

Budget Book

2015/16

April 2015

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INTRODUCTION

Introduction

Rother District Council set its budget for 2015/16 at a meeting of all Members on 23 February 2015. This book shows the agreed revenue budget for each Council Service and the Council's Capital Programme. Additional information relating to the Council's financial position in 2015/16 and the Council Tax for each area in Rother is also included.

Revenue Budget

Government Funding

One of the key financial drivers remains the continued decline in Government Funding, first announced as part of the last spending review. The Coalition Government announced its final grant settlement figures for 2015/16 in December 2014.

The Councils funding from Government comes from two sources: Revenue Support Grant and retained Business Rates. From Business Rate data supplied to the Government, they have calculated the estimated amount of Business Rates the Authority is likely to retain. The actual amount of cash will change depending on recovery performance.

The settlement showed that since 2013/14, Rother's funding has reduced by nearly 25%, assuming business rate income performs as the Government expects. The Councils revenue support grant has fallen by over 42%. The table below analyses the Governments estimations:

Grant	2013/14 £	2014/15 £	2015/16 £
Revenue Support Grant (RSG)	3,119,351	2,462,250	1,710,997
Business Rate Retention (BRR)	2,075,220	2,115,541	2,173,931
Total Grant/BRR	5,194,571	4,577,791	3,884,928
Grant Reduction year on year		11.87%	13.58%
Grant Reduction from 2013/14			23.84%

New Homes Bonus

The New Homes Bonus rewards Councils for increases in their tax base and the delivery of affordable homes. This Government funding is guaranteed and cumulative over 6 years. In 2014/15, the Council received £1,025,000 and for 2015/16, a total grant of £1,300,000 is expected. This is a substantial sum of money but is time limited. It has been necessary to continue to utilise £1,025,000 based on the 2014/15 grant to maintain services. The funding is phased as follows:

<u>Year</u>	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000
2011/12	385	385	385	385	385
2012/13		225	225	225	225
2013/14			160	160	160
2014/15				255	255
2015/16					275
Total	385	610	770	1,025	1,300

INTRODUCTION

The £1,300,000 of grant starts to reduce in 2017/18 and therefore there is funding security for the next three years, even if further rewards are not achieved in subsequent years. It is clear that the Council needs to focus on regeneration and over the next 3 years promoting both business investment and new homes is key to the Council achieving stable finances.

Council Tax Policy

The Council's Members agreed to accept the Government's offer of a grant (equivalent to a 1% rise in Council Tax) in return for freezing the 2015/16 Council Tax rate for another year at £161.19 (Band D).

Other Factors affecting the Revenue Budget

Income: There continues to be pressure on existing income sources however with the development of the new link road between Bexhill and Hastings, it is hoped that planning income will increase in the short term. The take up of the chargeable garden waste service has exceeded expectations, although the annual charge does not cover the contractual cost of the service. Other fees and charges will be maximised within market constraints.

Savings and Service Resetting: The Council delivered annual savings of over £4m since 2010 with a further £800,000 in 2015/16. For 2015 the main contributors were reduced contract and running costs (£0.5m) and additional income (£0.3m). Ensuring the delivery of these savings is paramount to ensure the Council's reserves are not further depleted.

Use of Reserves: The draft budget expects to use £322,000 of reserves of which £289,000 relates to meeting specific costs, the balance in lieu of savings to be identified. Additionally the Council approved setting aside the additional £275,000 of New Homes Bonus grant receivable in 2015/16. The Council predicts to have total revenue reserves of approximately £9.3m by the end of March 2016.

It is not financially prudent to continue to rely upon reserves to support on-going revenue expenditure, despite comments from Government Ministers to the contrary. Over the last 5 years the Council has used its reserves to fund investment in improving services (e.g. help points/contact centre), increasing efficiency (invest to save projects) and investment in the district (e.g. community grants). Additionally, specific reserves have been used to meet the loss of investment income since 2009 rather than provide a general support to the Revenue Budget.

Overall Revenue Position

The total net spend for the Council is estimated at just under £12m for 2015/16 after use of reserves. Due to the continued reduction in Government funding the Council needs to continue with its significant programme of change to secure a balanced budget. Already in place are measures such as the redirection of staff to higher priority and activity areas, close monitoring of income streams and recruiting posts on fixed terms to maximise flexibility over the size of workforce.

For 2015/16, it is expected that the Council will utilise further reserves to meet the shortfall in funding. However, as described above, this can only be done as part of an overall plan to deliver additional income and savings during the next 4 to 5 years. In setting performance targets and agreeing service improvements, the Council will need to decide the balance between what is desirable and what is deliverable with the resources available, and also what is most essential and valued by our residents. The current MTFS is being reviewed to take the above issues into account.

Forecast Financial Position 2015/16 to 2017/18

The Council's medium term budget forecast has been updated and shows a shortfall of £3m over the next five years depending on inflation expectations.

Further savings will need to be delivered and it may be necessary to increase the amount taken from reserves in the short term. An integral part of the Council's Corporate Plan review, is to ensure the Council is clear as to the nature and scope of its services that can be delivered within the available resources. Whilst the current MTFS remains robust and already identifies the scale of the financial challenge facing the Council, it is necessary to update it to reflect fully the Council's current financial position and decisions made by Members as part of setting the 2015/16 Revenue Budget.

Capital Programme and Asset Management

The latest Capital Programme (2015/16 to 2018/19) totals £2.7m and is fully funded. Whilst there remain some final costs from the Next Wave project to be paid in 2015/16, the remainder of the Programme is relatively limited in value due to the amount of available funding. The Programme mainly consists of supporting the disabled facilities programme and community grants scheme. It is likely that any future Council capital investment will rely of borrowing. Therefore future spending decisions will require greater consideration to the affordability of any proposal, particularly for socially/public realm based projects.

The existing Capital Strategy forms part of the Medium Term Financial Strategy (MTFS) and again will need to be updated to reflect the development of any new projects within the Corporate Plan.

There is a fundamental link between the Council's capital programme and resources with how the Council manages its major assets. A review of the Council's Asset Management Plan will be undertaken this year but it is clear that the Council needs to be increasingly proactive in acquisition and disposal of assets to support continued investment in the development of the district and to ensure the Council's portfolio of assets supports the achievement of its aims and objectives.

Without releasing assets for disposal or entering into borrowing the Council is very restricted in its ability to continue its investment in the District at a level achieved in previous years. The financial pressure on the Revenue Budget means that it will be difficult to meet the cost of any borrowing unless savings can be achieved or additional income secured. Other sources of funding will be explored as opportunities arise, but again it should be recognised that most funding bodies require a high degree of match funding before supporting a project.

