

Meeting: FULL COUNCIL

Date: Wednesday 28 February 2024

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2024/25

Report of: Councillor Robin Maxted, Cabinet Member for Finance & Resources

The Council is asked to consider the reports to Cabinet and also the Cabinet minutes and resolutions from the meeting held on 7 February 2024.

The budget book 2024/25 will be circulated to all Members of the Council, once the budget has been formally adopted. A copy will be provided on the Council's website.

The reports may also be viewed on the [Council's website](#).

Please contact Democratic Services (see below for contact details) in the first instance if you require a printed copy of any of the reports.

In order to comply with Section 25 of the Local Government Act 2003; the Authority's Chief Finance Officer is required to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves. A statement covering this requirement is attached at Appendix 1.

The resolutions in this report, which must include the requirements of all precepting authorities, are based on the recommendations being made to those Authorities and the budget approved by East Sussex County Council, East Sussex Fire Authority and the Sussex Police and Crime Commissioner.

A summary of the demand on the Collection Fund is as follows:

Authority	Precept/Demand		2024/25 Band D	Change over 2023/24	
	£	%	£	£	%
Eastbourne Borough Council:	9,911,763	11.49%	277.74	8.06	2.99%
East Sussex County Council	63,462,905	73.59%	1,778.31	84.51	4.99%
The Police and Crime Commissioner for Sussex	9,025,650	10.47%	252.91	13.00	5.42%
East Sussex Fire Authority	3,836,017	4.45%	107.49	3.12	2.99%
Total	86,236,335	100.00%	2,416.45	108.69	4.71%

After consideration of the foregoing, the Council is asked to approve the following:
Recommendations:

1. The recommendations as detailed in the reports from the Chief Finance Officer to Cabinet on 7 February 2024
 - I. Continue to lobby the UK Government for additional funding in recognition of the exceptional financial pressures placed on Local Councils in tackling the cost of homelessness, which in Eastbourne is projected to be £4.9m for 23/24 to pay for temporary accommodation.
 - a. In this circumstance, EBC Council Tax would increase for a Band D property to 2.99% and deliver £3.8m of savings over two years as per previous MTFS and reporting. This is Eastbourne Borough Councils preferred option.
 - b. Our preference is that the Government recognise the extreme pressures placed on Councils of all political persuasions, and agrees, as they have done with social care, to provide exceptional, emergency support to Councils to cover the costs of EA/TA in the Budget.
 - c. However, in appreciation that this may be unlikely, the Council have put forward three other alternatives as we continue dialogue with DLHUC to provide support for this authority.
 - II. To approve the following options in respect to the General Fund Budget 2024/25 dependent on the outcome of the Councils application to the Department of Levelling Up Housing & Communities for Exceptional Financial Support, noting that option C has now been withdrawn.
 - a. Option A is based on Department of Levelling Up Housing & Communities recognising and directly funding the increased number of homelessness and temporary accommodation placements activity from 2023/24 onwards (Appendices 1A, 2A, 3A & 4A to the Cabinet report).
 - b. Option B which assumes the acceptance of Exceptional Financial Support by Department of Levelling Up Housing & Communities but does not include additional Council Tax setting powers over and above the existing pre-referendum limit of 2.99% (Appendices 1B, 2B, 3B & 4B to the Cabinet report).
 - d. Option D which assumes the refusal of Exceptional Financial Support by Department of Levelling Up Housing & Communities (Appendices 1D, 2D, 3D & 4D to the Cabinet report).
 - III. To give delegated authority to the Section 151 Officer and Chief Executive in consultation with the Leader of the Council and the Cabinet Member for Finance to set the 2024/25 budget.
 - IV. Further to recommendation III above, if the outcome of DLUHC's decision results in the Council having to adopt option D officers will immediately implement plans already in place to develop an Emergency Budget with the

purpose of finding additional savings of £3m in 2024/25 which will be presented to the next Full Council meeting in May.

- V. To approve an increase in the Council Tax for Eastbourne Borough Council of 2.99% resulting in a gross Band D charge of £277.74 for 2024/25 an increase of £8.06 per annum.
- VI. To approve the flexible use of Capital Receipts to fund improvement and transformation costs in line with the Statutory Guidance updated in August 2022.
- VII. The revised General Fund & Housing Revenue Account Capital Programme 2024/25 as set out at Appendix 5 to the Cabinet report.
- VIII. The rates of Fees and Charges proposed within Appendix 5 to apply from 1 April 2024 and to implement changes to statutory fees and charges for services shown within Appendix 5 of the Cabinet report as and when notified by Government.
- IX. To note the Section 151 Officer's sign off as outlined in the report.
- X. To approve the Treasury Management Strategy and Annual Investment Strategy for 2024/25.
- XI. To approve the Minimum Revenue Provision Policy Statement 2024/25.
- XII. To approve the Prudential and Treasury Indicators 2024/25 to 2026/27.
- XIII. To approve the Capital Strategy 2024/25.
- XIV. To approve the Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2022/23 and the budget for 2023/24, rents and service charges and the HRA Capital Programme, including:
 - a. That social and affordable rents (including Shared Ownership) are increased by 7.7% with effect from 1st April 2024 in line with government policy.
 - b. That, with effect from 1 April 2024, when social-rented properties are relet to new tenants, the applicable rent will be increased by 5% above target rent.
 - c. That the revised service charges as set out in paragraphs 2.3 to 2.6 of the report are implemented with effect from 1 April 2024.
 - d. That Garage Rents are increased by 6.7%.
 - e. To grant delegated authority to the Chief Executive, in consultation with the Cabinet Portfolio holder for Finance and Resources and the Chief Finance Officer to finalise Eastbourne Homes' Management Fees and Delivery Plans for both 2023/24 and 2024/25.

