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Working in partnership with **Eastbourne Homes**

30 January 2024

Dear Members

Scrutiny Committee - 5 February 2024

I am now able to enclose, for consideration, the following reports and appendices at the above meeting that were unavailable when the agenda was printed.

- | Item No | Item |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 | <u>Eastbourne and Lewes Community Safety Partnership - Annual Report - to follow (Pages 3 - 14)</u> |
| 11 | <u>General fund budget 2024/25 and capital programme - to follow (Pages 15 - 90)</u> |
| 12 | <u>Treasury Management Strategy, Investment Strategy, Capital Strategy and Prudential Indicators 2024/25 - to follow (Pages 91 - 162)</u> |
| 13 | <u>Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28 - to follow (Pages 163 - 176)</u> |
| 14 | <u>Local Council Tax Reduction Scheme 2024-25 - to follow (Pages 177 - 182)</u> |

Yours sincerely

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Agenda Item 8

Report to:	Scrutiny Committee
Date:	5 February 2024
Title:	Eastbourne & Lewes Community Safety Partnership – Annual Report (Eastbourne)
Report of:	Ian Fitzpatrick, Deputy Chief Executive
Cabinet member:	Councillor Margaret Bannister, Cabinet Portfolio Holder for Tourism, Leisure, Accessibility and Community Safety
Ward(s):	All
Purpose of report:	To enable Cabinet to consider the 2023/24 performance of the Eastbourne & Lewes Community Safety Partnership (E&L CSP).
Decision type:	Non-key
Officer recommendation(s):	That Scrutiny notes the achievements and activities of the E&L CSP in 2023/24.
Reasons for recommendations:	For Cabinet to consider progress on delivery of the current Community Safety Plan.
Contact Officer(s):	Name: Oliver Jones. Post: Lead, Housing, Homelessness & Community Safety. E-mail: Oliver.Jones@lewes-eastbourne.gov.uk. Telephone number: 01323 415 464.

1. Introduction

- 1.1. Community Safety Partnerships (CSPs) were established under the Crime and Disorder Act 1998, which set out a statutory requirement for specified public service authorities to meet regularly to discuss ways of reducing crime and disorder, address incidences of anti-social behaviour, and minimise re-offending in their local area.
- 1.2. Key members of the Eastbourne & Lewes Community Safety Partnership (E&L CSP) include; Sussex Police; East Sussex Fire & Rescue Authority; the Sussex Police & Crime Commissioner; The Probation Service; and East Sussex County Council. Membership can be extended to other key local and voluntary partners as appropriate, and ESCC Drug Commissioning Services, Crimestoppers and the Office of the Sussex Police & Crime Commissioner are regular attendees at the meeting. Lewes District and Eastbourne Borough Councils play a key role in supporting the work of the CSP, by acting as the secretariat, co-ordinating agreed strategic plans, and reporting performance. The respective portfolio holders from each Council co-chair Partnership meetings.

- 1.3. Lewes & Eastbourne CSPs have worked on a joint basis since their merger was formally ratified by the Police & Crime Commissioner in 2019, although scope is left within the business priorities to reflect the issues of concern in each Council area, such as road safety in Lewes and supporting the street community in Eastbourne. A budget allocated by the Sussex Police Crime Commissioner remains ring fenced for use in the Borough.
- 1.4. A strategic planning meeting of the E&L CSP takes place every quarter, whilst the Eastbourne Joint Action Group (EJAG) meets monthly to identify local issues and risks across the town. Portfolio holders and senior Council officers routinely attend the County level community safety forum (the East Sussex Safer Communities Board) to address issues such as domestic abuse, organised crime and county lines, at a strategic level.

2. Annual Plan 2023/24

- 2.1. CSPs have a statutory duty to set out a plan and monitor progress. The latest plan was approved by the Partnership in July 2023, following a review that considered recent crime and anti-social behaviour trends, residents views, and issues of national concern, such as the impact that the cost-of-living crisis may have on patterns of crime and anti-social behaviour. It also took into account the wider strategic priorities of the Police & Crime Commissioner (PCC) and the Safer East Sussex Team, who support the work of the County Council.
- 2.2. The review recommended that the headline priorities of the plan were unchanged, as they remained well placed to tackle the Borough's current challenges. As a result, the six priorities addressed by the Partnership in 2023/24 remained as follows:
 - Promoting safe & welcoming spaces to reduce the incidence of crime & ASB.
 - Tackling the incidence of hate crime, domestic & sexual abuse.
 - Reducing the incidence of serious violence & knife crime.
 - Addressing the impact of organised crime on local communities.
 - Lowering levels of anti-social driving on the Borough's roads.
 - Supporting the street community and addressing related ASB.
- 2.3. CSPs are awarded an annual grant by the PCC, based on a formula that takes account of population density and an analysis of local levels of crime. A review of funding was last carried out by the Sussex Police & Crime Commissioner in 2019, resulting in an increased allocation of £48,547. The level of funding received during this current financial year remained unchanged.

3. Crime and incident trends

- 3.1. An analysis of the latest data shows that for the year to December 2023, 11,057 crimes were reported across Eastbourne's police district, a rise of 16.8% when compared to last year. This trend is largely accounted for by increases in reported levels of acquisitive crime, notably reports of shoplifting (1919 crimes) which is an increase of 196%, and to a lesser extent burglary (321 crimes), an increase of 20%. The cost of living, increased activity of organised crime groups

and more opportunities for crime as residents return to working at the office are all likely factors, although a proportion of the increase in shoplifting reports is due to partnership work encouraging retailers to log reports in a more consistent manner. Sussex Police and the local Business Crime Reduction Partnership (BCRP) are working together to understand the issues at hand and put in place remedies by working even more closely with local retailers and deploying targeted operations.

- 3.2. The rising trends in crime were reflected across the most commonly reported types of crime with criminal damage (1003 reports) \uparrow 15%, public place violence against the person (1754 reports) \uparrow 6%, although violence against the person in a non-public place (2296 reports) fell slightly, \downarrow 2%. It is important to stress that the majority of these incidents are **not** categorised as serious crimes and that levels of serious violence (93 reports) and knife crime (57 reports) remain low. There were no reported gun crimes or homicides in the town in the year to December.
- 3.3. A summary of reported crimes by type comparing the twelve months to December 2022 and 2023 is set out in appendix 1. It should be noted that reported crime categories are not mutually exclusive and that some crimes will be marked against more than one. So, for example, many of the shoplifting reports will be recorded against *theft*, *shoplifting* and *serious and organised acquisitive crime*, accounting for the significant increases seen in all three.
- 3.4. Once other incidents which are not categorised as crimes are taken into account, such as those reports of anti-social behaviour (ASB), domestic abuse and hate related incidents, the increase in overall reports (12.4%) is slightly lower. This is accounted for by falls in the number of recorded ASB reports, which dropped by 1.2%, (1,791 incidents) and domestic violence incidents (854), which reduced by 6.7%.
- 3.5. Levels of reported domestic abuse (crime & incidents) fell slightly (\downarrow 4%), although the number of overall reports remained high (2,240 reports). Overall, levels of reported hate crime and incidents remain stable (up slightly at \uparrow 1.4%), although reports relating to race increased (race related crime \uparrow 31% and race incidents \uparrow 15%) and continued to be the highest reported category. Reports relating to religion, sexuality and other hate incidents fell.
- 3.6. Overall, the Borough continues to be a relatively low crime area. The most recent figures from the Government's benchmark 'Most Similar [Crime] Group'¹ (which compares Eastbourne with eleven other local authority areas - September 2022) shows that, with a rate of 99 crimes per 1000 people, it is one of the two lowest. This level is well below the group average of 116 crimes per 1000 people. Figures for the benchmark group are set out in appendix 2.

¹ 'Most Similar Groups' are districts / boroughs that have been found to be leading comparators based on an analysis of those demographic, social and economic characteristics which most relate to crime.

- 3.7. These trends have set the tone for the work of the partnership across the last year, which has supported a range of initiatives that have helped; address anti-social behaviour; support organisations tackling domestic abuse; respond to increasing levels of serious and violent crime; support the local street community; and address safety on local roads. Key highlights, activities and achievements across these priorities are set out below.

Priority 1. Promoting safe & welcoming spaces that reduce the incidence of crime & ASB - through:

- Funding *Best Bar None*, an industry recognised business accreditation scheme which assesses licenced premises against venue management, customer service and community safety standards. The partnership funded a successful launch for the new scheme, which signed up nine town centre venues, a mix of bars, restaurants, and hotels, who completed the accreditation process over the summer. The businesses fared well against the assessment criteria, though a number were required to make improvements to policies and practices around the use of door searches, emergency evacuation plans, and their use of CCTV, to help obtain full accreditation. Businesses are now being signed up for accreditation in 2024.
- Supporting a Sussex Police led campaign of engagement and enforcement activity targeting prolific shoplifters in Eastbourne town centre, first undertaken as part of the national Safer Business Action Week. As a follow up undercover officers now undertake regular covert operations helping to protect those local businesses most impacted by shoplifting, issuing Community Protection Notices to identified offenders and targeting Criminal Behaviour Orders at repeat offenders. The local BCRP is actively working alongside the police to encourage all retailers to report offences via the DISC reporting system or direct to the local neighbourhood policing team.
- Managing the replacement of Eastbourne Town Centre's analogue CCTV network with new digitally enabled cameras, digital video recorders and Wi-Fi enabled transmission. The new system, scheduled to go live on the 1st of April, will provide improved imagery, remote access for Sussex Police HQ and future proof the technology in place for coming years.
- Working with Sussex Police to support *Operation Blitz*, the local initiative targeted at tackling anti-social behaviour across the Borough. Over the past year the operation has helped address numerous incidents of ASB and co-ordinated the activities of police, youth outreach services, Neighbourhood First and Homes First council officers, to help tackle identified local issues.
- Identifying local hotspots of crime and dis-order, such as an alley way to the rear of the Langham Hotel on Eastbourne seafront, in the vicinity of which there have been 29 reports of drug use and drug dealing, and a further 17 reports related to anti-social behaviour. The scene has been assessed and the local policing team have worked with local residents to secure funding for new alley gates that will permanently restrict access to the area. This solution will complement similar measures delivered to the areas using Safer Street 1 funding in 2020.

- Supporting the Council's Neighbourhood First team work to keep public spaces across the Borough clean, tidy, and free from rubbish. In the year to date (April to December) the teams dealt with fly-tipping, graffiti, rubbish, and abandoned vehicles. The teams employ a range of monitoring and enforcement activities, including warnings, fixed penalty notices, prosecutions, and the deployment of CCTV.

Priority 2. Tackling the incidence of hate crime, domestic & sexual abuse - through:

- Taking part in strategic initiatives to address the incidence of domestic abuse. This work involves contributing to the development of joint needs assessments and implementing the two key action plans that set out to improve support services and increase the availability of specialist accommodation in which to re-house victims.
- Directly funding projects offering support through programmes delivering yoga and breathing rehabilitation therapy sessions, targeted at Eastbourne referrals from the local domestic abuse survivors' network. The yoga sessions are run by an organisation called Unity, who have been running successful sessions in Lewes for a number of years, whilst Brighton's Women's Centre will be organising the breathing therapy session in the town. The funding will support the delivery of 190 places across both of the programmes.
- Continuing to drive forward best practice in managing domestic abuse across the Council, led by the HOMES First co-ordinated work to assess policies and practice against the Domestic Abuse Housing Alliance (DAHA) standard, a initiative backed by the leading sector specialist organisation supporting housing providers in this field. In moving toward obtaining full accreditation over the past year, this programme of work has; launched new HOMES FIRST and staff domestic abuse policies; refreshed the staff DA awareness course in line with recommendation suggested by the DAHA team; and added a new resource to the Council's website providing comprehensive list of local and national agencies that can provide support to residents who have experienced domestic abuse.
- Contributing to a fund that pays the cost of Domestic Homicide Reviews in East Sussex. These reviews undertake detailed assessments of the circumstances surrounding individual cases and apply insights and key learning points to the processes and practices of the relevant agencies involved, to help reduce future risk.
- Supporting BourneThisWay, an organisation forming an alliance of LGBTQ+ support groups across the town, who are working on developing a new pledge. An associated campaign, will ask local businesses and organisations to display the pledge within their premises and/or on their website, to help create and identify safe spaces for the LGBTQ+ community in the Eastbourne area

Priority 3. Reducing the incidence of serious violence - through:

- Supporting activities to reduce knife crime, which include Sussex Police's *Operation Safety*, that drives a range of local awareness and enforcement activities targeted at keeping residents safe from knife-related harm. These include incident led patrols, social media campaigns, community engagement, knife sweeps, test purchasing and much more. It runs side by side with the *kNOw Knives* programme delivered by ESCC's Targeted Youth Service. This programme runs prevention sessions that raise awareness of the risks of knife carrying, discuss the related topic of exploitation, and examine the myths and fears surrounding knife crime and gang culture.
- Sponsoring Eastbourne Youth Radio's annual broadcast, an established initiative that engages young people to deliver a week-long programme of 'on air' programmes, that discuss a range of topics including the risks of exploitation, online safety, knife crime and bullying.
- Working alongside the local Business Crime Reduction Partnership to support the new *Night-time Marshall* service in the town centre. The principle role of the marshalls will be to prevent vulnerable persons becoming victims of crime, help licenced premises control incidents, and support the management of taxi ranks. The service, which started operating this February, will be deployed every Friday and Saturday throughout the year, and is supported by funding awarded by Sussex Police and the Safer Streets 5 fund.

Priority 4. Addressing the impact of organised crime on local communities - by:

- Contributing to the *Serious & Organised Crime Partnership*, a police-led collaboration, set up to tackle serious crimes that are being systematically carried out by organised groups. The partnership has an operational focus, identifying specific crimes that present a high level of harm to local residents, then sharing information and intelligence to help disrupt these.
- Directly funding organisations that deliver programmes engaging and supporting young people, many of whom are at risk of being drawn into anti-social behaviour and more serious crime. This year these include music production workshops run by Audio Active in Devonshire ward, funding towards material and staffing costs for a new youth club offer to operate out of St. Elisabeth's church in Old Town, and replacement uniforms and equipment for the fire cadet service, who run programmes designed to boost confidence and improve the self-esteem of local young people.
- Participating in the Violence Reduction Unit, a Sussex Police and County led task force, co-ordinating a strategic approach to tackling serious violence across East Sussex. Work in Eastbourne continues to address issues in identified 'harm hotspots' across Devonshire Ward and the town centre, principally through increased levels of patrol activity, victim and perpetrator profiling. Across the year a dedicated project worker, employed through 3VA, focussed on developing links between statutory partners and

representatives from the local community. As part of this work a *grass roots network* meeting was established to bring local agencies together to identify and explore issues, which continues to meet on a bi-monthly basis.

- Supporting the work of Sussex Police's *Discovery* team, who co-ordinate operations that tackle modern slavery, exploitation, and human trafficking. Partners, including the Council's Homes First, licencing, benefits and democratic services teams routinely work with *Discovery* to source information on residents and businesses, verify intelligence, and on some occasions accompany visits.

Priority 5. Supporting the street community and addressing related ASB - through:

- Continuing to support the work of the Rough Sleeper Initiative, who provide comprehensive support and outreach services. Their activities identify rough sleepers and connect with local services, including referrals to an in-house team of health, social care, substance misuse & housing professionals.

Priority 6 - Lowering levels of anti-social driving on the Borough's roads - through:

- Overseeing implementation of the new *Public Place Protection Order* (PSPO) focussed on addressing the incidence of anti-social driving in specified areas of the town. The PSPO, which covers roads leading up to Beachy Head, seafront parades and in Sovereign Harbour, is targeted at to addressing specific issues such as speeding, aggressive driving, illegal manoeuvres, racing, and excess noise from vehicles. The order, active between March and October each year, is enforced by Sussex Police on behalf of the Council. In 2023, the first year of its operation, they issued 15 fixed penalty notices citing a variety of breaches including speeding, wheel spins dangerous manoeuvres and vehicle noise. This year enforcement is planned to focus on a number of targeted campaigns.
- Funding the purchase of three radar 'speedwatch kits and safety equipment to meet the demands of local residents wishing to set up community Speedwatch groups. The distribution of the kits is co-ordinated by the *Sussex Safer Roads Partnership*, who will also provide training to the new volunteer groups.

- 3.7. A summary of the annual income and expenditure for Eastbourne's Partnership budget is set out in appendix 3. During the first three quarters of the year just over 80% of the available grant (£40,179) was allocated to a range of community groups, voluntary organisations, and statutory agencies. Where possible opportunities have been taken to draw on match funding to help optimise the impact of the grant. A pipeline of projects is in place which should ensure that the budget is fully utilised by the end of this financial year.

4. Consultation

- 4.1. An ongoing process of engagement is in place to help assess and evaluate the success of projects and other measures supported by the Partnership. Over the past year this has involved key operational representatives, including those from Sussex Police, East Sussex Fire & Rescue, and the Safer East Sussex team. They meet regularly to consider the implications of issues raised by the Eastbourne Joint Action Group, analyse crime trends, and respond to emerging risks.

5. Corporate Plan & Council Policies

- 5.1. The objectives of the E&LCSP continue to be in line with those set out in the Council's Corporate Plan, which commits to delivering resilient, healthy, and engaged communities, by employing strategies to help reduce the incidence and fear of crime, tackle anti-social behaviour and work to minimise re-offending. Measures taken to reduce environmental crime and improve road safety raise the quality of the local area for all local residents, visitors, and businesses.