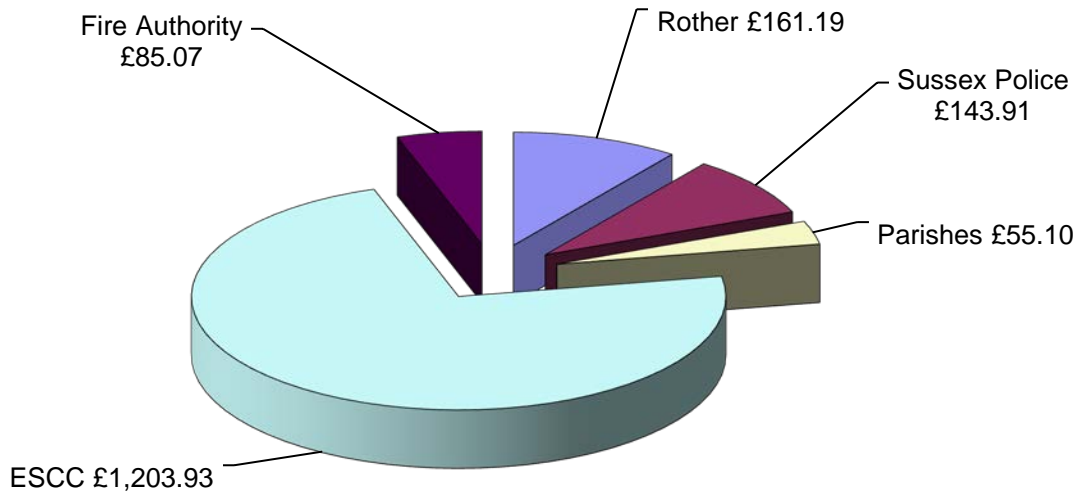
Further Information

It is hoped that this introduction combined with the detailed information that follows provides sufficient information for the reader to understand the Council's finances and its future financial prospects. Should you however require further information please contact:

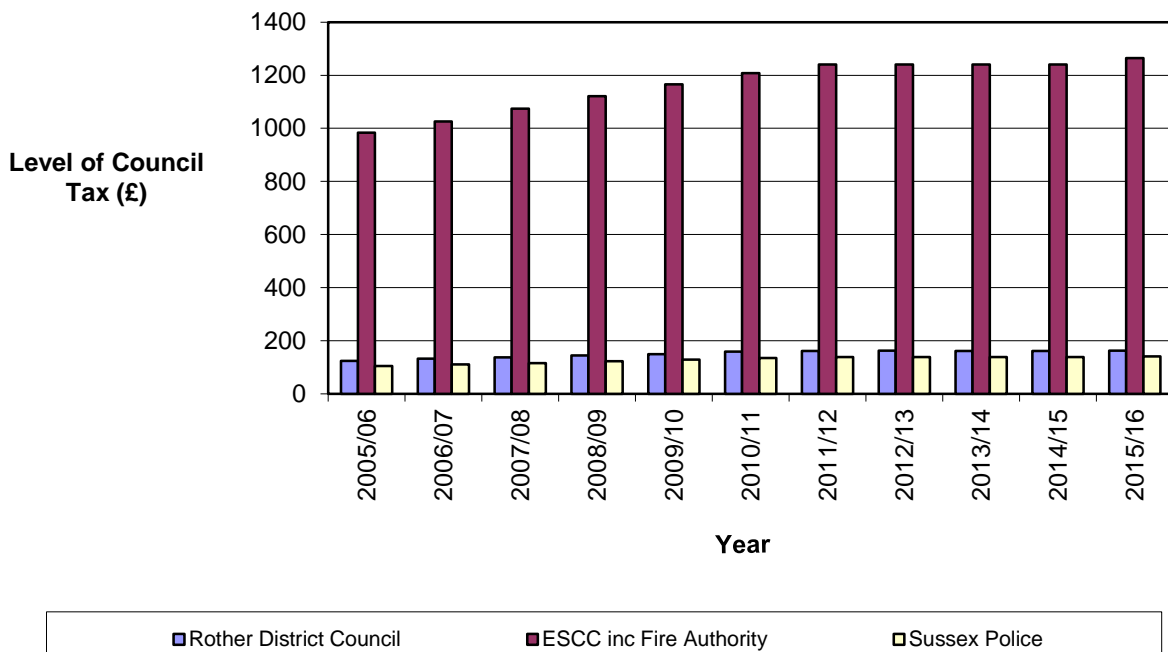
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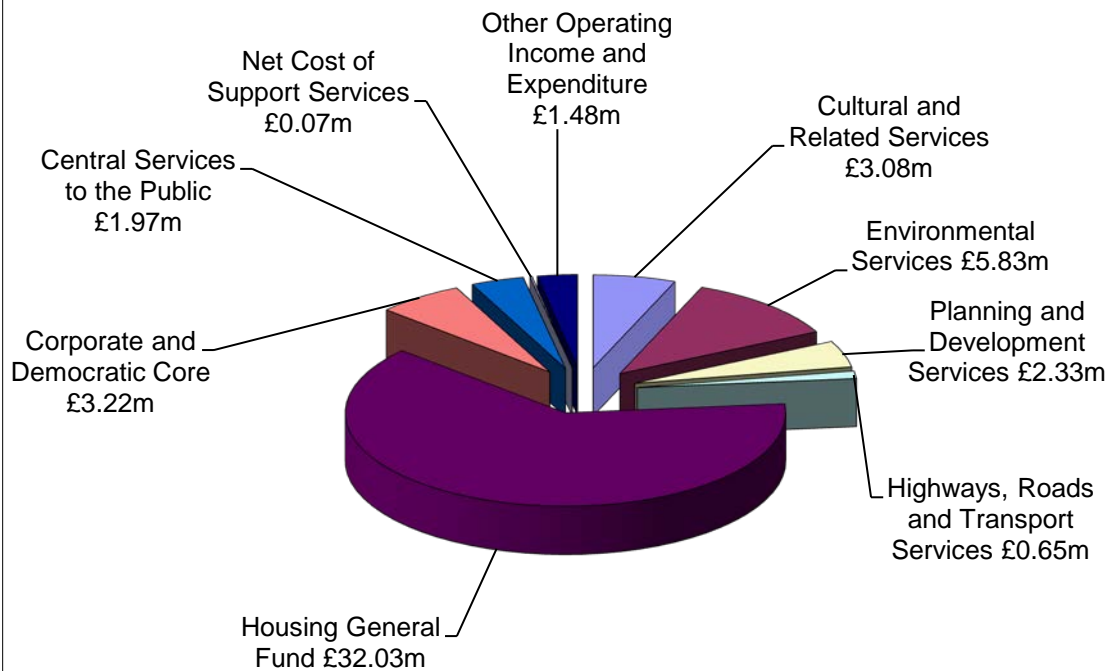
Share of Band D Council Tax 2015/2016



