

**Agenda Item No:** 6 **Report No:** 9/17  
**Report Title:** 2017/18 Budget overview and Tax Base  
**Report To:** Scrutiny **Date:** 12 January 2017  
**Ward(s) Affected:** All  
**Report By:** Alan Osborne, Deputy Chief Executive  
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#### **Purpose of Report:**

To provide an update on financial matters affecting the General Fund Revenue Account and the Housing Revenue Account. The report also notes the setting of the council tax base for 2017/18.

#### **Officers Recommendation(s):**

##### **That Scrutiny Committee:**

- 1 Notes the emerging 2017/18 budget context and high level proposals.
  - 2 Notes the calculation of the Council Tax Base for 2017/18.
  - 3 Notes that Cabinet delegates the setting of the final demand on the business rates collection fund for 2017/18 to the Deputy Chief Executive in consultation with the portfolio holder.
  - 4 Notes that the Council has operated within its limits set for treasury management activity for the period up to 30 November 2016.
  - 5 The Committee forward any comments to Cabinet ahead of the budget cabinet in February.
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#### **Reasons for Recommendations**

- 1 A report on funding issues in relation to the Council's General Fund Revenue Account, Housing Revenue Account and Capital Programme is made to each meeting of the Cabinet to ensure that the Council's financial health is kept under continual review.
- 2 The Council's budget setting process is well underway for 2017/18 and the report sets out some of the national and local context as well as some of the

main assumptions that are being made. It will act as part of the consultation process with stakeholders including the Scrutiny Committee.

- 3 The Council's Treasury Management function deals with high value transactions on a daily basis as well as monitoring the limits set by the Council under the prudential code.
- 4 Cabinet is required to approve the Tax Base which will be used for the purposes of calculating the 2017/18 Council Tax in respect of Town and Parish Councils and Special Expenses.

## Information

### 5 Treasury Management

- 5.1 In accordance with the Council's approved Treasury Strategy Statement, the Audit and Standards Committee reviews all treasury activity that takes place in order to confirm that it has been undertaken in accordance with the approved Strategy. Should the Audit and Standards Committee have any observations they would be recorded in its minutes and referred to the Cabinet.
- 5.2 All activity in the period to 30 November 2016 is in accordance with the strategy and limits set.

### 6 Council Tax Base 2017/18

- 6.1 The Council is required by law to set the Council Tax Base before 31 January each year. This will enable East Sussex County Council, Sussex Police and Crime Commissioner and East Sussex Fire and Rescue Service to apportion their precepts between the billing authorities in the county on the basis of their tax bases.
- 6.2 The Tax Base will be used in the 2017/18 calculation of:
  - Lewes District Council's own council tax demand.
  - The amount of Special Expenses which will be charged to taxpayers in each area of the District.
  - The council tax of each Town and Parish Council.
- 6.3 Council has delegated to Cabinet the authority to approve the Council Tax Base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 set out the basis of calculating the Council Tax Base.
- 6.4 The Council Tax Base must be expressed in terms of equivalent "Band D" properties. The Government's Valuation Office Agency assesses the relative value of every property within the district and places it in one of eight bands A to H. A conversion factor is then applied to each of the Bands A to H in order to obtain the equivalent number of "Band D" properties as set out below.

| <u>Valuation (at 1 April 1991)</u> | <u>Band</u> | <u>Conversion Factor</u> |
|------------------------------------|-------------|--------------------------|
| Less than £40,000                  | A           | 6/9 of Band D            |

|                       |   |                |
|-----------------------|---|----------------|
| Less than £52,000     | B | 7/9 of Band D  |
| Less than £68,000     | C | 8/9 of Band D  |
| Less than £88,000     | D | 9/9 of Band D  |
| Less than £120,000    | E | 11/9 of Band D |
| Less than £160,000    | F | 13/9 of Band D |
| Less than £320,000    | G | 15/9 of Band D |
| Greater than £320,000 | H | 18/9 of Band D |

