

LINE NO.	LEWES DISTRICT COUNCIL GENERAL FUND SERVICES SUMMARY	2012/13 ACTUAL £	2013/14 BUDGET £	2014/15 BUDGET £
	<b>Service Expenditure Analysis</b>			
1	- Central Services	990,037	1,256,500	1,243,200
2	- Cultural and Related Services	2,276,912	2,451,770	2,359,800
3	- Environmental and Regulatory Services	4,120,471	4,379,710	4,399,800
3a	- Environmental and Regulatory Services - Environment Agency Levy	123,996	127,100	127,200
4	- Highways and Transport Services	(223,214)	(383,830)	(316,800)
5	- Housing General Fund Services	1,342,436	1,719,020	1,609,200
6	- Planning Services	1,241,048	1,248,620	1,266,400
7	- Corporate and Democratic Core	1,705,629	1,801,180	2,097,200
8	- Non-Distributed Costs : general	55,792	150,350	165,100
9	Net Service Expenditure	11,633,107	12,750,420	12,951,100
10a	Use or Working balance assuming mid year delivery of savings (on average)		175,000	255,000
10b	- Non-Distributed Costs : Savings target		(350,000)	(511,000)
11	<b>COST OF SERVICES</b>	<b>11,633,107</b>	<b>12,575,420</b>	<b>12,695,100</b>
12a	Other Operating Income and Expenditure - Lewes District Council	(761,318)	(655,950)	(697,600)
12b	Other Operating Income and Expenditure - Town and Parish Reduction Grant	-	337,900	278,300
13	Financing and Investment Income and Expenditure	(191,691)	(189,570)	(60,700)
14	<b>COST BEFORE TRANSFERS TO/(FROM) RESERVES</b>	<b>10,680,098</b>	<b>12,067,800</b>	<b>12,215,100</b>
15	Contribution to Service Priorities	105,500	500,000	500,000
15a	Transfers from Earmarked Reserves	(951,696)	(696,390)	(983,700)
15b	Transfers to Earmarked Reserves	1,669,384	1,980,490	2,414,030
16	<b>NET EXPENDITURE REQUIREMENT</b>	<b>11,503,286</b>	<b>13,851,900</b>	<b>14,145,430</b>
	<b>TAXATION AND NON-SPECIFIC GRANT INCOME</b>			
17	Retained Business Rates and Section 31 Grants (see footnote)	-	(2,109,328)	(2,444,930)
18	Contribution from the National Non-Domestic Rates Pool	(3,691,929)	-	-
19	Government Grants			
19a	- Revenue Support Grant	(75,159)	(2,945,151)	(2,325,200)
19b	- Compensation for Business Rates Multiplier Cap	-	-	(21,200)
19c	- New Homes Bonus	(477,360)	(861,150)	(1,169,100)
19d	- New Homes Bonus returned funding	-	(16,600)	(6,900)
19e	- Council Tax Freeze Grant 2011/12	(185,281)	-	-
19f	- Council Tax Freeze Grant 2012/13	(186,086)	-	-
19g	- Council Tax Freeze Grant 2013/14	-	(75,460)	-
19h	- Council Tax Freeze Grant 2014/15	-	-	(76,100)
19i	- Housing Benefit Administration Subsidy	-	(592,970)	(521,800)
19j	- Council Tax Support New Burdens Funding	-	(58,000)	(76,400)
19k	- Community Right to Challenge	-	(8,550)	(8,500)
19l	- Community Right to Bid	-	(7,850)	(7,900)
20	Council Tax Income			
20a	- Lewes District Council Precept on the Collection Fund - LDC after Collection Fund Sur	(7,443,275)	(6,628,241)	(6,673,400)
20b	- Lewes District Council Collection Fund Surplus	(60,327)	(64,759)	(64,990)
21	<b>TOTAL TAXATION &amp; NON-SPECIFIC GRANT INCOME</b>	<b>(12,119,417)</b>	<b>(13,368,059)</b>	<b>(13,396,420)</b>
22	<b>TRANSFER (TO) / FROM WORKING BALANCE</b>	<b>(616,131)</b>	<b>483,841</b>	<b>749,010</b>
23	Working Balance as at 1 April	2,063,273	1,863,273	2,415,600
24	Transfer (From) / To Working Balance	616,131	(483,841)	(749,010)
25	Working Balance as at 31 March	2,679,404	1,379,432	1,666,590
26	Taxbase	38,671.31	34,436.00	34,670.70
27	<b>Band D Council Tax (line 20a/line26)</b>	<b>£192.48</b>	<b>£192.48</b>	<b>£192.48</b>

**Retained Business Rates Footnote:**

Total of estimated Retained Business Rates for the year before allocating shares	£ 23,357,099
Lewes District Council's share at 40%	9,342,840
Add Back Lewes District Council's share of adjustments for the Autumn 2013 announcements:	
Retail Relief	324,800
Small Business Rates relief	425,219
Total of Lewes District Council's retained income before levy and tariff payment	10,092,859
Less: Tariff payment to the Government	-7,200,504
Less:Lewes District Council's Business Rates baseline funding	-1,997,497
Less 50% levy: ((£7,200,504+£1,997,497)- £10,092,859) x 50%	-447,429
Lewes District Council's retained business rates :	
Baseline Funding	1,997,497
Retained additional share net of levy	447,429
<b>Total retained share</b>	<b>2,444,926</b>

Timing of retained rates notifications and advice on treatment will result in a slight difference between the footnote and the amounts taken into the budgets. The difference will be accounted for in the Business Rates Collection Fund at the year end, with any surplus/deficit appearing in future year's budgets.

