MTFs, however for ease of reference the sums that would be generated for next two financial years are £52k (2024/25) and £178k (2025/26) respectively.
  29. In line with the legislation, if the recommendations are accepted by Budget Council, details of the resolution would be published in at least one local newspaper within 21 days of the decision.
  30. Officer's will therefore recommended that these proposals are agreed as outlined, and for the reasons provided in Appendix A.

## Budget Assumptions

31. The draft budget contains a number of assumptions and estimates in order to underpin the figures and build-in a prudent amount for changes and fluctuations that are inevitable when trying to predict the future fiscal and economic landscape.
32. Pay awards in the public sector have been much publicised of late, with protracted national negotiations ongoing for large parts of the current financial year. The pay award agreed in 2023/24 for staff was £1,925 (or 3.88% as an equivalent).
33. Given the need to be prudent around where the negotiations could end up in 2024/25, the budget has allowed for a 5% increase in pay award for staff in 2024/25 and then 3% for the subsequent years.
34. The Budget also includes built-in contractual and general inflation increase estimates of 3% each year. Despite industry experts estimating that inflation and interest rates will start to drop towards the winter of 2024, these are in no way certain due to the political landscape around a general election and economic uncertainty around housing and fuel costs.
35. A further factor for the council to consider is the planned changes in relation to food waste collection. The potential impact that these legislative changes will have on the council's budget and operational team is not fully understood at the time of writing.

36. The Government have announced additional capital funding to aid with funding the changes, but initial estimates show that there is a funding gap, both locally and for many district councils of between £2-300,000. Therefore, the draft budget includes a provision to reflect this risk and any uncertainty around future potential costs associated with the changes.

## Reserves

37. As part of the continued commitment to become more financially resilient and to extensively review all areas of finance including the council's reserves, a number of changes and revisions have been proposed.
38. The Repairs and Renewals reserve will focus primarily on Health and Safety matters for the next three years and as a result the reserve will have reduced contributions (as agreed as part of the budget savings process).
39. This will also allow a new reserve to be created and developed around the maintenance of the councils assets as part of the new Asset Management Strategy and this will be in conjunction with a fees and charges strategy that aims to incorporate costs in a more transparent way.
40. There are also proposed changes to the IT reserve to allow for business case approach for all projects (which aligns with other areas of the organisation) and will link in with an IT strategy which in turn is linked to the new Corporate Plan and new operating model when agreed.
41. The General Reserve Balance is predicted to be £6.8m (2023/24), £6.05m (2024/25), £6.5m (2025/26) & £5.72m (2026/27). This is a considerably improved position than that which was included in the latest previous MTFS forecasts, and was aided by the savings agreed in December 2023 (detailed in Appendix K).

## Savings

42. Following further work and classifications of timelines and deliverability issues, there have been a number of amendments made to the savings plan agreed at the December Full Council, which are listed in Appendix K.

## Conclusion

43. The saving proposals that were agreed by Full Council in December, if achieved, will provide the stability and financial resilience that is required to place this Council in a better financial position.
44. However, agreeing a programme of transformation to achieve savings targets is one thing, maintaining a focus on delivering them will take the total commitment of all staff and councillors. The savings targets are substantial and challenging, but with unwavering focus and prioritisation they are achievable.
45. This will remain a challenging time for the council and its partners and community, especially if the economic conditions we operate in do not considerably improve. The housing and homelessness crisis remains a considerable threat to HBC's sustainability.
46. Through combined focus and effort of the whole council, and as a result of councillors taking some difficult decisions, the General Reserve Balance is now predicted to be stabilising over the lifetime of the MTFS and is not forecast to drop below the minimum recommended level of £4m in any of the proceeding financial periods.

47. The substantial changes and reductions to the capital programme have allowed the council to review, and reduce, its financial borrowing commitments in line with affordability profiles. This has helped to ease the financial burden.
48. In conclusion, despite the political uncertainty that the Council has experienced since agreeing the December savings plan, and a continued battle with homelessness costs, the draft budget reflects the hard work and endeavours of the organisation over the past couple of years to identify changes needed to cope with the additional financial burdens placed upon it.
49. The support of partners is very much welcomed. As financial challenges remain a constant in all sectors, further developing and enhancing our relationships and partnerships with others working to improve the quality of life and opportunities for local people is paramount to the council's financial stability and resilience.

### Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Budget Overview & Scrutiny		5 February 2024	Chief Finance Officer
Budget Cabinet	Agenda published 2 February 2024	12 February 2024	Chief Finance Officer
Budget Council		21 February 2024	Chief Finance Officer

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### Wards Affected

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

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### Policy Implications

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

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

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### Additional Information



Appendix A –	Council Tax Premiums
Appendix B –	Forward Revenue Plan
Appendix C –	Council Tax & Business Rates
Appendix D -	Interest, MRP and Contribution to Reserves
Appendix E -	Capital Programme
Appendix G -	Land Disposal Programme
Appendix H -	Revenue Budget Summary
Appendix I -	Reserves
Appendix K -	Savings (updated)

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## Officer to Contact

Kit Wheeler

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**Revenue Budget Forward Plan**

Revenue Budget Forward Plan	2023-24 Projection £000's	2024-25 Projection £000's	2025-26 Projection £000's	2026-27 Projection £000's	2027-28 Projection £000's
Direct Service Expenditure	16,896	17,628	18,157	18,702	19,263
<b>Less Planned Savings</b>					
Additional Growth Items	0	0	300	300	300
Identified Savings / Reductions (Appendix K)	0	(1,266)	(2,510)	(1,688)	(1,688)
Fees and Charges		(344)	(289)	(208)	(208)
<b>Direct Service Expenditure (Net)</b>	<b>16,896</b>	<b>16,018</b>	<b>15,658</b>	<b>17,105</b>	<b>17,666</b>
<b>Funding Commitments:-</b>					
<b>Other:</b>					
Contingency Provision	0	300	300	300	300
Gross Interest Payable	2,435	1,817	1,817	1,817	1,817
Gross Interest Received	(1,330)	(1,300)	(1,300)	(1,300)	(1,300)
Minimum Revenue Provision (excl. Inc Gen Adj)	904	966	1,021	1,125	1,179
Contribution to Reserves	760	607	607	607	657
Use of Earmarked Reserves	(3,913)	(3,622)	(3,743)	(3,577)	(3,037)
<b>Net Council Expenditure</b>	<b>15,752</b>	<b>14,786</b>	<b>14,360</b>	<b>16,077</b>	<b>17,282</b>
Taxbase	26,473	26,728	27,062	27,400	27,743
Council Tax	290.09	298.76	307.69	316.89	326.37
<b>Funding</b>					
From Collection Fund - Council Tax	(7,680)	(7,933)	(8,327)	(8,683)	(9,054)
2nd Homes Tax	0	(52)	(178)	(183)	(188)
From Collection Fund - Business Rates	(2,624)	(2,354)	(2,401)	(2,449)	(2,498)
Revenue Support Grant	(1,309)	(1,395)	(1,300)	(1,300)	(1,300)
Lower Tier Services Grant	(154)	(315)	0	0	0
New Homes Bonus	(16)	(89)	(89)	(89)	(89)
Council Tax Support Admin Grant	(237)	(237)	(237)	(237)	(237)
Housing Benefit Admin Grant	(425)	(437)	(437)	(437)	(437)
NNDR (Surplus) / Deficit	1,619	1,208	0	0	0
NNDR Pooling	(80)	(65)	(65)	(65)	(65)
Business Rates Section 31 Grant	(3,009)	(2,065)	(1,500)	(1,530)	(1,561)
Council Tax Surplus	(207)	(255)	(255)	(255)	(255)
<b>Contribution To General Fund</b>	<b>(14,121)</b>	<b>(13,989)</b>	<b>(14,789)</b>	<b>(15,228)</b>	<b>(15,685)</b>
<b>Funding Shortfall / (Surplus)</b>	<b>1,630</b>	<b>796</b>	<b>(429)</b>	<b>849</b>	<b>1,598</b>
<b>(Use of) / Trf to General Reserve</b>	<b>(1,630)</b>	<b>(796)</b>	<b>429</b>	<b>(849)</b>	<b>(1,598)</b>
<b>Net Funding Shortfall / (Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Reserve Balance (31st March)</b>	<b>6,793</b>	<b>5,997</b>	<b>6,426</b>	<b>5,578</b>	<b>3,980</b>

**COUNCIL TAX**

<b><u>2023-2024</u></b>			<b><u>2024-2025</u></b>			
Total £	Band D £		Total £	Band D £	Increase %	
13,996,595		Budget requirement	14,809,485			
(1,308,581)		Revenue Support Grant	(1,395,256)			
(156,974)		Council Tax Administration Support Grant	(236,560)			
(16,240)		New Homes Bonus	(88,534)			
1,412,466		Collection Fund (Surplus) / Deficit	953,052			
(3,417,819)		Other non-ring fenced grants	(3,702,706)			
(2,829,894)		Retained Business Rates	(2,354,223)			
<b>7,679,553</b>	<b>290.09</b>	<b>Borough Council Tax</b>	<b>7,985,257</b>	<b>298.76</b>	2.99%	8.67
44,840,476	1,693.80	County Council Precept	47,530,954	1,778.32	4.99%	84.52
2,763,018	104.37	Fire Authority Precept	2,923,241	109.37	4.79%	5.00
6,351,209	239.91	Police and Crime Commissioner Precept	6,813,234	254.91	6.25%	15.00
<b>61,634,256</b>	<b>2,328.17</b>	<b>Total Council Tax</b>	<b>65,252,687</b>	<b>2,441.36</b>	4.86%	
	<b>26,473</b>	<b>Council Taxbase at Band D</b>		<b>26,728</b>		