- 6.5** Occupiers qualifying for disabled relief who are in properties above Band A move down a band for Council Tax purposes. Occupiers qualifying for disabled relief in Band A properties receive relief equivalent to 1/9th of a Band D tax.
- 6.6** Deductions are made from the aggregate number of properties in each band in respect of exempt properties and single person discounts. As agreed by the Council, no discount is given for second homes and long-term empty properties attract a 50% premium. An adjustment is also made to reflect the potential impact of the Council Tax Reduction Scheme.
- 6.7** In setting the Tax Base, an assessment is made of the anticipated in-year collection rate of the Council Tax. It is considered appropriate to set the anticipated collection rate at 98.2%, an increase of 0.2% compared with the current year. This reflects current collection performance, which is closely monitored throughout the year.
- 6.8** **Appendix 1** sets out details of the Tax Base for the whole District. The total number of dwellings in the District (line 2) on 30 November 2016 (the prescribed date of this calculation) was 44,580 an increase of 312 on the previous year.
- 6.9** The Tax Base calculation includes an estimate for the number of new properties which will be subject to the council tax for the first time in 2017/18 (line 34). A number of data sources including Planning records have been used to project the number of dwellings which are considered likely to be constructed or converted in the year.
- 6.10** The total Tax Base, net of the collection rate adjustment, increases by 548.5 from 35,797.1 to 36,345.6 Band D Equivalents. The increase can be analysed as follows:

|                                   | Band D equivalents |
|-----------------------------------|--------------------|
| Increase in chargeable properties | 474.5              |
| Increase in collection rate       | 74.0               |
| Net increase                      | <b>548.5</b>       |

The increase in chargeable properties exceeds the prudent projection of 0.5% recurring annual growth used over the duration of the Council's Medium Term Finance Strategy (MTFS), which equated to 179 additional Band D equivalent dwellings in 2017/18.

**6.11** Cabinet is recommended to approve the constituent parts of the total tax base relating to Towns and Parishes shown at **Appendix 2**. These will be used to calculate the Special Expenses council tax amounts for 2017/18, as well as the council tax requirement of each Town and Parish Council to meet their own budget (precept) requirements. The Towns and Parishes have been provisionally advised of these individual tax bases in order that each can assess the impact of the precept in its area.

**6.12** In 2013/14 the Council introduced a system of grant payments to the local Town and Parish Councils to offset increases in their council tax amounts which would otherwise arise as a result of reductions in their tax bases following the introduction of the Council Tax Reduction Scheme. The Government had made funding available to district councils for such grant schemes through the Revenue Support Grant and Business Rates Retention mechanism. In response to reductions in Government funding, the Council has reduced the grants that it pays to the Town and Parish Councils by 15% each year, and this will continue in 2017/18. Payment of grant to Lewes Town Council is expected to be adjusted for the unbudgeted cost of LDC continuing to manage and maintain open spaces which were not devolved to the Town Council as intended.

## **7 Retained Business Rates Income**

**7.1** Following a national revaluation exercise, a new 'Rating List' will come into effect from 1 April 2017. As a result, the amounts paid by individual business ratepayers will vary compared with 2016/17, subject to a transitional relief scheme which will mitigate significant increases or decreases. A large number of appeals against the new Rating List can be expected. The Government has noted that the impact on local authorities of the new Rating List should be broadly neutral.

**7.2** On 1 April 2017, an Enterprise Zone (EZ) will be established for a defined area of Newhaven. Non-domestic properties within the EZ will be eligible for business rates discounts, the cost of which will be reimbursed to the Council by government grant. The Council will also be able to retain the benefit of growth in the business rates base arising from businesses expanding within or relocating to the EZ.

**7.3** The final estimate of business rate income for 2017/18, taking account of both the significant changes noted above, is currently being prepared. The income estimates will be notified to the Government in January 2017, setting the basis for transactions to and from the East Sussex Business Rates pool. The report seeks delegation to the Deputy Chief Executive as the Council's statutory Chief Finance Officer to determine the final demand on the business rates collection fund for 2017/18.