## Variations in recurring service expenditure 2013/2014 to 2014/2015

Line	Policy Area	£,000
1	<b>2013/2014 Recurring Service Expenditure</b>	<b>12,054</b>
2	<b>2014/2015 Additional expenditure and reduced income:</b>	
3	Pay and Price Changes	260
4	Reduced income from Car Parks - Charges and Penalty Charge Notices	75
5	Reduced contribution from SDNP for Planning services	40
6	Reduced income from Recycling Credits and Sales	155
7	Reduction in income received from Liability Orders for Council Tax	25
8	Miscellaneous Variations	10
9	<b>Sub Total</b>	<b>565</b>
10	<b>2014/2015 Additional Income and reduced expenditure:</b>	
11	Estimated increase in Planning Fee Income	(25)
12	Reduction in the cost of external contracts	(72)
13	Increase in income generated from miscellaneous Fees & Charges	(33)
14	Reduction in Trade Waste Disposal Charges	(50)
15	Reduced External Audit fees for Grant audits	(12)
16	Miscellaneous Variations	(23)
17	<b>Sub Total</b>	<b>(215)</b>
18	<b>Saving targets in place at 1 April 2014:</b>	
19	Reduction in Wave Leisure Service Fee	(45)
20	Reduction in Utility and Cleaning costs on Fisher Street and Lewes House offices	(50)
21	General savings on Fisher Street and Lewes House offices	(79)
22	Reduction in Printing and stationery budgets through Agile Working	(43)
23	Saving in the cost of staff transport	(14)
24	Reduction in employee costs following Voluntary Severance, etc	(206)
25	<b>Sub Total</b>	<b>(437)</b>
26	<b>2014/2015 Recurring Service Expenditure</b>	<b>11,967</b>

## Statement of Contributions to Reserves and use for Revenue expenditure

	2012/2013 Actual £	2013/2014 Budget £	2013/2014 Updated £	2014/2015 Budget £
<b>Revenue Equalisation And Asset Maintenance Reserve</b>				
Pells Pool Grant Contribution - Interest	270	270	270	
Hope Gap Steps Repair Fund - Interest	200	200	200	200
Residents Priority Survey	4,000	4,000		
Property Condition Survey	10,000	10,000	10,000	10,000
Planning Appeals and Enquiries	5,000	5,000	5,000	5,000
District Council Elections	35,000	35,000	35,000	35,000
Dog and Litter Bin Replacement and Maintenance	20,000	20,000	20,000	20,000
Asset Maintenance	160,000	160,000	160,000	160,000
Play Equipment Replacement	10,000	10,000	10,000	10,000
Car Parking Repairs - General	10,000	10,000	10,000	10,000
Car Parking Repairs - West Quay	2,000	2,000	2,000	2,000
Sub-total Contributions to the Reserve	256,470	256,470	252,470	252,200
Repairs to Handrails at Hope Gap steps	(650)			
Marstakes Common	(5,669)		(11,010)	
Valuations for Final Accounts & IFRS work	(6,400)	(6,500)	(6,500)	(30,000)
Tree Survey	(3,122)		(36,878)	
Dog and Litter Bin Replacement and Maintenance	(4,309)	(20,000)	(20,000)	(20,000)
STARK Software Leasing costs	(5,238)	(5,600)	(5,600)	(5,600)
Agile working I T Initiatives	(70,071)		(297,069)	
Transfer of Pells Pool Reserve to Lewes T C			(28,400)	
Community Infrastructure Levy - Joint Working	(4,929)			
Reserve Authorisation 4 - Project Turnaround	(5,725)			
Reserve Authorisation 5 - R/R road H & S repairs	(1,591)			
Sub-total Use of the Reserve	(107,705)	(32,100)	(405,457)	(55,600)
<b>Net movement on the Reserve</b>	<b>148,765</b>	<b>224,370</b>	<b>(152,987)</b>	<b>196,600</b>
<b>Housing Benefit Service Improvements Reserve</b>				
Contributions to the Reserve (LHA Grant & LA error subsidy)	111,268	123,790	123,790	176,100
Sub -Total Contribution to the Reserve	111,268	123,790	123,790	176,100
Provision for Software for NNDR Model		(25,000)	(25,000)	(25,000)
Telephone payments system annual licence/maint.	(1,000)	(1,000)	(1,000)	(1,000)
Employ Benefit Assessor 2 year contract	(5,000)			
Cost to install and ongoing licence for Bank Wizard	(2,500)	(2,500)	(2,500)	(2,500)
Additional Staff as per Salary Estimate		(28,380)	(28,380)	(29,900)
Reserve Authorisation 2 - Streamline	(3,000)			
Contributions from the Reserve - Agency Staff HBEN		(7,200)	(7,200)	
Additional professional Training for Revenues staff	(509)	(1,800)	(1,800)	(1,000)
Sub-total Use of the Reserve	(12,009)	(65,880)	(65,880)	(59,400)
<b>Net movement on the Reserve</b>	<b>99,259</b>	<b>57,910</b>	<b>57,910</b>	<b>116,700</b>
<b>Community Safety Partnership Fund</b>				
Contributions to the Reserve	23,776			
Use of Community Safety Partnership Fund	(40,244)		(53,658)	
Sub-total Use of the Reserve	(40,244)	0	(53,658)	0
<b>Net movement on the Reserve</b>	<b>(16,468)</b>	<b>0</b>	<b>(53,658)</b>	<b>0</b>