6. Business case

- 6.1. The annual CSP plan sets out the approach that the Council, along with other partners, will take to reduce crime and disorder, anti-social behaviour, and re-offending across their local area. The current plan identifies six clear priorities, agreed with partners, that will help address local issues. The next plan is due to be approved by the Partnership in the Spring of 2024.

7. Financial appraisal

- 7.1. There are no direct financial implications for the Council arising from the recommendations set out in this report. However, a summary of the current income and expenditure account, managed by the Council on behalf of the Partnership is provided in Appendix 1.

8. Legal implications.

- 8.1. This report sets out how the Council has complied, and will continue to comply with its duties under section 6 of the Crime and Disorder Act 1998 and the Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007.

9. Risk management implications

- 9.1 The annual Community Safety Plan incorporates a review of high level risks associated with the delivery of CSP activities. These include risks relating to, maintaining adherence to the statutory duties set out in the Crime & Disorder Act 1998, partner attendance, and funding. It also looks at how current issues, such as the cost of living crisis, might impact crime trends. The risk review provides an assessment of the likelihood, impact and severity of each risk and assigns ratings accordingly, alongside accompanying mitigations.

10. Equality analysis

10.1. This report provides an update on progress in meeting the objectives set out in the current Community Safety Plan and as such does not contain proposals or specific recommendations. As such there are no direct impacts on the public or employees, so no Equality and Fairness Analysis is associated with this report.

11. Environmental impact analysis

11.1. There are no direct environmental impact implications for the Council arising from the recommendations set out in this report.

12. Appendices.

12.1. Appendix 1 - Crime reports, twelve months to December 2023

Appendix 2 - 'Most Similar Crime Group' benchmark Data, June 2023

Appendix 3 – Eastbourne CSP - Income & Expenditure 2023/24

13. Background papers.

13.1. The following background paper is associated with this report - Eastbourne & Lewes Community Safety Plan.

Appendix 1 – Crime reports, twelve months to December 2023

Eastbourne	Year to Dec 22	Year to Dec 23	Diff	% change
Count all occurrence numbers	12128	13636	1508	12.4%
Total Crime	9469	11057	1588	16.8%
Criminal damage	872	1003	131	15.0%
Arson	60	53	-7	-11.7%
Rape	143	140	-3	-2.1%
Other sexual offences	268	319	51	19.0%
Possession of drugs	223	270	47	21.1%
Trafficking of drugs	39	65	26	66.7%
Burglary	268	321	53	19.8%
Theft	1591	2850	1259	79.1%
Shoplifting	647	1919	1272	196.6%
Serious organised acquisitive crime	1997	3183	1186	59.4%
Vehicle offences (theft of / from a vehicle)	420	460	40	9.5%
Violence against the person (VAP) in a public place	1656	1754	98	5.9%
Violence against the person (non-public place)	2341	2296	-45	-1.9%
Possession of weapons	127	154	27	21.3%
Robbery	87	114	27	31.0%
Serious violent crime	81	93	12	14.8%
Knife crime	67	59	-8	-11.9%
Gun crime	0	0	0	n/a
Homicide	1	0	-1	-100.0%
ASB - Personal	140	126	-14	-10.0%
ASB - Nuisance	1560	1558	-2	-0.1%
ASB - Environmental	113	107	-6	-5.3%
Total ASB	1813	1791	-22	-1.2%
Domestic violence crimes	1415	1386	-29	-2.0%
Domestic violence incidents	915	854	-61	-6.7%
Racist crime	113	148	35	31.0%
Race	193	222	29	15.0%
Sexuality	58	39	-19	-32.8%
Gender	9	14	5	55.6%
religion	22	18	-4	-18.2%
Disabilist	36	42	6	16.7%
Other	34	22	-12	-35.3%
Stalking and harassment	1130	975	-155	-13.7%

Appendix 2 – ‘Most Similar Crime Group’ benchmark Data, June 2023

Community Safety Partnership Area	Crimes / 1000 residents - June 2023
North Tyneside	88
Eastbourne	99
Ipswich	103
Cardiff	108
Southend-on-Sea	109
Sheffield	112
Preston	114
Derby	116
Gloucester	123
Leeds	140
Lincoln	141
Southampton	143
Group average	116.3

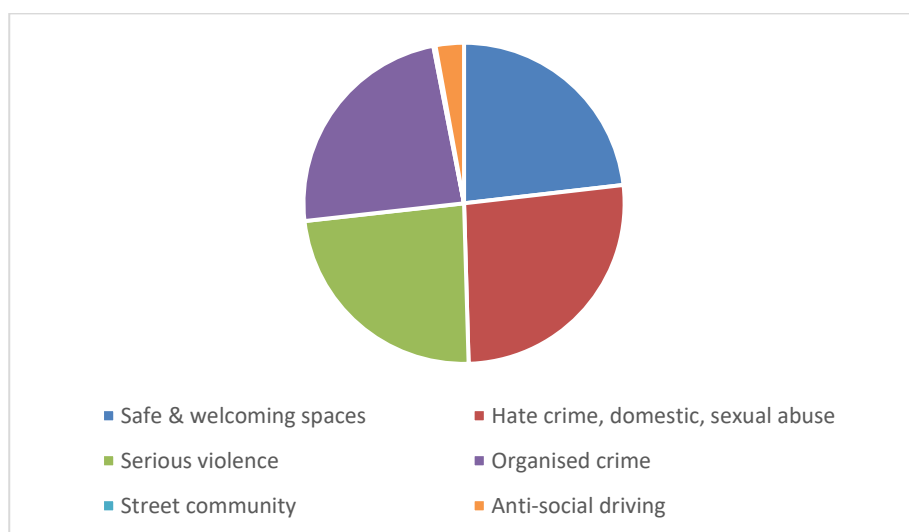
Appendix 3 - Eastbourne CSP – Income & Expenditure 2022/23

Spend by project

Grant	2023/24 PCC Allocation	£48,544.19
Other income	Accruals / refunds 2022/23	£840.05
Other income		£0.00
Total income	Total income	£49,384.24
Bid	Organisation	£
EBC Regulatory Services / Sussex Police	Best Bar None	£2,500.00
Gildregde Park Light maintenance	Safer Streets	£331.48
Eastbourne Youth Radio	Eastbourne Education Business Partnership	£490.00
Southern Rail	Banner to support safety sessions	£91.94
ESCC	Contribution to Domestic Homicide Reviews	£2,313.20
Unity CIC	Nurture Projects - Eastbourne	£3,500.00
Seahaven FM	Ad campaign	£525.00
ESFRS	Cadet Equipment	£1,944.00
Audio Active	Beats & bars	£8,592.00
Sussex Police	Redoubt alley way	£6,300.00
Sussex Police	Speedwatch equipment	£1,059.72
Brighton Womens Centre	Emotional wellbeing support	£2,532.00
St Elisabeths Church	Youth club / worker support	£8,000.00
Bournethisway	Hate crime (homophobic) awareness campaign	£2,000.00
	Total spent	£40,179.34
	Remaining funds	£9,204.90
	Remaining accounting for pipeline	£9,204.90
	Total spent as a % budget	81%
	Total - inc pipeline as a % budget	81%

Pipeline bids 2023/24	EASTBOURNE	£Est
Warming Up the Homeless (WUTH)	Prison release housing support	£1,802.50
EBC	Youth club support	£4,932.00
Shinewater Youth Club	Equipment fund (subject to MH bid success)	£0.00
BCRP	Nightwatch Radios	£1,745.00
Eastbourne Borough Council	Private Sector Mediation Services - 5 referrals	£0.00
Total		FALSE

Spend by priority



- Report to:** Scrutiny Committee
- Date:** 5 February 2024
- Title:** General Fund Revenue Budget 2024/25 and Capital Programme
- Report of:** Homira Javadi, Director of Finance and Performance (Chief Finance Officer – S151 Officer)
- Cabinet member:** Councillor Robin Maxted, Cabinet Member for Finance and Resources
- Ward(s):** All
- Purpose of report:** To agree the General Fund Budget 2023/24 and updated Medium Term Financial Strategy, together with the updated Capital Programme and Treasury Management position.
- Decision type:** Budget and Policy Framework
- Officer recommendation(s) to the Cabinet:** Cabinet is asked to recommend the following proposals to Full Council:
- 1 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.
 - 2 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 approve one of 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.

- 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).**
 - 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).**
 - c) **Option C which assumes the acceptance of Exceptional Financial Support by Department of Levelling Up Housing & Communities and includes additional Council Tax setting powers to increase Council Tax for 24/25 up to 7.99% (Appendices 1C, 2C, 3C, 4C).**
 - d) **Option D which assumes the refusal of Exceptional Financial Support by Department of Levelling Up Housing & Communities (Appendices 1D, 2D, 3D & 4D)**
- 3 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 approve an increase in the Council Tax for Eastbourne Borough Council dependent on the options described above.**
- a) **Option A, B & D- An increase of 2.99% resulting in a gross Band D charge of £277.74 for 2024/25 an increase of £8.06 per annum.**
 - b) **Option C - An increase of up to 7.99% resulting in a gross Band D charge of £291.23 for 2024/25 an increase of £21.55 per annum.**
- 4 The revised General Fund & Housing Revenue Account Capital Programme 2024/25 as set out in Appendix 5.**
- 5 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 as and when notified by Government.**

6 To note the Section 151 Officer's sign off as outlined in the report.

Reasons for recommendations: The Cabinet has to recommend to Full Council the setting of a revenue budget and associated Council Tax for the forthcoming financial year by law.

Recommendations to the Scrutiny Committee: The Scrutiny Committee is asked to note the report.

Contact Officer(s): Name: Homira Javadi
Post title: Director of Finance and Performance
E-mail: Homira.Javadi@lewes-eastbourne.gov.uk

1. OPENING REMARKS

- 1.1. New LGA analysis - published ahead of the Autumn Statement - shows that by 2024/25 cost and demand pressures will have added £15 billion (almost 29 per cent) to the cost of delivering council services since 2021/22.
- 1.2. LGA added councils are facing an “inflationary storm” which is adding unsustainable costs onto council budgets. Some councils have warned these costs are threatening their financial sustainability, not least because councils have already absorbed a 27 per cent real terms cut in core spending power since 2010/11.
- 1.3. Eastbourne Borough Council's grant funding has reduced from £10.4m in 2010 to £5.6m in 2024. This is a reduction of 47% in cash terms or 66% in real terms.
- 1.4. This year's budget is set within the context of extreme financial challenges for the council. With the impact of the inflationary and cost-of-living pressures still keenly felt, this is no more vividly illustrated than the ongoing impact of wider government policy on the increased cost of providing homelessness and temporary accommodation placements as councils across the county look to protect the most vulnerable in our communities. Most councils have had to make difficult decisions, face reductions to their services and planned investments to achieve this.
- 1.5. Recent surveys suggest most councils will need to draw down on their reserves in 2024/25 to balance their budgets, and councils continue to warn that without increased government financial support many will be forced to make increasingly difficult decision to present balanced budgets. However, even with such interventions it is increasingly likely that some councils be unable to set balanced budgets in 2024/25.
- 1.6. In Eastbourne Borough Council it has become increasingly apparent that the cost of homelessness and temporary accommodation placements is totally disproportionate to the level of funding the Council would normally receive. An exceptional effort has already been made to reduce the number of placements at any one time for a peak in 23/24 of c370 to a level of c300. That means that in 2023/24 the equivalent of 49p in £1 of Council Tax collected for this authority is spent on temporary accommodation.
- 1.7. Demand in for housing/homelessness support is being driven by:
 - Cost of Living Crisis impact on personal finances and affordability.

- Increase in domestic abuse cases since end of pandemic.
- Increase in friends and family breakdown cases since end of pandemic.
- Increase in rents making private sector unaffordable (LHA rates frozen for over a decade until recent decision to uplift from April 2024).
- Reduced supply of private and affordable housing (higher costs, removal of private landlord incentives, higher interest rates, etc.)
- Mortgage interest rate rises.

1.8. Costs recovery for temporary accommodation placements is also limited to 90% of the household 2011 Local Housing Allowance rent level. This means that the cost of providing the homelessness 'safety net' falls disproportionately on the Council.

1.9. The impact of this is an increase in the overall cost of TA/EA resulting in a projected overspend in 2023/24 of £4.364m.

1.10. The projected cost of TA/EA placement activity in 2024/25 is £4.629m, and despite current Stability & Growth Plans design to deliver saving of over £3.8m in the years 2024/25 to 2025/26, the council is still anticipating a budget gap of £2.181m in 2024/25.

	2023/24	2024/25	2025/26	2026/27	2027/28
BUDGET SHORTFALL/ (SURPLUS)	4,364	2,181	1,105	512	(121)

1.11. The projected net cost in 2024/25 represents 29% of the councils' funding guarantee in the same year of £15.831m (excluding use of reserves and one-off resources) and 47% of total 2024/25 Council Tax income for the year (£9.912m)

1.12. Housing & Homelessness Summit

1.13. Eastbourne District Council has led the campaign for government to recognise the growing cost of homelessness and temporary accommodation placement activity across England and the impact it is having on Council resources.

1.14. In response to this issue the Council in partnership the District Councils' Network convened an Emergency Housing Summit on 31 Oct 2023 with over 175 councils represented.

1.15. The housing summit aimed to share insight from the councils attending to agree on a package of solution to address this pressing and urgent social and financial crisis. The summit resulted in a joint cross-party letter to the government ahead of the Autumn Statement urging immediate action.

1.16. The summit proposed the following solutions to the government:

- Increase Local Housing Allowance rates for private rented accommodation.
- Develop policy to stimulate retention and supply in the privately rented sector.
- Review the housing benefit subsidy rate for local authority homelessness placements.
- Give district councils the powers, funding, and resources needed to increase the supply of social housing.
- Increase the level of Discretionary Housing Payment and Homelessness Prevention Grant.

- 1.17. In the 2023 Autumn Statement, the Chancellor announced that the Local Housing Allowance (LHA) will be re-pegged to the 30th percentile of local rents in April 2024. The LHA, which sets limits on the level of housing support for private renters based on rents in broad rental market areas (BRMAs) and property size, has been frozen since April 2020.
- 1.18. This is a welcomed news for the private renter households in receipt of Universal Credit (UC) or Housing Benefit (HB) with higher housing costs than the LHA, relieving significant pressure built up by recent rent increases.
- 1.19. Councils spent £1.7 billion on temporary accommodation last year, up by 9% on the previous year. This has been made worse by a much longer freeze than those experienced by renters claiming housing support: the Housing Benefit subsidy councils receive when they house a family in temporary accommodation was set at 90 per cent of the applicable LHA rate in 2011 and has remained frozen since. This is costing councils hundreds of pounds per resident per week, making it more difficult to provide quality accommodation.
- 1.20. On 23rd January, about 50 council leaders gathered at the second summit in Westminster chaired by Eastbourne Borough Council (EBC) to urge the government to step in and prevent a “national crisis”.
- 1.21. On 24th January, Communities secretary Michael Gove announced upper and lower tier councils will be handed an additional £600m, mostly for children’s and adult social care. This will have no material impact on Eastbourne Borough Council.
- 1.22. The cabinet minister said £500m would go on enabling councils to provide “crucial social care services for their local communities, particularly children”.
- 1.23. The government has also increased the “funding guarantee” – which sets out the minimum percentage annual increase in money available to all councils before local decisions on council tax – from 3 per cent to 4 per cent. This amounts to £145k for Eastbourne Borough Council.
- 1.24. According to a survey by the Local Government Association (LGA) almost one in five council leaders think it is likely that they will need to issue a section 114 notice this year. The emergency notices are an acknowledgment that the local authority cannot balance its books as required by law and lead to a freeze on non-essential spending on services.
- 1.25. **Discussions with Department of Levelling Up Housing and Communities (DLUHC)**
- 1.26. There have been several meetings with DLUHC concerning the 2023/24 outturn and 2024/25 budget and the urgency of the impact from increased demand on temporary accommodation costs on the council’s resources and services.
- 1.27. Since there are no other support instrument available and offered by DLUHC than exceptional financial support or capitalisation, the discussions have included the application for a capitalisation direction to enable the budget gap to be closed. In the provisional local government financial settlement, it was announced that government would consider representations on Council Tax flexibilities. The statement said that: “Where councils need additional support from government, they should take every possible step to minimise the need for that support to be funded by national taxpayers. As part of that process, the government will consider representations from councils, including on council tax provision.”