TABLE OF COUNCIL TAX BANDS AND AMOUNTS :

<b><u>2023-2024</u></b>		<i>Relationship to Band D</i>	<i>East Sussex County Council</i>	<i>Police and Crime Commissioner</i>	<i>East Sussex Fire Authority</i>	<i>Hastings Borough Council</i>	<b><u>2024-2025</u></b>
<i>Total Amount</i>	<i>Band and Value</i>						<i>Total Amount</i>
£1,552.11	A - up to £40,000	6 / 9	£1,185.55	£169.94	£72.91	£199.17	£1,627.57
£1,810.81	B - £40,001 up to £52,000	7 / 9	£1,383.14	£198.26	£85.07	£232.37	£1,898.84
£2,069.48	C - £52,001 up to £68,000	8 / 9	£1,580.73	£226.59	£97.22	£265.56	£2,170.10
£2,328.17	D - £68,001 up to £88,000	-	£1,778.32	£254.91	£109.37	£298.76	£2,441.36
£2,845.53	E - £88,001 up to £120,000	11 / 9	£2,173.50	£311.56	£133.67	£365.15	£2,983.88
£3,362.92	F - £120,001 up to £160,000	13 / 9	£2,568.69	£368.20	£157.98	£431.54	£3,526.41
£3,880.28	G - £160,001 up to £320,000	15 / 9	£2,963.87	£424.85	£182.28	£497.93	£4,068.93
£4,656.34	H - over £320,000	18 / 9	£3,556.64	£509.82	£218.74	£597.52	£4,882.72
44,024	Number of properties on Council Tax Banding List						44,168
£26,473	Each £1 of Council Tax at Band D will raise						£26,728

**Appendix C (continued)**

**1. BUSINESS RATES BASELINE**

	<b>Budget 2023-24 Amount £</b>	<b>Revised Budget 2023-24 Amount £</b>	<b>Budget 2024-25 Amount £</b>
<b>NNDR Income</b>			
Gross rateable value	66,424,683	65,220,618	65,220,618
Small business multiplier	49.9	49.9	49.9
Gross rates receivable	<u>33,145,917</u>	<u>32,545,088</u>	<u>32,545,088</u>
Reliefs and allowances for bad debt and appeals	<u>(9,520,088)</u>	<u>(10,015,779)</u>	<u>(10,617,636)</u>
Net rates less losses	23,625,829	22,529,309	21,927,452
Cost of Collection allowance	<u>(150,464)</u>	<u>(130,470)</u>	<u>(106,836)</u>
<b>NNDR Income</b>	<u>23,475,365</u>	<u>22,398,839</u>	<u>21,820,616</u>
<b>Hastings BC Share (40%)</b>	<b>9,390,146</b>	<b>8,959,536</b>	<b>8,728,247</b>
<b>Tariff Calculation</b>			
Business Rates Baseline for HBC	10,137,291	10,137,291	10,356,208
DCLG calculation of baseline funding level	3,962,452	3,962,452	4,112,334
Adjustment for Revised budget	0	0	0
<b>Tariff</b>	<u>6,174,839</u>	<u>6,174,839</u>	<u>6,243,874</u>
<b>Levy calculation</b>			
Total income	9,390,146	8,959,536	8,728,247
Add 50% small business relief	1,145,131	1,121,931	1,089,937
Add reliefs attracting Section 31 grant	372,841	376,791	798,324
Adjusted income	<u>10,908,118</u>	<u>10,458,258</u>	<u>10,616,508</u>
Less Tariff	<u>(6,174,839)</u>	<u>(6,174,839)</u>	<u>(6,243,874)</u>
	4,733,279	4,283,419	4,372,634
Baseline funding level	<u>(3,962,452)</u>	<u>(3,962,452)</u>	<u>(4,112,334)</u>
Growth	<u>770,827</u>	<u>320,967</u>	<u>260,300</u>
<b>Levy payable (50%)</b>	<u>385,413</u>	<u>160,483</u>	<u>130,150</u>
<b>Pooling income (50% of levy / additional pool share)</b>	<u>(192,707)</u>	<u>(80,242)</u>	<u>(65,075)</u>
<b>Safety Net calculation</b>			
Baseline funding level	3,962,452	3,962,452	4,112,334
Threshold (92.5% of baseline funding level)	3,665,268	3,665,268	3,803,909
Adjusted income less Tariff	4,733,279	4,283,419	4,372,634
Difference	<u>1,068,011</u>	<u>618,151</u>	<u>568,725</u>
<b>Safety Net receivable</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Business Rates Collection</b>			
Business Rates precept	9,390,146	8,959,536	8,728,247
Tariff	(6,174,839)	(6,174,839)	(6,243,874)
Levy	(385,413)	(160,483)	(130,150)
Safety Net	0	0	0
<b>Net Business Rates collection</b>	<u>2,829,894</u>	<u>2,624,214</u>	<u>2,354,223</u>
<b>Section 31 income</b>	<b>2,645,426</b>	<b>3,010,547</b>	<b>2,064,910</b>

**2. COLLECTION FUND**

	<b>2023-24 Original Budget £</b>	<b>2023-24 Revised Budget £</b>	<b>2024-25 Estimate Budget £</b>
Council Tax (Surplus) / Deficit	(206,799)	(206,799)	(254,831)
Non Domestic Rates (Surplus) / Deficit	1,619,265	1,619,265	1,207,883
<b>Total Collection Fund (Surplus) / Deficit</b>	<b>1,412,466</b>	<b>1,412,466</b>	<b>953,052</b>

**Council Tax – Overall**

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

- 1 It be noted that the Council has calculated the Council Tax Base 2024/25 for the whole Council area as 26,728 [Item T in the formula is Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]
- 2 Calculate that the Council Tax requirement for the Council’s own purposes for 2023/24 is £7,985,257
- 3 That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
  - (a) 77,127,966 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils
  - (b) 69,142,709 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act
  - (c) 7,985,257 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act)
  - (d) 298.76 Being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year
  - (e) £0 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
  - (f) 298.76 Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates
- 4 To note that the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council’s area as indicated in the table below.
- 5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Hastings Borough Council	199.17	232.37	265.56	298.76	365.15	431.54	497.93	597.52
East Sussex County Council (Including Adult Social Care)	1,185.55	1,383.14	1,580.73	1,778.32	2,173.50	2,568.69	2,963.87	3,556.64
East Sussex Fire Authority	72.91	85.07	97.22	109.37	133.67	157.98	182.28	218.74
Police and Crime	169.94	198.26	226.59	254.91	311.56	368.2	424.85	509.82
Aggregate of Council Tax Requirement	1,627.57	1,898.84	2,170.10	2,441.36	2,983.88	3,526.41	4,068.93	4,882.72

- 6 The Council’s basic amount of Council Tax for 2024/25 is not excessive as determined in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. To be deemed excessive the Borough’s Council Tax would need to be increased by 3%, or more than 3%, and also more than £5 in 2024/25

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

**Appendix D**

	<b>2023-24 Original Budget £000's</b>	<b>2023-24 Forecast Outturn £000's</b>	<b>2024-25 Original Budget £000's</b>
<b>Net Interest Payments</b>	<b>1,537</b>	<b>1,105</b>	<b>515</b>
<b>Contributions to Reserves</b>	<b>0</b>	<b>760</b>	<b>607</b>
Minimum Revenue Provision (Statutory provision for principal repayment arising from borrowing requirement)	<b>945</b>	<b>904</b>	<b>966</b>
<b>Total</b>	<b>2,482</b>	<b>2,769</b>	<b>2,088</b>
<b>Interest</b>			
Gross Interest Payable	<b>2,436</b>	<b>2,435</b>	<b>1,815</b>
Gross Interest Received	<b>(899)</b>	<b>(1,330)</b>	<b>(1,300)</b>
	<b>1,537</b>	<b>1,105</b>	<b>515</b>





Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget £'000	Before 31.3.23 £'000	Carry Forwards / £'000	Original Budget £'000	2023/24 Spend to	Revised 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	Subsequent Years £'000	
H07	71227	<b>Private Sector Renewal Support</b>											
		<u>Funding Source</u>											
		Council	Property grants to bring conditions up to minimum standards. Regional Housing Board Grant+ LEP funding of £46K. Received £52k repayable renovation grant for 30 Park View	0	0	0	0	0	0	0	0	0	0
		Other		71	47	1	0	1	1	7	8	8	0
		<u>Total Funding</u>	71	47	1	0	1	1	7	8	8	0	
H08	71228	<b>Disabled Facilities Grant</b>											
		<u>Funding Source</u>											
		Council	Ring Fenced Scheme so the Budget will be adjusted to the actual spend at the year end & will be c/f into the New year - as such there will be no variance at the end of the F/Y.	0	0	0	0	0	0	0	0	0	0
		Other		16,367	6,087	0	2,056	1,173	2,056	2,056	2,056	2,056	2,056
		<u>Total Funding</u>	16,367	6,087	0	2,056	1,173	2,056	2,056	2,056	2,056	2,056	
H15	71229	<b>Empty Homes Strategy - CPO</b>											
		<u>Funding Source</u>											
		Council	Rolling programme of purchases and disposals	150	100	50	0	0	50	0	0	0	0
		Other		0	0	0	0	0	0	0	0	0	0
		<u>Total Funding</u>	150	100	50	0	0	50	0	0	0	0	
RP04	71231	<b>Restoration Pelham Crescent/ Pelham Arcade</b>											
		<u>Funding Source</u>											
		Council	The final phases of the restoration of the timber and glazed roof lantern and historic frontages to Pelham Arcade. The last substantial unit at 9-11 Pelham Arcade is now coming forward for a restoration grant. The remaining small units can be swept up in the following years to complete the scheme.	436	296	-100	100	0	0	140	0	0	0
		Other		604	294	-230	250	0	20	290	0	0	0
		<u>Total Funding</u>	1,040	590	-330	350	0	20	430	0	0	0	
RP16	71232	<b>Road at Pelham Arcade</b>											
		<u>Funding Source</u>											
		Council	Road above Pelham Arcade - Freeholder Contributions & Historic England	465	11	0	20	0	20	200	234	0	0
		Other		951	42	0	40	0	40	500	369	0	0
		<u>Total Funding</u>	1,416	53	0	60	0	60	700	603	0	0	
RP11	71240	<b>Groyne Refurbishment</b>											
		<u>Funding Source</u>											
		Council	To maintain Beach and Groynes	140	0	0	35	0	35	35	35	35	0
		Other		0	0	0	0	0	0	0	0	0	0
		<u>Total Funding</u>	140	0	0	35	0	35	35	35	35	0	
ES35	71241	<b>Work on Harbour Arm and New Groynes</b>											
		<u>Funding Source</u>											
		Council	Coastal Protection – FDGIA Funding for sea defence works. 10/10/2022 - Any underspend will need to be c/f to 23/24 as this budget is ring-fenced flood defence in aid funding.	0	0	0	0	0	0	0	0	0	0
		Other	Contribution from DEFRA/EA	2,965	2,731	234	0	10	234	0	0	0	0
		<u>Total Funding</u>	2,965	2,731	234	0	10	234	0	0	0	0	
ES37	71249	<b>Playgrounds Upgrade Programme</b>											
		<u>Funding Source</u>											
		Council	Hare Way, Mare Bay, Highwater View, Bexhill Road and other play spaces contribution to upgrades. S106 & Capital Receipts. Future years includes Youth Centre?	122	122	0	0	0	0	0	0	0	0
		Other		183	139	44	0	0	44	0	0	0	0
		<u>Total Funding</u>	305	261	44	0	0	44	0	0	0	0	
CR-19	71253	<b>Conversion of 12/13 York Buildings</b>											

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget	Before 31.3.23	Carry Forwards /	Original Budget	2023/24 Spend to	Revised 23/24	24/25	25/26	26/27	Subsequent Years
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<u>Funding Source</u>											
	Council	Conversion of the upper floors of this grade 2 listed building to six flats	948	921	-47	74	27	27	0	0	0	0
	Other		63	63	0	0	0	0	0	0	0	0
	<u>Total Funding</u>		1,011	984	-47	74	27	27	0	0	0	0
OS06	71256	<b>Energy - Solar Panels</b>										
	<u>Funding Source</u>											
	Council	Solar Panels on non-domestic rooftops within the borough	1,700	62	0	500	0	500	500	638	0	0
	Other		0	0	0	0	0	0	0	0	0	0
	<u>Total Funding</u>		1,700	62	0	500	0	500	500	638	0	0
OS4	71258	<b>Buckshole Reservoir</b>										
	<u>Funding Source</u>											
	Council	<b>Statutory Protection Works:</b> Spillway, drawdown works, signage & Contract Works	465	422	43	0	43	43	0	0	0	0
	Other		910	910	0	0	0	0	0	0	0	0
	<u>Total Funding</u>		1,375	1,332	43	0	43	43	0	0	0	0

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget £'000	Before 31.3.23 £'000	Carry Forwards / £'000	Original Budget £'000	2023/24 Spend to	Revised 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	Subsequent Years £'000
<b>Prory Meadow Contribution to Capital Works</b>												
CR-22	71259	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>	912	162	-38	288	0	250	250	250	0	0
			0	0	0	0	0	0	0	0	0	0
			912	162	-38	288	0	250	250	250	0	0
<b>Prory Street Multi Storey Car Park</b>												
OS12	71265	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>	1,545	145	0	0	0	0	0	0	0	1,400
			0	0	0	0	0	0	0	0	0	0
			1,545	145	0	0	0	0	0	0	0	1,400
<b>Energy Generation - Unallocated</b>												
OS07	71267	<u>Funding Source</u>										0
		Council										
		Other										
		<u>Total Funding</u>	4,300	0	-1,800	2,300	0	500	1,000	1,800	1,000	0
			0	0	0	0	0	0	0	0	0	0
			4,300	0	-1,800	2,300	0	500	1,000	1,800	1,000	0
<b>Lower Bexhill Road</b>												
OS13	71271	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>	93	93	0	0	0	0	0	0	0	0
			1,818	1,818	0	0	0	0	0	0	0	0
			1,911	1,911	0	0	0	0	0	0	0	0
<b>Churchfields Business Centre</b>												
CR-26	71272	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>	131	131	0	0	0	0	0	0	0	0
			4,406	4,010	396	0	396	396	0	0	0	0
			4,537	4,141	396	0	396	396	0	0	0	0

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget £'000	Before 31.3.23 £'000	Carry Forwards / £'000	Original Budget £'000	2023/24 Spend to	Revised 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	Subsequent Years £'000
<b>Development / Furbishment of Lacuna Place</b>												
CR-27	71273	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>										
		Office building with ground floor retail accommodation totalling 39,696 Sq.ft.	9,585	9,471	114	0	0	114	0	0	0	0
			27	27	0	0	0	0	0	0	0	0
			9,612	9,498	114	0	0	114	0	0	0	0
<b>Cornwallis Street Development</b>												
CR-29	71275	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>										
		Redevelopment of Cornwallis Street for Hotel	8,720	320	-8,200	8,400	66	200	0	0	0	8,200
			0	0		0	0	0	0	0	0	0
			8,720	320	-8,200	8,400	66	200	0	0	0	8,200
<b>Harold Place Restaurant Devt</b>												
CR-30	71276	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>										
		Redevelopment of Harold Place for Restaurant use - This project has been aborted and any outstanding fees to be	80	59	1	0	1	1	20	0	0	0
			9	9	0	0	0	0	0	0	0	0
			89	68	1	0	1	1	20	0	0	0
<b>Priory Street Works</b>												
OS16	71280	<u>Funding Source</u>										
		Council										
		Other										
		<u>Total Funding</u>										
		LED Lighting replacement, rewiring & automated gate control	140	99	41	0	0	41	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			140	99	41	0	0	41	0	0	0	0

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget £'000	Before 31.3.23 £'000	Carry Forwards / £'000	Original Budget £'000	2023/24 Spend to	Revised 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	Subsequent Years £'000
OS-30	71284	<b>Next Steps Accommodation Pathway</b>										
		<u>Funding Source</u>										
		Council										
		Government Grant										
		<b>Total Funding</b>	<b>1,997</b>	<b>1,111</b>	<b>886</b>	<b>0</b>	<b>599</b>	<b>886</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
CR-34	71285	<b>Castleham Industrial Units</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>325</b>	<b>121</b>	<b>204</b>	<b>0</b>	<b>181</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OS33	71290	<b>MUGA Refurbishments</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>80</b>	<b>31</b>	<b>49</b>	<b>0</b>	<b>3</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OS34	71291	<b>TFC - Enterprise &amp; employment infrastructure</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OS64	71292	<b>TFC - Green low carbon skills &amp; economy</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>1,375</b>	<b>96</b>	<b>1,279</b>	<b>0</b>	<b>321</b>	<b>1,279</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OS35	71293	<b>TFC - Hastings Castle world heritage destination</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>611</b>	<b>111</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
OS36	71294	<b>TFC - Town to sea creative quarter</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>	<b>2,123</b>	<b>1,055</b>	<b>1,068</b>	<b>0</b>	<b>166</b>	<b>1,068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget £'000	Before 31.3.23 £'000	Carry Forwards / £'000	Original Budget £'000	2023/24 Spend to	Revised 23/24 £'000	24/25 £'000	25/26 £'000	26/27 £'000	Subsequent Years £'000
OS37	71295	<b>TFC - Town centre core</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		Towns Fund - Town Centre Core	0	0	0	0	0	0	0	0	0	0
			853	840	13	0	0	13	0	0	0	0
			853	840	13	0	0	13	0	0	0	0
OS38	71296	<b>TFC - Town centre public realm &amp; green connections</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		Towns Fund - Public Realm & Green Connections	0	0	0	0	0	0	0	0	0	0
			866	66	800	0	0	800	0	0	0	0
			866	66	800	0	0	800	0	0	0	0
OS39	71297	<b>TFC - Town living</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		Towns Fund - Town Living	0	0	0	0	0	0	0	0	0	0
			129	39	90	0	0	90	0	0	0	0
			129	39	90	0	0	90	0	0	0	0
OS65	71298	<b>TFC - Source/Courtyard Lift</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		TFC - Source/Courtyard Lift	0	0	0	0	0	0	0	0	0	0
			65	65	0	0	0	0	0	0	0	0
			65	65	0	0	0	0	0	0	0	0
OS66	71300	<b>UK Shared Prosperity Fund (Capital)</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		Levelling Up Parks Fund	0	0	0	0	0	0	0	0	0	0
			40	0	40	0	9	40	0	0	0	0
			40	0	40	0	9	40	0	0	0	0
OS49	71301	<b>Grounds Maintenance Equipment</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
			626	0	0	626	396	626	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			626	0	0	626	396	626	0	0	0	0
OS50	71302	<b>Roof refurbishment Programme</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
			1,700	0	-700	700	0	0	700	500	500	0
			0	0	0	0	0	0	0	0	0	0
			1,700	0	-700	700	0	0	700	500	500	0
OS58	71303	<b>Cliff Railways</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
			774	0	0	1,000	768	774	0	0	0	0
			226	226	0	0	0	0	0	0	0	0
			1,000	226	0	1,000	768	774	0	0	0	0
OS63	71304	<b>Housing Acquisition Programme</b>										
		<u>Funding Source</u>										
		Council										
		Other										
		<b>Total Funding</b>										
		Purchase of Housing for temporary accomodation. Expecting Homes England to fund 20% of the scheme	9,492	0	0	4,746	2,914	4,746	4,746	0	0	0
			2,373	0	0	1,187	1,187	1,187	1,187	0	0	0
			11,865	0	0	5,933	4,101	5,933	5,933	0	0	0
OS64	71306	<b>Bexhill Road Retail Park</b>										
		<u>Funding Source</u>										
		Council										
			238	0	238	0	238	238	0	0	0	0