	2012/2013 Actual £	2013/2014 Budget £	2013/2014 Updated £	2014/2015 Budget £
<b>Insurance Reserve</b>				
General contribution	25,000	25,000	25,000	25,000
Monies received from ZM towards Risk Management	10,600			
Sub-total Contributions to the Reserve	35,600	25,000	25,000	25,000
General Fund provision for MMI Levy	(26,069)			
Public Liability Claim Splashpoint Seaford	(16,828)			
Public Liability - Southover Grange	(5,250)			
Funding 13/14 Public Liability Claims			(6,000)	
Funding of insurance management system	(2,674)			
Sub-total Use of the Reserve	(50,821)	0	(6,000)	0
<b>Net movement on the Reserve</b>	<b>(15,221)</b>	<b>25,000</b>	<b>19,000</b>	<b>25,000</b>
<b>Corporate Building Repairs</b>				
Annual Contribution to Reserve	50,000	50,000	50,000	50,000
Use of the Reserve - Scheme Projects	(35,042)	(50,000)	(50,000)	(50,000)
<b>Net movement on the Reserve</b>	<b>14,958</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Leisure Building Repairs</b>				
Annual Contribution to Reserve	50,000	50,000	50,000	50,000
Use of the Reserve - Scheme Projects	(62,388)	(67,000)	(67,000)	(67,000)
<b>Net movement on the Reserve</b>	<b>(12,388)</b>	<b>(17,000)</b>	<b>(17,000)</b>	<b>(17,000)</b>
<b>Building Control Charging Scheme</b>				
Annual Contribution to Reserve	5,009	15,100	15,100	20,600
<b>Net movement on the Reserve</b>	<b>5,009</b>	<b>15,100</b>	<b>15,100</b>	<b>20,600</b>
<b>Vehicle Replacement Reserve</b>				
Annual Contribution to Reserve	320,000	320,000	320,000	320,000
Use of the Reserve for revenue expenditure				
<b>Net movement on the Reserve</b>	<b>320,000</b>	<b>320,000</b>	<b>320,000</b>	<b>320,000</b>
<b>Housing and Planning Delivery Grant Reserve</b>				
Contributions to the Reserve (Grant received in year)				
Use of the Reserve (various initiatives)			(71,249)	
<b>Net movement on the Reserve</b>	<b>0</b>	<b>0</b>	<b>(71,249)</b>	<b>0</b>
<b>Private Sector Leased/Homelessness Initiatives</b>				
Total Contribution from Reserves	30,669	37,030	37,030	33,400
Use for Housing Advisory Officer	(16,635)			
Use of the Reserve - PSL repairs	-	(700)	(700)	(1,000)
Sub-total Use of the Reserve	(16,635)	(700)	(700)	(1,000)
<b>Net movement on the Reserve</b>	<b>14,034</b>	<b>36,330</b>	<b>36,330</b>	<b>32,400</b>
<b>IT Equipment Reserve</b>				
Contributions to the Reserve	62,000	62,000	62,000	
Use of the Reserve for revenue expenditure				
<b>Net movement on the Reserve</b>	<b>62,000</b>	<b>62,000</b>	<b>62,000</b>	<b>0</b>
<b>Leisure Trust</b>				
Contributions to the Reserve	50,000	50,000	50,000	50,000
Use of the Reserve for Capital expenditure				
<b>Net movement on the Reserve</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

	2012/2013 Actual £	2013/2014 Budget £	2013/2014 Updated £	2014/2015 Budget £
<b>WAVE Leisure Asset Maintenance Reserve</b>				
Contributions to the Reserve	80,000	80,000	80,000	80,000
Use of the Reserve for revenue expenditure	(3,259)	(100,000)	(100,000)	(100,000)
<b>Net movement on the Reserve</b>	<b>76,741</b>	<b>(20,000)</b>	<b>(20,000)</b>	<b>(20,000)</b>
<b>Budget Carry Forward Reserve</b>				
Contributions to the Reserve	83,881			
Budget b/fwd from 2011/2012 not used into working balance	(77,158)			
Use of the Reserve to fund items from previous year	(46,982)		(83,881)	
<b>Net movement on the Reserve</b>	<b>(40,259)</b>	<b>0</b>	<b>(83,881)</b>	<b>0</b>
<b>Clean &amp; Green Reserve</b>				
Contributions to the Reserve				
Use of the Reserve for revenue expenditure	(28,795)	(21,110)	(21,110)	(4,700)
<b>Net movement on the Reserve</b>	<b>(28,795)</b>	<b>(21,110)</b>	<b>(21,110)</b>	<b>(4,700)</b>
<b>Recycling General Reserve</b>				
Cost associated with the new Cardboard scheme	(14,096)		(39,248)	
<b>Net movement on the Reserve</b>	<b>(14,096)</b>	<b>0</b>	<b>(39,248)</b>	<b>0</b>
<b>Change Management and Spending Power Reserve</b>				
Public Events			10,886	
Neighbourhood Planning Project			35,000	
New Homes Bonus	477,360	877,750	877,750	1,176,000
Contributions to the Reserve	477,360	877,750	923,636	1,176,000
Fixed Term - Parks & Cemeteries	(5,000)	(12,960)	(12,960)	(7,500)
Fixed Term - Project Accountant	(39,014)	(28,690)	(26,255)	(42,200)
Fixed Term - Equalities Officer	(21,676)		(4,978)	
Fixed Term - Property Lawyer	(20,672)	(45,190)		
Fixed Term - Office Manager				(24,400)
Fixed Term - Programme Manager	(51,400)	(57,490)	(44,100)	(44,500)
Fixed Term - Agile Project Manager	(53,877)	(53,700)	(53,700)	(54,700)
Fixed Term - Neighbourhood Planning Officers	(32,717)			(35,000)
Provision for covering Planning Development Manager Posts				(66,000)
Fixed Term - Customer Services Supervisor Post				(38,900)
Fixed Term - Customer Services Assistant Post				(23,700)
Graduates interns x 3	(19,730)	(11,770)	(18,940)	
Agile project - working budget	(41,478)		(8,468)	
Office rationalisation - interim funding				(75,400)
Neighbourhood Planning Project			(37,282)	
Funding towards Newhaven UTC bid	(68,500)		(19,500)	
Support from Democratic Society	(6,250)		(3,750)	
Compensation for Land Charges Searches			(34,355)	
LEAP Apprenticeship Project	(5,228)		(69,172)	(25,600)
Corporate Enabling & Initiatives Budget		(35,000)	(35,000)	(35,000)
PAM Software Licence	(36,000)	(36,000)	(36,000)	(36,000)
Property Joint Partnership external support	(28,498)		(121,502)	
Economic Development Fund	(26,521)	(50,000)	(70,979)	(50,000)
Support for Corporate Communication		(28,800)	(28,800)	
Sub-total Use of the Reserve	(456,562)	(359,600)	(625,741)	(558,900)
<b>Net movement on the Reserve</b>	<b>20,798</b>	<b>518,150</b>	<b>297,895</b>	<b>617,100</b>