## 8 National and Local Context to the 2017/18 Budget

### National

- 8.1** The Department for Communities and Local Government (DCLG) has confirmed that the Council is now part of the multi-year finance settlement following publication of an efficiency plan in October 2016. 97% of councils applied to be part of the multi-year settlement.
- 8.2** The Government will need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances, the Council can expect the following core funding allocations:

|                       | 2017/2018<br>£'000 | 2018/2019<br>£'000 | 2019/2020<br>£'000 |
|-----------------------|--------------------|--------------------|--------------------|
| Revenue Support Grant | 375                | 2                  | 0                  |
| Transition Grant      | 84                 | 0                  | 0                  |

- 8.3** As reported to the last meeting of Cabinet, the Government intends that district councils will be allowed to increase council tax in 2017/18 by less than 2% or up to and including £5 whichever is higher. An increase above this level would trigger a referendum of local taxpayers. The MTFs assumes an increase of 1.9%.

### Local

- 8.4** In addition to the effects of the above, there are various effects on the LDC general fund budget from existing policies that need to be factored into the budget setting process for 2017/18.
- 8.5** The Council has a good track record of delivering against budget and has a healthy level of reserves which are used for investment as well as contingency.
- 8.6** 2017/18 will be the second year of the Council's medium term savings and income programme which the MTFs identified to reduce the annual net General Fund budget by £2.8m by 2019/20 compared with the 2015/16 base year. As previously explained to Cabinet in quarterly financial performance reports, progress on the savings measures in 2016/17 has been positive. There continue to be three primary sources for the remaining three year period :
- Leisure savings via Wave Leisure (£0.3m)
  - New income generation (£0.5m)
  - Joint Transformation Programme (£1.2m plus any unmet target deferred from 2016/17 as a result of timing of activity).

- 8.7** The Council applies inflation to its fees and charges and a detailed report can be found elsewhere on this agenda. In total the Council's income budgets will reduce by £1,900 per annum should the fees and charges recommended be accepted, reflecting changes in demand for charged services. This contrast with an increase of £50,000 projected within the MTFS.
- 8.8** In keeping with most Councils inflation on goods and services is only budgeted for where there is a contractual liability to apply. The grounds maintenance budget and the Council's own business rates liabilities are examples. Overall this requires estimated growth of £30k per annum.
- 8.9** Pay awards and contractual increments add approximately £235k per annum to the cost of staff engaged on LDC activity in 2017/18, shared by the General Fund (£160k) and Housing Revenue Account (£75k). This represents the baseline figure, ahead of reductions to be achieved through the Joint Transformation Programme. As previously reported, LDC will no longer be a direct employer of staff in 2017/18, with all current employees expected to transfer to Eastbourne Borough Council (EBC) on 1 February 2017. The Government is introducing a national Apprenticeship Levy from 6 April 2017 on all employers with an annual pay bill in excess of £3m. With the change of employer, LDC will not pay this levy (estimated to be £34k) directly but may be required to reimburse EBC with a share of any additional cost that it incurs.
- 8.10** A summary of the estimated main movements in the emerging budget between 2016/17 and 2017/18 is shown at **Appendix 3**. At this point in the budget setting cycle although there are many detailed figures to be applied as they become available, the Council should be able to produce a budget for 2017/18 with no draw on reserves for recurring expenditure.
- 8.11** The overall budget has the ability to finance one off service investments directly from reserves, although it should be noted that the opportunity to use reserves is available at any time as the budget requirement and level of council tax is not affected.

## **9 The Housing Revenue Account (HRA) 2017/18**

### National Factors

- 9.1** The Council keeps a separate HRA which statutorily contains all transactions that appertain to its landlord role with tenants as well as leaseholders that have exercised the right to buy.
- 9.2** 2017/18 will be the second year in which rents reduce by 1% as required by Government regulation. The estimated effect of this change is a reduction in rents of £150k per annum from the existing budget level.
- 9.3** The Government has clarified its intentions on two proposed legislative measures:
- levy on local housing authorities based on the sale potential of 'high value' properties, which is intended to provide funding for the

extension of Right to Buy to housing association tenants. The Government remains committed to delivering this commitment, but local authorities will not be required to make levy payments in 2017/18.

- a mandatory scheme requiring local authorities to set higher rents for higher income council tenants will not now proceed, although local authorities will continue to have the discretion to implement the policy for tenants with incomes over £60,000.