XV. To approve the Council Tax Discount and Premiums from 1 April 2024 and 1 April 2025.

2. That delegated authority is given to the Chief Finance Officer to amend the budget for any presentational changes ensuring the Council Tax Requirement at 6 below remains unchanged.
3. That it be noted, that since the Cabinet meeting on 7 February the Business Rates return to the Government (NNDR1) has been finalised with no changes to the previous net budget assumptions.
4. That consequent upon a General Fund budget of £9,911,763 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £277.74 (representing an increase of 2.99%) calculated.

However, as a result of the uncertainty of DLUHC decision regarding recommendation II above, the following tables reflect the likely outcome of the application as follows:

I. Option A – DLUHC directly fund the increased number of homelessness and temporary accommodation.

	£'000	£'000
Gross Expenditure:		
General Fund		98,645
HRA		21,582
Business Rates Tariff payable and deficit		12,427
		<u>132,874</u>
Less Income:		
Service Income	-79,030	
HRA	-21,582	
Other Government Grants	-6,040	
Business Rates income	-14,122	
Additional EA/TA Funding	-2,181	
Collection Fund Surplus (Council Tax)	-7	
		<u>-122,962</u>
COUNCIL TAX REQUIREMENT		<u><u>9,912</u></u>
Band 'D' Council Tax		£277.74

II. Option B - Acceptance of Exceptional Financial Support by DLUHC

	£'000	£'000
Gross Expenditure:		
General Fund		99,684
HRA		21,582
Business Rates Tariff payable and deficit		12,427
		<u>133,693</u>
Less Income:		
Service Income	-79,030	
HRA	-21,582	
Other Government Grants	-6,040	
Business Rates income	-14,122	
Capitalisation Direction	-3,000	
Collection Fund Surplus (Council Tax)	-7	
		<u>-123,781</u>
COUNCIL TAX REQUIREMENT		<u><u>9,912</u></u>
Band 'D' Council Tax		<u><u>£277.74</u></u>

III. Option D Refusal of Exceptional Financial Support by DLUHC.

	£'000	£'000
Gross Expenditure:		
General Fund		98,645
HRA		21,582
Business Rates Tariff payable and deficit		12,427
		<u>132,874</u>
Less Income:		
Service Income	-79,030	
HRA	-21,582	
Other Government Grants	-6,040	
Business Rates income	-14,122	
Contributions From Reserves	-2,181	
Collection Fund Surplus (Council Tax)	-7	
		<u>-122,962</u>
COUNCIL TAX REQUIREMENT		<u><u>9,912</u></u>
Band 'D' Council Tax		<u><u>£277.74</u></u>

The statutory resolutions relating to this matter are given at paragraphs 5 and 6 below.

- That it be noted that at its meeting on 14 December 2022 the Cabinet agreed the Council Tax Base of 35,687.2 for Band 'D' equivalent properties for the year 2024/25 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended).

6. Calculate that the Council Tax requirement for the Council's own purposes for 2024/25 as £9,911,763.
7. That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:
 - I. **Option A – DLUCH directly fund the increased number of homelessness and temporary accommodation.**
 - (a) £132,874,157 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £122,962,394 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - II. **Option B - Acceptance of Exceptional Financial Support by DLUHC**
 - (a) £133,693,157 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £123,781,394 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - III. **Option D - Refusal of Exceptional Financial Support by DLUHC**
 - (a) £132,874,157 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £122,962,394 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

For both options described in I & II above the following amounts remain the same.

- (c) £9,911,763 being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(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) £277.74 being the amount at 6(c) above (Item R), all divided by Item T (5 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including local precepts).

8. To note that East Sussex County Council, the Sussex Police and Crime Commissioner and the East Sussex Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each category of dwellings in the Council's area as indicated in the table below.
9. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, as amended, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2024/25 for each of the categories of dwellings.

COUNCIL TAX 2024/25 - BY AREA AND VALUATION BAND								
MAJOR PRECEPTOR	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
East Sussex Fire Authority (ESFA)	71.66	83.60	95.55	107.49	131.38	155.26	179.15	214.98
Sussex Police & Crime Commissioner (SPCC)	168.61	196.71	224.81	252.91	309.11	365.31	421.52	505.82
East Sussex County Council (ESCC)	1,185.54	1,383.13	1,580.72	1,778.31	2,173.49	2,568.67	2,963.85	3,556.62
Eastbourne Borough Council	185.16	216.02	246.88	277.74	339.46	401.18	462.90	555.48
Total Council Tax Requirement	1,610.97	1,879.46	2,147.96	2,416.45	2,953.44	3,490.42	4,027.42	4,832.90

10. Determine that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
11. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2024/25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992, as amended.

For a copy of the report please contact Democratic Services, Town Hall, Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415023.
E-mail: committees@lewes-eastbourne.gov.uk

For further information please contact Homira Javadi, Chief Finance Officer, Tel. (01323) 415149

Appendices:

- Appendix 1 Section 25 Statement of the Section 151 Officer (EBC) 2024-25
- Appendix 2 General Fund Revenue Budget 2024-25 and Capital Programme
- Appendix 3 Treasury Management and Prudential Indicators 2024-25 Capital Strategy and Investment Strategy
- Appendix 4 Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024-25
- Appendix 5 Council Tax Discounts and Premiums 2024-25