	2012/2013 Actual £	2013/2014 Budget £	2013/2014 Updated £	2014/2015 Budget £
<b>Newhaven Enterprise Centre Reserve</b>				
Contributions to the Reserve	13,350	13,350	13,350	13,300
Reserve Authorisation 6 - New entry doors				
Use of the Reserve for revenue expenditure				
<b>Net movement on the Reserve</b>	<b>13,350</b>	<b>13,350</b>	<b>13,350</b>	<b>13,300</b>
<b>Leisure Trust All Weather Pitch Reserve</b>				
Contributions to the Reserve	20,000	20,000	20,000	20,000
Use of the Reserve for revenue expenditure				
<b>Net movement on the Reserve</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Strategic Priority Fund</b>				
Contributions to the Reserve			204,000	147,430
Saltdean Lido - match funding			(20,000)	
Business Engagement Project			(66,900)	(29,100)
Future Gov Projects			(20,000)	
Coastal Communities Fund Bid Support			(60,000)	
Newhaven Growth Quarter contribution (CCF)			(175,000)	
Devolution external support			(50,000)	
Developing Procurement IESE				(58,000)
Sub-total Use of the Reserve	0	0	(391,900)	<b>(87,100)</b>
<b>Net movement on the Reserve</b>	<b>0</b>	<b>0</b>	<b>(187,900)</b>	<b>60,330</b>
<b>Summary Position of the Reserves</b>				
<b>Total Contributions to reserves</b>	1,669,384	1,980,490	2,226,376	2,414,030
<b>Total use of Reserves for Revenue expenditure</b>	(951,696)	(696,390)	(1,981,824)	(983,700)
<b>Net Revenue Movement on the reserves</b>	<b>717,688</b>	<b>1,284,100</b>	<b>244,552</b>	<b>1,430,330</b>

## Medium Term Budget Outlook 2013/14 to 2019/20

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<b>1 Variables used in the calculations below</b>							
2 Average change in price and incremental pay movements on the net recurring budget		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 HM Treasury rpi projections		3.26%	2.81%	3.60%	3.70%	4.00%	4.00%
4 CPI HM Treasury Projections		1.90%	1.90%	2.00%	2.00%	2.00%	2.00%
5 District Tax Base	34,436.00	34,670.70	34,870.00	35,070.00	35,270.00	35,470.00	35,670.00
<b>6 COUNCIL TAX CALCULATION</b>							
<b>7 Recurring Expenditure / Income</b>	£	£	£	£	£	£	£
8 The Council's recurring service budget net requirement		13,768,300	13,450,600	13,230,368	12,871,799	12,654,793	12,454,277
9 Annual price inflation provision on the recurring service budget			403,518	396,911	386,154	379,644	373,628
10 Introduce a 2% vacancy rate budget target on permanent posts			-182,000				
11 Town and Parishes taxbase grant		278,300	-41,750	-35,480	-30,160	-30,160	-30,160
12 Waste Collection grant ends			150,000				
13 Investment returns from capital receipts				-50,000	-50,000	-50,000	-50,000
14 National Insurance contracted out rebate ceases				0	119,000		
15 National requirement for auto enrolment into pension schemes				?			
16 Savings achieved in advance of the financial year		-85,000					
17 Savings target		-511,000	-550,000	-670,000	-642,000	-500,000	0
<b>18 Total recurring spending levels</b>	10,529,040	13,450,600	13,230,368	12,871,799	12,654,793	12,454,277	12,747,745
<b>19 Recurring annual contribution to reserves</b>	1,102,740	1,290,600	1,102,740	1,102,740	1,102,740	1,102,740	1,102,740
20 New Homes Bonus set aside in the service priority reserve	877,750	1,176,000	1,370,000	1,570,000	1,570,000	1,570,000	1,570,000
<b>21 Fees and Charges income</b>							
22 Fees and charges movements modelled at average CPI levels		-2,474,200	-2,521,210	-2,571,634	-2,623,067	-2,675,528	-2,729,039
<b>23 Non recurring Expenditure / Income</b>							
24 Special 1.0% grant - Council Tax Freeze 2013/2014	-75,460						
25 Special 1.0% grant - Council Tax Freeze 2014/2015		-76,100	-76,100	-76,100	-76,100	-76,100	-76,100
26 Special 1.0% grant - Council Tax Freeze 2015/2016			-75,459	-75,459	-75,459	-75,459	-75,459
27 Section 31 grant to reimburse lower than RPI increase on business rates baseline		-21,200					
28 Section 31 grant to reimburse costs of Small Business Rates relief above the 50% level		-86,000					
29 Section 31 grant to reimburse business rates concessions in the Autumn 2013 statement		-74,000					
30 Housing benefit Administration Grant		-521,800	-521,800	-521,800	-521,800	-521,800	-521,800
31 Council tax support new burdens funding		-76,400					
32 Community right to Challenge and to Bid grants		-16,400	-16,400	-16,400	-16,400	-16,400	-16,400
33 Contribution to capital programme and supporting service priorities	500,000	500,000	41,124	48,000	49,000	280,000	55,000
34 Additional call upon the Working Balance assuming mid year point for delivery of savings	0	255,000					
<b>35 Total non recurring expenditure</b>	424,540	-116,900	-648,635	-641,759	-640,759	-409,759	-634,759
<b>36 Total Net Expenditure (A)</b>	12,934,070	13,326,100	12,533,263	12,331,146	12,063,707	12,041,730	12,056,687
37 Year on year percentage change in spending levels		3.03%	-5.95%	-1.61%	-2.17%	-0.18%	0.12%
<b>38 Less Internal Finance: (B)</b>							
39 Contribution to (-) and from the Working Balance	308,841	749,010	431,250	135,000	10,000	0	0
40 Total Internal Finance	308,841	749,010	431,250	135,000	10,000	0	0
<b>41 Net Budget Requirement (C) = (A-B)</b>	12,625,229	12,577,090	12,102,013	12,196,146	12,053,707	12,041,730	12,056,687