### Local Factors

- 9.4** The HRA has been setting aside funds to repay debt each year, leading to a reduction in debt costs of approximately £25k per annum from 2017/18. However, with rent income reducing it may no longer be possible to sustain these repayments.
- 9.5** A 30 year business plan was first put together in 2012 and adopted by the Council following the introduction of “self-financing” when the Government ended the housing subsidy regime that had been used to redistribute resources between Councils depending on local rent levels. This business plan is currently being refreshed to take account of updated housing stock condition information following the completion of a detailed survey in autumn 2016. It will be used to inform the revenue budgets in 2017/18 and the medium term.
- 9.6** The HRA has and will continue to receive benefits of efficiencies made in costs through the Joint Transformation Programme and other initiatives, for example the reprocurement of the contract for responsive housing repairs.

## **10 Legal Implications**

As noted above, the Tax Base must be calculated as required by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

## **11 Risks**

- 11.1** The Council maintains an overview of its policy programme, its Medium Term Financial Strategy and the external factors that affect them. Without this constant analysis and review there is a risk that the underlying recurring revenue budgets will grow at a faster rate than the resources available to fund them. This risk is mitigated through regular reports to Cabinet on the Council’s overall revenue and capital position and Cabinet’s correcting actions taken in accordance with the objectives and principles it set for management of the Council’s finances.
- 11.2** This Council, East Sussex County Council, the Sussex Police and Crime Commissioner, and East Sussex Fire and Rescue Service will all use the Council Tax Base to calculate their individual council tax requirements for 2017/18. If the tax base is overestimated, a shortfall in actual tax collected would arise, which would need to be recovered by an increase

in the council tax in future years. Conversely, if the tax base is underestimated, council tax amounts will be higher than necessary in 2017/18. The Council has a track record in producing a small surplus each year as a product of the approach to setting the tax base.

- 11.3** Delivery of savings through the JTP is key to both the General Fund Medium Term Financial Strategy and the HRA Business Plan. Regular reports will be made to Cabinet on the progress of the JTP.

## **12 Equality Screening**

This Finance Update is a routine report for which detailed Equality Analysis is not required to be undertaken. It gives an overview of the national and local context to the budget setting process for 2017/18 which will be concluded at the meetings of Cabinet and Council in February 2017. The equality implications of individual decisions relating to the projects/services covered in this report are addressed within other relevant Council reports.