Capital Programme

Appendix E (continued)

Scheme Ref	Cost Code	Description	Total Budget	Before 31.3.23	Carry Forwards /	Original Budget	2023/24 Spend to	Revised 23/24	24/25	25/26	26/27	Subsequent Years
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Other	0	0	0	0	0	0	0	0	0	0
		<u>Total Funding</u>	238	0	238	0	238	238	0	0	0	0
OS64	71307	<b>Food Waste Collection</b>										
		<u>Funding Source</u>										
		Council	0	0	0	0	0	0	0	0	0	0
		Other	821	0	0	0	0	0	821	0	0	0
		<u>Total Funding</u>	821	0	0	0	0	0	821	0	0	0
OS64		<b>IT Upgrade Programme</b>										
		<u>Funding Source</u>										
		Council	600	0	0	0	0	0	200	200	200	0
		Other	0	0	0	0	0	0	0	0	0	0
		<u>Total Funding</u>	600	0	0	0	0	0	200	200	200	0
<b>Totals</b>												
		Council	48,790	17,842	-17,398	18,789	4,453	8,165	7,791	3,657	1,735	9,600
		Other	40,375	20,055	5,374	3,533	4,046	8,907	4,861	2,433	2,064	2,056
		<u>Total Funding</u>	89,165	37,896	-12,024	22,322	8,499	17,072	12,652	6,090	3,799	11,656

## **CAPITAL PROGRAMME FINANCING STATEMENT**

## **Appendix F**

	<b>2023/24 Original £'000</b>	<b>2023/24 Forecast £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>	<b>Total over life of Programme £'000</b>
<b><u>Spending</u></b>						
<b><u>Capital Spending</u></b>						
Total Gross Spend	22,322	17,072	12,652	6,090	3,799	39,613
<b><u>Funded By</u></b>						
Capital Grants & Contributions	3,533	8,907	4,861	2,433	2,064	18,264
Reserves	0	0	0	0	0	0
S106	0	271	0	0	0	271
Capital Receipts	952	2,579	900	0	50	3,529
Internal Funding	17,837	5,315	6,691	3,457	1,485	16,948
<b>Total</b>	<b>22,322</b>	<b>17,072</b>	<b>12,452</b>	<b>5,890</b>	<b>3,599</b>	<b>39,013</b>



**Land and Property Disposal Programme**

	<b>Estimated Receipts £</b>
<b><u>2024/25</u></b>	
Upper Wilting Farm Land (Lot 3)	
12/13 York Buildings	
Bexhill Road Pony Field	
Mayfield E	
Land at Sandrock	
Other	
	<hr/> 4,630,000
<b><u>2025/26</u></b>	
Land at Whitworth Road South of Roundabout	
Land at Whitworth Road North of Roundabout	
Other	
	<hr/> 0 300,000
<b><u>2026/27</u></b>	
Other	50,000
<b><u>2027/28</u></b>	
Other	
<b><u>2028/29</u></b>	
Other	

2023-23 ACTUAL	SERVICE	2023-24 BUDGET	2023-24 FORECAST OUTTURN	2023-24 FORECAST VARIANCE	2024-25 ESTIMATED FTE	Employees	Premises	Transport	Supplies and Services	Payments to Third Parties	Housing Benefit Payments	2024-25 ESTIMATED GROSS BUDGET	Appendix K SAVINGS	2024-25 ESTIMATED BUDGET	2024-25 BUDGET TO 2023-24 BUDGET VARIANCE
£	<b>SUMMARY OF REVENUE ESTIMATES</b>	£	£	£	FTE	£	£	£	£	£	£	£	£	£	£
4,068,000	Chief Finance Officer / S151 Officer	2,622,000	3,501,000	879,000	56	3,600,000	100,000	10,000	1,174,000	0	28,572,000	3,999,000	(747,000)	3,252,000	630,000
976,000	Chief Legal Officer / Monitoring Officer	986,000	946,000	(40,000)	10	925,000	0	10,000	109,000	0	0	1,005,000	0	1,005,000	19,000
1,389,000	Commercial Services and Development	931,000	1,022,000	(25,000)	37	1,695,000	612,000	14,000	1,283,000	6,000	0	895,000	(217,000)	678,000	(253,000)
1,082,000	Community and Regulatory Services	862,000	920,000	36,000	48	2,364,000	377,000	36,000	645,000	101,000	0	1,191,000	(248,000)	943,000	81,000
4,499,000	Environment and Operations	4,991,000	5,244,000	66,000	52	2,356,000	2,958,000	248,000	729,000	2,863,000	0	5,723,000	(215,000)	5,508,000	517,000
6,197,000	Housing	6,426,000	7,248,000	812,000	56	2,501,000	114,000	6,000	8,846,000	70,000	0	6,970,000	(407,000)	6,563,000	137,000
751,000	People and Business Support	726,000	842,000	21,000	9	591,000	419,000	0	94,000	0	0	854,000	(26,000)	828,000	102,000
2,283,000	Strategic Programmes	2,375,000	2,515,000	290,000	36	1,957,000	0	16,000	879,000	0	0	2,265,000	39,000	2,304,000	(71,000)
-4,731,000	Property and Commercial Assets Manager	(4,993,000)	(5,342,000)	(349,000)	7	388,000	764,000	8,000	166,000	0	0	(5,274,000)	0	(5,274,000)	(281,000)
		14,926,000	16,896,000	1,690,000	312	16,377,000	5,344,000	348,000	13,925,000	3,040,000	28,572,000	17,628,000	(1,821,000)	15,807,000	881,000
	Recharges	0	0	0	0	(36,330)	(636,060)	0	(148,350)	0	0	0	0	0	0
<b>16,514,000</b>		<b>14,926,000</b>	<b>16,896,000</b>	<b>1,690,000</b>	<b>312</b>	<b>16,340,670</b>	<b>4,707,940</b>	<b>348,000</b>	<b>13,776,650</b>	<b>3,040,000</b>	<b>28,572,000</b>	<b>17,628,000</b>	<b>(1,821,000)</b>	<b>15,807,000</b>	<b>881,000</b>



## RESERVES

Appendix I

	2023/24			2024/25			
	Balance at 1 April 2023 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2024 £'000	Income & Transfers £'000	Expenditure & Transfers £'000	Balance at 31 Mar 2025 £'000
General Reserve	(8,423)	760	1,631	<b>(6,032)</b>	607	796	<b>(4,629)</b>
Capital Reserve	(150)		0	<b>(150)</b>	(7)	0	<b>(157)</b>
<b>Earmarked Reserves</b>							
Asset Maintenance Reserves	(46)	(7)	1	<b>(52)</b>	(7)	1	<b>(58)</b>
Ore Valley Reserve	(250)	0	0	<b>(250)</b>	0	0	<b>(250)</b>
On-Street Car Parking Surplus Reserve	(40)	0	0	<b>(40)</b>	0	0	<b>(40)</b>
Countryside Stewardship	(28)	(80)	90	<b>(18)</b>	(70)	80	<b>(8)</b>
Disabled Facilities Grant	(1,374)	(2,056)	2,056	<b>(1,374)</b>	(2,056)	2,514	<b>(916)</b>
Information Technology Reserve	(274)	(64)	214	<b>(124)</b>	0	124	<b>0</b>
Risk Management Reserve	(315)	0	15	<b>(300)</b>	0	0	<b>(300)</b>
Invest to Save and Efficiency Reserve	(87)	0	14	<b>(73)</b>	(150)	223	<b>0</b>
Redundancy Reserve	(565)	0	0	<b>(565)</b>	0	0	<b>(565)</b>
Renewal and Repairs Reserve	(1,656)	(689)	1,038	<b>(1,307)</b>	(300)	863	<b>(744)</b>
DCE-Revenues Division	(255)	0	155	<b>(100)</b>	0	0	<b>(100)</b>
Section 106 Reserve (Revenue)	(426)	0	154	<b>(272)</b>	0	62	<b>(210)</b>
Business Rates Equalisation Reserve	(900)	0	900	<b>0</b>	0	0	<b>0</b>
Syrian Refugee Resettlement Programme	0	(53)	53	<b>0</b>	0	0	<b>0</b>
Housing Licensing Reserve	(277)	0	0	<b>(277)</b>	0	116	<b>(161)</b>
Community Housing Fund	(11)	0	0	<b>(11)</b>	0	0	<b>(11)</b>
Safer Hastings Partnership	(98)	0	22	<b>(76)</b>	0	20	<b>(56)</b>
Controlling Migration	(116)	0	0	<b>(116)</b>	0	0	<b>(116)</b>
Towns Fund	(236)	(372)	320	<b>(288)</b>	(259)	302	<b>(245)</b>
Section 31 Reserve	(3,653)	0	399	<b>(3,254)</b>	0	1,854	<b>(1,400)</b>
Green Investment Fund	0	(150)	0	<b>(150)</b>	(150)	150	<b>(150)</b>
Local Forward Plan (+Rother) (New)	0	(339)	78	<b>(261)</b>	0	200	<b>(61)</b>
	(10,606)	(3,810)	5,509	<b>(8,908)</b>	(2,992)	6,509	<b>(5,391)</b>
	<b>(19,179)</b>	<b>(3,050)</b>	<b>7,140</b>	<b>(15,089)</b>	<b>(2,392)</b>	<b>7,305</b>	<b>(10,176)</b>