## Medium Term Budget Outlook 2013/14 to 2019/20

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
1 <b>Variables used in the calculations below</b>							
2 Average change in price and incremental pay movements on the net recurring budget		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 HM Treasury rpi projections		3.26%	2.81%	3.60%	3.70%	4.00%	4.00%
4 CPI HM Treasury Projections		1.90%	1.90%	2.00%	2.00%	2.00%	2.00%
5 District Tax Base	34,436.00	34,670.70	34,870.00	35,070.00	35,270.00	35,470.00	35,670.00
42 Year on year percentage change in Net Budget Requirement		-0.38%	-3.78%	0.78%	-1.17%	-0.10%	0.12%
43 <b>(Less) Spending Power:</b>							
44 Revenue Support Grant	2,945,151	2,325,200	1,617,968	1,191,000	713,000	350,000	0
45 New Homes Bonus	877,750	1,176,000	1,370,000	1,570,000	1,570,000	1,570,000	1,570,000
46 Local Share Business rates Baseline Funding increasing in line with RPI	1,959,328	1,997,500	2,052,630	2,126,525	2,205,206	2,293,414	2,385,151
47 Additional Local share of Business Rates (above local share baseline and net of levy)	150,000	340,000	349,554	362,138	375,537	390,559	406,181
48 Collection Fund Balance	64,759	64,990	0	0	0	0	0
49 Amount to be raised from Council Tax	6,628,241	6,673,400	6,711,861	6,946,483	7,189,964	7,437,757	7,695,355
50 <b>Total Spending Power</b>	<b>12,625,229</b>	<b>12,577,090</b>	<b>12,102,013</b>	<b>12,196,146</b>	<b>12,053,707</b>	<b>12,041,730</b>	<b>12,056,687</b>
51 Year on year pounds change in Council Tax needs	-815,034	45,159	38,461	234,622	243,480	247,793	257,598
52 Year on year percentage change in Council Tax needs	-10.95%	0.68%	0.58%	3.50%	3.51%	3.45%	3.46%
53 <b>Lewes District Council's own band D tax</b>	<b>£192.48</b>	<b>£192.48</b>	<b>£192.48</b>	<b>£198.07</b>	<b>£203.85</b>	<b>£209.69</b>	<b>£215.74</b>
54 <b>Year on year rise in band D tax</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£5.59</b>	<b>£5.78</b>	<b>£5.84</b>	<b>£6.05</b>
55 <b>Year on year percentage increase in council tax (capping measure)</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>
56 General Fund Working Balance at start of year	2,679,404	2,415,600	1,666,590	1,235,340	1,100,340	1,090,340	1,090,340
57 Contribution (into) /from balances	308,413	749,010	431,250	135,000	10,000	0	0
58 <b>End of year balance</b>	<b>2,370,991</b>	<b>1,666,590</b>	<b>1,235,340</b>	<b>1,100,340</b>	<b>1,090,340</b>	<b>1,090,340</b>	<b>1,090,340</b>
59 Total savings targets in year from April 14 onwards	0	-596,000	-550,000	-670,000	-642,000	-500,000	0
60 Total savings targets cumulative		-596,000	-1,146,000	-1,816,000	-2,458,000	-2,958,000	-2,958,000
61 External Funding RSG +BR	£5,054,479	£4,662,700	£4,020,152	£3,679,663	£3,293,743	£3,033,973	£2,791,332
62 YoY reduction £		£391,779	£642,548	£340,489	£385,919	£259,770	£242,641
63 YoY reduction %		7.8%	13.8%	8.5%	10.5%	7.9%	8.0%

## Commentary to Appendix E

### The Medium Term Financial Outlook

#### 1 Background

- 1.1 The punishing pace of change continues unabated in next year's budget and is expected to continue through to the end of March 2020.
- 1.2 The landscape is dominated by the Government's determined focus to deliver the National Deficit Reduction Plan.
- 1.3 Against this backdrop the Medium Term Financial Outlook is modelled on the assumption that Revenue Support Grant will completely cease by 31 March 2020. This will leave Retained Business Rates as the most significant source of income to the Council, after that raised through the Council Tax.

#### 2 Line by Line Commentary on the Medium Term Financial Outlook

Line Nos:	Commentary on Appendix E
2, 3 &4	The projected RPI and CPI increases have been amended in line with the latest national projections in the HM Treasury budget forecasts. Line 2 is an average inflation we apply to the forecasting model, based upon experience within the Council's accounts.
5	<p>The Council's band D tax base. Although each year increases by 200 band D equivalent properties, the actual number is higher because many properties are in lower bands.</p> <p>No account has been built in of net increases from the Council's regeneration programme, above the normal trend of annual growth. We would take account of likely completions on a year by year basis when compiling the taxbase. This is the most prudent approach.</p>
8	<p>Is the underlying recurring base budget.</p> <p>Income from fees and charges has been excluded and shown elsewhere, because recent experience shows that overall income levels have not increased in line with the inflation allowance applied to each year's recurring base budget.</p>
9	We apply the inflation rate at line 2, to produce a realistic estimate of how the recurring base budget moves.
10	From the 2015/2016 financial year a vacancy rate will be built into the base budget. Until then a full establishment is provided for in the budget.
11	The grant provided to Billing Authorities for passing onto Town and Parish Councils has been reduced at the same rate as the

	national headline reduction in funding for Councils.
12	The Weekly Waste Collection grant ceases in 2014/2015 and this is now reflected in a higher recurring base budget from April 2015.
13	The Council's asset maximisation plan will provide additional interest from invested capital receipts. We have modelled a basic cash return. The reality could be a higher return according to how the receipts are ultimately used. The figures are cumulative; so by 2019/2020 the annual returns will be £200,000 per year.
14	The contracted out NI rebate for defined Benefit pension schemes ends in 2016. There will be an additional cost to the public sector. This will be addressed in the next national spending review. The planning assumption is no additional government support. This affects all bodies admitted to the East Sussex County Council Pension Fund. The estimated cost to the Council is £170,000 of which £119,000 will impact the General Fund and £51,000 the Housing Revenue Account.
15	Auto enrolment of employees into pension schemes is a national initiative being phased in for employers from 1 July 2012. There are less than 100 employees who have not opted into the Council scheme. We do not have the data on whether all have made private arrangements. If all employees opted into the scheme the additional employer's pension contribution cost would be £275,000. A detailed analysis would be needed to establish the impact between the General Fund and the Housing Revenue Account.
16	The object is to deliver savings in advance of the year they are required in order to avoid a draw on the Working Balance.
17	This is the phasing of savings targets required to produce a sustainable budget with no use of the Working Balance and no reliance on Revenue Support Grant by 31 March 2020.  The savings targets for 2014/2015 and 2015/2016 reflects the likely funding position indicated by the Government in the latest two year funding settlement. The position is less certain and more tentative from 2016/2017. There are likely to be changes in the national funding distribution from 2016/2017.
18	This is the recurring base budget that moves up to line 8 in each following year.
19	The detail of what makes up the annual contribution to these earmarked reserves can be found in the Appendices to this report.
20 and	This is the Council's New Homes Bonus grant, which forms part of the Council's Spending Power. To date the grant has been