## **13 Background Papers**

Treasury Strategy Statement <http://www.lewes.gov.uk/council/20987.asp>

Budget 2016/17

Council Financial Plan 2016/17

## **Appendices**

Appendix 1 – Council Tax Base Calculation 2017/18 - Summary

Appendix 2 – Council Tax Base Calculation 2017/18 by Parish/Town Council area

Appendix 3 – Summary of the General Fund emerging budget proposals 2017/18



## Appendix 1

| <b>Council Tax Base Calculation 2017/2018 – Summary</b>                                   |             |               |               |               |               |               |               |               |               |                  |
|---|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012</b> |             |               |               |               |               |               |               |               |               |                  |
|   |             |               |               |               |               |               |               |               |               |                  |
| <b>1 Chargeable Dwellings</b>   | <b>DISA</b> | <b>Band A</b> | <b>Band B</b> | <b>Band C</b> | <b>Band D</b> | <b>Band E</b> | <b>Band F</b> | <b>Band G</b> | <b>Band H</b> | <b>Total</b>     |
| <b>2</b> Valuation List Totals  |             | 4,293         | 6,000         | 13,363        | 9,589         | 5,785         | 3,004         | 2,319         | 227           | 44,580.00        |
| <b>3</b> Less: Exempt Dwellings Class A - W   |             | 90            | 87            | 154           | 104           | 84            | 29            | 17            | 7             | 572.00           |
| <b>4</b> Less: Demolished Properties  |             | 1             | 0             | 0             | 2             | 0             | 0             | 1             | 1             | 5.00             |
| <b>5</b> Disabled Banding Reductions -)   |             | 5             | 22            | 83            | 78            | 57            | 35            | 28            | 13            | 321.00           |
| <b>6</b> Disabled Banding Reductions +  | 5           | 22            | 83            | 78            | 57            | 35            | 28            | 13            | 0             | 321.00           |
| <b>7 ITEM H Chargeable Dwellings</b>  | <b>5</b>    | <b>4,219</b>  | <b>5,974</b>  | <b>13,204</b> | <b>9,462</b>  | <b>5,679</b>  | <b>2,968</b>  | <b>2,286</b>  | <b>206</b>    | <b>44,003.00</b> |
| <b>8 Discounts</b>  |             |               |               |               |               |               |               |               |               |                  |
| <b>9</b> <u>Dwellings entitled to Single Person Discount</u>                              | 75          | 2,692         | 2,748         | 4,398         | 2,754         | 1,397         | 560           | 312           | 12            | 14,948.00        |
| <b>10</b> Discount Percentage   | 25%         | 25%           | 25%           | 25%           | 25%           | 25%           | 25%           | 25%           | 25%           |                  |
| <b>11</b> <b>D1</b> Adjustment for Single Person Discount                                 | 18.75       | 673.00        | 687.00        | 1,099.50      | 688.50        | 349.25        | 140.00        | 78.00         | 3.00          | 3,737.00         |
| <b>12</b> <u>Dwellings entitled to a '2 x 25%' Discount</u>                               | 0           | 1             | 8             | 9             | 9             | 5             | 12            | 18            | 4             | 66.00            |
| <b>13</b> Discount Percentage   | 50%         | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           |                  |
| <b>14</b> <b>D2</b> Adj for Dwellings entitled to a '2 x 25%' Discount                    | 0.00        | 0.50          | 4.00          | 4.50          | 4.50          | 2.50          | 6.00          | 9.00          | 2.00          | 33.00            |
| <b>15</b> <u>Second Homes</u>   | 0           | 28            | 48            | 82            | 77            | 47            | 19            | 20            | 5             | 326.00           |
| <b>16</b> Discount Percentage   | 0%          | 0%            | 0%            | 0%            | 0%            | 0%            | 0%            | 0%            | 0%            |                  |
| <b>17</b> <b>D3</b> Adj for Second Homes  | 0.00        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00             |
| <b>18</b> <u>Prescribed Class A Empty Discounts</u>                                       | 0           | 3             | 8             | 14            | 10            | 3             | 4             | 6             | 1             | 49.00            |
| <b>19</b> Discount Percentage 50% UP TO ONE YEAR  | 50%         | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           | 50%           |                  |
| <b>20</b> <b>D4</b> Adj for Class A Exempt Dwellings                                      | 0.00        | 1.50          | 4.00          | 7.00          | 5.00          | 1.50          | 2.00          | 3.00          | 0.50          | 24.50            |
| <b>21</b> <u>Prescribed Class C Empty Dwellings</u>                                       | 0           | 26            | 21            | 28            | 11            | 7             | 2             | 1             | 0             | 96.00            |
| <b>22</b> Discount Percentage 100% for 1 month  | 100%        | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          |                  |
| <b>23</b> <b>D5</b> Adj for Class C Empty Dwellings                                       | 0.00        | 26.00         | 21.00         | 28.00         | 11.00         | 7.00          | 2.00          | 1.00          | 0.00          | 96.00            |
| <b>24</b> <u>Annexe Discount</u>  | 0.38        | 14.64         | 1.00          | 1.00          | 0.88          | 0.00          | 0.00          | 0.50          | 0.00          | 18.40            |
| <b>25</b> Discount Percentage   | 100%        | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          | 100%          |                  |
| <b>26</b> <b>D6</b> Adj for Annexes   | 0.38        | 14.64         | 1.00          | 1.00          | 0.88          | 0.00          | 0.00          | 0.50          | 0.00          | 18.40            |