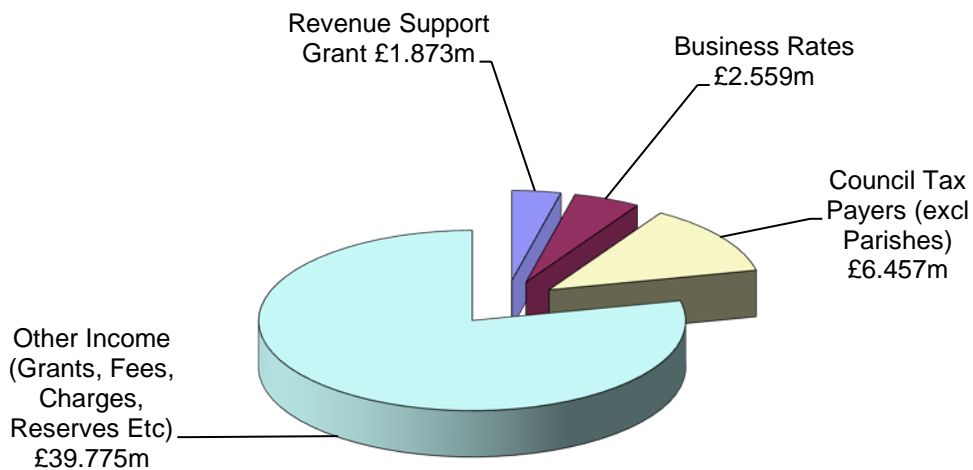
Band D By Authority 2005/06 - 2015/16



Gross Expenditure £50.66m 2015/2016



Gross Income £50.66m 2015/2016



GENERAL FUND REVENUE BUDGET AND COUNCIL TAX 2015/2016

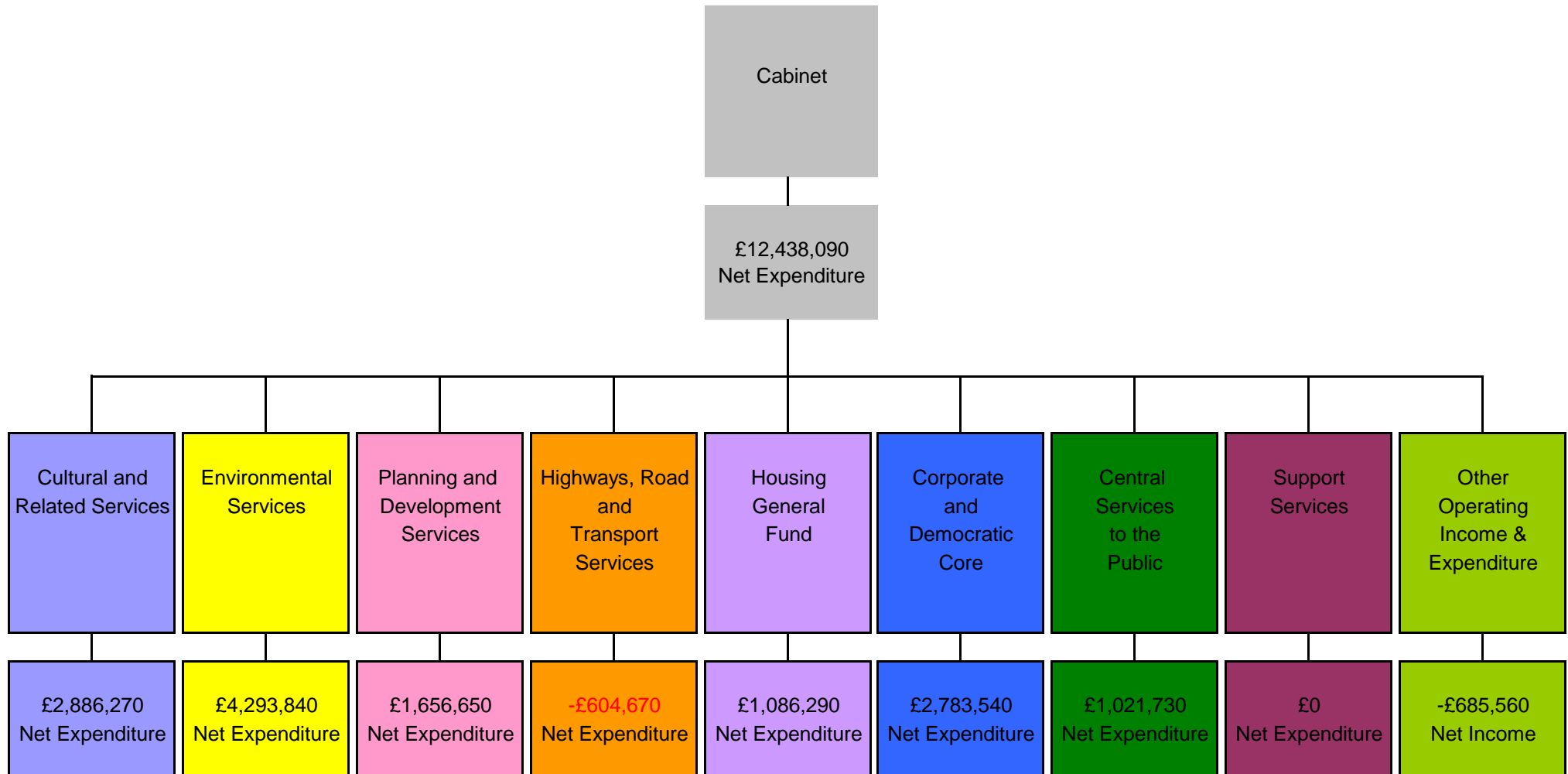
EXPENDITURE

	£
Cultural and Related Services	2,886,270
Environmental Services	4,293,840
Planning and Development Services	1,656,650
Highways, Road and Transport Services	(604,670)
Housing General Fund	1,086,290
Corporate and Democratic Core	2,783,540
Central Services to the Public	1,021,730
Support Services	0
Other Operating Income and Expenditure	(685,560)
	<hr/>
Total General Fund Net Expenditure 2015/2016	12,438,090
	<hr/> <hr/>