45	used to support expenditure that can help generate investment returns rather than to support the underlying recurring base budget
21& 22	Fees and charges income has been incremented by CPI each year. We will closely monitor the actual position to see whether this transpires to be a realistic assumption.
23	This section sets out items within the budget that we have treated as non recurring and have not applied an inflation uplift to.
24 to 26	These are the government grants given to Councils who freeze Council Tax. The Government has said that the grants for the next two years will be included in base funding from 2016/2017. The Council is committed to tax freezes through to the end of 2015/2016.
27 to 29	These grants reimburse the Council for the impact of decisions made in the Chancellors Annual Budget statements. A grant is due in 2013/2014 for the impact on the Council's retained business rates, of the Chancellor's decision to double small business rates relief for that year.
30	This is a significant grant for the Council and it has reduced steadily in recent years. It funds the cost of Housing Benefit Administration (Rent Allowances, Rent Rebates and Council Tax Reductions). Although shown at a constant level going forward, it is at high risk of reducing as some of the Council's caseload transfers to Universal Credit.
31	This one-off grant is to help with the costs of setting up the new Local Council Tax Reduction scheme.
32	These two grants have been provided to support recent additional duties. They may well cease at some point in the future.
33	When the Council's financial position permits, a non recurring budget is provided to support service priorities. In 2013/2014 the provision was used in part to advance joint working with Eastbourne Borough Council and to support the IT updating programme.
34	Not all savings will be delivered from the start of the financial year and this budget acknowledges there is likely to be an impact on the working balance as a result.
35	This is the total of lines 23 to 34
36	This is the sum of lines 18, 19, 20, 22 and 35
37	This is the percentage change of movements between years in

	line 36
39	The Working Balance is used to support as smooth a declining trajectory as possible for the delivery of savings through to 31 March 2020. By the end of this period the Working Balance remains healthy.
41 and 42	Shows our net budget requirement and the percentage change year on year. The legal requirement to calculate a net budget requirement was replaced from April 2013 with the need to calculate a Council Tax Requirement. We have maintained a common presentation approach for consistency whilst also calculating a Council Tax Requirement for the Statutory Council Tax Resolution.
44	For the purpose of this model we have assumed the phasing out of Revenue Support Grant by 31 March 2020. The likely receipts of Revenue Support Grant take account of the reductions indicated in SR2013. The figures are tentative beyond April 2016 as they will be influenced by the next spending review and any changes in distribution methodology. Each year Revenue Support Grant reduces to pay for New Homes Bonus Allocations. If it transpires that the Government's estimated reduction was too much, this is repaid as a "New Homes Bonus returned" grant.
46	For 2014/2015 the Business Rates Baseline funding (local share) and the additional local share have increased in line with the 2% Autumn budget statement announcement. In future years they have been updated in line with line 3.
47	<p>The increase in next year's additional local share of business rates anticipates net rateable value growth of £87,500. Beyond then the net RV is estimated to remain constant. 82% of high street leases (nationally) are due to expire over the next five years and this is bound to have an impact on the Council's aggregate RV. There will be new developments associated with regeneration and there will also be demolitions and conversions of non domestic property to domestic property.</p> <p>Provided the New Homes Bonus funding stream remains, the overall funding position of the Council should remain manageable.</p>
48	This reflects the Council's share of any balance on the Collection Fund.
49 and 55	The level of Council tax has been frozen through to 31 March 2016. It is modelled at 2.9% in the remaining years. In all cases this is less than the HM Treasury projections of rpi (line 3).
51 to 55	A few facts and figures to show the change over years in the council tax needs for the Council and band D levels for

	residents.
56 to 58	The Working Balance at April 2013 has been updated to reflect the actual year end position from the 2012/2013 final accounts. Over the term of this budget outlook the Working Balance remains in a healthy position.

**Key messages from the medium term outlook are:**

- (a)** The Council needs to make savings of £3m over the next five years.
- (b)** It will get harder each year to deliver the reduction plan.
- (c)** Each year's individual savings target varies from £500,000 up to £670,000. The annual average over this period is around £600,000
- (d)** In order to meet the aspiration of ring fencing the spending power of the New Homes Bonus to encourage investment, the current savings plan that runs to March 2015 requires more detail to indicate where savings will come from in future years
- (e)** The Council's financial position is healthy and in good shape to address the necessary deficit reduction plan in a measured way.
- (f)** The indicative tax rises from 2016/2017 to 2019/2020 of 2.9% each year are based upon savings of £1.8m over that period. For illustration purposes a modelled tax freeze for the whole period would push up the savings target by another £1m.