|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
|-----------|--|---------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|---------------|------------------|
| <b>27</b> | <b>ITEM Q Discounts (D1+D2+D3+D4+D5+D6)</b>                    | <b>19.13</b>  | <b>715.64</b>   | <b>717.00</b>   | <b>1,140.00</b>  | <b>709.88</b>   | <b>360.25</b>   | <b>150.00</b>   | <b>91.50</b>    | <b>5.50</b>   | <b>3,908.90</b>  |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>28</b> | <b>Premiums</b>  | <b>DISA</b>   | <b>Band A</b>   | <b>Band B</b>   | <b>Band C</b>    | <b>Band D</b>   | <b>Band E</b>   | <b>Band F</b>   | <b>Band G</b>   | <b>Band H</b> | <b>Total</b>     |
| <b>29</b> | <u>Dwellings (Long Term Empty)</u>                             | 0             | 18              | 11              | 20               | 14              | 4               | 4               | 7               | 0             | 78.00            |
| <b>30</b> | Premium Percentage (50% = 150% charge)                         | 50%           | 50%             | 50%             | 50%              | 50%             | 50%             | 50%             | 50%             | 50%           |                  |
| <b>31</b> | <b>D6</b> Adj for Dwellings (Long Term Empty)                  | 0.00          | 9.00            | 5.50            | 10.00            | 7.00            | 2.00            | 2.00            | 3.50            | 0.00          | 39.00            |
| <b>32</b> | <b>ITEM E Premiums</b>   | <b>0.00</b>   | <b>9.00</b>     | <b>5.50</b>     | <b>10.00</b>     | <b>7.00</b>     | <b>2.00</b>     | <b>2.00</b>     | <b>3.50</b>     | <b>0.00</b>   | <b>39.00</b>     |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>33</b> | <b>Dwellings - Estimated changes in year</b>                   |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>34</b> | <u>Estimate of new dwellings</u>                               | 0             | 0               | 0               | 0                | 140             | 0               | 0               | 0               | 0             | 140.00           |
| <b>35</b> | Less: Exempt dwellings at 0% of total                          | 0.00          | 0.00            | 0.00            | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00          |                  |
| <b>36</b> | Estimate of net new dwellings                                  | 0             | 0               | 0               | 0                | 140             | 0               | 0               | 0               | 0             | 140.00           |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>37</b> | <b>Discounts - Estimated changes in year</b>                   |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>38</b> | <u>Estimate of new discounts</u>                               | 0             | 0               | 0               | 0                | 0               | 0               | 0               | 0               | 0             | 0.00             |
| <b>39</b> | Discount Percentage  | 25%           | 25%             | 25%             | 25%              | 25%             | 25%             | 25%             | 25%             | 25%           |                  |
| <b>40</b> | Estimated value of discount changes                            | 0.00          | 0.00            | 0.00            | 0.00             | 0.00            | 0.00            | 0.00            | 0.00            | 0.00          | 0.00             |
| <b>41</b> | <b>ITEM J Adjustment for dwelling and discount changes</b>     | <b>0.00</b>   | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>      | <b>140.00</b>   | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>     | <b>0.00</b>   | <b>140.00</b>    |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>42</b> | <b>ITEM Z Local Council Tax Reduction Scheme</b>               | <b>0.00</b>   | <b>1,134.76</b> | <b>1,186.71</b> | <b>1,412.43</b>  | <b>503.28</b>   | <b>149.99</b>   | <b>34.28</b>    | <b>10.99</b>    | <b>0.00</b>   | <b>4,432.44</b>  |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>43</b> | <b>(ITEM H - ITEM Q + ITEM E + ITEM J) - ITEM Z</b>            | <b>-14.13</b> | <b>2,377.60</b> | <b>4,075.79</b> | <b>10,661.57</b> | <b>8,395.84</b> | <b>5,170.76</b> | <b>2,785.72</b> | <b>2,187.01</b> | <b>200.50</b> | <b>35,840.66</b> |
|           |  |               |                 |                 |                  |                 |                 |                 |                 |               |                  |
| <b>44</b> | Ratio Item F   | <u>5</u>      | <u>6</u>        | <u>7</u>        | <u>8</u>         | <u>9</u>        | <u>11</u>       | <u>13</u>       | <u>15</u>       | <u>18</u>     |                  |
| <b>45</b> | Ratio Item G   | <u>9</u>      | <u>9</u>        | <u>9</u>        | <u>9</u>         | <u>9</u>        | <u>9</u>        | <u>9</u>        | <u>9</u>        | <u>9</u>      |                  |
| <b>46</b> | <b>(ITEM H - ITEM Q + ITEM E + ITEM J) - ITEM Z) x( F/G) *</b> | <b>-7.9</b>   | <b>1,585.2</b>  | <b>3,170.2</b>  | <b>9,477.0</b>   | <b>8,396.0</b>  | <b>6,319.8</b>  | <b>4,024.0</b>  | <b>3,645.9</b>  | <b>401.6</b>  | <b>37,011.8</b>  |
| <b>47</b> | <b>ITEM A Band D Equivalentents</b>                            |               |                 |                 |                  |                 |                 |                 |                 |               | <b>37,011.8</b>  |