- 1.28. The advantage of increasing Council Tax is that the Council gains the benefit of the increase on an ongoing basis. The vulnerable will be protected from the increase through the Hardship schemes which will increase by 6.7% for 2024/25, in line with the rise in state benefits announced in the Autumn Statement.
- 1.29. It is in this context that the Council has asked the Department of Levelling Up, Housing & Communities (DLUHC) for a further round of Exceptional Financial Support (EFS) of £3m to support the overspend in 2023/24 and a further £3m in 2024/25. Request for support also include a request to increase the Council Tax “Band D” rate above the current pre-referendum levels of 2.99% for 2024/25 of up to 7.99%.
- 1.30. Without EFS the council will be required to undertake an urgent review of existing discretionary and Statutory services with a view to ceasing the majority of council discretionary services, limiting its Statutory services, accelerate the councils existing programme of asset disposals, implement further and immediate reductions in the Council’s Capital Programme and utilise a significant level of the councils earmarked and general reserves to be able to set a balanced budget in 2024/25.
- 1.31. The new financial planning timetable has had to adapt to this outcome. The outcome of the Councils request for EFS is not expected to be known until the end of February 2024 at the earliest.
- 1.32. Therefore, the Council has had to take the unusual step of offering members three potential options to consider when approving the Councils Medium Term Financial Plan and budget for 2024/25. The options reflect the scenarios the council believe could occur following the request for EFS. These are as follows:
- **Option A - Department of Levelling Up Housing & Communities recognising and directly funding the increased number of homelessness and temporary accommodation placements activity from 2023/24 onwards.**
 - **Option B - The application for EFS is successful but does not include the ability to increase Council Tax above the pre-referendum rate of 2.99%.**
 - **Option C - The application for EFS is successful and includes the ability to increase Council tax to a level above the pre-referendum rate of up to 7.99%.**
 - **Option D - The application for EFS in unsuccessful**
- 1.33. The Council will continue to meet with colleagues from DLUHC and the Chartered Institute for Public Finance & Accountancy (CIPFA) to support its application. CIPFA are supporting DLUHC in reviewing the Councils application for EFS.
- 1.34. This report therefore sets out the Council’s Medium Term Financial Strategy (MTFS) and associated spending plans for the four years 2024/25 to 2027/28 considering the options highlighted earlier in this report. The report covers all aspects of the Council’s:
- a) General Fund revenue expenditure funded by the council taxpayer.
 - b) Government grants and other sources of income
 - c) The Council’s Capital Programmes (General Fund and HRA) funded by capital receipts, revenue and borrowing.

- d) The use of the Councils Earmarked and General Reserves to support delivery of a balanced budget in 2024/25 and sustainable MTFs to 2027/28.

1.35. The proposed Medium Term Financial Strategies based on the three options are set out below:

1.36. OPTION A

1.37. This assumes that the Department of Levelling Up Housing & Communities recognise and directly fund the increased number of homelessness and temporary accommodation placements activity from 2023/24 onwards.

APPENDIX 1A	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFs OPTION A	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
TOTAL FINANCING	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
Additional EA/TA Funding	(4,364)	(2,181)			
REVISED FINANCING	(23,087)	(19,615)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Net Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
REVISED EXPENDITURE	23,087	19,615	18,543	18,494	18,423
BUDGET SHORTFALL/ (SURPLUS)	0	0	1,105	512	(121)
Cummulative shortfall	0	0	1,105	1,616	1,496

APPENDIX 4A - RESERVES (£'000)	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Opening Balance	Use	Opening Balance	Use	C/fwd
Total Earmarked Reserves	(9,467)	2,975	(6,491)	1,903	(4,588)	(188)	(4,777)
General Fund	(3,998)	14	(3,984)	753	(3,231)	0	(3,231)
Total Earmarked and General Fund	(13,465)	2,989	(10,475)	2,656	(7,819)	(188)	(8,008)

OPTION B

1.38. This assumes the application for EFS is successful but does not include the ability to increase Council Tax above the pre-referendum rate of 2.99%.

1.39. Total additional reserves of £1.716m would need to be utilised in 2023/24 and in 2024/25 the Council would be able add £0.115m back to reserves resulting in total reserve balance at 31 March 2025 of £6.406m.

1.40. The projected General Fund Reserves balances of £3.231m at the end of 24/25 would therefore be above the existing minimum reserve level of £2m and ensure the council is more resilient to future economic and demand shocks and ensure the robustness and sustainability of the councils' finances.

APPENDIX 1B	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTF5-OPTION B	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
Total Financing Revised	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
TOTAL NEW FINANCING from Capital Directions	(3,000)	(3,000)	0	0	0
TOTAL NET FINANCING	(21,723)	(20,434)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Current Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
New Capital Financing Costs for Capital Direction	352	704	704	704	704
TOTAL CAPITAL FINANCING	3,436	5,133	4,582	4,722	4,451
REVISED NET EXPENDITURE	23,439	20,319	19,247	19,198	19,127
BUDGET SHORTFALL/ (SURPLUS)	1,716	(115)	1,809	1,216	583
Use of Available Reserves	1,716	(115)			
Cummulative additional shortfall	(0)	(0)	1,809	3,024	3,608

APPENDIX 4B - RESERVES (£'000)	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Opening Balance	Use	Opening Balance	Use	C/fwd
Total Earmarked Reserves	(9,466)	2,975	(6,491)	3,619	(2,872)	(303)	(3,176)
General Fund	(3,998)	14	(3,984)	753	(3,231)	0	(3,231)
Total Earmarked and General Fund	(13,464)	2,989	(10,476)	4,372	(6,103)	(303)	(6,406)

OPTION C

- 1.41. This assumes the application for EFS is successful and includes the ability to increase Council tax to a level above the pre-referendum rate of up to 7.99%.
- 1.42. Total reserves of £1.716m would need to be utilised in 2023/24 and £0.171m would be added back to reserves in 2024/25 resulting in total reserve balance at 31 March 2025 of £6.462m
- 1.43. The projected fund balance of £3.231m would therefore be above the existing minimum reserve level of £2m and ensure the council is more resilient to future economic and demand shocks and ensure the robustness and sustainability of the councils' finances.

APPENDIX 1C	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFs - OPTION C	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
Total Financing Revised	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
TOTAL NEW FINANCING from Capital Directions	(3,000)	(2,518)	0	0	0
COUNCIL TAX at 8% (Additional element)	0	(482)	(492)	(501)	(511)
TOTAL NET FINANCING	(21,723)	(20,434)	(17,930)	(18,483)	(19,055)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Current Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
New Capital Financing Costs for Capital Direction	352	647	647	647	647
TOTAL CAPITAL FINANCING	3,436	5,076	4,525	4,665	4,394
REVISED NET EXPENDITURE	23,439	20,263	19,190	19,141	19,070
BUDGET SHORTFALL/ (SURPLUS)	1,716	(171)	1,260	658	15
Use of Available Reserves	1,716	(171)	0	0	0
Cummulative additional shortfall	0	(0)	1,260	1,918	1,934

APPENDIX 4C- RESERVES (£'000)	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Opening Balance	Use	Opening Balance	Use	C/fwd
Total Earmarked Reserves	(9,466)	2,975	(6,491)	3,619	(2,872)	(359)	(3,231)
General Fund	(3,998)	14	(3,984)	753	(3,231)	0	(3,231)
Total Earmarked and General Fund	(13,464)	2,989	(10,475)	4,372	(6,103)	(359)	(6,462)

1.44. OPTION D

1.45. This assumes that the application for EFS has been unsuccessful and as a result the council is required to utilise a significant level of its earmarked and general fund reserves in 2023/24 and 2024/25 to ensure the council is able to set a balanced budget.

1.46. If this funding was not made available, the council would be required to utilise a significant level of its earmarked and general fund reserves in 2023/24 and 2024/25 to ensure the council is able to set a balanced budget. Such action is likely to result in the councils' general reserves falling below the minimum threshold of £2m. As a result, the councils' resilience to future economic and demand shocks would be significantly reduced.

1.47. To ensure the council's long-term financial sustainability, the authority would then need to put in place immediate plans to reduce its services by c.£3m in 2024/25 in order to replenish its general fund and key earmarked reserves to the levels in line with its policies.

1.48. The increase in cost of temporary accommodation is as such that the council's operations and services will be significantly limited.

APPENDIX 1D	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTF5 OPTION D	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
TOTAL FINANCING	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Net Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
REVISED EXPENDITURE	23,087	19,615	18,543	18,494	18,423
BUDGET SHORTFALL/ (SURPLUS)	4,364	2,181	1,105	512	(121)
Use of Available Reserves	4,364	2,181			
Cummulative shortfall	(0)	(0)	1,105	1,616	1,496

APPENDIX 4D- RESERVES (£'000)	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Opening Balance	Use	Opening Balance	Use	C/fwd
Total Earmarked Reserves	(9,466)	2,975	(6,491)	5,273	(1,218)	665	(553)
General Fund	(3,998)	14	(3,984)	1,747	(2,237)	1,428	(809)
Total Earmarked and General Fund	(13,464)	2,989	(10,476)	7,020	(3,455)	2,093	(1,362)

1.49. The report also:

- Assumes cost recovery or an uplift in discretionary fees and charges averaging 10% to be implemented in 2024/25.
- Assumes an increase in council house rents of 7.7% in 2024/25 in line with government guidelines and confirmed by the Regulator of Social Housing (Consumer Prices Index (CPI) on 30th September 2023 + 1%).

2. ECONOMIC CONTEXT, PRIORITIES AND BUDGET SETTING STRATEGY

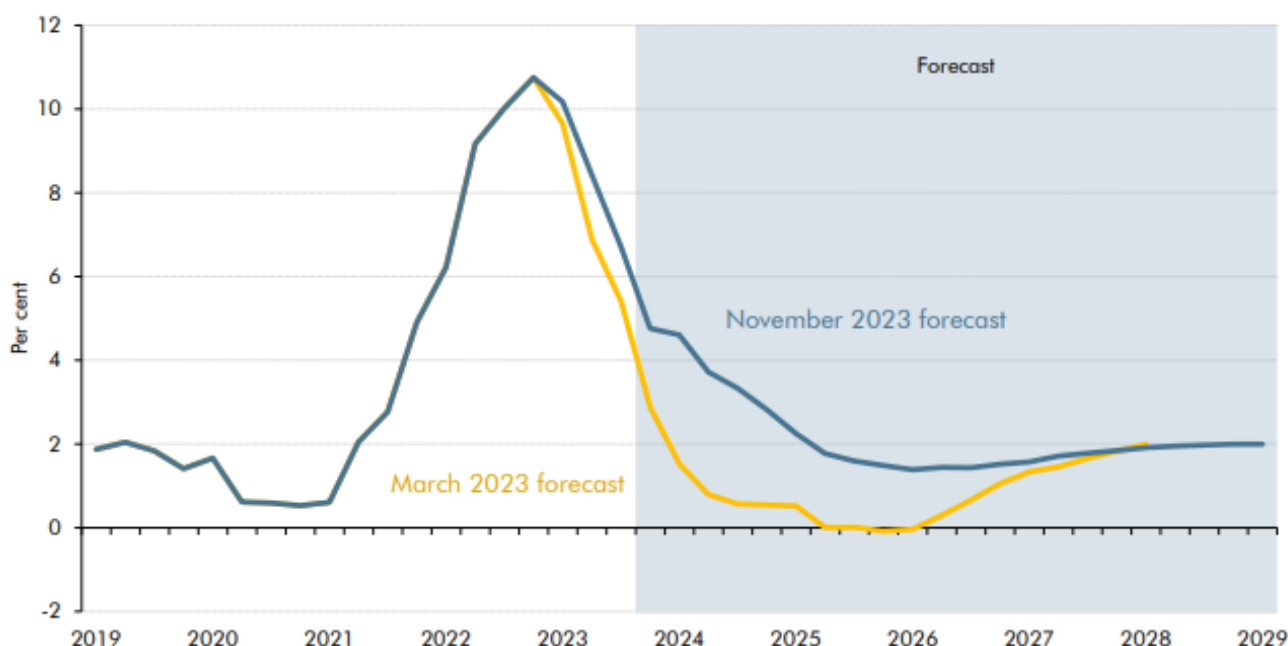
- 2.1. This report sets out the Council's financial plans for the period 2024/25 to 2027/28. The plans make assumptions about income from Government and grants, Council Tax and rents. The plans underpin service provision and the Council's vision, set out in the corporate plan, of "using our council resources wisely whilst respecting and following the principles of open governance, equality, open data and being a responsible employer."
- 2.2. The Council seeks to support and maintain services from income stream driven from fees and charges and financial returns from its trading activities.

Economic Context

- 2.3. The UK economy has performed better during 2023 than was widely expected at the beginning of the year. While the level of national Gross Domestic Product (GDP) has now surpassed pre-covid levels, GDP growth is expected to be at a slower pace over the short to medium term than in recent months.

- 2.4. The October 2023 CPI inflation rate has fallen to 4.6% from a peak of 11.1% in October 2022, still higher than the Bank of England target of 2%. It is expected that this measure will continue to fall during the next financial year and is expected to hit the bank of BoE inflation target of 2% by the end of the 2024/25, much faster than the previously expected.
- 2.5. As a result, it is expected that rates of interest will start to fall in the second half of 2024/25 again much earlier than anticipated, although still at levels much higher than in recent years.
- 2.6. However, the outlook for households and businesses over the next twelve months will continue to be challenging, further compounding the impact of the pressures felt due to the cost-of-living crisis over the previous twelve months.

Chart 1: UK Inflation Forecasts



Source: ONS, OBR

- 2.7. On the 14 December 2023 the Bank of England held the base rate at 5.25% for the fourth successive month. Link Asset Management, the Councils Treasury advisors, provide a forecast view of interest rate levels over a three-year period and is shown below:

Link Group Interest Rate View		08.01.24												
		Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE		5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings		5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.20	5.10	4.80	4.30	3.80	3.30	3.20	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.00	4.90	4.60	4.10	3.70	3.20	3.20	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB		4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB		4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB		5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB		5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Table 1: Interest Rate Forecasts from January 2024 to March 2027

- 2.8. The Council capital programme is financed by a combination of external funding and borrowing although the Council currently uses internal funds, as these are the cheapest form of borrowing. As the Capital Financing Requirement increases so will the need to undertake external borrowing.

Autumn Statement 2023

2.9. The Chancellor's Autumn Statement was announced on 22 November.

The main implications for local Government were:

Council Tax

2.10. The referendum limit for increases in council tax continue to be set at 2.99% per year or £5, whichever is greater. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year over the same timeframes.

Business Rates

2.11. For 2024/25, the small business multiplier in England will be frozen for a fourth consecutive year at 49.9p, while the standard multiplier will be updated by September 23 CPI to 54.6p.

2.12. The current 75% relief for eligible Retail, Hospitality and Leisure (RHL) properties is being extended for 2024/25.

2.13. Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.

Social Housing

2.14. Rents for Social Housing can be increased by 7.7% in 2024/25 being the maximum that can be applied and reflects Consumer Prices Index (CPI) on 30th September 2023 + 1%

Local Housing Allowance

2.15. In April 2024, Local Housing Allowance rates will be raised to the 30th percentile of local market rents.

National Living Wage

2.16. This will increase for individuals aged 23 and over by 9.8% to £11.44 an hour from 1 April 2024.

Local Government Finance Settlement

2.17. The Local Government Finance Settlement released in the week commencing 18 December 2023, confirmed what had already been expected with no major changes or surprises from pre-published material already circulating within local government finance networks.

2.18. The Settlement announced limited changes to service grants and the replacement of the previous lower tier services grant with the Funding Guarantee Grant, in essence a recalculation of the remaining revenue support grant to councils to maintain their spending powers.

2.19. The table below shows the changes between this year's published settlement compared to the assumptions set out in the Interim 24/25 MTFS and the 23/24 MTFS.

EBC Funding Settlement Analysis	2023/24 MTFS	Interim 2024/25 MTFS	Final 2024/25 MTFS
	£m		
Business Rate Retained Growth	3.789	4.000	4.097
Council Tax	9.518	9.913	9.912
SFA Compensation	0.645	0.645	0.622
New Homes Bonus	0.015	0.015	0.000
Services Grant	0.142	0.151	0.023
Funding Guarantee	0.247	0.246	0.628
Total	14.356	14.970	15.282

Variance Against 2023/24 MTFS	£0.926m
Variance Against 2024/25 interim MTFS	£0.312m

Consultation and Planning

2.20. As in previous years the budget has been prepared in line with corporate priorities, as set out in the corporate plan This plan was consulted on widely at the time of production. The budget will be considered first by Cabinet and then by Full Council in February 2024.

2.21. The Service and Financial Planning review has been undertaken by

- Reviewing all four-year assumptions of the MTFS around changes to the base budget
- Proposals to reduce spend or in some instances increasing income where it is prudent to do so.
- Maximising the use of the assets that the Council holds
- Using reserves to smooth out fluctuations in the General Fund over the period whilst ensuring that such reserves are not depleted further over the four-year period.

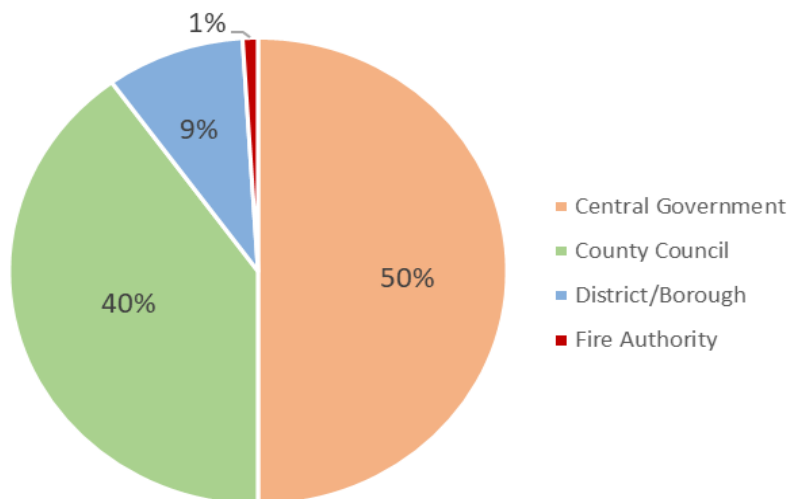
2.22. Taking account of this review the key assumptions are outlined below.

3. GENERAL FUND REVENUE BUDGET - KEY ASSUMPTIONS

3.1. The key assumptions set out below (except for Council Tax and Capital Financing Costs) are not impacted by the Councils application for EFS. Where there is an impact, it is referenced in the relevant section.