CALCULATION OF ROTHER DISTRICT COUNCIL TAX

Expenditure shown above	12,438,090
<i>less</i> Special Expenses charged to area of Bexhill	(652,485)
charged to area of Rye	(48,745)
<i>less</i> Collection Fund (Surplus)/Deficit	(227,000)
<i>less</i> New Homes Bonus	(1,321,800)
<i>less</i> Revenue Support Grant from Central Government	(1,873,200)
<i>less</i> Business Rate Retention	(2,559,040)
	<hr/>
Total Amount to be Raised from Council Tax	5,755,820
	<hr/>
<i>divided by</i> Council Tax Base, in terms of Band D Equivalent	35,708.31
	<hr/>
<i>gives</i> Rother District Council Tax 2015/2016	£161.19
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SUMMARY OF NET SERVICE EXPENDITURE



CULTURAL AND RELATED SERVICES

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Arts Development	65,480	46,860	-100	46,760	13,840	-	60,600
Rother Museum Services	77,640	72,820	-8,300	64,520	10,630	3,750	78,900
De La Warr Pavilion Client	517,400	518,970	-	518,970	3,490	-	522,460
Ancient Monuments and Gazebo	6,820	6,670	-	6,670	40	-	6,710
Bexhill Allotments	18,630	15,960	-12,000	3,960	11,580	-	15,540
Rye/Rural Allotments	5,350	6,990	-	6,990	3,090	-	10,080
Camber Beach and Foreshore Management	157,740	164,620	(26,800)	137,820	13,820	5,000	156,640
Bexhill Promenade and Foreshore	182,170	172,720	(28,080)	144,640	22,030	14,500	181,170
Sports Development	69,670	51,500	-	51,500	7,310	-	58,810
Battle Sports Centre	6,350	6,490	-	6,490	-	-	6,490
Rye Sports Centre and Swimming Pool	170,260	207,270	(35,900)	171,370	1,790	-	173,160
Bexhill Leisure Centre	159,700	97,700	(2,000)	95,700	5,050	64,770	165,520
Bexhill Leisure Pool	220,760	168,530	(26,900)	141,630	1,820	77,200	220,650
Bexhill Parks and Open Spaces	887,930	838,660	(40,800)	797,860	34,240	21,930	854,030
Rye Area Parks and Open Spaces	99,240	127,600	(9,600)	118,000	9,110	-	127,110
Rural Open Spaces and Amenity Areas	52,180	58,710	-	58,710	7,510	-	66,220
Cultural Services Administration Account	20,210	450	-	450	21,040	-	21,490
Tourism	220,860	154,390	-	154,390	6,300	-	160,690
Total Cultural and Related Services	2,938,390	2,716,910	(190,480)	2,526,430	172,690	187,150	2,886,270

ENVIRONMENTAL SERVICES

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Cemeteries and Churchyards	47,800	181,440	(180,000)	1,440	12,680	-	14,120
Coast Protection	228,330	62,410	(1,780)	60,630	2,160	182,940	245,730
Food Hygiene/Water Purity/IDC	172,180	115,860	-	115,860	48,290	-	164,150
Pollution	257,180	174,750	(12,100)	162,650	80,730	-	243,380
Sub Standard Housing	82,500	28,120	-	28,120	4,140	-	32,260
Houses in Multiple Occupation	12,440	13,950	-	13,950	2,110	-	16,060
Pest and Canine Control	72,570	77,100	(26,250)	50,850	17,580	-	68,430
Animal Welfare	5,460	1,610	-	1,610	880	-	2,490
Health and Safety/Swimming Pools	111,540	78,970	-	78,970	26,650	-	105,620
Licensing	31,530	66,760	(86,700)	(19,940)	48,620	-	28,680
Licences and Registration	84,910	75,120	(32,900)	42,220	46,050	-	88,270
Taxi and Private Hire Licences	27,130	64,890	(78,000)	(13,110)	35,630	-	22,520
Caravan Licences and Travellers	65,250	67,220	-	67,220	6,210	-	73,430
Environmental Administration Account	9,440	3,080	(500)	2,580	8,780	-	11,360
Public Conveniences	542,400	446,650	-	446,650	24,830	60,960	532,440
Community Safety	72,170	81,720	(10,000)	71,720	8,600	-	80,320
Watercourses, Ditches and Drainage	15,130	12,290	-	12,290	730	-	13,020
Internal Drainage Board Levies	117,000	119,000	-	119,000	-	-	119,000
Street Sweeping and Beach Cleansing	1,072,970	1,098,990	(24,000)	1,074,990	7,630	-	1,082,620
Refuse Collection	2,303,630	2,212,400	(510,000)	1,702,400	101,640	2,860	1,806,900
Recycling	(524,450)	87,510	(570,000)	(482,490)	25,530	-	(456,960)
Total Environmental Services	4,807,110	5,069,840	(1,532,230)	3,537,610	509,470	246,760	4,293,840

PLANNING AND DEVELOPMENT SERVICES

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Building Control Applications	(70,390)	-	(70,390)	(70,390)	81,850	-	11,460
Building Control Access	13,030	13,030	-	13,030	12,870	-	25,900
Building Control Dangerous Structures	25,010	25,010	-	25,010	8,810	-	33,820
General Planning Expenses	8,400	8,900	(500)	8,400	13,160	-	21,560
Planning Applications	10,120	601,220	(550,000)	51,220	282,150	-	333,370
Planning Complaints, Compliance and Enforcement	183,990	180,040	-	180,040	81,650	-	261,690
Planning Appeals	78,320	75,170	-	75,170	15,540	-	90,710
Planning Policy	225,780	234,030	-	234,030	62,050	-	296,080
Local Development Framework	100,000	150,000	-	150,000	-	-	150,000
Planning Enquiries	103,450	161,110	(50,000)	111,110	55,090	-	166,200
Conservation and Preservation	42,370	42,800	-	42,800	10,830	-	53,630
Planning E-Government	30,650	27,240	-	27,240	5,240	-	32,480
Home Energy Conservation Act	6,300	-	-	-	-	-	-
Regeneration	121,500	132,400	-	132,400	47,350	-	179,750
Total Planning and Development Services	878,530	1,650,950	(670,890)	980,060	676,590	0	1,656,650

HIGHWAYS, ROADS AND TRANSPORT SERVICES

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Car Parks	(686,310)	485,210	(1,253,150)	(767,940)	52,050	36,700	(679,190)
Residual Highway Services	49,500	48,750	(2,700)	46,050	4,240	-	50,290
Abandoned Vehicles	32,320	19,660	-	19,660	4,570	-	24,230
Total Highways, Roads and Transport Services	(604,490)	553,620	(1,255,850)	(702,230)	60,860	36,700	(604,670)