Savings proposals	Further details	Revised Savings			Original Proposed Savings		
		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
<b>1. On-going programme to review and reduce service costs and staffing expenditure</b>	The council is continuing the programme of service reviews that were commenced last year. The savings proposed for 2024/25 include deletion of the Full Time Equivalent (FTE) posts following either a service review, restructure or by reviewing posts that have become vacant. <b>a) Net savings from phase 2 of restructure</b> Completed a review of management and staff structures following deletion of Marketing and Major Projects Manager post. A leaner service and management structure is in place that focuses on provision of essential services covering coastal, tourism, civic, event support, cultural, economic development and leisure services. There is now a reduction in capacity currently around non statutory, non-grant funded and non- income generating activity. This area however retains the ability to grow dependent on income generation and external grant funding levels.	£160,000	£160,000	£160,000	£160,000	£160,000	£160,000
	<b>b) Vacant posts</b> <ul style="list-style-type: none"> <li>• Customer Services Officer (CCC) 1 FTE</li> <li>• Vacant business support officer post 1 FTE</li> <li>• Vacant planning administration officer post 1 FTE</li> <li>• Vacant Warden post 1 FTE</li> <li>• Delay recruitment to vacant Planning Policy technical officer for 1 year 0.6 FTE</li> </ul>	£167,000	£167,000	£167,000	£167,000	£167,000	£167,000
<b>2. Service Delivery Model Transformation Programme</b>	The council implemented a digital transformation programme in 2015/16. This further transformation programme will build on that work and will explore opportunities to transform how we work to further reduce costs and to create more capacity and resilience by sharing resources, systems and skills with others.						
	<b>a) Back office operating model re-design</b> The first workstream of this programme will begin in January 2024 and will aim to share resources, streamline functions and maximise capacity and transferable skills to meet demand peaks across all service areas, at a lower cost. <ul style="list-style-type: none"> <li>• A savings target for this project has been set to achieve a reduction of at least 2 full time equivalent posts, ideally through a process of voluntary severance from 1<sup>st</sup> April 2024.</li> <li>• In scoping the review, the functions of all administration posts across services, grades 10 – 6 will be considered.</li> <li>• By taking this project review approach individuals and teams will be at the heart of the re-design work and will be able to contribute to and consider proposals before final decisions are made.</li> </ul>	£55,000	£55,000	£55,000	£55,000	£55,000	£55,000
	<b>b) Sharing services</b> The second workstream which has already started is the work to capitalise on new opportunities to improve or sustain service delivery by working with others. <input type="checkbox"/> A service delivery model transformation team will be established who will work with HBC and our partners throughout this process. <input type="checkbox"/> This team will be funded by 'invest to save' resources identified to support the project and achieve the targeted savings. <input type="checkbox"/> External funding will also be sought to facilitate this work – this is being made available by various organisations because it is an approach many councils are taking to address their deficits. <input type="checkbox"/> The project will commence in early 2024.	£193,000	£362,000	£482,500	£386,000	£724,000	£965,000
	This two-three-year programme will focus on opportunities for sharing back-office and essential services where others have the same statutory duty and/or savings can be made from management, administration, sharing and rationalising systems etc. or by providing the service for others. A key part of this work will be business process mapping. This will identify savings that can be achieved by implementing new ways of working even if services are not able to be shared at this time. Priorities for transformation and sharing depend on the opportunities available with other potential partner councils and public organisations, but over the lifetime of the project will include all services. Year 1 priorities for exploring potential for sharing are: <input type="checkbox"/> Chief Executive's division (SLT) <input type="checkbox"/> Accountancy and Exchequer services <input type="checkbox"/> Audit <input type="checkbox"/> Communications and graphic design <input type="checkbox"/> Environmental Health and Licensing <input type="checkbox"/> Estates and Building surveyors <input type="checkbox"/> Housing Management and administration <input type="checkbox"/> Human Resources <input type="checkbox"/> Information technology <input type="checkbox"/> Legal Services <input type="checkbox"/> Planning enforcement <input type="checkbox"/> Planning services (development management and planning policy) <input type="checkbox"/> Programmes and compliance <input type="checkbox"/> Revenues and Benefits						

Savings proposals	Further details	Revised Savings			Original Proposed Savings		
		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
	The potential savings from this programme have been identified as follows: Total staff cost of the areas listed above: £5.7m Total Full Time Equivalent staff is: 139.9FTE A range of savings targets have been considered: 10%, 15% and 20%. The target proposed: is to reduce the costs of these services by 15% i.e. 21 FTE posts, saving £865k, plus £100k of associated supplies and services costs = £965k The profile of the savings is based on recognition that these savings will take time to identify and implement and we need to work to the timescales of partner councils. For financial and strategic planning purposes we have assumed that we will achieve: 40% in 2024/25 adjusted for 50% reduction 75% in 2025/26 adjusted for 50% reduction 100% in 2026/27 adjusted for 50% reduction						
3. White Rock Theatre	The council has been successful in identifying a charitable organisation to lease and run the theatre over the medium term.	£25,000	£75,000	£75,000	£25,000	£75,000	£75,000
4. Community safety	Rather than reducing this priority activity, the work funded by the council's revenue grant to address community safety issues across the town will be funded from the community safety reserve for 3yrs.	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000
5. Events	Reduce the events budget by £15k. Seek an update by February 2024 from event organisers regarding their progress in becoming self-sufficient (as discussed during 2023/24)	£15,000	£15,000	£15,000	£15,000	£15,000	£15,000
6. Regeneration activity budget	Major regeneration funding now is accompanied by capacity funding and therefore the levels of support needed from core budgets to develop schemes is reduced. These cost centres supported capacity for developing bids and supporting one of regeneration initiatives such as the Seafront Wi-Fi. 3 Year seafront Wi-Fi contract ceases in March 2024 – proposal to cease due to technology now making this obsolete.	£64,000	£64,000	£64,000	£64,000	£64,000	£64,000
7. Anti-social behaviour pilot	Seek alternative external funding opportunities and therefore delay introduction of pilot to tackle Anti-Social Behaviour in urban and countryside parks (this was a growth item in the budget agreed in February 2023 to be in place from mid-way through 2024/25 part- year).	£10,500	£21,750	£21,750	£10,500	£21,750	£21,750
8. Youth council	Cease subsidy from 24/25 and find more effective means of engaging with youth representatives at key strategic and operational decision-making meetings. E.g. invite youth members onto the Local Strategic Partnership and associated bodies, seek input from those engaged with youth projects and via learning through the Connected Futures research work, into how youth voice can be better heard by town leaders and decision-making bodies.	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
9. Cashless operations	Introduce cashless services to save costs on cash collection contract.	£0	£25,000	£25,000	£25,000	£25,000	£25,000
10. Food safety inspections	Bring food safety inspections work in-house and avoid costs of contractor – work will transfer to substantive EH team. Changed during Cabinet Meeting.	£0	£0	£0	£0	£0	£0
11. CCTV	Cost savings from new contract for transmission and maintenance costs following an upgrade to technology. No change to service delivery.	£20,000	£20,000	£20,000	£20,000	£20,000	£20,000
12. Public Convenience Cleaning	Cleaning contract – actual cost of the new service is less than was budgeted.	£30,000	£30,000	£30,000	£30,000	£30,000	£30,000
13. Savings from re-tendered stray dogs contract	Savings from re-tendered contract without impacting on service.	£8,000	£8,000	£8,000	£7,000	£7,000	£7,000
14. Savings from Capital Programme Adjustments	Individual business cases will be bought forward for the assets identified for disposal. Estimated savings will be achieved from reduced interest payments & MRP provisions if HBC used capital receipts instead of borrowing to fund the capital programme.	£1,436,000	£3,617,000	£3,620,000	£600,000	£600,000	£600,000
15. Contingency	Instead of retaining budgets for 'just in case' contingency use, centralise budgets and determine strategic priorities.	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000

Savings proposals	Further details	Revised Savings			Original Proposed Savings		
		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
<b>16. Renewals and Reserves changes</b>	Change the way we fund repairs and renewals reserve. This will enable better oversight of whole costs of assets and planning for future maintenance programmes. All asset maintenance plans are being reviewed and spend will be limited to health and safety priorities or to preserve existing/generate new income.	£200,000	£200,000	£200,000	£300,000	£300,000	£300,000
<b>17. Affordable Housing Supply</b>	Supply of newly developed affordable rented homes which will become available to people to move into and out of temporary accommodation	£217,085	£1,739,440	£797,419	£1,175,820	£1,175,820	£1,175,820
<b>18. Housing Acquisitions</b>	This programme involves the council acquiring up to 50 homes over a two-year period for use as TA. The programme will use an end-to-end property service to increase the council's capacity to source, negotiate, acquire and refurbish properties	£189,458	£0	£0	£0	£0	£0
<b>19. IT reserve</b>	Changing how spend is managed - an annual revenue budget to be agreed to cover known costs, then all additional spend will require a business case to be agreed. This also ensures that appropriate costs are reflected in the capital programme budget.	£124,000	£124,000	£124,000	£75,000	£75,000	£75,000

New Income proposals		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
<b>19. Fees and charges</b>	Following a review of fees and charges the council has reflected the increased costs of delivery in the fees for services (these were agreed at Cabinet on 4 <sup>th</sup> December) and forecasts updated with latest figures.	£344,280	£289,096	£208,149	£120,000	£120,000	£120,000
<b>20. Treasury investment</b>	Aim to maximise investment returns and improve performance on the money the council has invested.	£400,000	£400,000	£400,000	£400,000	£400,000	£400,000
<b>21. New Homes Bonus</b>	102 New Homes identified as part of external review and additional NHB grant expected as a result of the work.	£88,534	£88,534	£88,534	£179,000	£179,000	£179,000