| <u>Calculation of the Tax Base</u>        |                 |
|---|-----------------|
| ITEM A Total Relevant Amounts (Band D)    | 37,011.8        |
| ITEM B Collection Rate                    | 98.2%           |
| <b>COUNCIL TAX BASE (ITEM A x ITEM B)</b> | <b>36,345.6</b> |

**\*This is the aggregate of the individual Town and Parish tax bases in accordance with legislation. It is not the product of line 43 \*(line 44/line 45)**

## Appendix 2

|                         | <b>Council Tax Base Calculation 2017/2018 - Band D Equivalents</b> |                |                |                |                |                |                |                |               |                 |                 |
|-------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|-----------------|-----------------|
| <b>Town/Parish Area</b> | <b>DISA</b>  | <b>Band A</b>  | <b>Band B</b>  | <b>Band C</b>  | <b>Band D</b>  | <b>Band E</b>  | <b>Band F</b>  | <b>Band G</b>  | <b>Band H</b> | <b>Total</b>    | <b>98.2%</b>    |
| Barcombe                | -  | 10.9           | 25.5           | 87.9           | 94.8           | 109.6          | 129.4          | 165.8          | 16.0          | 639.9           | 628.4           |
| Beddingham/Glynde       | -  | 4.7            | 6.9            | 64.4           | 14.2           | 23.2           | 23.0           | 30.5           | 20.0          | 186.9           | 183.5           |
| Chailey                 | 0.8  | 27.7           | 37.4           | 161.4          | 145.6          | 196.7          | 295.4          | 409.2          | 47.6          | 1,321.8         | 1,298.0         |
| Ditchling               | -  | 8.2            | 19.2           | 64.4           | 68.0           | 314.2          | 194.7          | 421.7          | 69.0          | 1,159.4         | 1,138.5         |
| East Chiltington        | -  | 0.9            | 4.5            | 54.9           | 40.8           | 9.7            | 17.0           | 52.2           | 18.0          | 198.0           | 194.4           |
| Falmer                  | -  | 0.3            | 6.4            | 15.4           | 18.2           | 15.4           | 3.6            | 10.0           | 2.0           | 71.3            | 70.0            |
| Firle                   | -  | 2.8            | 9.6            | 15.9           | 26.3           | 27.6           | 9.4            | 23.8           | 7.6           | 123.0           | 120.8           |
| Hamsey                  | -  | 12.2           | 16.6           | 50.7           | 34.1           | 39.8           | 33.1           | 51.7           | 14.0          | 252.2           | 247.7           |
| Iford                   | -  | 0.7            | 3.7            | 3.1            | 11.5           | 35.1           | 16.6           | 18.3           | 6.0           | 95.0            | 93.3            |
| Kingston                | -  | 9.8            | 4.4            | 5.8            | 13.3           | 56.6           | 184.7          | 149.7          | 11.0          | 435.3           | 427.5           |
| Lewes                   | 0.4  | 190.3          | 638.8          | 1,821.7        | 1,285.2        | 896.9          | 663.3          | 708.7          | 31.6          | 6,236.9         | 6,124.6         |
| Newhaven                | 0.4  | 306.3          | 900.4          | 1,265.4        | 787.4          | 363.5          | 31.8           | 31.0           | -             | 3,686.2         | 3,619.8         |
| Newick                  | -  | 8.7            | 12.8           | 121.0          | 204.9          | 240.2          | 238.5          | 261.3          | 12.0          | 1,099.4         | 1,079.6         |
| Peacehaven              | 0.4  | 347.1          | 422.6          | 1,974.2        | 1,389.2        | 470.6          | 141.7          | 24.7           | 2.0           | 4,772.5         | 4,686.6         |
| Piddinghoe              | -  | 1.0            | 1.2            | 22.0           | 8.1            | 26.9           | 44.1           | 30.8           | -             | 134.1           | 131.7           |
| Plumpton                | -  | 8.0            | 10.6           | 91.6           | 148.1          | 107.9          | 96.5           | 189.7          | 21.6          | 674.0           | 661.9           |