Business Rates

3.2. Business rates income collected by Eastbourne Borough Council as the billing authority is split 50% with central government, with the remaining local 50% share to be distributed based on the following local shares, as set out in the framework for business rates.



- 3.3. The recent Spending Review and Autumn Statement 2023 was not explicit in terms of the reforms in respect of Business Rates Retention, (known as Fairer Funding). The implementation of these reforms has been delayed for the past 4 years and is likely to be delayed again since there is insufficient time for the Government to implement these changes by financial year 2024/25 and probably before the next general election. Any proposals would need to go through a consultation process first, any implementation could only take place as early as 2025/26. This timeframe is so close to a general election it would be highly unlikely to be undertaken at this point.
- 3.4. For budgeting purposes, the figures for 2024/25 have now been confirmed following the financial settlement which result in a decrease of £0.545m in total business rate income in 2024/25 compared to that previously assumed in the interim MTFS.
- 3.5. The assumption that reform to business rates is delayed for at least a further year has been modelled across the MTFS and the opportunity to equalise business rate income flowing into the general fund through the adoption and use of an equalisation reserve has also been taken. This provides clarity and consistency over the medium term until such time as future reforms are communicated by government and will be kept under review. For 2024/25 a transfer to the Business Rates Equalisation reserve of £0.1m has been assumed.

East Sussex Business Rates Retention Pool Arrangements

- 3.6. For 2024/25 as in previous years the East Sussex Business Rates Pool consisting of East Sussex County Council (ESCC), Lewes District Council (LDC), Hasting Borough Council (HBC), Rother District Council (RDC), Wealden District Council (WDC) and Eastbourne Borough Council (EBC) will continue. This is to optimise the financial return to Pool members given the interaction of levy payments to Government.
- 3.7. Eastbourne Borough Council provisional benefits from the pooling arrangements amount to £0.500m in 2024/25 which is an increase of £0.274m compared to that previously assumed in the interim MTFS.

New Homes Bonus (NHB)

- 3.8. The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council

Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.

- 3.9. For 2024/25 the Government made a one-off New Homes Bonus allocation of only £140, a reduction of £0.014m compared to the previous year's allocation to the Council.

Council Tax

- 3.10. The Autumn Statement included provision to increase the council tax referendum level to 2.99% or £5 whichever is the higher for District Councils for 2023-24. Although there is no mention of this referendum level for 2025-26 the indication is that the level will be the same.
- 3.11. The recommendation based on options A, B & D is to increase council tax by 2.99% for 2024/25 with a further increase of 2.00% assumed for 2025-26. An annual increase of Council Tax by 2.99% in 24/25 represents approximately £0.287m of additional annual income to Eastbourne Borough Council.
- 3.12. The recommendation based on option C is to increase council tax by up to 7.99% for 2024/25 with a further increase of 2.00% assumed for 2025-26. An annual increase of Council Tax of up to 7.99% in 24/25 represents approximately £0.769m of annual income to Eastbourne Borough Council providing £0.481m of additional income compared to the pre-referendum limit.
- 3.13. Applying a 2.99% increase to the existing Band D tax level gives a revised Band D tax amount of £277.74 based on Option A, B & D of this report.
- 3.14. Applying an increase of up to 7.99% to the existing Band D tax level give a revised Band D tax amount of £291.23 based on Option C. This option would represent an increase of £13.49 per annum over and above the pre-referendum limit or £0.26 per week.

Band D Option A, B & D	2023/24 £	2024/25 £	Change £	Change %
General Fund	269.68	277.74	8.06	2.99%

Band D Option C	2023/24 £	2024/25 £	Change £	Change %
General Fund	269.68	291.23	21.55	2.99%

Investment Interest

- 3.15. On the 14 December 2023 the Bank of England held the base rate at 5.25% for the fourth successive month. It is also assumed that the base rate will remain at this level for some time with reductions unlikely until the second half of the next financial year. Interest rates feed through to the rate applied to PWLB borrowing and the council's investments. Because of the high level of interest rate compared to recent historic lows, the council will take care to ensure that investment rates will increase only on the basis that there is a subsequent positive impact on the council's finances. Increasing PWLB rates will have an adverse impact on the council's capital financing costs directly and indirectly including HRA and its wholly owned housing companies since PWLB is its main source of capital financing. This could ultimately impact on the council's financial return.

Inflation

- 3.16. Most budgets are cash limited. The Consumer Prices Index (CPI) rose by 4.6% in the 12 months to October 2023 down from 6.7% in September. The most significant impact is on materials purchased in respect of repairs and maintenance and the council's capital programme, for which budgetary provision has been made. Provision has been made for specific contracts the Council has which contractual holds the Council to awarding inflationary increases many of which are linked to national recorded metrics such as CPI.
- 3.17. It is expected that this measure will continue to fall during the next financial year and is expected to hit the bank of BoE inflation target of 2% by the end of the 2024/25.

Utility Costs

- 3.18. As outlined in the interim MTFS, although energy prices are still high, pressure is falling on energy budgets and the Council is part of a fixed price contract which affords some certainty over prices. The current budget provision is considered adequate.
- 3.19. During 2024/25 the utility contact will be retendered. Officers are working to secure further reduction in the unit prices, the budgeted provision will be reviewed once the new arrangements are in place.

Pay Assumptions

- 3.20. The Interim MTFS assumptions for pay increases for 2024/25 of £0.598m, have been provided for in the 2024/25 budget. These are held in a central contingency until negotiations are complete.
- 3.21. Pay related cost in the budget includes the following:
- Adjustment to the base budget to reflect the final 2023/24 staff pay award of £1,925 per FTE post under £49,950 and 3.88% for salaries above agreed in November 2023, compared to the base budget position of 4%.
 - Contractual increments where staff are not at the top of their pay grade for 2024/25, resulting in a net budgeted provision of £0.058m.
- 3.22. Inflationary assumptions and the associated budgeted value over the interim MTFS are regardless of option and are as follows:

MTFS for	Budget Assumption (average rise)	Budget Provision General Fund £m	Budget Provision HRA £m
2024/25	4.0%	£0.598m	£0.004m
2025/26	2.5%	£0.375m	£0.003m
2026/27	2.5%	£0.384m	£0.003m
2027/28	2.5%	£0.394m	£0.003m

Pensions

- 3.23. The Medium-Term Financial Strategy includes an increase from the current contribution in line with pay inflation increase and takes account of the Triennial Review period up to 31 March 2026.

Employer Pension Costs

- 3.24. The approach will be consistent with the actions agreed following the current actuarial review of the East Sussex Local Government Pension Fund on 31 March 2022; the outcome has been profiled into the budget for the three years to 2027/28.
- 3.25. The 2023 valuation confirmed that the Fund's total assets, which on 31 March 2022 were valued at £194.0m. There was an improvement in the reported funding level from 102.2% to 116.8% and a change in the funding surplus from £3.22m to a surplus of £28.0m.
- 3.26. Each employer has a contribution requirement set at the valuation, with the aim of achieving full funding within an agreed time horizon and probability measure, as set out in the Fund's Funding Strategy Statement. Individual employers' contributions from April 2023 to March 2026 have been set in accordance with this requirement.
- 3.27. For Eastbourne Borough Council the employer pension contribution rates for 2023/24, 2024/25, & 2025/26 will be 18.65% per annum, which were based on an annual primary rate of 19.7% reduced by 1.8% secondary rate plus 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.
- 3.28. The next actuarial review will be on 31 March 2025 and the revised contribution schedule with any budget implications will be built into budgets for 2026/27 onwards.
- 3.29. For 2023/24 this budget reflects the outcome of the 2022 Pension Fund Revaluation and the funding options offered to employers by the Fund.
- 3.30. As part of budget-setting 2024/25, the approved approach will be:
- To pay the primary employer contribution rate at 19.7% of salaries. This has been factored into the 2023/24 base budget.
 - To reduce the annual primary contribution above by the secondary employer credit/rate at -1.8%.
 - To pay the 0.75% relating to the Early Retirement and Voluntary Severance (ERVS) Scheme.
 - To continue to rebuild the Pensions Reserve ready for the next revaluation in 2025.

Capital Financing Costs

- 3.31. Capital financing for the draft Capital Programme is detailed in Section 5. Given the budgetary pressures experienced from the Council no revenue contributions have been assumed to finance capital which is largely funded by internal borrowing and an assumption of external borrowing in future years when market conditions allow, the revenue implications of which have been included in the budget.

	23/24	24/25	25/26	26/27	27/28
Capital Financing Costs	£3.084m	£4.429m	£3.878m	£4.018m	£3.747m

- 3.32. The overall level Capital Financing Costs would increase based on Options B & C, although the level of increase would differ between them.
- 3.33. Based on Option B the impact of the EFS would result in a change to the following Capital Financing Cost.

Option B	23/24	24/25	25/26	26/27	27/28
Capital Financing Costs	£3.436m	£5.133m	£4.582m	£4.722m	£4.451m

3.34. Based on Option C the impact of the EFS on ongoing Capital Financing Costs would not be as great but would still reflect an overall increase compared to Option B.

Option C	23/24	24/25	25/26	26/27	27/28
Capital Financing Costs	£3.436m	£5.076m	£4.525m	£4.665m	£4.394m

3.35. Option A & C would result in no changes to Capital Financing Costs.

Budget 2023/24

3.36. At Cabinet on the 7th of December the Council reported a projected overspend of £3.96m due mainly the increase in demand for services such as rising homelessness being supported but also to increased cost of goods and services and reductions in budgeted income.

3.37. There were also pressures following the conclusion and agreement of the pay award for 2023/24 which was above (estimated as £0.099m) the budgeted pay award of 4% allowed for.

3.38. Within the proposed budget for 2024/25, a provision of £0.4m has been made to adjust the baseline and support the budget pressures experienced in 2023/24 which may continue into 2024/25.

Contingencies

3.39. The 2023-24 budget included a general contingency of £0.250m. This contingency has proved useful in managing the budget for the current financial year and is built into the budget for a further year.

3.40. For 2024/25, a number of additional and specific contingencies are also available to cover associated risks within the budget and will be available to adjust budgets, if necessary, given the uncertainty of the economic recovery and subsequent demand for services. The following contingencies have been built into the budget for 2024/25.

	£	
Cost of living (shared service contract)	604,000	Staffing cost of living increases expected in 2024/25
Contract Inflation	200,000	New contingency for in year inflationary increases to contracts
Neighbourhood First	400,000	To support the review of the neighbour first service
Stability and Growth	552,000	Contingency to smooth the full delivery of £3.5m S&G savings by 2025/26
	£1,756,000	

3.41. The release of contingencies will be at the discretion of the Director of Finance & Performance in consultation with the Finance portfolio holder.

Fees and Charges

- 3.42. Discretionary Fees and Charges have been increased by 10% for 2024/25 with Statutory (i.e., set by Government) fees for Planning increasing by 25%.
- 3.43. Details of specific fees and charges increases in 2024/25 are given in Appendix 5 the impact of these has been incorporated into the budget which results in an increase in income of £1.158m.

Budget Growth, efficiencies and pressures built into the budget.

- 3.44. Budget growth is shown in the following categories:

Stability and Growth savings Full Target £3.8m

- 3.45. Appendix 7 provides an overview of the Councils' Stability and Growth Programme which was established following the elections in May 2023. This follows on from the previous Recovery and Stabilisation Programme which had been developed following the government capitalisation directive and related Assurance Review in 2021.
- 3.46. The Stability and Growth Programme has been working towards the delivery of up to £3.8m in revenue savings. It is expected that that in 2024/25 a net savings figure of £1.9m will be achieved and is included in the medium-term financial strategy. The residual target is expected to largely be made by 2025/26. Appendix 7 details the Stability and Growth savings and targets.

Service Planning Growth £0.647m

Following on from the Service Planning work undertaken earlier this year, £0.647m of growth has been built into budgets. The most material of these pressures are as follows:

- The permanent funding of a procurement manager £0.04m.
- A top up of £0.04m to the Government determined Apprenticeship Levy.
- A new Legal position and a trainee which are offset by increased income.
- Supporting the re-development of 1, Grove Road £0.056m
- Increases to Property and Asset Management staffing to support the Councils Asset management Strategy £0.1m.

Service Planning Efficiencies £1.14m

The Service Planning work also identified Efficiencies, Income Generation, and removals of one-off budget requirements across a number of the council's budget lines.

- A reversal of £0.2m of reserve funding that funded local elections in 2023/24.
- Savings from the removal of the Head of Tourism and Culture post £0.09m.
- Transfer of Business rates expenditure to Beach Hut owners. £0.09m
- Airshow corporate savings target £0.1m
- The cancellation of Eastbourne Seafront Soapbox £0.07m

- Removal of the Cost-of-Living Emergency Budget £0.1m (any future calling will be funded from earmarked reserves)
- Various other efficiencies and removals of one-off items

Budget line reviews £0.756m

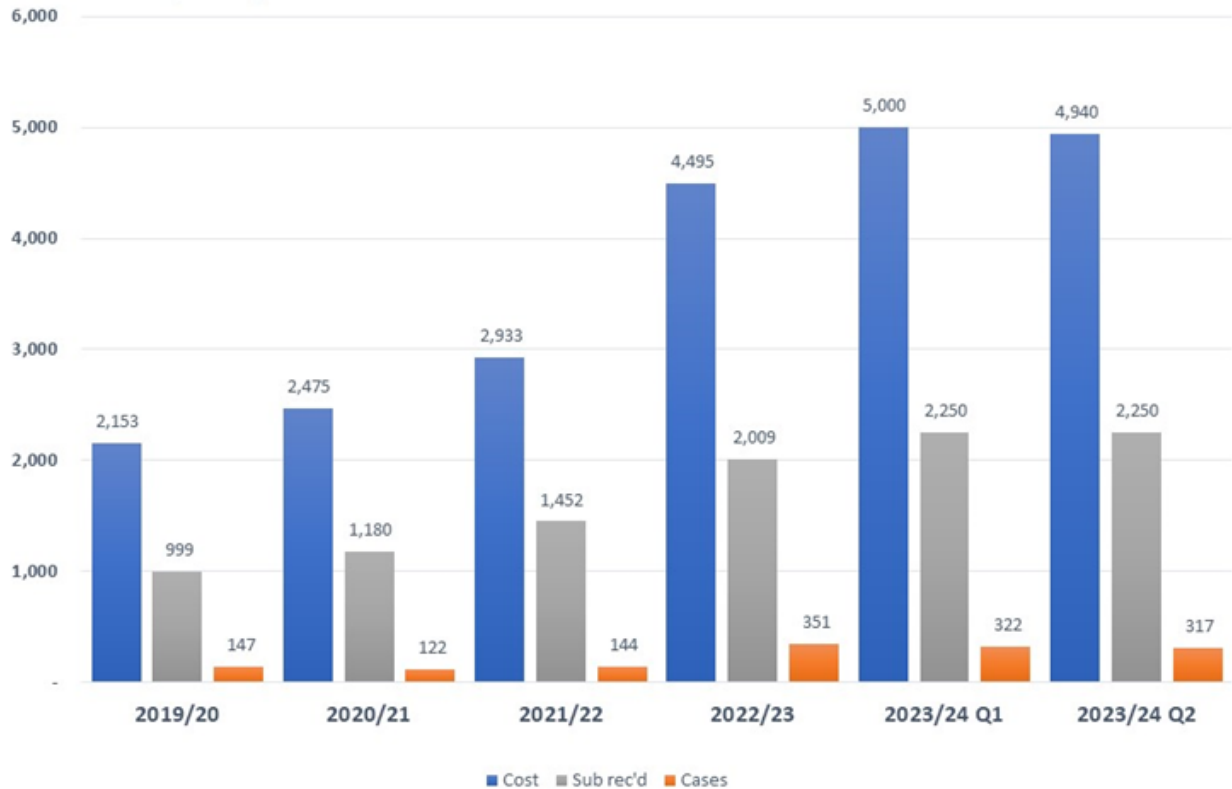
During the construction of the Quarter 2 Budget Forecast work a detailed review of (mainly low value) budget lines was undertaken to assess whether all budgets were likely to be needed or used by year end using 22/23 actuals and 23/24 spend so far to make an assessment. The results of the exercise were scrutinised by CMT and Finance Business Partners and some have now been included in budgets as permanent reductions. This is good financial Housekeeping and should be undertaken on an annual or biannual basis to ensure that the councils limited funds are directed to the council's priorities.

4. Homelessness and The Cost Temporary Accommodation

- 4.1. With 2023/24 projected net spend of £4.7m against a net budget of £1.4m (which includes £0.7m homelessness prevention grant) , provision of emergency and temporary housing is by far is the largest and most critical growing pressure faced by the council in the recent years.
- 4.2. In addition, the council has allocated a number of housing units from its housing investment portfolio (EHICL) to provide 39 placements for this purpose in order to reduce cost. The cost of homeless provision reflected in the MTFS does not include this additional provision which is approximately an additional £600k.
- 4.3. The costs arising for the Council in both responding to the increased numbers and putting in processes and resources to manage the demand are also considerable. The Council had initially expected to support approximately 150 households during the year and is currently working to reduce the number of presentations down from a potential 500 to 300 by end of this financial year.
- 4.4. The current demand is 300 households in emergency accommodation which is an improvement from the 2023/24 Q1 position of 325 and reflects the considerable resources being used to attempt to manage the situation. Realistically though, the service is working hard to reduce the numbers but is likely to achieve a move on rate of only 2 households per 4-week period if current circumstances remain the same. The pressure will certainly continue for several years.
- 4.5. In the recent years the council has been utilising its reserves to meet the additional cost and loss of subsidy. With other pressures intensifying and the cost of temporary accommodation continuing to grow, the funding of the provision cannot and should not continue to be met by the council's scarce and diminishing resources.
- 4.6. The graph below shows the costs, cases and projected subsidies based on current figures.