	2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
<b>Total Net Savings</b>	<b>£3,878,857</b>	<b>£7,592,820</b>	<b>£6,693,352</b>	<b>£3,946,320</b>	<b>£4,345,570</b>	<b>£4,586,570</b>
NB If only 80% of savings are achieved then additional savings required of	<b>£775,771</b>	<b>£1,518,564</b>	<b>£1,338,670</b>	<b>£789,264</b>	<b>£869,114</b>	<b>£917,314</b>

Other reviews underway/ to be completed that will identify cost savings, new income, cost avoidance or new ways of working over next 6-12 months						
24. A Single person discount review to be undertaken to identify any potential changes which will bring in additional revenue to fund council services.						
25. An Empty Homes review is being undertaken to ensure all homes that are eligible for a council tax charge are contributing to the cost of council services and fraudulent						
26. A business case is to be developed to introduce a more commercial approach to hiring of council venues and sites as demand for event space is increasing.						
27. Commercialisation and new trading opportunities explored following creation of the new Operational Services team – street cleansing, grounds maintenance etc.						
28. Undertake a wide-ranging review, to involve residents in 2024/25 of the costs of public conveniences to include options around charging. NB No changes will be made in 2024/2025.						
29. Additional proposals to reduce the cost and usage of temporary accommodation costs (over and above what is already planned).						
30. Invest to save debt collection business case proposal bought forward.						
31. Review and where necessary re-tender contracts held across HBC facilities e.g. security, confidential waste, photocopiers, mobile phones etc.						
32. In early 2024/25 implementation of a review of Housing Services – staff structure, use of external funding, options for sharing activities.						
33. Review of parks service and staffing structure once new grounds maintenance service has been operational for 6 months.						
34. Review of council tax reduction policy and second/holiday homes council tax (summer 2024)						

Savings proposals	Further details	Revised Savings			Original Proposed Savings		
		2024/25	2025/26	2026/27	2024/25	2025/26	2026/27
	35. Development of a business case for invest to save resources to explore a cultural trust model for sustainable future for cultural assets.						
	36. Review out of hours arrangements ensuring council has capacity to respond appropriately in emergencies and out of office hours.						
	37. Review evidence for further housing licensing scheme and depending on outcome develop a business case that is cost-neutral to HBC.						
	38. Seek opportunities to expand the successful Active Hastings programme across neighbouring areas and via their role in addressing health inequalities within the levelling up programmes.						
	39. Develop proposals to use Levelling Up funding to invest in playgrounds and ensure they are not at risk of closure in future due to lack of funding for maintenance etc.						
	40. Pause applications for Green Flags for the town's Parks whilst we embed our new Grounds Maintenance team and review whether the standards are actually contrary to						



**Report To:** Overview and Scrutiny Committee

**Date of Meeting:** 5 February 2024

**Report Title:** Council Tax Empty Homes and Second Homes Premiums

**Report By:** Buki Adekoya Revenues and Benefits Service Manager

**Key Decision:** Yes

**Classification:**

**1.0 PURPOSE OF REPORT**

- 1.1 The policy is primarily designed to encourage taxpayers to use premises as their main residence or allow others to use the premises as a main residence. It is also envisaged that the policy will allow more empty dwellings or unoccupied dwellings to be brought back into use.
- 1.2 In addition to the above, the policy will provide additional funding to the collection fund which will be shared between the Council, the major precepting authorities and the local precepting authorities in line with their share of the Council Tax.

**2.0 SUMMARY**

- 2.1 The report identifies decisions required by full Council and makes recommendations to change the Council's approach in respect of certain discretionary areas within Council Tax legislation. In the main, the changes will take effect from 1 April 2024, however the introduction of the Levelling Up and Regeneration Act 2023 will allow the Council to make further amendments to the levying of Council Tax premiums within the Borough with effect from both 1 April 2024 and 1 April 2025.

**3.0 BACKGROUND**

- 3.1 The report identifies decisions required by full Council and makes recommendations to change the Council's approach in respect of certain discretionary areas within Council Tax legislation. In the main, the changes will take effect from 1 April 2024, however the introduction of the Levelling Up and Regeneration Act 2023 will allow the Council to make further amendments to the levying of Council Tax premiums within the Borough with effect from both 1 April 2024 and 1 April 2025.
- 3.2 The changes are provided by the Levelling Up and Regeneration Act 2023 which has recently received Royal Assent. The changes within the Act essentially fall into two distinct parts namely:
- (a) To bring forward the period from two years to one year when an unoccupied and substantially unfurnished dwelling (empty dwelling) can be charged a premium of 100% All other empty dwelling premiums remains unchanged, namely:
- A premium of 200% where dwelling has remained empty for a period of 5 years or more;
  - A premium of 300% where dwelling has remained empty for a period of 10 years or more; and
- (b) To enable the charging of a 100% premium for any dwellings which are:

- No one's sole or main residence; and
- Substantially furnished.

- 3.2 When determining its policy, each billing authority has to decide the level of discount (if any) to be granted and the amounts (percentage) of any premium by the 31 March prior to the financial year in which it wants to introduce the changes.
- 3.3 Where a change is proposed, there is a requirement to determine the level of any premium and a decision is now required to be made by full Council under Section 11A, 11B and the new 11C of the Local Government Finance Act 1992.
- 3.4 The proposals outlined within this report are forecast to generate an additional £52,000 in Council Tax income for 2024/25 based on current Council Tax (CTB1) data and £178,000 for the financial year 2025/26.
- 3.5 Full details of the proposals are provided and, in line with the legislation, if the recommendations are accepted by Council, details of the resolution will be published in at least one local newspaper within 21 days of the decision.

### **Analysis / Details of the proposals**

- 3.6 A large part of the Council Tax legislation is mandatory on all billing authorities within England. Discounts such as single person discounts, disregards and exemptions are set by statute with no discretion allowed.
- 3.7 However, there are an increasing number of areas where each Council may determine the type and levels of charge to be made.
- 3.8 The current main discretionary areas are as follows:
- (a) Second homes (premises which are no-one's sole or main residence but are furnished);
  - (b) Unoccupied and substantially unfurnished premises;
  - (c) Unoccupied and substantially unfurnished premises which require or are undergoing structural repairs; and
  - (d) Premiums where premises have been unoccupied and substantially unfurnished for a period of 2 years or more.
- 3.9 When determining its policy, each billing authority has to decide the level of charge (or discount) by the 31 March prior to the financial year in which it wants to introduce the changes.
- 3.10 The Council is therefore required to determine the level of any discounts or premiums which will apply in its area and a decision is required to be made by full Council under Section 11A, 11B and the new S11C of the Local Government Finance Act 1992.
- 3.11 Once determined, the resolution of the Council will need to be published in at least one local newspaper(s) within 21 days of the decision.

## The current situation

3.12 Currently the Council has adopted the following level of premiums:

	Current policy
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 2 years up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty between 5 years and up to 10 years	200% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium
Premiums - Dwellings which are furnished but no one's residence (Second Homes)	Not yet available

3.13 The Council charges a 100% Council Tax on empty dwellings as well as second homes.

3.14 Premiums were also introduced by Government in 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term. Initially premiums could only be charged at 50% but legislation has now changed to allow a progressive charge to be made as follows:

- Dwellings left unoccupied and substantially unfurnished for 2 years or more, up to 100%;
- Dwellings left unoccupied and substantially unfurnished for 5 years or more, up to 200%; and
- Dwellings left unoccupied and substantially unfurnished for 10 years or more, up to 300%.

3.15 The Council has adopted the *maximum* level of premium. However, it should be noted that premiums are charged *in addition to* the 100% Council Tax payable on empty premises.

3.16 Government, together with local authorities, has unfortunately seen a rise of in the number empty dwellings together with a growth in second homes. Inconsistencies in the legislation have also been identified whereby a premium can be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently has a maximum charge of 100%.

3.17 Sections within the Levelling Up and Regeneration Act 2023 have been introduced in order to address the inconsistencies and also to bring more dwellings into use.

## Changes to empty dwelling premiums

3.18 Section 79 of the Act permits billing authorities in England to impose an empty dwellings premium after one year instead of two. This gives effect to a commitment made by Government in the [Levelling Up White Paper](#)

3.19 Section 79 (1) (a) provides that billing authorities must have regard to any guidance issued by the Secretary of State when deciding whether to implement an empty dwellings premium and it is expected that the current guidance drafted by Government in 2013 will be updated. Government is also expected to introduce regulations in the new year will allow for some

exemptions. This change will come into effect from the 2024/25 financial year. The Council is requested to approve delegated powers to the Section 151 officer to implement the policy in line with guidance and regulation when published.

- 3.20 In addition, Section 79 (2) of the Act provides that from 1 April 2024, a property can be charged an empty dwellings premium at 100% after one year, even if it became empty before 1 April 2024.

### **Introduction of premiums for second homes**

- 3.21 At present, English billing authorities may only impose an empty dwellings premium on properties that are ‘unoccupied and substantially unfurnished’. This term is defined via case law, not in legislation. However, it does not cover dwellings that are no one’s sole or main residence but are furnished. An empty dwellings premium could therefore not be imposed on properties that are maintained as second homes for regular use by their owners.
- 3.22 Section 80 of the Act will insert a new section 11C into the Local Government Finance Act 1992. This will permit billing authorities to apply a premium to properties that have no resident and are “substantially furnished”. The maximum Council Tax charge in these cases would be a standard 100% charge plus, if the recommendations are accepted by Council, a premium of 100% making a total Council Tax charge of 200%.
- 3.23 There would be no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.
- 3.24 As with other changes introduced by the Act, section 11C (3) requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. In effect this means that premiums of this kind will not take effect until the 2025/26 financial year at the earliest. However, it is essential that a decision is made by Council before 31<sup>st</sup> March 2024 to give the required one year notice.
- 3.25 The Act provides that a dwelling cannot be subject to both a second homes premium and an empty dwellings premium imposed under section 11B of the 1992 Act, and that an existing empty dwellings premium would cease to apply to a property which became subject to a second homes premium.