HOUSING GENERAL FUND

	2014/15	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16
Service	Net Expenditure £	Operational Expenditure £	Income £	Net Operational Expenditure £	Support Services £	Capital Charges £	Net Expenditure £
Housing Policy, Strategy and Development	88,510	56,100	-	56,100	12,470	-	68,570
Housing Needs	303,410	339,890	(149,250)	190,640	90,960	-	281,600
Homelessness and Prevention	101,370	202,840	-	202,840	70,470	-	273,310
Private Sector Housing	168,660	105,930	-	105,930	44,150	-	150,080
Housing Administration Account	77,320	1,590	-	1,590	4,460	-	6,050
Housing Loans Account	250	-	-	-	-	-	-
Rent Allowances	215,510	30,830,080	(30,792,000)	38,080	243,140	-	281,220
Care in the Community	276,890	22,360	-	22,360	3,100	-	25,460
Total Housing General Fund	1,231,920	31,558,790	(30,941,250)	617,540	468,750	0	1,086,290

CORPORATE AND DEMOCRATIC CORE

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Representing Local Interest	327,810	274,710	(100)	274,610	22,090	-	296,700
Committee Services	238,740	135,620	-	135,620	104,500	-	240,120
Corporate Policy Making	270,840	4,240	-	4,240	205,070	-	209,310
E-Government	137,720	147,770	-	147,770	32,030	-	179,800
Public Accountability	116,350	17,940	-	17,940	41,530	-	59,470
Council Training Budget	92,560	92,560	-	92,560	-	-	92,560
NLPG E-Government	48,480	57,100	(4,000)	53,100	20,530	-	73,630
Other Apportionable Overheads	-	141,760	(167,730)	(25,970)	25,970	-	-
Treasury Management	66,040	8,500	-	8,500	42,800	-	51,300
Bexhill Help and Advice Centre	197,210	127,740	(300)	127,440	49,310	-	176,750
Battle Help and Advice Centre	66,670	64,250	(100)	64,150	14,860	-	79,010
Rye Help and Advice Centre	69,290	52,810	-	52,810	13,860	-	66,670
Customer Services and Development	87,620	65,480	-	65,480	21,940	-	87,420
Contact Centre	277,170	205,110	-	205,110	96,460	-	301,570
Risk Management and Self Insurance	4,090	221,430	(245,030)	(23,600)	60,750	-	37,150
Performance Management	137,770	96,130	-	96,130	48,340	-	144,470
Procurement Strategy	11,330	30,950	-	30,950	8,450	-	39,400
Community Strategy	162,470	124,030	(22,000)	102,030	24,350	-	126,380
Unapportionable Central Overheads	432,100	436,800	-	436,800	23,070	-	459,870
Communications	93,850	55,820	-	55,820	6,140	-	61,960
Total Corporate and Democratic Core	2,838,110	2,360,750	(439,260)	1,921,490	862,050	0	2,783,540

CENTRAL SERVICES TO THE PUBLIC

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Cost of Collection	316,990	473,290	(379,400)	93,890	266,340	-	360,230
Council Tax Benefits	141,750	229,590	(232,700)	(3,110)	119,070	-	115,960
Electoral Registration	135,600	108,410	(1,000)	107,410	41,340	-	148,750
District Council Elections	78,660	45,320	-	45,320	33,450	-	78,770
Emergency Planning	52,020	27,670	-	27,670	21,660	-	49,330
Local Land Charges	(65,160)	199,670	(242,000)	(42,330)	36,810	-	(5,520)
Grants and Subscriptions	279,730	259,150	-	259,150	15,060	-	274,210
Benefit Fraud Investigation	-	74,950	(92,600)	(17,650)	17,650	-	-
Total Central Services to the Public	939,590	1,418,050	(947,700)	470,350	551,380	0	1,021,730

SUPPORT SERVICES

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Computer Services	-	829,460	(1,110,030)	(280,570)	211,510	69,060	-
Printing Services	-	141,490	(167,380)	(25,890)	22,210	3,680	-
Stationery	-	46,140	(48,840)	(2,700)	2,700	-	-
Postages	-	96,950	(101,040)	(4,090)	4,090	-	-
Telephones	-	168,910	(174,300)	(5,390)	5,390	-	-
Financial Services	-	431,360	(620,660)	(189,300)	189,300	-	-
Internal Audit	-	126,160	(152,700)	(26,540)	26,540	-	-
Business Improvement	-	163,660	(179,780)	(16,120)	16,120	-	-
Legal Services	-	253,900	(275,450)	(21,550)	21,550	-	-
Human Resources	-	153,990	(211,130)	(57,140)	57,140	-	-
Property Management	-	115,130	(163,180)	(48,050)	48,050	-	-
Administrative Offices	-	346,950	(521,420)	(174,470)	95,820	78,650	-
Strategic Management Team	-	380,050	(419,690)	(39,640)	39,640	-	-
Total Support Services	0	3,254,150	(4,145,600)	(891,450)	740,060	151,390	0

OTHER OPERATING INCOME AND EXPENDITURE

Service	2014/15 Net Expenditure £	2015/16 Operational Expenditure £	2015/16 Income £	2015/16 Net Operational Expenditure £	2015/16 Support Services £	2015/16 Capital Charges £	2015/16 Net Expenditure £
Maintenance Services	(9,960)	183,540	(214,910)	(31,370)	34,540	-	3,170
West Trading Estate-Bexhill	(330,160)	18,150	(403,570)	(385,420)	47,670	-	(337,750)
St. Martins-Battle	(19,390)	720	(20,620)	(19,900)	1,750	-	(18,150)
Miscellaneous Land and Buildings	(29,210)	6,440	(39,960)	(33,520)	45,830	-	12,310
Residual Housing Land	350	-	(1,000)	(1,000)	1,820	-	820
Peasmarsh Workshops	2,850	21,210	(20,900)	310	5,520	-	5,830
Udimore Workshops	7,410	13,710	(7,800)	5,910	5,260	-	11,170
Watch Oak Estate	(30,260)	780	(32,500)	(31,720)	5,000	-	(26,720)
Elva Business Centre	(29,520)	84,890	(200,000)	(115,110)	50,020	16,190	(48,900)
Committee Property Account	(119,000)	37,160	(200,000)	(162,840)	72,230	7,000	(83,610)
Interest Payable	(578,070)	-	(645,190)	(645,190)	-	-	(645,190)
Interest and Investment Income	(180,000)	-	(100,000)	(100,000)	-	-	(100,000)
Use of Reserves	(330,210)	825,930	(284,470)	541,460	-	-	541,460
Total Other Operating Income and Expenditure	(1,645,170)	1,192,530	(2,170,920)	(978,390)	269,640	23,190	(685,560)