EA/TA Financial Implications (£'000)

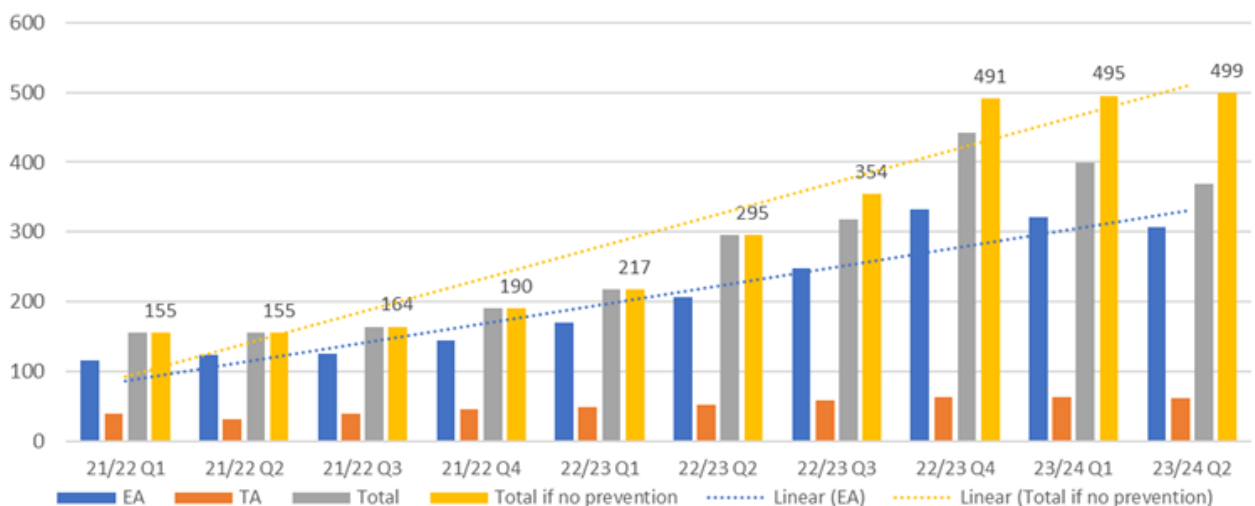
No of Cases (units)



Emergency & Temporary Accommodation Financial Implications

4.7. The graph below demonstrates the rise in numbers and the effects of the considerable efforts and resources used to control the situation to current levels.

Mitigation and Control (No of Cases) 2021/22-2023/24



Emergency & Temporary Accommodation Placement Analysis

4.8. Senior Managers are urgently raising the issue with Department of Levelling Up Housing and Communities (DLUHC) as Eastbourne finds itself along with other local authorities struggling to cope with the cost pressures. The recent summit hosted and organised by Eastbourne saw 150 councils in attendance.

4.9. In the MTFs the total forecast costs relating to Homeless Accommodation are £4.2m with an anticipated forecast reduction of £200k in 2025/26 due to the reductions in places being achieved.

5. GENERAL FUND CAPITAL PROGRAMME (Excluding Impact of EFS)

5.1. While Revenue Budget expenditure is concerned with the day-to-day running of services, the Capital Programme is concerned with investment in the assets required to deliver services or the delivery of new income streams. The Capital Programme sets out how capital resources will be used to achieve the Council's vision and corporate priorities.

5.2. The latest General Fund Programme 24/25 to 27/28, shown in Appendix 5, details £106.318m (GF of £27.320m and HRA £78.998m) of investment over four years.

5.3. Decisions on the Capital Programme have an impact on the Revenue Budget, in relation to:

- The revenue costs of financing capital, including prudential borrowing; and
- The ongoing running costs and/or income generated by new capital assets such as buildings. Capital investment decisions therefore have implications for the Revenue Budget.

5.4. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within the financial plans and to demonstrate that the capital investment is affordable. The revenue and capital budgets are integrated with the financial impact of the proposed Capital Programme, being reflected in the Revenue Budget estimates, however costs may be amended during the lifetime of the capital programme due to the complex nature of the schemes.

5.5. The Council will only invest where capital spending plans are affordable, prudent and sustainable. The key constraint on capital investment is the scope to afford the financial implications in terms of acceptable council tax levels. As supported by the Capital Investment Strategy, the Council's capital investment plans over the next 4 years are set out in the Capital Programme.

5.6. The efficient and effective use of capital resources, including sound asset management, is fundamental to achieving the Council long- and medium-term aims and objectives. It is also critical to achieving the delivery of the required savings and income across the Council to secure a balanced budget.

5.7. The Council's Capital and Investment Strategy is reviewed and reported to Full Council on an annual basis to reflect the changing needs and priorities of the Council including residents, businesses, and places.

5.8. The strategic objectives of our Capital Programme can be summarised as follows:

- i.* To maintain a four-year rolling Capital Programme which remains within the approved affordable, sustainable and prudential limits.
- ii.* To ensure capital resources are aligned with our strategic vision and corporate priorities by ensuring all schemes are prioritised according to the Council's prioritisation methodology.

- iii. To identify opportunities for investment in new schemes that result in capital growth and/or new revenue income streams.
- iv. To maximise available resources by actively seeking external funding to support Council priorities and disposing of surplus assets; and
- v. To use internal resources alongside external resources where appropriate to support the Capital Programme and minimise any borrowing costs.

5.9. That decisions on the financing of the capital programme are taken with consideration to the impact on the revenue budget, the treasury management strategy and the investment strategy.

Housing Revenue Account Capital Programme

5.10. The draft HRA Capital Programme forms part of the HRA Business Plan that will be presented to Cabinet in February 2024. Resources to fund the Programme are largely generated through housing rents and are detailed with the HRA Business Plan. Appendix 4 provides a summary of the HRA capital programme over the four years 24/25 to 27/28 totalling £78.998m.

5.11. The Council tenants' group, Residents Voice have been consulted on the Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28. The proposed rent increase reflects the requirements under The Direction on the Rent Standard 2019 together with the Rent Policy Statement for Social Housing February 2020.

6. Reserves

6.1. Appendices 4A, 4B, 4C & 4D set out the use of reserves based on the implementation of the relevant option. Prior to the issues relating to EA/TA placements it was anticipated that the Council would utilise up to £2.656m of earmarked and general reserves. The options below highlight the additional reserves required depending on the following outcomes.

6.2. Option A

6.3. This assumes that the Department of Levelling Up Housing & Communities recognise and directly funds the increased number of homelessness and temporary accommodation placements activity from 2023/24 onwards.

6.4. Therefore, the Council would utilise up to £2.656m of earmarked and general reserves as described above.

6.5. Option B

6.6. This assumes the application for EFS is successful but does not include the ability to increase Council Tax above the pre-referendum rate of 2.99%.

6.7. Total additional reserves of £1.716m would need to be utilised in 2023/24 and in 2024/25 the Council would be able add £0.115m back to reserves resulting in total reserve balance at 31 March 2025 of £6.406m.

6.8. The projected General Fund Reserves balances of £3.231m at the end of 24/25 would therefore be above the existing minimum reserve level of £2m and ensure the council is

more resilient to future economic and demand shocks and ensure the robustness and sustainability of the councils' finances.

6.9. Option C

6.10. This assumes the application for EFS is successful and includes the ability to increase Council tax to a level above the pre-referendum rate of up to 7.99%.

6.11. Total reserves of £1.716m would need to be utilised in 2023/24 and £0.171m would be added back to reserves in 2024/25 resulting in total reserve balance at 31 March 2025 of £6.462m

6.12. The projected fund balance of £3.231m would therefore be above the existing minimum reserve level of £2m and ensure the council is more resilient to future economic and demand shocks and ensure the robustness and sustainability of the councils' finances.

6.13. Option D

6.14. This assumes that the application for EFS has been unsuccessful and as a result the council is required to utilise a significant level of its earmarked and general fund reserves in 2023/24 and 2024/25 to ensure the council is able to set a balanced budget.

6.15. Additional Earmarked Reserves of £3.370m and General Fund Reserves of £0.994m would need to be utilised in 2023/24 and a further £0.547m and £1.545m of Earmarked and General reserves in 2024/25 resulting in total reserve balance at 31 March 2025 of £1.362m of which General Fund Balances outstanding would total £0.809m

6.16. The projected General fund balance of £0.809m would therefore be below the existing minimum reserve level of £2m and whilst the result would be a balanced budget in 2024/25, it would significantly reduce the council's resilience to future economic and demand shocks and put at risk the robustness and sustainability of the councils' finances.

7. LEGAL IMPLICATIONS

7.1. Section 151 of the Local Government Act 1972 requires that every local authority make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

7.2. Sections 42A of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating their budget requirement.

7.3. The Chief Finance Officer, appointed under section 151 mentioned above, has a duty to report on the robustness of estimates and adequacy of reserves under section 25 of the Local Government Act 2003.

8. FINANCIAL IMPLICATIONS

8.1. These are covered within the main body of the report Legal Implications 113. Section 30 of the Local Government Finance Act 1992 requires that a local authority 'must set a balanced budget and council tax before the 11th March in the financial year preceding that for which it is set'.

- 8.2. The Local Government Act 2000 Section 9 states that it is the responsibility of the full council, on the recommendation of the executive to approve the budget and related council tax demand.
- 8.3. The Local Government Act 2003, section 25 requires the Council's Section 151 Officer to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations. This will be done at Council in February 2024 when the Budget is approved.
- 8.4. Failure to set a legal budget may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999.
- 8.5. The S151 Officer will submit her Section 25 report on the robustness of estimates and adequacy of reserves to Full Council in February 2024. This report will be based on a detailed financial resilience and stress test of the Council's proposed income and expenditure plans.

9. RISK IMPLICATIONS

- 9.1. In Eastbourne Borough Council it has become increasingly apparent that the cost of making homelessness and temporary accommodation placements is totally disproportionate to the level of funding the Council would normally receive. This places a significant risk on the ability of the Council to set a balanced budget without the use of EFS or significant use of the Councils Earmarked and General Reserves.
- 9.2. Without EFS the council's resilience to future economic and demand shocks would be minimal and put at risk the robustness and sustainability of the councils' finances.
- 9.3. In addition, the Council would be in breach of its own policy in ensuring it retains absolute minimum levels of unallocated General Fund reserves of £2m throughout the period between 2024/25 to 2027/28.
- 9.4. To mitigate that risk the council would need to seek options to cease the majority of its discretionary services in order to be able to give the Council the chance to build back the reserves it would use to offset the pressures in 2023/24 and produce a balanced budget in 2024/25. It is estimated that to bring general reserves back to their minimum level the removal of discretionary services would need to generate £2m worth of savings.
- 9.5. In addition, the increasing cost of goods and services and the increased cost of servicing council capital investments will have an impact on the council's finances for the foreseeable future.
- 9.6. Aligned to that is the uncertain future around local government funding reform in a General Election year.

10. EQUALITIES AND FAIRNESS ANALYSIS

- 10.1. An Equality and Fairness Analysis has been undertaken as part of the budget preparation process.
- 10.2. We understand that the annual maximum increased proposed of up to £20 per annum will be challenging to those on low incomes. Should any increase be granted by DLHUC,

this is considered by this council a one-year increase, due to the exceptional costs of Temporary Accommodation of the past year and forecast for the coming year.

- 10.3. This authority does not wish to increase by such a high amount but feel it important to offer this to Government as a potential way of increasing the authority's resilience for future years, should they be unwilling to fully fund the cost of TA.
- 10.4. The Council is speaking to partners to discuss how we can provide other means of support to the most vulnerable, and as well as working with partners, will also be consulting this year on a 100% council tax reduction scheme for future years.
- 10.5. Otherwise, it is not anticipated that there will be any issues which will have an adverse impact on those from protected groups.
- 10.6. However, more detailed analysis will be undertaken once the budget is agreed, to ensure that any budgetary changes to services do not inadvertently create discriminative impact on those with protected characteristics, or that any potential discriminative impact is fully mitigated by proactive measures.

11. CONCLUSION

- 11.1. The Council faces considerable financial challenges in the medium term, primarily relating to changes and uncertainty in both public finances and the wider economic environment.
- 11.2. A capitalisation direction does not solve the budget gap on an on-going basis, it is simply the only mechanism available and offered by DLUHC that provides the Council time to continue to work towards sustainable solutions.
- 11.3. If a capitalisation direction is not financed from capital receipts it will add to the financial pressures, with borrowing from the Public Works Loan Board (PWLB) attracting a premium of 1% over the standard rate.
- 11.4. The additional borrowing will need to be repaid over a 20-year period from 2025/26. A capitalisation direction of for example £10m, would cost the Council £0.5m per annum (pa) in minimum revenue provision (MRP) and approximately £0.6m pa in interest, a total of £1.1m pa unless this can be funded from asset disposals.
- 11.5. If the gap is not resolved for 2025/26 then another capitalisation direction would need to be sought, further adding to the ongoing pressures.
- 11.6. The very stark and challenging financial position that the Council faces is well documented, with the cost of delivering services increasing significantly faster than the income it receives particularly in relation to Local Housing Allowance. It is widely recognised that the funding mechanism for local government is broken and needs urgent reform.
- 11.7. Councils cannot continue to provide and operate services in their current format and rapid, radical, change is required to local government finances if they are to remain financially sustainable.

12. Appendices

- Appendix 1A Medium Term Financial Strategy 2024/25 to 2027/28 (Option A)
- Appendix 1B Medium Term Financial Strategy 2024/25 to 2027/28 (Option B)
- Appendix 1C Medium Term Financial Strategy 2024/25 to 2027/28 (Option C)
- Appendix 1D Medium Term Financial Strategy 2024/25 to 2027/28 (Option D)
- Appendix 2A Budget Summary by Directorate & Service 2024/25 (Option A)
- Appendix 2B Budget Summary by Directorate & Service 2024/25 (Option B)
- Appendix 2C Budget Summary by Directorate & Service 2024/25 (Option C)
- Appendix 2D Budget Summary by Directorate & Service 2024/25 (Option D)
- Appendix 3A Budget Summary by CIPFA classification 2024/25 (Option A)
- Appendix 3B Budget Summary by CIPFA classification 2024/25 (Option B)
- Appendix 3C Budget Summary by CIPFA classification 2024/25 (Option C)
- Appendix 3D Budget Summary by CIPFA classification 2024/25 (Option D)
- Appendix 4A Reserves Analysis (Option A)
- Appendix 4B Reserves Analysis (Option B)
- Appendix 4C Reserves Analysis (Option C)
- Appendix 4D Reserves Analysis (Option D)
- Appendix 5 General Fund & HRA Capital Programme 2023/24 to 2027/28
- Appendix 6 Proposed Fees and Charges 2024/25
- Appendix 7 Stability and Growth Savings

13. Background Papers

13.1. The background papers used in compiling this report were as follows:

- Local Government Finance Settlement 2024/25
- Draft Medium Term Financial Strategy 2024/25 to 2027/28

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APPENDIX 1A

	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFS OPTION A	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
TOTAL FINANCING	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
Additional EA/TA Funding	(4,364)	(2,181)			
REVISED FINANCING	(23,087)	(19,615)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Net Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
REVISED EXPENDITURE	23,087	19,615	18,543	18,494	18,423
BUDGET SHORTFALL/ (SURPLUS)	0	0	1,105	512	(121)
Cummulative shortfall	0	0	1,105	1,616	1,496

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APPENDIX 1B

	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFS -OPTION B	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				

Total Financing Revised	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
TOTAL NEW FINANCING from Capital Directions	(3,000)	(3,000)	0	0	0
TOTAL NET FINANCING	(21,723)	(20,434)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Current Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
New Capital Financing Costs for Capital Direction	352	704	704	704	704
TOTAL CAPITAL FINANCING	3,436	5,133	4,582	4,722	4,451
REVISED NET EXPENDITURE	23,439	20,319	19,247	19,198	19,127
BUDGET SHORTFALL/ (SURPLUS)	1,716	(115)	1,809	1,216	583
Use of Available Reserves	1,716	(115)			
Cummulative additional shortfall	(0)	(0)	1,809	3,024	3,608

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APPENDIX 1C

	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFS - OPTION C	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				

Total Financing Revised	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
TOTAL NEW FINANCING from Capital Directions	(3,000)	(2,518)	0	0	0
COUNCIL TAX at 8% (Additional element)	0	(482)	(492)	(501)	(511)
TOTAL NET FINANCING	(21,723)	(20,434)	(17,930)	(18,483)	(19,055)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Current Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
New Capital Financing Costs for Capital Direction	352	647	647	647	647
TOTAL CAPITAL FINANCING	3,436	5,076	4,525	4,665	4,394
REVISED NET EXPENDITURE	23,439	20,263	19,190	19,141	19,070
BUDGET SHORTFALL/ (SURPLUS)	1,716	(171)	1,260	658	15
Use of Available Reserves	1,716	(171)	0	0	0
Cummulative additional shortfall	0	(0)	1,260	1,918	1,934