### **Exceptions from the premiums (empty homes premiums and second homes premium)**

- 3.26 For information, government issued a consultation paper entitled; Consultation on proposals to exempt categories of dwellings from the council tax premiums in England. The consultation (which has now ended), sought views on possible categories of dwellings which should be dealt with as exceptions to the Council Tax premiums. It covers the empty homes premium, and also the second homes premium, provisions for which are included within the Levelling Up and Regeneration Act 2023
- 3.27 The consultation proposes that there will be circumstances where either premiums will either not apply or be deferred for a defined period of time. These are as follows:
- **Properties undergoing probate** - the government proposes that these properties should be exceptions to both the second homes and empty homes premiums for 12 months. The exception would start once probate or letters of administration is granted. This does not

affect the Class F exemption or the ability for billing authorities to charge the normal rate of council tax following the expiry of the Class F exemption;

- **Properties that are being actively marketed for sale or rent** - the government proposes that this exception would apply for up to a maximum of 6 months from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner. It will be essential that the Council will need to determine in its policy, what evidence will be required to support any exception;
- **Empty properties undergoing major repairs** - time limited to 6 months - the government proposes that empty properties undergoing major repair works or structural alternations should be an exception to the premium for up to 6 months once the exception has been applied or when the work has been completed, whichever is the sooner. The exception could be applied at any time after the property has been empty for at least 12 months, so long as the Council is satisfied that the necessary repair work is being undertaken;
- **Annexes forming part of, or being treated as, part of the main dwelling** - the government proposes that such annexes should be an exception to the Council Tax premium on second homes;
- **Job related dwellings** - currently, there is a Council Tax discount of up to 50% for properties which are unoccupied because the owner is required to live elsewhere for employment purposes. The discount applies where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings for employees. The government proposes that the dwelling should also be an exception to the second homes premium. The exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address;
- **Occupied caravan pitches and houseboat moorings** - the government proposes that these caravans and boats should be an exception to the Council Tax premium on second homes; and
- **Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupancy as a person's sole or main residence** - the government proposes that properties that have restrictions or conditions preventing occupancy for a continuous period of at least 28 days in any 12-month period, or specifies its use as a holiday let, or prevents occupancy as a person's sole or main residence, should be an exception to the second homes premium.

3.28 It is understood that regulations or guidance (which has to be followed in accordance with the Levelling Up and Regeneration Act) will be in line with government's proposal. In view of this, the Council will need to ensure that any charging policy is in line with legislation. It is therefore recommended that the Council's Section 151 Officer is granted delegated powers to amend the Council's policy of premiums in line with legislative or government requirements.

### Premiums – generally

3.29 In line with all similar legislation, any decision must be publicised in at least one local newspaper, within 21 days of its being taken.

3.30 Should the Council at any time wish to vary or revoke a decision to impose any type of premium this can be done at any time before the beginning of the financial year to which it would apply.

## The proposed changes

3.31 Should the recommendations of this report be accepted the level of premiums would be as follows:

<b>From 1 April 2024</b>	Proposed policy
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 1 years up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty between 5 years and up to 10 years	200% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium
<b>From 1 April 2025</b>	Proposed policy
Premiums - Dwellings which are furnished but no one's residence (Second Homes)	100% premium

## 4.0 CONTRIBUTION TO COUNCIL PRIORITIES

4.1 The proposed changes to the Council Tax regime is in line with the Council's Empty Homes Strategy. It is designed to bring empty homes into use and to ensure dwellings are used as primary residences.

## 5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 The implementation of premiums is discretionary on the authority. As such, the Council could decide not to implement the policy.

## 6.0 FINANCIAL IMPLICATIONS

6.1 The proposed changes are anticipated to generate approximately £52,000 per annum based on current values from 1 April 2024 and £178,000 per annum from 1 April 2025 based on current values.

## 7.0 LEGAL IMPLICATIONS

7.1 The legislation that covers this report and the recommendations made is as follows:

- S11A & S11B of the Local Government Finance Act 1992
- S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Act 2023); and
- Sections 80 & 81 of the Levelling Up and Regeneration Act 2023.

7.2 Where the recommendations are accepted, a resolution is to be made by full Council. The decision needs to be published in at least one local newspaper.

7.3 Due to the changes in the legislation, the Council will be required by statute to be mindful of any guidance issued by the Secretary of State or regulations laid.

## **8.0 EQUALITIES IMPLICATIONS**

- 8.1 The change in policy will have no adverse effects on equality or diversity on the basis that it affects all taxpayers who have empty homes or second homes. The changes proposed are designed to bring empty homes back into use and to use dwellings as primary residences.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

- 9.1 None

## **10.0 RISK MANAGEMENT IMPLICATIONS**

- 10.1 The risk is the Council is that some taxpayers may wish to avoid the premiums. A full compliance regime will be established to mitigate this.

## **11.0 REASONS FOR RECOMMENDATIONS**

- 11.1 The policy is primarily designed to encourage taxpayers to use premises as their main residence or allow others to use the premises as a main residence. It is also envisaged that the policy will allow more empty dwellings or unoccupied dwellings to be brought back into use.
- 11.2 In addition to the above, the policy will provide additional funding to the collection fund which will be shared between the Council, the major precepting authorities and the local precepting authorities in line with their share of the Council Tax.

## **12.0 RECOMMENDATION(S)**

It is recommended that Council approve the implementation of the following:

- (a) The application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) from a period of one year with effect from 1st April 2024;
- (b) The application of a premium of 100% for all dwellings which are unoccupied but substantially furnished (second homes) with effect from 1st April 2025; and
- (c) That the Section 151 Officer is given delegated powers to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State or regulation

## **BACKGROUND DOCUMENTS:**

<https://www.legislation.gov.uk/ukpga/2023/55/enacted>  
<https://www.gov.uk/government/consultations/proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums/consultation-on-proposals-to-exempt-categories-of-dwellings-from-the-council-tax-premiums-in-england>

## **Timetable of Next Steps**

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

Action	Key milestone	Due date (provisional)	Responsible
Budget Overview & Scrutiny		5 February 2024	Chief Finance Officer
Budget Cabinet		12 February 2024	Chief Finance Officer
Budget Council		21 February 2024	Chief Finance Officer



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## Wards Affected

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

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## Policy Implications

Reading Ease Score:

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

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

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## Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

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## Officer to Contact

Officer - Buki Adekoya, Revenues and Benefits Service Manager  
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## **Local Government Finance Act 1992**

Notice is hereby given by the Council, in accordance with the provisions of sections 11A, 11B and 11C of the Local Government Finance Act 1992 as inserted or amended by the Local Government Act 2003, the Local Government Finance Act 2012, the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 and the Levelling Up and Regeneration Act 2023, that the Council makes the following determination which will come into force from 1 April 2024. This determination revokes any previous determinations in relation to the charging of premiums for long term empty properties and second homes.

### **Council Tax Premiums**

#### **Effective from 1st April 2024 - Empty Homes Premium**

In accordance with Section 11B (1C) of the Local Government Finance Act 1992 as amended by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 and the Levelling Up and Regeneration Act 2023, the following premiums will apply to long term empty and substantially unfurnished dwellings:

- (a) a 100% premium, where the property has been empty for more than one year;
- (b) a 200% premium, where the property has been empty for between five and ten years; and
- (c) a 300% premium, where the property has been empty for more than 10 years.

The definition of empty means that the dwelling is "unoccupied" and "substantially unfurnished".

#### **Effective from 1st April 2025 - Second Homes Premium**

In accordance with section 11C of the Local Government Finance Act 1992, the Council determines that the discount under section 11(2)(a) shall not apply to dwellings occupied periodically (second homes), and the amount of council tax payable in respect of such dwellings is increased by 100 percent.

A second home is determined to be a dwelling if there is "no resident of the dwelling", and the dwelling is "substantially furnished".

As this is the Council's first determination under this section for this particular premium, it must be made at least one year before the beginning of the financial year to which it relates. This part of the determination therefore has effect for financial years beginning on or after 1 April 2025.

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# **Empty Homes and Second Homes Premium Policy 2024-25**

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## 1. Introduction and background

- 1.1 The following policy outlines the Council's approach to the levying of empty homes premium and second homes premiums.
- 1.2 Premiums were also introduced by government from 1 April 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term.
- 1.3 The legislation which introduced premiums is S11B of the Local Government Finance Act 1992 (inserted by the Local Government Finance Act 2012). Premiums could only be charged on long-term empty dwellings. An empty dwelling is one which is 'unoccupied' and 'substantially unfurnished'. The definition of long-term is where the dwelling has been empty for a continuous period of at least 2 years.
- 1.4 Initially the maximum level of premium was set by government at 50% of the amount of Council Tax chargeable. Each Council could determine the level of premium up to the maximum and this is charged in addition to the amount determined by the Council as payable for an empty dwelling<sup>1</sup>
- 1.5 Certain classes of dwellings cannot be charged a premium namely:
  - a dwelling which would be the sole or main residence of a person but which is empty while that person resides in accommodation provided by the Ministry of Defence by reason of their employment i.e., service personnel posted away from home<sup>2</sup>; or
  - dwellings which form annexes in a property which are being used as part of the main residence or dwelling in that property<sup>3</sup>.
- 1.6 In 2018 the Rating of Property in Common Occupation and Council Tax (Empty Dwellings) Act allowed authorities to increase the level of premiums on empty dwellings with effect from 1 April 2019 as follows;
  - Dwellings left unoccupied and substantially unfurnished for 2 years or more, - from 1 April 2019 a premium can be levied up to 100%;
  - Dwellings left unoccupied and substantially unfurnished for 5 years or more, - from 1 April 2020 a premium can be levied up to 200%; and
  - Dwellings left unoccupied and substantially unfurnished for 10 years or more, - from 1 April 2021 a premium can be levied up to 300%.
- 1.7 It should be noted that premiums are charged in addition to the 100% Council Tax payable on empty premises.