| Ringmer                 | -  | 14.3           | 57.6           | 311.5          | 593.9          | 418.5          | 300.7          | 184.7          | 26.0          | 1,907.2         | 1,872.9         |
| Rodmell                 | -  | 6.2            | 10.3           | 26.0           | 12.1           | 21.4           | 37.3           | 84.2           | 21.6          | 219.1           | 215.2           |
| St Ann Without          | -  | 2.0            | 1.6            | 4.8            | 6.5            | 4.6            | 11.6           | 10.0           | -             | 41.1            | 40.4            |
| St John Without         | -  | 1.3            | -              | 5.8            | 3.8            | 2.2            | 1.4            | 10.7           | 4.0           | 29.2            | 28.7            |
| Seaford                 | -  | 503.5          | 735.0          | 2,134.2        | 2,257.8        | 2,297.0        | 1,298.3        | 427.8          | 4.0           | 9,657.6         | 9,483.8         |
| Southeast               | -  | 0.7            | 0.8            | 1.8            | 1.8            | 4.9            | 4.3            | 7.5            | 2.0           | 23.8            | 23.4            |
| South Highton           | -8.6   | 24.6           | 19.3           | 188.8          | 24.9           | 16.5           | 6.9            | 13.3           | 2.0           | 287.7           | 282.5           |
| Streat                  | -  | 0.9            | 0.4            | 7.6            | 13.8           | 8.3            | 9.4            | 34.7           | 6.0           | 81.1            | 79.6            |
| Tarring Neville         | -  | 2.0            | 1.6            | 3.1            | 0.8            | 1.2            | -              | 1.7            | -             | 10.4            | 10.2            |
| Telscombe               | -  | 77.2           | 204.5          | 838.2          | 960.6          | 360.3          | 61.4           | 30.0           | 5.0           | 2,537.2         | 2,491.5         |
| Westmeston              | -1.3   | 7.2            | 1.4            | 7.6            | 13.0           | 30.4           | 25.3           | 54.7           | 23.0          | 161.3           | 158.4           |
| Wivelsfield             | -  | 5.7            | 17.1           | 127.8          | 217.3          | 220.6          | 144.6          | 207.5          | 29.6          | 970.2           | 952.7           |
| <b>TOTAL</b>            | <b>-7.9</b>  | <b>1,585.2</b> | <b>3,170.2</b> | <b>9,477.0</b> | <b>8,396.0</b> | <b>6,319.8</b> | <b>4,024.0</b> | <b>3,645.9</b> | <b>401.6</b>  | <b>37,011.8</b> | <b>36,345.6</b> |

## Summary of emerging budget proposals

| Item                             | Basis   | £'000        |
|----------------------------------|---|--------------|
| Reduction in grants              | Based on 4 year settlement                      | 620          |
| Pay award                        | Chancellor's announcement                       | 80           |
| HRA recharges                    | Share of Joint Transformation Programme savings | 100          |
| Increments                       | Calculated on pay budget                        | 80           |
| Inflation on contracts           | Based on current inflation                      | 30           |
| Pension costs                    | Known increase per actuary                      | 100          |
| <b>Total net cost increases</b>  |   | <b>1,010</b> |
| Increase in Tax base             | Council tax to be generated                     | (100)        |
| New income streams               | Commercial Property                             | (200)        |
| Wave Leisure agreement           | Agreed  | (100)        |
| Reduced Town/Parish grants       | Agreed programme                                | (30)         |
| Shared services/transformation   | Joint Transformation Programme target           | (400)        |
| Council Tax increase             | Assumed 1.9%                                    | (120)        |
| <b>Total net cost reductions</b> |   | <b>(950)</b> |