CAPITAL PROGRAMME 2014/2015 TO 2018/2019

Ref No. Project	2014/2015 Actual £	2015/2016 Estimate £	2016/2017 Estimate £	2017/2018 Estimate £
CULTURAL AND RELATED SERVICES				
4-01 Village Hall Grants - Residual	50,000			
4-02 Community Grants	93,679	65,000	65,000	65,000
4-04 Bexhill Seafront Improvements	71,928			
4-20 De La Warr Pavilion - Capital Grant	47,355	48,539	49,752	50,996
4-22 Egerton Park - EPIC	5,225			
Total - Cultural and Related Services	268,187	113,539	114,752	115,996
ENVIRONMENTAL SERVICES				
3-05 Joint Waste Contract - Purchase of Refuse Containers	863,732			
Total - Environmental Service	863,732	0	0	0
HOUSING				
5-02 Disabled Facilities Grants	567,145	585,000	585,000	585,000
5-07 Housing Aid Grants	3,500			
5-09 Exception Sites - Burwash - S106	65,000			
5-12 Exception Sites - Hurst Green - S106	65,000			
Total - Housing	700,645	585,000	585,000	585,000
SUPPORT SERVICES				
1-19 IT Essential Maintenance Programme	199,007			
Total - Support Services	199,007	0	0	0
Total Capital Programme	2,031,571	698,539	699,752	700,996

CAPITAL PROGRAMME 2014/2015 TO 2018/2019

Financed by:	2014/2015	2015/2016	2016/2017	2017/2018
	£	£	£	£
Capital Receipts				
Housing	22,804	20,000	20,000	20,000
Other	478,849	113,539	114,752	115,996
Contributions				
Other Bodies	754,391			
Earmarked Reserves	199,007			
Direct Revenue Funding	28,679			
Capital Grants				
Disabled Facilities Grants	547,841	565,000	565,000	565,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total Financing	2,031,571	698,539	699,752	700,996
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ADDITIONAL INFORMATION 2015/2016: RESERVES

Details	General Fund Balance £	Earmarked Reserves £	Corporate Project Reserve £	Medium Term Fin. Strategy Reserve £	Insurance Fund £	Total £
Balance at 1 April 2015	1,000,000	5,177,203	578,501	976,310	146,678	7,878,692
<i>Add:</i> Budgeted contributions to reserves		825,930				825,930
<i>Less:</i> Used for revenue running costs or to support the council tax		(224,020)		(65,000)		(289,020)
Estimated Balance as at 31 March 2016	1,000,000	5,779,113	578,501	911,310	146,678	8,415,602

Explanation of Reserves

Reserve

General Fund Balance

Earmarked

Corporate Project

Medium Term Financial Strategy

Insurance Fund

Purpose

To meet unforeseen events e.g. inflation at higher than estimated levels, increased demand for benefits.

To fund the replacement of equipment and other specified activities.

To provide full or leverage funding for key Corporate Priority Projects.

To fund some service improvements as identified by Medium Term Financial Strategy.

To fund insurance claims for which external cover has not been made.

ADDITIONAL INFORMATION 2015/2016: GROSS AND NET REVENUE EXPENDITURE

	2015/2016 Gross Expenditure £	2015/2016 Gross Income £	2015/2016 Net Expenditure £
CABINET APPROVED REVENUE BUDGETS			
Cultural and Related Services	3,076,750	190,480	2,886,270
Environmental Services	5,826,070	1,532,230	4,293,840
Planning and Development Services	2,327,540	670,890	1,656,650
Highways Roads and Transport Services	651,180	1,255,850	(604,670)
Housing General Fund	32,027,540	30,941,250	1,086,290
Corporate and Democratic Core	3,222,800	439,260	2,783,540
Central Services to the Public	1,969,430	947,700	1,021,730
Support Services	4,145,600	4,145,600	-
Other Operating Income and Expenditure (Service Expenditure Only)	659,430	1,141,260	(481,830)
Total Service Spending and Income	53,906,340	41,264,520	12,641,820
Other Operating Income and Expenditure (Financing Items)			
Interest Payable	-	645,190	(645,190)
Interest and Investment Income	-	100,000	(100,000)
Use of Reserves	825,930	284,470	541,460
Total Budgets Approved by Cabinet	54,732,270	42,294,180	12,438,090
Add: Parish Council Precepts	-	-	1,266,188
Total Council Revenue Budget Requirement 2015/2016	54,732,270	42,294,180	13,704,278
Amounts to be taken into Account Under Local Government Act 1998 Section 97(4)			
Less: Collection Fund (Surplus)/Deficit			(227,000)
Less: New Homes Bonus			(1,321,800)
Less: Revenue Support Grant			(1,873,200)
Less: Business Rate Retention			(2,559,040)
Council Tax Requirement 2015/2016 (Rother & Parishes)			7,723,238

ADDITIONAL INFORMATION 2015/2016: SPECIAL EXPENSES

Rother has decided that the costs of the functions shown below are special expenses to be charged only on the areas of Bexhill and Rye. These functions are provided elsewhere in the District by a Parish or Town Council. The costs are added to the local precept of each area for the calculation of Council Tax.

Heading	£
Bexhill	
Bexhill Parks and Games	641,992
Bexhill Allotments	17,610
Christmas Lighting	17,340
Bexhill Museum	9,460
Bus Shelters	9,320
Bexhill Town Forum	4,270
Less: Council Tax Support Grant	(47,507)
	<hr/>
Special Expenses for Bexhill	652,485
	<hr/>
Rye	
Rye Parks and Games	48,370
Christmas Lighting	1,580
Rye Museum	630
Bus Shelters	610
Less: Council Tax Support Grant	(2,445)
	<hr/>
Special Expenses for Rye	48,745
	<hr/>
Total Special Expenses (excl. Parish Precepts)	701,230
	<hr/> <hr/>

Notes:

1. Capital charges attributed to the above services are not charged as special expenses
2. All Parish Council precepts on the General Fund are Special Expenses chargeable only on the originating Parish