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APPENDIX 1D

	2023/24	2024/25	2025/26	2026/27	2027/28
Eastbourne MTFS OPTION D	Revised Base for 23/24	Net Budget	Net Budget	Net Budget	Net Budget
	£000				
TOTAL FINANCING	(18,723)	(17,434)	(17,438)	(17,982)	(18,544)
NET EXPENDITURE	20,003	15,186	14,665	14,476	14,676
Net Capital Financing Costs	3,084	4,429	3,878	4,018	3,747
REVISED EXPENDITURE	23,087	19,615	18,543	18,494	18,423
BUDGET SHORTFALL/ (SURPLUS)	4,364	2,181	1,105	512	(121)
Use of Available Reserves	4,364	2,181			
Cummulative shortfall	(0)	(0)	1,105	1,616	1,496

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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 2A	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Corporate Management Team	(143,139)	3,856	(105,650)	(294,000)	66,854	(472,079)
Finance and Performance	1,848,555	27,464	90,096	0	111,296	2,077,410
Human Resources	376,988	10,834	34,825	0	12,439	435,086
Business Transformation	1,488,403	52,792	(53,953)	0	164,413	1,651,656
Legal/Land Charges/Democratic Services	1,248,709	(2,370)	(216,487)	(50,000)	10,639	990,491
Total Corporate Services	4,819,516	92,576	(251,169)	(344,000)	365,641	4,682,564
Customer First	733,560	(94,085)	(52,916)	(119,000)	304,000	771,558
Homes First	483,696	41,342	(212,227)	0	134,895	447,706
Environment First	4,931,037	323,905	0	(370,000)	48,350	4,933,292
Neighbourhood First	1,991,026	(49,798)	(150,634)	(167,850)	130,000	1,752,744
EMERGENCY ACCOM PRESSURE	0				3,000,000	3,000,000
Total Service Delivery	8,139,319	221,363	(415,778)	(656,850)	3,617,245	10,905,300
Estates and Property	(803,269)	(321,589)	232,739	0	408	(891,711)
Planning and Building Control	406,822	(64,345)	(28,180)	0	0	314,297
Regeneration	262,728	8,733	(2,250)	0	0	269,211
Housing delivery Team	77,613	14,124	0	(450,000)	0	(358,263)
Total Regeneration and Planning	(56,106)	(363,076)	202,309	(450,000)	408	(666,465)
Tourism and Culture	1,056,183	(240,293)	(178,448)	(182,000)	0	455,442
Events	199,975	10,506	(233,980)	0	0	(23,499)
Seafront	61,786	5,428	(145,050)	(40,000)	0	(117,836)
Sports Delivery	605,900	(25,680)	(16,200)	(380,000)	0	184,020
Theatres	113,194	48,559	(205,210)	(1,000,000)	0	(1,043,457)
Total Tourism and Culture	2,037,038	(201,480)	(778,888)	(1,602,000)	0	(545,330)
HRA Recharges	0	0	0	0	(1,195,500)	(1,195,500)
LDC EHL Rechargable Salaries	9	2,556	0	0	9,744	12,309
Levies	237,450	0	0	0	0	237,450
Capital Financing	1,352,000	0	0	0	1,153,000	2,505,000
Minimum Revenue Provision	649,000	0	0	0	1,275,000	1,924,000
Cost of living (shared service contract)	794,242	0			(190,251)	604,000
Contract Inflation	0		200,000			200,000
Neighbourhood First	0		400,000			400,000
Stability & Growth Smoothing	0		551,841			551,841
Total Centrally Managed	3,032,701	2,556	1,151,841	0	1,051,993	5,239,100
TOTAL SERVICE EXPENDITURE	17,972,920	(248,061)	(1,243,526)	(1,901,000)	5,035,333	19,615,168
Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Net transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
Total Financing	(17,972,920)	0	0	0	538,424	(17,434,168)
Additional EA/TA Funding	0	0	0	0	(2,181,000)	(2,181,000)
Revised Total	(17,972,920)	0	0	0	(1,642,576)	(19,615,168)
Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	0

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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 2B	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Corporate Management Team	(143,139)	3,856	(105,650)	(294,000)	66,854	(472,079)
Finance and Performance	1,848,555	27,464	90,096	0	111,296	2,077,410
Human Resources	376,988	10,834	34,825	0	12,439	435,086
Business Transformation	1,488,403	52,792	(53,953)	0	164,413	1,651,656
Legal/Land Charges/Democratic Services	1,248,709	(2,370)	(216,487)	(50,000)	10,639	990,491
Total Corporate Services	4,819,516	92,576	(251,169)	(344,000)	365,641	4,682,564
Customer First	733,560	(94,085)	(52,916)	(119,000)	304,000	771,558
Homes First	483,696	41,342	(212,227)	0	134,895	447,706
Environment First	4,931,037	323,905	0	(370,000)	48,350	4,933,292
Neighbourhood First	1,991,026	(49,798)	(150,634)	(167,850)	130,000	1,752,744
EMERGENCY ACCOM PRESSURE	0	0	0	0	3,000,000	3,000,000
Total Service Delivery	8,139,319	221,363	(415,778)	(656,850)	3,617,245	10,905,300
Estates and Property	(803,269)	(321,589)	232,739	0	408	(891,711)
Planning and Building Control	406,822	(64,345)	(28,180)	0	0	314,297
Regeneration	262,728	8,733	(2,250)	0	0	269,211
Housing delivery Team	77,613	14,124	0	(450,000)	0	(358,263)
Total Regeneration and Planning	(56,106)	(363,076)	202,309	(450,000)	408	(666,465)
Tourism and Culture	1,056,183	(240,293)	(178,448)	(182,000)	0	455,442
Events	199,975	10,506	(233,980)	0	0	(23,499)
Seafront	61,786	5,428	(145,050)	(40,000)	0	(117,836)
Sports Delivery	605,900	(25,680)	(16,200)	(380,000)	0	184,020
Theatres	113,194	48,559	(205,210)	(1,000,000)	0	(1,043,457)
Total Tourism and Culture	2,037,038	(201,480)	(778,888)	(1,602,000)	0	(545,330)
HRA Recharges	0	0	0	0	(1,195,500)	(1,195,500)
LDC EHL Rechargeable Salaries	9	2,556	0	0	9,744	12,309
Levies	237,450	0	0	0	0	237,450
Capital Financing	1,352,000	0	0	0	1,857,000	3,209,000
Minimum Revenue Provision	649,000	0	0	0	1,275,000	1,924,000
Cost of living (shared service contract)	794,242	0	0	0	(190,251)	603,991
Contract Inflation	0	0	200,000	0	0	200,000
Neighbourhood First	0	0	400,000	0	0	400,000
Stability & Growth Smoothing	0	0	551,850	0	0	551,850
Total Centrally Managed	3,032,701	2,556	1,151,850	0	1,755,993	5,943,100
TOTAL SERVICE EXPENDITURE	17,972,920	(248,061)	(1,243,526)	(1,901,000)	5,739,333	20,319,168
Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
CAPITAL DIRECTIONS FUNDING	0			0	(3,000,000)	(3,000,000)
Total Financing	(17,972,920)	0	0	0	(2,461,576)	(20,434,168)
Additional Reserves Transfers	0	0	0	0	115,000	115,000
Revised Total	(17,972,920)	0	0	0	(2,346,576)	(20,319,168)
Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	(0)

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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 2C	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Corporate Management Team	(143,139)	3,856	(105,650)	(294,000)	66,854	(472,079)
Finance and Performance	1,848,555	27,464	90,096	0	111,296	2,077,410
Human Resources	376,988	10,834	34,825	0	12,439	435,086
Business Transformation	1,488,403	52,792	(53,953)	0	164,413	1,651,656
Legal/Land Charges/Democratic Services	1,248,709	(2,370)	(216,487)	(50,000)	10,639	990,491
Total Corporate Services	4,819,516	92,576	(251,169)	(344,000)	365,641	4,682,564
Customer First	733,560	(94,085)	(52,916)	(119,000)	304,000	771,558
Homes First	483,696	41,342	(212,227)	0	134,895	447,706
Environment First	4,931,037	323,905	0	(370,000)	48,350	4,933,292
Neighbourhood First	1,991,026	(49,798)	(150,634)	(167,850)	130,000	1,752,744
EMERGENCY ACCOM PRESSURE	0				3,000,000	3,000,000
Total Service Delivery	8,139,319	221,363	(415,778)	(656,850)	3,617,245	10,905,300
Estates and Property	(803,269)	(321,589)	232,739	0	408	(891,711)
Planning and Building Control	406,822	(64,345)	(28,180)	0	0	314,297
Regeneration	262,728	8,733	(2,250)	0	0	269,211
Housing delivery Team	77,613	14,124	0	(450,000)	0	(358,263)
Total Regeneration and Planning	(56,106)	(363,076)	202,309	(450,000)	408	(666,465)
Tourism and Culture	1,056,183	(240,293)	(178,448)	(182,000)	0	455,442
Events	199,975	10,506	(233,980)	0	0	(23,499)
Seafront	61,786	5,428	(145,050)	(40,000)	0	(117,836)
Sports Delivery	605,900	(25,680)	(16,200)	(380,000)	0	184,020
Theatres	113,194	48,559	(205,210)	(1,000,000)	0	(1,043,457)
Total Tourism and Culture	2,037,038	(201,480)	(778,888)	(1,602,000)	0	(545,330)
HRA Recharges	0	0	0	0	(1,195,500)	(1,195,500)
LDC EHL Rechargeable Salaries	9	2,556	0	0	9,744	12,309
Levies	237,450	0	0	0	0	237,450
Capital Financing	1,352,000	0	0	0	1,800,445	3,152,445
Minimum Revenue Provision	649,000	0	0	0	1,275,000	1,924,000
Cost of living (shared service contract)	794,242	0	0	0	(189,650)	604,592
Contract Inflation	0	0	200,000	0	0	200,000
Neighbourhood First	0	0	400,000	0	0	400,000
Stability & Growth Smoothing	0	0	551,850	0	0	551,850
Total Centrally Managed	3,032,701	2,556	1,151,850	0	1,700,039	5,887,146
TOTAL SERVICE EXPENDITURE	17,972,920	(248,061)	(1,243,526)	(1,901,000)	5,683,333	20,263,214
Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(875,559)	(10,393,809)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
CAPITAL DIRECTIONS FUNDING	0			0	(2,518,000)	(2,518,000)
Total Financing	(17,972,920)	0	0	0	(2,461,576)	(20,434,214)
Additional Reserves Transfers	0	0	0	0	171,000	171,000
Revised Total	(17,972,920)	0	0	0	(2,290,576)	(20,263,214)
Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	0

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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 2D	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Corporate Management Team	(143,139)	3,856	(105,650)	(294,000)	66,854	(472,079)
Finance and Performance	1,848,555	27,464	90,096	0	111,296	2,077,410
Human Resources	376,988	10,834	34,825	0	12,439	435,086
Business Transformation	1,488,403	52,792	(53,953)	0	164,413	1,651,656
Legal/Land Charges/Democratic Services	1,248,709	(2,370)	(216,487)	(50,000)	10,639	990,491
Total Corporate Services	4,819,516	92,576	(251,169)	(344,000)	365,641	4,682,564
Customer First	733,560	(94,085)	(52,916)	(119,000)	304,000	771,558
Homes First	483,696	41,342	(212,227)	0	134,895	447,706
Environment First	4,931,037	323,905	0	(370,000)	48,350	4,933,292
Neighbourhood First	1,991,026	(49,798)	(150,634)	(167,850)	130,000	1,752,744
EMERGENCY ACCOM PRESSURE	0				3,000,000	3,000,000
Total Service Delivery	8,139,319	221,363	(415,778)	(656,850)	3,617,245	10,905,300
Estates and Property	(803,269)	(321,589)	232,739	0	408	(891,711)
Planning and Building Control	406,822	(64,345)	(28,180)	0	0	314,297
Regeneration	262,728	8,733	(2,250)	0	0	269,211
Housing delivery Team	77,613	14,124	0	(450,000)	0	(358,263)
Total Regeneration and Planning	(56,106)	(363,076)	202,309	(450,000)	408	(666,465)
Tourism and Culture	1,056,183	(240,293)	(178,448)	(182,000)	0	455,442
Events	199,975	10,506	(233,980)	0	0	(23,499)
Seafront	61,786	5,428	(145,050)	(40,000)	0	(117,836)
Sports Delivery	605,900	(25,680)	(16,200)	(380,000)	0	184,020
Theatres	113,194	48,559	(205,210)	(1,000,000)	0	(1,043,457)
Total Tourism and Culture	2,037,038	(201,480)	(778,888)	(1,602,000)	0	(545,330)
HRA Recharges	0	0	0	0	(1,195,500)	(1,195,500)
LDC EHL Rechargeable Salaries	9	2,556	0	0	9,744	12,309
Levies	237,450	0	0	0	0	237,450
Capital Financing	1,352,000	0	0	0	1,153,000	2,505,000
Minimum Revenue Provision	649,000	0	0	0	1,275,000	1,924,000
Cost of living (shared service contract)	794,242	0			(190,251)	604,000
Contract Inflation	0		200,000			200,000
Neighbourhood First	0		400,000			400,000
Stability & Growth Smoothing	0		551,841			551,841
Total Centrally Managed	3,032,701	2,556	1,151,841	0	1,051,993	5,239,100
TOTAL SERVICE EXPENDITURE	17,972,920	(248,061)	(1,243,526)	(1,901,000)	5,035,333	19,615,168
Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Net transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
Total Financing	(17,972,920)	0	0	0	538,424	(17,434,168)
Additional Reserves Transfers	0	0	0	0	(2,181,000)	(2,181,000)
Revised Total	(17,972,920)	0	0	0	(1,642,576)	(19,615,168)
Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	0

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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 3A	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Employees	29,531,312	1,807,648	(183,796)	0	774,168	31,929,332
Premises	5,947,837	5,059	(394,559)	0	(562,310)	4,996,027
Supplies & Services	13,386,924	0	(575,894)	(374,000)	3,178,639	15,615,669
Support Services	(1,147,972)	(23,069)	922,069		187,792	(61,180)
Transport	287,942	0	(24,855)	0	0	262,645
Third Party Payments	7,539,053	325,000	38,941	(450,000)	0	7,452,994
Transfer Payments	34,471,200	0	(450)	0	0	34,470,750
Income	(74,028,086)	(2,362,699)	126,868	(1,778,850)	(987,302)	(79,030,069)
Capital Financing Costs	1,984,700	0	0	(450,000)	2,444,300	3,979,000
Total	17,972,920	(248,061)	(91,676)	(3,052,850)	5,035,287	19,615,168

Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
Total Financing	(17,972,920)	0	0	0	538,424	(17,434,168)
Additional EA/TA Funding	0	0	0	0	(2,181,000)	(2,181,000)
Revised Total	(17,972,920)	0	0	0	(1,642,576)	(19,615,168)

Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	(0)
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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 3B	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Employees	29,531,312	1,807,648	(183,796)	0	952,382	32,107,546
Premises	5,947,837	5,059	(394,559)	0	(562,310)	4,996,027
Supplies & Services	13,386,924	0	(575,894)	(374,000)	3,000,000	15,437,030
Support Services	(1,147,972)	(23,069)	922,069		187,792	(61,180)
Transport	287,942	0	(24,855)	0	0	263,087
Third Party Payments	7,539,053	325,000	38,941	(450,000)	0	7,452,994
Transfer Payments	34,471,200	0	(450)	0	0	34,470,750
Income	(74,028,086)	(2,362,699)	126,868	(1,778,850)	(987,302)	(79,030,069)
Capital Financing Costs	1,984,700	0	0	(450,000)	3,148,283	4,682,983
Total	17,972,920	(248,061)	(91,676)	(3,052,850)	5,738,845	20,319,168

Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
CAPITAL DIRECTIONS FUNDING	0				(3,000,000)	(3,000,000)
Total Financing	(17,972,920)	0	0	0	(2,461,576)	(20,434,168)
Additional Reserves Transfers	0	0	0	0	115,000	115,000
Revised Total	(17,972,920)	0	0	0	(2,346,576)	(20,319,168)

Bottom Line	0	(248,061)	(91,676)	(3,052,850)	3,392,269	(0)
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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 3C	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Employees	29,531,312	1,807,648	(183,796)	0	953,551	32,108,715
Premises	5,947,837	5,059	(394,559)	0	(562,310)	4,996,027
Supplies & Services	13,386,924	0	(575,894)	(374,000)	0	12,437,030
Support Services	(1,147,972)	(23,069)	(229,781)	1,151,850	3,187,649	2,938,677
Transport	287,942	0	(25,297)	0	0	262,645
Third Party Payments	7,539,053	325,000	38,941	(450,000)	0	7,452,994
Transfer Payments	34,471,200	0	(450)	0	0	34,470,750
Income	(74,028,086)	(2,362,699)	126,868	(1,778,850)	(987,302)	(79,030,069)
Capital Financing Costs	1,984,700	0	0	(450,000)	3,091,745	4,626,445
Total	17,972,920	(248,061)	(1,243,968)	(1,901,000)	5,683,333	20,263,214

Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(875,559)	(10,393,809)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
CAPITAL DIRECTIONS FUNDING	0				(2,518,000)	(2,518,000)
Total Financing	(17,972,920)	0	0	0	(2,461,576)	(20,434,214)
Additional Reserves Transfers	0	0	0	0	171,000	171,000
Revised Total	(17,972,920)	0	0	0	(2,290,576)	(20,263,214)