## A Statement of Council Reserves and how they are used through to 31 March 2015

Ref	Reserve	Updated Budget 2013/2014					Budget 2014/2015					
		Balance at 1 April 2013	Contribution to reserve	Used for revenue	Used for capital	Total Use of reserve	Balance at 31 March 2014	Contribution to reserve	Used for revenue	Used for capital	Total Use of reserve	Balance at 31 March 2015
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>General Fund</b>											
1	Budget Carry Forward	84	0	84	0	84	0	0	0	0	0	0
2	Building Control Charging Scheme	100	15	0	0	0	115	21	0	0	0	136
3	Change Management and Spending Power	1,729	924	626	573	1,199	1,454	1,176	559	883	1,442	1,188
4	Clean and Green Reserve	26	0	21	0	21	5	0	5	0	5	0
5	Corporate Building Repairs	172	50	50	0	50	172	50	50	0	50	172
6	Housing Benefit standards and improvements	599	124	66	0	66	657	176	59	0	59	774
7	Insurance	134	25	6	0	6	153	25	0	0	0	178
8	IT Replacement Equipment	124	62	0	186	186	0	0	0	0	0	0
9	Leisure Buildings Repairs	113	50	67	0	67	96	50	67	0	67	79
10	Leisure Trust	209	50	0	17	17	242	50	0	0	0	292
11	All Weather Pitch Reserve	101	20	0	0	0	121	20	0	0	0	141
12	Leisure Trust Buildings Maintenance	206	80	100	0	100	186	80	100	0	100	166
13	Newhaven Enterprise Centre Reserve	57	14	0	0	0	71	13	0	0	0	84
14	Community Safety Partnership Fund	54	0	54	0	54	0	0	0	0	0	0
15	Housing and Planning Delivery Grant	71	0	71	0	71	0	0	0	0	0	0
16	Major Planning Applications Reserve	56	0	0	0	0	56	0	0	0	0	56
17	PSL/Homelessness Initiatives	37	37	1	0	1	73	34	1	0	1	106
18	Recycling Reserve	366	0	39	0	39	327	0	0	0	0	327
19	Revenue Equalisation and Asset Maintenance	2,466	252	405	1,167	1,572	1,146	252	56	200	256	1,142
20	Southover Grange Improvements	41	0	0	0	0	41	0	0	0	0	41
21	Vehicle Replacement Reserve	2,050	320	0	1,134	1,134	1,236	320	0	245	245	1,311
22	Strategic Priority Fund	501	204	392	0	392	313	147	87	0	87	373
	<i>Partnership Projects</i>											
23	Denton Island Reclamation	75	0	0	0	0	75	0	0	0	0	75
24	Newhaven Fort Refurbishment	15	0	0	0	0	15	0	0	0	0	15
25	West Quay Development	48	0	0	0	0	48	0	0	0	0	48
26	General Fund Sub-total	9,434	2,227	1,982	3,077	5,059	6,602	2,414	984	1,328	2,312	6,704
	<b>HRA</b>											
27	Major Repairs Reserve	388	3,712	0	3,067	3,067	1,033	3,705	0	4,030	4,030	708
28	<b>Total</b>	<b>9,822</b>	<b>5,939</b>	<b>1,982</b>	<b>6,144</b>	<b>8,126</b>	<b>7,635</b>	<b>6,119</b>	<b>984</b>	<b>5,358</b>	<b>6,342</b>	<b>7,412</b>

## Reserves Analysis - REAM Reserve

Line nos.	Expenditure item:	Actual Balance 31 Mar 13	2013/2014 Original Contribution	2013/2014 Approved Rev Use	2013/2014 Approved Cap Use	2013/2014 Approved Total use	Projected Balance 31 Mar 14	2014/2015 Original Contribution	2014/2015 Approved Rev Use	2014/2015 Approved Cap Use	2014/2015 Approved Total use	Projected Balance 31 Mar 15
		£	£	£	£	£	£	£	£	£	£	£
1	Private Sector Housing Needs Survey	70,000				0	70,000				0	70,000
2	Private Sector Housing Condition Survey	17,992	10,000			0	27,992	10,000			0	37,992
3	Residents Satisfaction Survey	17,379				0	17,379				0	17,379
4	LDF Examinations	57,326				0	57,326				0	57,326
5	Property Condition Survey	24,348		(6,500)		(6,500)	17,848	12,500	(30,000)		(30,000)	348
6	Planning Appeals and Enquiries	72,213	5,000			0	77,213	5,000			0	82,213
7	Tree Survey	46,085		(36,878)		(36,878)	9,207				0	9,207
8	Cemeteries Maintenance	84,717				0	84,717				0	84,717
9	Members Allowance Advisory Panel	4,394				0	4,394				0	4,394
10	District Council Elections	94,782	35,000			0	129,782	35,000			0	164,782
11	Asset Maintenance	462,381	176,000	(16,610)	(621,330)	(637,940)	441	160,000	(5,600)	(150,000)	(155,600)	4,841
12	Car Parks	36,200	12,000			0	48,200	12,000			0	60,200
13	Play area renewal provision	58,081	10,000			0	68,081	10,000			0	78,081
14	Dog and litter bin replacement programme	156,335	20,000	(20,000)		(20,000)	156,335	20,000	(20,000)		(20,000)	156,335
15	IT initiatives	751,163	18,000	(297,069)	(439,920)	(736,989)	32,174	18,000		(50,000)	(50,000)	174
16	Interest Equalisation Fund	356,075	(34,000)			0	322,075	(30,500)			0	291,575
17	Pells Pool Grant Contribution	28,130	270	(28,400)		(28,400)	0				0	0
18	Hope Gap Steps Repair Fund	23,431	200			0	23,631	200			0	23,831
19	Revenue Funding of Capital Programme	105,500			(105,500)	(105,500)	0				0	0
<b>20</b>	<b>Total</b>	<b>2,466,534</b>	<b>252,470</b>	<b>(405,457)</b>	<b>(1,166,750)</b>	<b>(1,572,207)</b>	<b>1,146,797</b>	<b>252,200</b>	<b>(55,600)</b>	<b>(200,000)</b>	<b>(255,600)</b>	<b>1,143,397</b>