ADDITIONAL INFORMATION 2015/2016: CALCULATION OF COUNCIL TAX BY AREA

LOCAL TAX AREA	divided by		gives	add	add	add	add	gives
	LOCAL		LOCAL	ROTHER	SX POLICE	FIRE	ESCC	TOTAL
	TAX		BAND D	BAND D	BAND D	BAND D	BAND D	BAND D
	PRECEPT	BASE	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL
	£	no.	£	£	£	£	£	£
Bexhill (note 1)	661,575	15,521.83	42.63	161.19	143.91	85.07	1,203.93	1,636.73
Ashburnham & Penhurst	8,226	185.67	44.30	161.19	143.91	85.07	1,203.93	1,638.40
Battle	240,000	2,553.42	93.99	161.19	143.91	85.07	1,203.93	1,688.09
Beckley	21,000	511.61	41.05	161.19	143.91	85.07	1,203.93	1,635.15
Bodiam	8,825	143.71	61.41	161.19	143.91	85.07	1,203.93	1,655.51
Brede	21,500	815.48	26.36	161.19	143.91	85.07	1,203.93	1,620.46
Brightling	7,000	193.55	36.17	161.19	143.91	85.07	1,203.93	1,630.27
Burwash	35,712	1,227.70	29.09	161.19	143.91	85.07	1,203.93	1,623.19
Camber	64,583	666.06	96.96	161.19	143.91	85.07	1,203.93	1,691.06
Catsfield	21,107	341.20	61.86	161.19	143.91	85.07	1,203.93	1,655.96
Crowhurst	26,521	352.04	75.34	161.19	143.91	85.07	1,203.93	1,669.44
Dallington	8,435	174.64	48.30	161.19	143.91	85.07	1,203.93	1,642.40
East Guldeford	0	31.22	0.00	161.19	143.91	85.07	1,203.93	1,594.10
Etchingham	30,500	363.76	83.85	161.19	143.91	85.07	1,203.93	1,677.95
Ewhurst	61,000	537.91	113.40	161.19	143.91	85.07	1,203.93	1,707.50
Fairlight	44,800	858.13	52.21	161.19	143.91	85.07	1,203.93	1,646.31
Guestling	2,957	591.49	5.00	161.19	143.91	85.07	1,203.93	1,599.10
Hurst Green	32,200	547.17	58.85	161.19	143.91	85.07	1,203.93	1,652.95
Icklesham	101,848	1,163.58	87.53	161.19	143.91	85.07	1,203.93	1,681.63
Iden	14,000	233.15	60.05	161.19	143.91	85.07	1,203.93	1,654.15
Mountfield	13,100	193.16	67.82	161.19	143.91	85.07	1,203.93	1,661.92
Northiam	45,023	946.09	47.59	161.19	143.91	85.07	1,203.93	1,641.69
Peasmarsh	25,770	496.24	51.93	161.19	143.91	85.07	1,203.93	1,646.03
Pett	24,468	456.06	53.65	161.19	143.91	85.07	1,203.93	1,647.75
Playden	5,000	160.56	31.14	161.19	143.91	85.07	1,203.93	1,625.24
Rye Foreign	2,000	155.73	12.84	161.19	143.91	85.07	1,203.93	1,606.94
Salehurst	79,100	976.82	80.98	161.19	143.91	85.07	1,203.93	1,675.08
Sedlescombe	42,479	627.74	67.67	161.19	143.91	85.07	1,203.93	1,661.77
Ticehurst	115,015	1,602.10	71.79	161.19	143.91	85.07	1,203.93	1,665.89
Udimore	5,800	176.32	32.89	161.19	143.91	85.07	1,203.93	1,626.99
Westfield	33,000	1,006.47	32.79	161.19	143.91	85.07	1,203.93	1,626.89
Whatlington	7,361	149.92	49.10	161.19	143.91	85.07	1,203.93	1,643.20
Rye (note 2)	157,512	1,747.78	90.12	161.19	143.91	85.07	1,203.93	1,684.22

Note 1

Bexhill local precept shown above comprises

Bexhill Charter Trustees Precept	9,090
Bexhill Special Expenses	652,485
	<hr/>
	661,575
	<hr/> <hr/>

Note 2

Rye local precept shown above comprises

Rye Town Council Precept	108,767
Rye Special Expenses	48,745
	<hr/>
	157,512
	<hr/> <hr/>

ADDITIONAL INFORMATION 2015/2016: COUNCIL TAX BY AREA AND BAND

<i>Band D Tax multiplied by</i>	<i>6/9 gives</i>	<i>7/9 gives</i>	<i>8/9 gives</i>		<i>11/9 gives</i>	<i>13/9 gives</i>	<i>15/9 gives</i>	<i>18/9 gives</i>
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL	COUNCIL
LOCAL TAX AREA	TAX	TAX	TAX	TAX	TAX	TAX	TAX	TAX
	£	£	£	£	£	£	£	£
Bexhill	1,091.15	1,273.02	1,454.87	1,636.73	2,000.44	2,364.16	2,727.88	3,273.46
Ashburnham & Penhurst	1,092.26	1,274.32	1,456.36	1,638.40	2,002.48	2,366.58	2,730.66	3,276.80
Battle	1,125.39	1,312.96	1,500.53	1,688.09	2,063.22	2,438.35	2,813.48	3,376.18
Beckley	1,090.10	1,271.79	1,453.47	1,635.15	1,998.51	2,361.88	2,725.25	3,270.30
Bodiam	1,103.67	1,287.62	1,471.57	1,655.51	2,023.40	2,391.29	2,759.18	3,311.02
Brede	1,080.30	1,260.36	1,440.41	1,620.46	1,980.56	2,340.67	2,700.76	3,240.92
Brightling	1,086.84	1,267.99	1,449.13	1,630.27	1,992.55	2,354.84	2,717.11	3,260.54
Burwash	1,082.12	1,262.49	1,442.84	1,623.19	1,983.89	2,344.61	2,705.31	3,246.38
Camber	1,127.37	1,315.27	1,503.17	1,691.06	2,066.85	2,442.64	2,818.43	3,382.12
Catsfield	1,103.97	1,287.97	1,471.97	1,655.96	2,023.95	2,391.94	2,759.93	3,311.92
Crowhurst	1,112.96	1,298.46	1,483.95	1,669.44	2,040.42	2,411.41	2,782.40	3,338.88
Dallington	1,094.93	1,277.43	1,459.91	1,642.40	2,007.37	2,372.36	2,737.33	3,284.80
East Guldeford	1,062.73	1,239.86	1,416.98	1,594.10	1,948.34	2,302.59	2,656.83	3,188.20
Etchingham	1,118.63	1,305.08	1,491.51	1,677.95	2,050.82	2,423.71	2,796.58	3,355.90
Ewhurst	1,138.33	1,328.06	1,517.78	1,707.50	2,086.94	2,466.39	2,845.83	3,415.00
Fairlight	1,097.54	1,280.47	1,463.39	1,646.31	2,012.15	2,378.00	2,743.85	3,292.62
Guestling	1,066.06	1,243.75	1,421.42	1,599.10	1,954.45	2,309.81	2,665.16	3,198.20
Hurst Green	1,101.96	1,285.63	1,469.29	1,652.95	2,020.27	2,387.60	2,754.91	3,305.90
Icklesham	1,121.08	1,307.94	1,494.78	1,681.63	2,055.32	2,429.02	2,802.71	3,363.26
Iden	1,102.76	1,286.57	1,470.36	1,654.15	2,021.73	2,389.33	2,756.91	3,308.30
Mountfield	1,107.94	1,292.61	1,477.26	1,661.92	2,031.23	2,400.55	2,769.86	3,323.84
Northiam	1,094.46	1,276.87	1,459.28	1,641.69	2,006.51	2,371.33	2,736.15	3,283.38
Peasmarsh	1,097.35	1,280.25	1,463.14	1,646.03	2,011.81	2,377.60	2,743.38	3,292.06
Pett	1,098.50	1,281.59	1,464.67	1,647.75	2,013.91	2,380.08	2,746.25	3,295.50
Playden	1,083.49	1,264.08	1,444.66	1,625.24	1,986.40	2,347.57	2,708.73	3,250.48
Rye Foreign	1,071.29	1,249.85	1,428.39	1,606.94	1,964.03	2,321.14	2,678.23	3,213.88
Salehurst	1,116.72	1,302.84	1,488.96	1,675.08	2,047.32	2,419.56	2,791.80	3,350.16
Sedlescombe	1,107.84	1,292.49	1,477.13	1,661.77	2,031.05	2,400.34	2,769.61	3,323.54
Ticehurst	1,110.59	1,295.70	1,480.79	1,665.89	2,036.08	2,406.29	2,776.48	3,331.78
Udimore	1,084.66	1,265.44	1,446.22	1,626.99	1,988.54	2,350.10	2,711.65	3,253.98
Westfield	1,084.59	1,265.36	1,446.13	1,626.89	1,988.42	2,349.95	2,711.48	3,253.78
Whatlington	1,095.46	1,278.05	1,460.62	1,643.20	2,008.35	2,373.51	2,738.66	3,286.40
Rye	1,122.81	1,309.95	1,497.09	1,684.22	2,058.49	2,432.77	2,807.03	3,368.44