Bottom Line	0	(248,061)	(1,243,968)	(1,901,000)	3,392,757	0
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EASTBOURNE 2024/25 Budget		£				24/25
APPENDIX 3D	2023/24 Revised Budget	Pay and Prices Inflation	Service Planning & Efficiencies	Stability & Growth	Other	Base 24/25 Budget
Employees	29,531,312	1,807,648	(183,796)	0	774,168	31,929,332
Premises	5,947,837	5,059	(394,559)	0	(562,310)	4,996,027
Supplies & Services	13,386,924	0	(575,894)	(374,000)	3,178,639	15,615,669
Support Services	(1,147,972)	(23,069)	922,069		187,792	(61,180)
Transport	287,942	0	(24,855)	0	0	262,645
Third Party Payments	7,539,053	325,000	38,941	(450,000)	0	7,452,994
Transfer Payments	34,471,200	0	(450)	0	0	34,470,750
Income	(74,028,086)	(2,362,699)	126,868	(1,778,850)	(987,302)	(79,030,069)
Capital Financing Costs	1,984,700	0	0	(450,000)	2,444,300	3,979,000
Total	17,972,920	(248,061)	(91,676)	(3,052,850)	5,035,287	19,615,168

Funding						
Collection Fund Surplus	(121,070)			0	113,733	(7,337)
Council Tax Income	(9,518,250)			0	(393,513)	(9,911,763)
NNDR Tariff Payment	12,244,750			0	(1,423,110)	10,821,640
NNDR Levy Payment	851,556			0	147,544	999,100
NNDR Income from Pool	(212,000)			0	(287,950)	(499,950)
NNDR Sec 31 Grant	(1,241,000)			0	(3,160,300)	(4,401,300)
NNDR Previous Year deficit	(141,000)			0	747,180	606,180
NNDR Income for year	(15,307,350)			0	1,685,470	(13,621,880)
New Homes Bonus	(14,840)			0	14,700	142
SFA Multiplier Compensation	(645,397)			0	645,397	0
Better Care Fund Conversion	(878,658)			0	32,658	(846,000)
Services Grant	(141,870)			0	118,870	(23,000)
Funding Guarantee Grant	(246,267)			0	(381,733)	(628,000)
Revenue Support Grant	0			0	(142,000)	(142,000)
Transfer to/from Reserves	(2,601,524)			0	2,821,524	220,000
Total Financing	(17,972,920)	0	0	0	538,424	(17,434,168)
Additional Reserves Transfers	0	0	0	0	(2,181,000)	(2,181,000)
Revised Total	(17,972,920)	0	0	0	(1,642,576)	(19,615,168)

Bottom Line	0	(248,061)	(1,243,526)	(1,901,000)	3,392,757	(0)
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APPENDIX 4A - RESERVES	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Expected Opening Balance	Forecast Commitments	Expected Opening Balance	Expected Use	C/fwd
Earmarked Reserves							
Strategic Change	(280,984)		(280,984)	200,000	(80,984)	(100,000)	(180,984)
Local Elections Reserve	0		0	(88,200)	(88,200)	(88,200)	(176,400)
Revenue Grants Reserve	(1,492,463)	909,054	(583,410)	112,980	(470,430)		(470,430)
Regeneration Reserve	(12,419)	0	(12,419)		(12,419)		(12,419)
SHEP GF Properties Major Works Reserve	(611)	0	(611)		(611)		(611)
Cost of Living Emergency Support Reserve	(250,000)	135,900	(114,100)	30,000	(84,100)		(84,100)
Inflation Reserve	(200,000)		(200,000)		(200,000)		(200,000)
Fuel and Energy cost Reserve	(150,000)	150,000	0		0		0
Arrears and Bad Debt Reserve	(400,000)		(400,000)		(400,000)		(400,000)
Cultural Development Reserve	(755,622)	454,550	(301,072)		(301,072)		(301,072)
Carry Forwards Reserve	(2,177,160)	1,127,393	(1,049,767)	1,049,767	0		0
ICE Reserve Account Contribution	(2,070,000)	(50,000)	(2,120,000)		(2,120,000)		(2,120,000)
Commercial Reserve	(716,300)		(716,300)	598,550	(117,750)		(117,750)
Capital Programme Reserve	(335,933)	0	(335,933)		(335,933)		(335,933)
S106	(624,900)	248,000	(376,900)		(376,900)		(376,900)
Total Earmarked Reserves	(9,466,392)	2,974,897	(6,491,495)	1,903,097	(4,588,398)	(188,200)	(4,776,598)
General Fund	(3,998,105)	14,000	(3,984,105)	753,222	(3,230,883)	0	(3,230,883)
Total Earmarked and General Fund	(13,464,497)	2,988,897	(10,475,600)	2,656,319	(7,819,281)	(188,200)	(8,007,481)

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APPENDIX 4B - RESERVES	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Expected Opening Balance	Forecast Commitments	Expected Opening Balance	Expected Use	C/fwd
Earmarked Reserves							
Strategic Change	(280,984)		(280,984)	200,000	(80,984)		(80,984)
Local Elections Reserve	0		0	(88,200)	(88,200)	(88,200)	(176,400)
Revenue Grants Reserve	(1,492,463)	909,054	(583,410)	112,980	(470,430)		(470,430)
Regeneration Reserve	(12,419)	0	(12,419)		(12,419)		(12,419)
Business Rates Equalisation Reserve	0	0	0		0	(100,000)	(100,000)
SHEP GF Properties Major Works Reserve	(611)	0	(611)		(611)		(611)
Cost of Living Emergency Support Reserve	(250,000)	135,900	(114,100)	30,000	(84,100)		(84,100)
Inflation Reserve	(200,000)		(200,000)		(200,000)		(200,000)
Fuel and Energy cost Reserve	(150,000)	150,000	0		0		0
Arrears and Bad Debt Reserve	(400,000)		(400,000)		(400,000)		(400,000)
Cultural Development Reserve	(755,622)	454,550	(301,072)		(301,072)		(301,072)
Financial Resilience Reserve	(2,177,160)	1,127,393	(1,049,767)	1,049,767	0		0
ICE Reserve Account Contribution	(2,070,000)	(50,000)	(2,120,000)		(2,120,000)		(2,120,000)
Commercial Reserve	(716,300)		(716,300)	598,550	(117,750)		(117,750)
Capital Programme Reserve	(335,933)	0	(335,933)		(335,933)		(335,933)
S106	(624,900)	248,000	(376,900)		(376,900)		(376,900)
USE OF RESERVES FOR HOMELESSNESS	0		0	1,716,000	1,716,000	(115,000)	1,601,000
Total Earmarked Reserves	(9,466,392)	2,974,897	(6,491,495)	3,619,097	(2,872,398)	(303,200)	(3,175,598)
General Fund	(3,998,105)	14,000	(3,984,105)	753,222	(3,230,883)	0	(3,230,883)
Total Earmarked and General Fund	(13,464,497)	2,988,897	(10,475,600)	4,372,319	(6,103,281)	(303,200)	(6,406,481)

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APPENDIX 4C- RESERVES	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Expected Opening Balance	Forecast Commitments	Expected Opening Balance	Expected Use	C/fwd
Earmarked Reserves							
Strategic Change	(280,984)		(280,984)	200,000	(80,984)		(80,984)
Local Elections Reserve	0		0	(88,200)	(88,200)	(88,200)	(176,400)
Revenue Grants Reserve	(1,492,463)	909,054	(583,410)	112,980	(470,430)		(470,430)
Regeneration Reserve	(12,419)	0	(12,419)		(12,419)		(12,419)
Business Rates Equalisation Reserve	0	0	0		0	(100,000)	(100,000)
SHEP GF Properties Major Works Reserve	(611)	0	(611)		(611)		(611)
Cost of Living Emergency Support Reserve	(250,000)	135,900	(114,100)	30,000	(84,100)		(84,100)
Inflation Reserve	(200,000)		(200,000)		(200,000)		(200,000)
Fuel and Energy cost Reserve	(150,000)	150,000	0		0		0
Arrears and Bad Debt Reserve	(400,000)		(400,000)		(400,000)		(400,000)
Cultural Development Reserve	(755,622)	454,550	(301,072)		(301,072)		(301,072)
Financial Resilience Reserve	(2,177,160)	1,127,393	(1,049,767)	1,049,767	0		0
ICE Reserve Account Contribution	(2,070,000)	(50,000)	(2,120,000)		(2,120,000)		(2,120,000)
Commercial Reserve	(716,300)		(716,300)	598,550	(117,750)		(117,750)
Capital Programme Reserve	(335,933)	0	(335,933)		(335,933)		(335,933)
S106	(624,900)	248,400	(376,500)		(376,500)		(376,500)
USE OF RESERVES FOR HOMELESSNESS	0		0	1,716,000	1,716,000	(171,000)	1,545,000
Total Earmarked Reserves	(9,466,392)	2,975,297	(6,491,095)	3,619,097	(2,871,998)	(359,200)	(3,231,198)
General Fund	(3,998,105)	14,000	(3,984,105)	753,222	(3,230,883)	0	(3,230,883)
Total Earmarked and General Fund	(13,464,497)	2,989,297	(10,475,200)	4,372,319	(6,102,881)	(359,200)	(6,462,081)

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APPENDIX 4D - RESERVES	2022/23		2023/24		2024/25		2025/26
	Opening Balance	Use	Expected Opening Balance	Forecast Commitments	Expected Opening Balance	Expected Use	C/fwd
Earmarked Reserves							
Strategic Change	(280,984)		(280,984)	200,000	(80,984)	80,984	0
Local Elections Reserve	0		0	(88,200)	(88,200)	(88,200)	(176,400)
Revenue Grants Reserve	(1,492,463)	909,054	(583,410)	112,980	(470,430)	470,430	0
Regeneration Reserve	(12,419)	0	(12,419)	12,419	0		0
SHEP GF Properties Major Works Reserve	(611)	0	(611)	611	0		0
Cost of Living Emergency Support Reserve	(250,000)	135,900	(114,100)	30,000	(84,100)	84,100	0
Inflation Reserve	(200,000)		(200,000)	200,000	0		0
Fuel and Energy cost Reserve	(150,000)	150,000	0		0		0
Arrears and Bad Debt Reserve	(400,000)		(400,000)	400,000	0		0
Cultural Development Reserve	(755,622)	454,550	(301,072)	301,072	0		0
Financial Resilience Reserve	(2,177,160)	1,127,393	(1,049,767)	1,049,767	0		0
ICE Reserve Account Contribution	(2,070,000)	(50,000)	(2,120,000)	2,120,000	0		0
Commercial Reserve	(716,300)		(716,300)	598,550	(117,750)	117,750	0
Capital Programme Reserve	(335,933)	0	(335,933)	335,933	0		0
S106	(624,900)	248,000	(376,900)		(376,900)		(376,900)
Total Earmarked Reserves	(9,466,392)	2,974,897	(6,491,495)	5,273,132	(1,218,364)	665,064	(553,300)
General Fund	(3,998,105)	14,000	(3,984,105)	1,747,319	(2,236,786)	1,427,736	(809,050)
Total Earmarked and General Fund	(13,464,497)	2,988,897	(10,475,600)	7,020,451	(3,455,150)	2,092,800	(1,362,350)

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EBC CAPITAL PROGRAMME 2023/24 to 2027/28	Revised 2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Total Programme Costs 24/25 to 27/28
Housing Revenue Account						
Major Works	5,880,000	6,272,000	6,390,000	6,478,000	6,567,000	25,707,000
New Build	10,811,000	8,618,000	5,399,000	18,448,000	18,817,000	51,282,000
Helpline		50,000				50,000
Disabled Adaptations	450,000	478,000	487,000	494,000	500,000	1,959,000
Total Housing Revenue Account	17,141,000	15,418,000	12,276,000	25,420,000	25,884,000	78,998,000
General Fund Housing						
Disabled Facilities Grants	2,232,000	1,200,000	1,200,000	1,200,000	1,200,000	4,800,000
BEST Grant (housing initiatives)	15,000					-
Total General Fund Housing	2,247,000	1,200,000	1,200,000	1,200,000	1,200,000	4,800,000
Loans to Housing Companies - facilitate delivery of new homes						
EHIC - 24 Acacia Road	26,000					-
EHIC - Elm Park Mansions	-	416,000				416,000
EHIC - Gowland Court	-	50,000				50,000
AH - Credit facility	35,000					-
AH - Loan 183 Langney Rd	112,000					-
AH - Loan Victoria Mansion	200,000					-
AH - RTB Grant Victoria Mansion	267,000					-
AH - Street Acquisitions (Affordable)	250,000					-
Total Loans to Housing Companies	890,000	466,000	-	-	-	466,000
General Fund Housing	3,137,000	1,666,000	1,200,000	1,200,000	1,200,000	5,266,000
Regeneration						
Black Robin Farm	4,670,000	5,990,000				5,990,000
Towner Centenary Project	671,000					-
Victoria Place Pedestrianisation	4,383,000	2,940,000				2,940,000
Shinewater	80,000					-
Retail Refurbishment	295,000					-
Pevensey Coastal Management			50,000	50,000		100,000
Beach Management			50,000	50,000		100,000
UK Shared Prosperity Fund	3,000					-
E4 Edeal Enterprise Agency	20,000	10,000				10,000
E8 SDNPA	45,000					-
Winter Garden	81,000					-
Leisure Estate	250,000	250,000	250,000			500,000
Asset Value Improvement Fund	300,000					-
Total Regeneration	10,798,000	9,190,000	350,000	100,000	-	9,640,000
Asset Management						
Motcombe Pool	-		250,000			250,000
Changing Places	74,000					-
Beachy Head Bunker	-	75,000				75,000
Fort Fun - Site Clearnace	40,000					-
Sovereign Centre - Existing building	250,000	600,000	50,000			650,000
Dev Park Theatre (H&S)	79,000	300,000				300,000
Congress Theatre Roof	279,000					-
Redoubt - new mains supply for café and Fort	50,000					-
International Lawn Tennis Centre -Lift	-	150,000				150,000
Town Hall Health & Safety	360,000	200,000	125,000			325,000
Pavilion Café - metered electrical supply	42,000					-
Bridges at Princes park	91,000					-
Seafront Railing	15,000	30,000	30,000			60,000
Crematorium Generator Lease	-	125,000				125,000
Towner Improvements	91,000	100,000	10,000	10,000	10,000	130,000
EDGC Improvements (Workshop)	51,000					-
Seafront Lighting	213,000	150,000	150,000	25,000	25,000	350,000
Bandstand & Promenade Renovations	148,000	100,000	2,100,000			2,200,000
The Glass House	150,000					-
Redoubt incl Colonnade demolition	200,000	450,000				450,000
Total Asset Management	2,133,000	2,280,000	2,715,000	35,000	35,000	5,065,000
Service Delivery						
Coast Defences Beach Management	602,000	554,000	554,000	554,000		1,662,000
Cycling Strategy	41,000					-
Play Area Sovereign Harbour	27,000					-
Play Equipment - Palesgate	35,000					-
Play Equipment - Vancouver Rd	35,000					-
SEESL Loan	254,000					-
5 Fleet Vans	66,000					-
Waste & Recycling Equipment	203,000					-
EBC Bin Stock for Food Waste 1	-	300,000	15,000	15,000		330,000
EBC Mixed/dual waste bin stock	15,000					-
Dog Bin Replacement	32,000	48,000				48,000
Car Park Machines - upgrade to card readers	125,000					-
Purchase of 4 currently leased vehicles	31,000	119,000				119,000
Fleet re-body (SEESL Loan)	1,800,000					-
Food waste vehicles (SEESL Loan)		550,000				550,000
Sweeper replacement (SEESL Loan)			680,000	560,000		1,240,000
Street cleaning fleet					730,000	730,000

Total Service Delivery	3,266,000	1,571,000	1,249,000	1,129,000	730,000	4,679,000
Tourism and Culture						
Western Lawns H&S issue		35,000	-	-	-	35,000
Total Tourism and Culture	-	35,000	-	-	-	35,000
Information Technology						
IT - Block Allocation	163,000	150,000	150,000	150,000		450,000
Laptop Refresh	100,000	100,000	100,000	100,000	100,000	400,000
Total Information Technology	263,000	250,000	250,000	250,000	100,000	850,000
Digital Transformation						
Transformation Projects Rebase	1,214,000					-
Telsolutions for Council Tax		10,000				10,000
Smart Technology and Robotics		210,000	50,000	50,000	50,000	360,000
HR/Payroll/ERP			150,000			150,000
Planning System			210,000			210,000
Archive systems			20,000			20,000
CRM/ DMS/ Workflow				200,000		200,000
Housing Management System					200,000	200,000
Finance System				200,000		200,000
Paperless Meeting Management System					100,000	100,000
Housing Compliance System		35,000				35,000
Total Digital Transformation	1,214,000	255,000	430,000	450,000	350,000	1,485,000
Corporate						
Finance Transformation		150,000	150,000			300,000
Total Corporate	-	150,000	150,000	-	-	300,000
Total HRA	17,141,000	15,418,000	12,276,000	25,420,000	25,884,000	78,998,000
Total General Fund	20,811,000	15,397,000	6,344,000	3,164,000	2,415,000	27,320,000
Total HRA & GF Programme	37,952,000	30,815,000	18,620,000	28,584,000	28,299,000	106,318,000

HRA Financing

Capital Receipts	1,166,000	651,000	602,000	2,242,000	2,285,000	5,780,000
Major Repairs Reserve	6,330,000	6,591,000	6,279,000	6,807,000	6,713,000	26,390,000
Revenue	1,431,000	1,064,000	864,000	712,000	632,000	3,272,000
Other Reserves	2,648,000	-	-	-	-	-
Grants & Contributions	2,986,000	537,000	436,000	-	2,367,000	3,340,000
Borrowing	2,580,000	6,575,000	4,095,000	15,659,000	13,887,000	40,216,000
Total	17,141,000	15,418,000	12,276,000	25,420,000	25,884,000	78,998,000