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<sup>1</sup> Under the Council Tax (Prescribed Classes of Dwelling)(England) Regulations 2003 and amended by the Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes C & D.

<sup>2</sup> Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes E

<sup>3</sup> Council Tax (Prescribed Classes of Dwelling)(England) (Amendment) Regulations 2012 - Classes F

- 1.8 Government, together with local authorities (including the Council) has unfortunately seen a rise in the number of empty homes together with a growth in second homes.
- 1.9 Inconsistencies in the legislation have also been identified whereby a premium can be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently has a maximum charge of 100% with no premium.
- 1.10 In order to address these inconsistencies, and also to bring more dwellings into use, government has introduced sections within the Levelling Up and Regeneration Act 2023 (the Act).
- 1.11 This policy details the Council's approach in the charging of premiums as allowed within the new legislation.
- 1.12 The continued pressure on local authority finances (both the Council and the Major Preceptors) together with the need to encourage all owners of domestic premises to bring them back into use, makes it essential that the Council changes its approach to empty homes. The new legislation for second home premiums will encourage the use of dwellings as primary residences.

## **2. Empty homes premiums (From 1 April 2024)**

- 2.1 Section 79 (1) (b) of the Levelling Up and Regeneration Act 2023 permits the Council to impose an empty homes premium after one year instead of two years. Section 80 of the Act provides that from 1 April 2024, a property can be charged an empty homes premium at 100% after one year, even if it became empty before 1 April 2024.
- 2.2 The Council has resolved to implement the change with effect from 1 April 2024
- 2.3 The legislation requires the Council to be mindful of any guidance or further regulation in relation to the implementation of the premiums and this is detailed in Section 4 of this policy.

## **3. Introduction of premiums for second homes (From 1 April 2025)**

- 3.1 The definition of a second home for Council Tax purposes is a dwelling which has "no one resident" but is "substantially furnished".
- 3.2 Section 80 (2) of the Act inserts a new section 11C into the Local Government Finance Act 1992. This permits the Council to apply a premium on second homes. The maximum Council Tax charge in these cases would be a standard 100% charge plus a premium of 100% making a total Council Tax charge of 200%.



- 3.3 Unlike empty dwellings, there is no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.
- 3.4 As with other changes introduced by the Act, section 11C (3) requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. In effect this means that premiums for second homes will not take effect until the 2025-26 financial year at the earliest.
- 3.5 The Council has resolved to charge second home premiums and has given the required notice.
- 3.6 The Act provides that a dwelling cannot be subject to both a second homes premium and an empty homes premium imposed under section 11B of the 1992 Act, and that an existing empty homes premium would cease to apply to a property which became subject to a second homes premium.

#### **4. Exceptions from the premiums (empty homes premiums and second homes premium)**

- 4.1 At the time of writing this policy, government has issued a consultation (which has now ended), seeking views on possible categories of dwellings which should be dealt with as exceptions to the Council Tax premiums. Regulations are expected to cover the exceptions for both empty homes premium, and also the second homes premiums.
- 4.2 **The Council has included the proposed exceptions below however; it should be noted that these MAY CHANGE when the new regulations are commenced.**
- 4.3 The consultation proposes that there will be circumstances where premiums will either not apply or be deferred for a defined period of time. These are as follows:
  - **Properties undergoing probate** - the government proposes that these properties should be exceptions to both the second homes and empty homes premiums for a **maximum of 12 months**. The exception would start once probate or letters of administration is granted. This will not affect the Class F Council Tax exemption or the ability for the Council to charge its determined rate of Council Tax following the expiry of the Class F exemption;
  - **Properties that are being actively marketed for sale or rent** - the government proposes that this exception will apply for up to a **maximum of 6 months** from the date that active marketing commenced, or until the property has been sold or rented, whichever is the sooner. The Council, in determining whether this exemption applies will require the following evidence:
    - (a) evidence that the dwelling is being **actively** marketed for sale or rent through a recognised agent (evidence can include contracts with

agents, advertisements in recognised newspapers or marketing websites);

- (b) where the premises are being self-marketed by the owner or landlord, evidence that the premises is being **actively** marketed (evidence can include advertisements in recognised newspapers or letting websites;
- (c) where for sale, evidence that the premises are being sold at a true market level for the size and type of dwelling within the area in which it is situated. Where the dwelling is for let, that the rent requested is at a true market level for the size and type of dwelling within the area in which it is situated.

The above list is not exhaustive and the Council reserves the right to request further evidence to support any claim for exemption. The exemption will only apply once to any taxpayer or taxpayers if they are jointly and severally liable;

- **Empty properties undergoing major repairs** - this is time limited to 6 months. The government proposes that empty properties undergoing major repair works or structural alternations should be an exception to the premium for up to 6 months once the exception has been applied or when the work has been completed, whichever is the sooner. The exception will be applied at any time after the property has been empty for at least 12 months, so long as the Council is satisfied that the necessary repair work is being undertaken. As with all other exemptions to the premiums, the Council will require the taxpayer to provide such evidence as is required to support their application;
- **Annexes forming part of, or being treated as, part of the main dwelling** - the government proposes that such annexes should be an exception to the Council Tax premium on second homes;
- **Job related dwellings** - currently, there is a Council Tax discount of up to 50% for properties which are unoccupied because the owner is required to live elsewhere for employment purposes. The discount applies where the dwelling is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide dwellings for employees. The government proposes that the dwelling should also be an exception to the second homes premium. **The exception will not apply to cases where someone chooses to have an additional property to be closer to work while having a family home elsewhere or where an individual is posted to a new location but maintain their previous address;**
- **Occupied caravan pitches and houseboat moorings** - the government proposes that these caravans and boats should be an exception to the Council Tax premium on second homes; and
- **Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupancy as a person's sole or main residence** - the government proposes that properties that have restrictions or conditions preventing occupancy for a continuous period of at least 28 days in any 12-month period, or specifies its

use as a holiday let, or prevents occupancy as a person's sole or main residence, should be an exception to the second homes premium.

- 4.4 It is understood that regulations will be issued late 2023 or early 2024 and the Council will need to ensure that any charging policy is in line with legislation. Therefore, the Council's Section 151 Officer is granted delegated powers to amend this policy in line with legislative or government requirements.

## **5. Outcome expected and 'safety net'.**

- 5.1 The expected outcomes of this policy are as follows:
- (a) Taxpayers will be encouraged, through the implementation of the premiums, to bring empty properties into use and to revert the use of second homes to primary residences;
  - (b) The reduction of empty homes and second homes within the Council's area in line with the Council's Empty Property Strategy; and
  - (c) Increased Council Tax income from empty homes and second homes.
- 5.2 There may be circumstances where the implementation of these changes may cause exceptional hardship to a taxpayer. In such cases, the Council will consider applications for a reduction in liability under its Section 13A (1)(C) of the Local Government Finance Act 1992 - Reduction in Council Tax liability policy.
- 5.3 Where such an application is received, it will be considered on an individual case basis taking into account the circumstances of the taxpayer and the situation regarding the level of Council Tax charged. Should the taxpayer be aggrieved by any decision of the Council a further right of appeal will be with the independent Valuation Tribunal.

## **6. Legislation**

- 6.1 The legislation that covers this policy and the recommendations made is as follows:
- S11A & S11B of the Local Government Finance Act 1992;
  - S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Act 2023);
  - The Levelling Up and Regeneration Act 2023; and
  - S13A(1)(C) Local Government Finance Act 1992 (reduction in liability).
- 6.2 Due to changes in the legislation, the Council will be required to amend this policy, at any time, in line with statute.

## **7. Finance**

- 7.1 Any amount of premium received will be part of the Council's Collection Fund and will be shared between the Council and Major Precepting authorities in line with their share of the Council Tax.
- 7.2 Any reduction granted under S13A(1)(c) will be financed through the Council's general fund and do not form part of the Collection Fund.

## **8. Notification**

- 8.1 Where a taxpayer is granted an exemption, a revised demand notice will be issued. Where an exemption is applied for but not granted, the Council will provide a notification of its decision.

## **9. Appeals**

- 9.1 Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.
- 9.2 **The taxpayer must in the first instance write to the Council outlining the reason for their appeal. Once received the council will then consider whether any additional information has been received which would justify a change to the original decision and notify the tax payer accordingly.**
- 9.3 Where the taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reductions. Full details can be obtained from the Council's website or from the Valuation Tribunal Service website.

## **10. Delegated Powers**

- 10.1 This policy for the Council Tax premiums has been approved by the Council. However, the Revenues and Benefits Manager is authorised to make technical amendments to ensure it meets the criteria set by government and the Council.

## **11 Fraud**

- 11.1 The Council is committed to protecting public funds and ensuring that premiums are correctly charged.
- 11.2 A taxpayer who tries to reduce their Council Tax liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under The Fraud Act 2006.

11.3 Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **12. Complaints**

12.1 The Council's complaints procedure (available on the Council's website) will be applied in the event of any complaint received about this policy.

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