Audit

The formal review of activities by people or agencies not otherwise responsible for those activities. Originally used for the periodic review of financial transactions but now increasingly used also for any independent review, usually ad hoc, of any activities.

Band "D" Equivalentents

This term relates to one of the Council Tax valuation bands (see Council Tax). The bands "A" to "C" and E to "H" are weighted to the equivalent of Band "D". This derived Band "D" equivalent is used as a basis for calculating the Council Tax.

Best Value

This is the duty (implied but may be made statutory) which local authorities owe to their stakeholders to provide relevant, cost effective services.

Billing Authority

This is an authority such as Rother which is responsible for collecting the Council Tax and the Non Domestic Rates.

Budget

A statement of Rother's plans for revenue or capital expenditure over a specified period of time. The annual budget is prepared as part of the Council's annual Council Tax setting process.

Capital Charges

This is a depreciation charge for the use of tangible and intangible fixed assets. Capital charges are borne by the service revenue accounts, but reversed out to ensure they have no impact on the level of Council Tax.

Capital Expenditure

This is expenditure on the acquisition of assets, or expenditure which adds to and not merely maintains the value of an existing asset. The Local Government Act 2003 defines capital expenditure as 'expenditure that falls to be capitalised under proper practices'. In practice the Council follows the various regulations issued by the Government and the Accounting Code of Practice. Expenditure outside this definition must be charged to the Revenue Account. A fixed asset is one which generally yields benefits to the local authority for a period exceeding one year.

Capital Finance

This is the raising of money to pay for capital expenditure, for example by borrowing, leasing, capital receipts, revenue or grants.

Capital Programme

This outlines the capital schemes that the Authority proposes to undertake over a set time; Rother has a three year capital programme.

Capital Receipts

These are monies received from the sale of fixed assets.

Centrally Managed Costs

These are made up of administrative buildings and office services

Collection Fund

This fund is administered by each billing authority and all proceeds from the Council Tax are paid into the fund to meet the net budget requirements of the County Council, Police Authority, District and Parish Councils for the area.

Council Tax

Council Tax is paid on most residential properties in a local authority's area. Properties are valued within eight valuation bands (A-H).

Council Tax Reduction Scheme

Introduced in April 2013, this locally defined scheme helps those on low incomes to meet their Council Tax. It replaced the Council Tax Benefit scheme.

External Interest

External Interest consists of payments to financial institutions in respect of interest incurred on borrowing undertaken to fund the activities of the authority.

Fixed Assets

These are tangible, intangible and infrastructure assets that yield benefit to local authorities and the services it provides for more than one year.

Growth

An increase in expenditure not due to inflation.

Housing Benefits

An allowance to persons on low or no income to meet either the whole or part of their rent. Benefit is allowed or paid by local authorities but Central Government refunds part of the cost of the benefits and contributes to the administrative costs of the service.

National Non Domestic Rates

These are paid on commercial, business and non residential properties. The Government determines the level, although the Council is responsible for its billing and collection. From 2013/14 the Council will retain part of the business rates it collects based on a formula set by Government. The balance is part to the Government, East Sussex County Council and East Sussex Fire and Rescue Authority.

Other Apportionable Overheads

These are costs which are of a necessity and/or benefit to most services and include bank charges, Audit Commission fees, pre-printed cheques and the costs associated with the Data Protection Act. Where it is not possible to identify the main beneficiary of the cost then a pro rata basis of apportionment is made.

Precept

This is the levy made by precepting authorities (such as East Sussex County Council, Sussex Police and Crime Commissioner and the Fire Authority) on a billing authority (Rother District Council), requiring the latter to collect.

Provisions, Reserves and Balances

These are amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general balances which every authority must maintain as a matter of prudence.

Recharges

The local authority accounting code of practice requires that all support costs be fully recharged to services.

Revenue Expenditure

This is expenditure on the day to day running of the authority, for example staff costs, premises related expenditure, transport and supplies and services.

Revenue Support Grant (RSG)

This is a grant paid by Central Government in support of general net revenue expenditure. The amount is calculated to make up the difference between an area's formula spending share and the sum of resources obtained from National Non Domestic Rates and the Council Tax.

Service Level Agreement (SLA)

An agreement made between the Council and an external service provider e.g. Citizens Advice Bureau, in addition to agreements made between services within the Council, which state the price and specifications of the support service by one to another.

Supplies and Services

Equipment and materials, protective clothing, office furniture, advertising and publications, fees for professional services.

Support Services

Computer services, financial services, legal services, personnel services, property management, office services, and office accommodation.

Total Costs

The principle that all unit costs and other comparable costs should include apportionments of all overheads and support service costs.

Virement

This is the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head. Virements must be properly authorised by the appropriate Committee or by officers under delegated powers.

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