## Reserves Analysis - Change Management and Spending Power Reserve

Line nos.	Expenditure item:	Actual Balance as at 31 March 2013	2013/2014 Updated Contribution	2013/2014 Updated Rev Use	2013/2014 Updated Cap Use	2013/2014 Updated Total Use	Projected Balance as at 31 March 2014	2014/2015 Original Contribution	2014/2015 Original Rev Use	2014/2015 Original Cap Use	2014/2015 Original Total Use	Projected Balance as at 31 March 2015
			£	£	£	£	£	£	£	£	£	£
	<b>Change Management Element</b>											
1	Fixed Term Project Accountants	42,292	18,014	(26,255)	0	(26,255)	34,051	8,149	(42,200)		(42,200)	0
2	Two year fixed term Equalities Officer	4,978		(4,978)	0	(4,978)	0				0	0
3	Graduate Internship programme	18,814	126	(18,940)	0	(18,940)	0				0	0
4	Nature conservation area Ranger	1,351		(1,351)	0	(1,351)	0				0	0
5	Fixed Term Legal Staff	36,592	45,190	0	0	0	81,782				0	81,782
6	Land Charge Searches - work with LGA	34,355		(34,355)	0	(34,355)	0				0	0
7	Economic Dev'nt operational budget	20,979		(20,979)	0	(20,979)	0				0	0
8	Capital - Wave Energy saving initiatives	90,210		0	(90,210)	(90,210)	0				0	0
9	Capital - Energy Saving Initiatives	483,000		0	(483,000)	(483,000)	0				0	0
10	Fixed Term Posts - Parks and Cemeteries	20,620		(12,960)	0	(12,960)	7,660		(7,500)		(7,500)	160
11	Corporate Enabling and initiatives	0	35,000	(35,000)	0	(35,000)	0	35,000	(35,000)		(35,000)	0
12	Support for Corporate Communications	0	28,800	(28,800)	0	(28,800)	0				0	0
13	Office Manager	0	0	0	0	0	0	24,400	(24,400)		(24,400)	0
14	Planning Development Manager	0	0	0	0	0	0	66,000	(66,000)		(66,000)	0
15	Customer Services Supervisor/Assistant	0	0	0	0	0	0	62,600	(62,600)		(62,600)	0
16	Unallocated balance	450,330	(127,130)	1,351	0	1,351	324,551	(196,149)			0	128,402
17	Sub-total	1,203,521	0	(182,267)	(573,210)	(755,477)	448,044	0	(237,700)	0	(237,700)	210,344
	<b>Spending Power Element</b>											
18	New Homes Bonus											
19	- Received in year		878,140				878,140	1,176,000				2,054,140
20	- Allocated to projects in year (included in 24 to 38)		(227,572)				(227,572)	(1,130,210)				(1,357,782)
21	- Sub-total		650,568				650,568	45,790				696,358
22	- Unallocated Balance at 31 March 2013	270,341					270,341					270,341
23	- Total Unallocated	270,341	650,568				920,909	45,790				966,699
24	Project Management											
25	- Nexus Programme Manager	45,225	12,265	(44,100)	0	(44,100)	13,390	31,110	(44,500)		(44,500)	0
26	- Project Manager	(11,607)	65,307	(53,700)	0	(53,700)	0	54,700	(54,700)		(54,700)	0
27	- Working budget	8,468		(8,468)	0	(8,468)	0				0	0
28	PAM Software	36,000		(36,000)	0	(36,000)	0	36,000	(36,000)		(36,000)	0
29	Agile Working PID	0		0	0	0	0				0	0
30	Neighbourhood Planning	37,282	35,000	(37,282)	0	(37,282)	35,000		(35,000)		(35,000)	0
31	Democratic Conversation Action Plan	3,750		(3,750)	0	(3,750)	0				0	0
32	Property Joint Partnership Tender	21,502	100,000	(121,502)	0	(121,502)	0				0	0
33	Newhaven UTC Bid	19,500		(19,500)	0	(19,500)	0	883,000		(883,000)	(883,000)	0
34	Apprenticeship and Enterprise Project (LEAP)	94,772		(69,172)	0	(69,172)	25,600		(25,600)		(25,600)	0
35	Unallocated balance	0		0	0	0	0				0	0
36	Economic Regeneration initiatives	0	50,000	(50,000)	0	(50,000)	0	50,000	(50,000)		(50,000)	0
37	Public events	0	10,886	0	0	0	10,886				0	10,886
38	Office rationalisation - interim funding	0		0	0	0	0	75,400	(75,400)		(75,400)	0
39	Sub-total	525,234	924,026	(443,474)	0	(443,474)	1,005,786	1,176,000	(321,200)	(883,000)	(1,204,200)	977,586
40	<b>TOTAL</b>	1,728,755	924,026	(625,741)	(573,210)	(1,198,951)	1,453,830	1,176,000	(558,900)	(883,000)	(1,441,900)	1,187,930

## Reserves Analysis - Strategic Priority Fund

Line nos.	Expenditure item:	Actual Balance as at 31 March 2013 £	2013/2014 Updated Contribution £	2013/2014 Updated Rev Use £	2013/2014 Updated Cap Use £	2013/2014 Updated Total Use £	Projected Balance as at 31 March 2014 £	2014/2015 Original Contribution £	2014/2015 Original Rev Use £	2014/2015 Original Cap Use £	2014/2015 Original Total Use £	Projected Balance as at 31 March 2015 £
1	<b>Unallocated Balance</b>	<b>500,821</b>	(417,000)				<b>83,821</b>	(58,000)			0	<b>25,821</b>
2	Allocation of additional retained Business Rates		200,000				<b>200,000</b>	147,430				<b>347,430</b>
3	Business Engagement		96,000	(66,900)		(66,900)	<b>29,100</b>		(29,100)		(29,100)	<b>0</b>
4	Future Gov projects		20,000	(20,000)		(20,000)	<b>0</b>				0	<b>0</b>
5	Coastal Communities Fund Bid Support		60,000	(60,000)		(60,000)	<b>0</b>				0	<b>0</b>
6	Newhaven Growth Quarter contribution (CCF)		175,000	(175,000)		(175,000)	<b>0</b>				0	<b>0</b>
7	Newhaven Devolution		50,000	(50,000)		(50,000)	<b>0</b>				0	<b>0</b>
8	Developing Procurement					0	<b>0</b>	58,000	(58,000)		(58,000)	<b>0</b>
9	Saltdean Lido - match funding		20,000	(20,000)		(20,000)	<b>0</b>				0	<b>0</b>
10	<b>TOTAL</b>	<b>500,821</b>	204,000	(391,900)	0	(391,900)	<b>312,921</b>	147,430	(87,100)	0	(87,100)	<b>373,251</b>