GF Financing

Capital Receipts	92,000	-	-	-	-	-
Reserves	-	-	-	-	-	-
Revenue	-	-	-	-	-	-
Grants & Contributions	12,970,000	10,794,000	4,104,000	1,754,000	1,200,000	17,852,000
Borrowing	7,749,000	4,603,000	2,240,000	1,410,000	1,215,000	9,468,000
Total	20,811,000	15,397,000	6,344,000	3,164,000	2,415,000	27,320,000

Total Financing

Capital Receipts	1,258,000	651,000	602,000	2,242,000	2,285,000	5,780,000
Reserves	8,978,000	6,591,000	6,279,000	6,807,000	6,713,000	26,390,000
Revenue	1,431,000	1,064,000	864,000	712,000	632,000	3,272,000
Grants & Contributions	15,956,000	11,331,000	4,540,000	1,754,000	3,567,000	21,192,000
Borrowing	10,329,000	11,178,000	6,335,000	17,069,000	15,102,000	49,684,000
Total	37,952,000	30,815,000	18,620,000	28,584,000	28,299,000	106,318,000

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Leisure Travel Marketing							
Banner Advertising	Internal	70.00	77.00	7.00	10%	exempt	Discretionary
Banner Advertising	External	80.00	88.00	8.00	10%	standard	Discretionary
<i>Note all prices below are full price. There is a 10% discount for current members and 20% discount for current members and EHA members</i>							
Self Catering	1/32th size ad	311.00	342.50	31.50	10%	standard	Discretionary
Self Catering	1/16th size ad	330.00	363.00	33.00	10%	standard	Discretionary
Self Catering	1/8th size ad	598.00	658.00	60.00	10%	standard	Discretionary
Self Catering	1/4th size ad	998.00	1,098.00	100.00	10%	standard	Discretionary
Self Catering	1/2 page ad	1,464.00	1,610.50	146.50	10%	standard	Discretionary
Self Catering	full page ad	2,600.00	2,860.00	260.00	10%	standard	Discretionary
Self Catering	Double Page Spread	3,341.00	3,675.50	334.50	10%	standard	Discretionary
Guest Accommodation	1/32th size ad	311.00	342.50	31.50	10%	standard	Discretionary
Guest Accommodation	1/16th size ad	429.00	472.00	43.00	10%	standard	Discretionary
Guest Accommodation	1/8th size ad	776.00	854.00	78.00	10%	standard	Discretionary
Guest Accommodation	1/4th size ad	1,296.00	1,426.00	130.00	10%	standard	Discretionary
Guest Accommodation	1/2 page ad	1,903.00	2,093.50	190.50	10%	standard	Discretionary
Guest Accommodation	full page ad	3,379.00	3,717.00	338.00	10%	standard	Discretionary
Guest Accommodation	Double Page Spread	4,344.00	4,778.50	434.50	10%	standard	Discretionary
Hotels (21-75)	1/32th size ad	311.00	342.50	31.50	10%	standard	Discretionary
Hotels (21-75)	1/16th size ad	528.00	581.00	53.00	10%	standard	Discretionary
Hotels (21-75)	1/8th size ad	955.00	1,050.50	95.50	10%	standard	Discretionary
Hotels (21-75)	1/4th size ad	1,595.00	1,754.50	159.50	10%	standard	Discretionary
Hotels (21-75)	1/2 page ad	2,341.00	2,575.50	234.50	10%	standard	Discretionary
Hotels (21-75)	full page ad	4,159.00	4,575.00	416.00	10%	standard	Discretionary
Hotels (21-75)	Double Page Spread	5,346.00	5,881.00	535.00	10%	standard	Discretionary
Hotels (76+)	1/32th size ad	311.00	342.50	31.50	10%	standard	Discretionary
Hotels (76+)	1/16th size ad	660.00	726.00	66.00	10%	standard	Discretionary
Hotels (76+)	1/8th size ad	1,194.00	1,313.50	119.50	10%	standard	Discretionary
Hotels (76+)	1/4th size ad	1,994.00	2,193.50	199.50	10%	standard	Discretionary
Hotels (76+)	1/2 page ad	2,926.00	3,219.00	293.00	10%	standard	Discretionary
Hotels (76+)	full page ad	5,199.00	5,719.00	520.00	10%	standard	Discretionary
Hotels (76+)	Double Page Spread	6,683.00	7,351.50	668.50	10%	standard	Discretionary
<i>Note all prices below were full price. There is a 25% discount for early bird booking and a 40% discount when booked with resort guide</i>							
Attractions	1/8th size ad	600.00	660.00	60.00	10%	standard	Discretionary
Attractions	1/4th size ad	960.00	1,056.00	96.00	10%	standard	Discretionary
Attractions	1/2 page ad	1,800.00	1,980.00	180.00	10%	standard	Discretionary
Attractions	full page ad	3,000.00	3,300.00	300.00	10%	standard	Discretionary
Attractions	inside back page	3,600.00	3,960.00	360.00	10%	standard	Discretionary
Resort Guide Enhanced Listing		99.00	109.00	10.00	10%	standard	Discretionary
Resort Guide 1/3rd Page ad		300.00	330.00	30.00	10%	standard	Discretionary
Resort Guide 1/2 page ad		390.00	429.00	39.00	10%	standard	Discretionary
Resort guide 2/3 page ad		450.00	495.00	45.00	10%	standard	Discretionary
Resort guide full page ad		570.00	627.00	57.00	10%	standard	Discretionary
Resort guide full page premium ad (inside front or back page)		720.00	792.00	72.00	10%	standard	Discretionary
Standard online membership	DMS	99.00	109.00	10.00	10%	standard	Discretionary
Premium online membership	DMS	149.00	164.00	15.00	10%	standard	Discretionary
Online only premium package (Self Catering)	DMS	375.00	412.50	37.50	10%	standard	Discretionary
Online only premium package (Guest Accommodation)	DMS	500.00	550.00	50.00	10%	standard	Discretionary
Online only premium package (Hotels 21-75)	DMS	625.00	687.50	62.50	10%	standard	Discretionary
Online only premium package (Hotels 76+)	DMS	750.00	825.00	75.00	10%	standard	Discretionary
Tourist Information Centre							
Agency Commission on TIC ticket sales		0.10	0.11	0.01	10%	standard	Discretionary
Visitor Services - Agency Sales - Sales/Commission							
Agency Booking Fees		2.00	2.20	0.20	10%	standard	Discretionary
Accommodation Booking commission - 10% plus booking fee		3.00	3.30	0.30	10%	standard	Discretionary
Airbourne							
Airbourne Trade (per square metre) (Western lawns)	Airbourne Trade	87.00	95.70	8.70	10%	standard	Discretionary
Airbourne Trade (per square metre) (Proms/Wish Tower)	Airbourne Trade	58.00	63.80	5.80	10%	standard	Discretionary
Airbourne Sampling* Price on application	Airbourne Trade	POA				standard	Discretionary
Airbourne Catering* Price on application	Airbourne Trade	POA				standard	Discretionary
Airbourne Parking	Airbourne Parking	6.00	6.60	0.60	10%	standard	Discretionary
Airbourne Parking Stavely Road	Airbourne Parking	15.00	16.50	1.50	10%	standard	Discretionary
Airbourne Parking Saffrons	Airbourne Parking	POA				standard	Discretionary
Airbourne Trade Parking	Airbourne Parking	48.00	52.80	4.80	10%	standard	Discretionary
Airbourne Programme	Airbourne Programme Sales	5.00	6.00	1.00	20%	standard	Discretionary
Sponsors all events* Price on application	Airbourne Sponsorship	POA				standard	Discretionary
Simulator price on application	Airbourne Simulator	POA				standard	Discretionary
Attractions* Price on application	Airbourne Children Attractions	POA				standard	Discretionary
Airbourne Ice Cream Concession	Ice Cream Concession* Price on application	POA				standard	Discretionary
Airbourne Bar unit		POA				standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25	2023/2024		2024/25		VAT	Statutory/ Discretionary	
	charge	Proposed Charge	Increase				
	£pence	£pence	£	%			
Events - Catering (Excluding Airbourne)							
Catering at other events* price on application	POA				standard	Discretionary	
Simulators all events* Price on application	POA				standard	Discretionary	
Bar Concession all events* Price on application	POA				standard	Discretionary	
Beach Life Festival - Alcohol Sales	POA				standard	Discretionary	
Ice Cream Concession all events* Price on application	POA				standard	Discretionary	
Children's attractions all events* Price on application	POA				standard	Discretionary	
Circus concession* Price on application	POA				standard	Discretionary	
Funfair Concession* Price on application	POA				standard	Discretionary	
Green Spaces rental income*Price on application	POA				standard	Discretionary	
Beer and Cider By The Sea							
Friday - evening - Adult	9.00	10.00	1.00	11%	standard	Discretionary	
Friday - evening - Student + CAMRA	8.00	9.00	1.00	13%	standard	Discretionary	
Saturday - day - Adult	9.00	10.00	1.00	11%	standard	Discretionary	
Saturday - day - Student + CAMRA	8.00	9.00	1.00	13%	standard	Discretionary	
Saturday - day - Child	2.00	2.50	0.50	25%	standard	Discretionary	
Saturday - day - Child under 6	-	0.00			standard	Discretionary	
Saturday - evening - Adult	9.00	10.00	1.00	11%	standard	Discretionary	
Saturday - evening - Student + CAMRA	8.00	9.00	1.00	13%	standard	Discretionary	
Sunday - Adult	7.50	8.50	1.00	13%	standard	Discretionary	
Sunday - Student + CAMRA	6.50	7.50	1.00	15%	standard	Discretionary	
Sunday - Child	2.00	2.50	0.50	25%	standard	Discretionary	
Sunday - Child under 6	-	-			standard	Discretionary	
Beer Festival							
Thursday - Standard	8.50	9.50	1.00	12%	standard	Discretionary	
Thursday - CAMRA Member	6.50	7.50	1.00	15%	standard	Discretionary	
Thursday - Door	9.00	10.00	1.00	11%	standard	Discretionary	
Thursday - Student	6.50	7.50	1.00	15%	standard	Discretionary	
Friday - Standard	12.00	13.50	1.50	13%	standard	Discretionary	
Friday - CAMRA Member	10.00	11.00	1.00	10%	standard	Discretionary	
Friday - Door	13.00	14.50	1.50	12%	standard	Discretionary	
Saturday - Standard - day	8.50	9.50	1.00	12%	standard	Discretionary	
Saturday - CAMRA Member	6.50	7.50	1.00	15%	standard	Discretionary	
Saturday - Door	9.00	10.00	1.00	11%	standard	Discretionary	
Saturday - Standard - evening	8.00	9.00	1.00	13%	standard	Discretionary	
Saturday - CAMRA Member	6.00	7.00	1.00	17%	standard	Discretionary	
Saturday - Door	8.50	9.50	1.00	12%	standard	Discretionary	
Beer Festival Sponsorship							
Beachy Head Marathon	Until 1st January	38.00	42.00	4.00	11%	standard	Discretionary
Beachy Head Marathon	Until 1st April	42.00	46.50	4.50	11%	standard	Discretionary
Beachy Head Marathon	Until 1st July	47.00	52.00	5.00	11%	standard	Discretionary
Beachy Head Marathon	Until 1st August	52.00	57.50	5.50	11%	standard	Discretionary
Beachy Head Marathon	Until 1st October	62.00	68.50	6.50	10%	standard	Discretionary
Beachy Head 10k	Until 1st January	25.00	27.50	2.50	10%	standard	Discretionary
Beachy Head 10k	Until 1st April	28.00	31.00	3.00	11%	standard	Discretionary
Beachy Head 10k	Until 1st July	32.00	35.50	3.50	11%	standard	Discretionary
Beachy Head 10k	Until 1st August	35.00	38.50	3.50	10%	standard	Discretionary
Beachy Head 10k	Until 1st October	40.00	44.00	4.00	10%	standard	Discretionary
Beachy Head Half	Until 1st January	30.00	33.00	3.00	10%	standard	Discretionary
Beachy Head Half	Until 1st April	35.00	38.50	3.50	10%	standard	Discretionary
Beachy Head Half	Until 1st July	38.00	42.00	4.00	11%	standard	Discretionary
Beachy Head Half	Until 1st August	40.00	44.00	4.00	10%	standard	Discretionary
Beachy Head Half	Until 1st October	50.00	55.00	5.00	10%	standard	Discretionary
Soap Box Event	Entry Fee	25.00	27.50	2.50	10%	standard	Discretionary
Golf Club							
Membership Fees	Full Member	900.00	990.00	90.00	10%	standard	Discretionary
Membership Fees	Renewing Member	780.00	858.00	78.00	10%	standard	Discretionary
Membership Fees	Cadet 26-30	600.00	660.00	60.00	10%	standard	Discretionary
Membership Fees	Cadet 19-25	324.00	356.50	32.50	10%	standard	Discretionary
Membership Fees	Junior 15-18	132.00	145.50	13.50	10%	standard	Discretionary
Membership Fees	Junior under 15	30.00	33.00	3.00	10%	standard	Discretionary
Golf Buggy Hire	Members	15.00	16.50	1.50	10%	standard	Discretionary
Golf Buggy Hire (New)	Non-members	20.00	22.00	2.00	10%	standard	Discretionary
Golf Green Fees	Winter (Oct - March)	22.00	24.50	2.50	11%	standard	Discretionary
Golf Green Fees	Weekdays before 3pm	28.00	31.00	3.00	11%	standard	Discretionary
Golf Green Fees	Weekdays after 3pm	22.00	24.50	2.50	11%	standard	Discretionary
Golf Green Fees	Weekend before 3pm	35.00	38.50	3.50	10%	standard	Discretionary
Golf Green Fees	Weekend after 3pm	20.00	22.00	2.00	10%	standard	Discretionary
Golf Green Fees	Juniors under 19	15.00	16.50	1.50	10%	standard	Discretionary
Golf Green Fees	County Cards	22.00	24.50	2.50	11%	standard	Discretionary
Golf Green Fees	Members Guests	18.00	20.00	2.00	11%	standard	Discretionary
Golf Locker Hire	Hire	36.00	40.00	4.00	11%	standard	Discretionary
Trolley Peg	Peg	24.00	26.50	2.50	10%	standard	Discretionary
Golf - EGU/SCGU Fees	Men	15.75	17.50	1.75	11%	standard	Discretionary
Golf - EGU/SCGU	Ladies new charge 2020/21	17.50	19.50	2.00	11%	standard	Discretionary
Golf Competition Fees	Fees	4.00	4.50	0.50	13%	standard	Discretionary
Venue Hire Charge - Members	Members	50.00	55.00	5.00	10%	standard	Discretionary
Venue Hire Charge - Non Member	Non Member	250.00	275.00	25.00	10%	standard	Discretionary
Hire Charge - with Buffet/Food spend of £750		-	0.00			standard	Discretionary
Hire Charge - with Buffet/Food spend of £500 (Discount subject to minimum pre-ordered catering spend)		150.00	165.00	15.00	10%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Seafront Services income							
Bandstand - Admissions							
Weekend Show	Adult (early bird)	8.95	9.85	0.90	10%	standard	Discretionary
Weekend Show	Child (early bird)	6.95	7.65	0.70	10%	standard	Discretionary
Weekend Show	Adult (full)	10.50	11.55	1.05	10%	standard	Discretionary
Weekend Show	Child (full)	8.50	9.35	0.85	10%	standard	Discretionary
1813 Concerts	Adult (early bird)	7.95	8.75	0.80	10%	standard	Discretionary
1813 Concerts	Child (early bird)	5.95	6.55	0.60	10%	standard	Discretionary
1813 Concerts	Adult (full)	9.50	10.45	0.95	10%	standard	Discretionary
1813 Concerts	Child (full)	7.50	8.25	0.75	10%	standard	Discretionary
Big Band & Swing	Adult (early bird)	5.00	5.50	0.50	10%	standard	Discretionary
Big Band & Swing	Child (early bird)	2.50	2.75	0.25	10%	standard	Discretionary
Big Band & Swing	Adult (full)	7.00	7.70	0.70	10%	standard	Discretionary
Big Band & Swing	Child (full)	3.50	3.85	0.35	10%	standard	Discretionary
Kids Disco	Adult (early bird)	4.00	4.40	0.40	10%	standard	Discretionary
Kids Disco	Child (early bird)	5.00	5.50	0.50	10%	standard	Discretionary
Kids Disco	Adult (full)	5.00	5.50	0.50	10%	standard	Discretionary
Kids Disco	Child (full)	6.00	6.60	0.60	10%	standard	Discretionary
Traditional Afternoon	Adult (full)	3.50	3.85	0.35	10%	standard	Discretionary
Traditional Afternoon	Child (full)	2.00	2.20	0.20	10%	standard	Discretionary
Airbourne							
Airshow Seating (Upper Balcony)	Adult	14.00	15.50	1.50	11%	standard	Discretionary
Airshow Seating (Upper Balcony)	Child	10.00	11.00	1.00	10%	standard	Discretionary
Airshow Seating (Prom Deck)	Adult	14.00	15.50	1.50	11%	standard	Discretionary
Airshow Seating (Prom Deck)	Child	10.00	11.00	1.00	10%	standard	Discretionary
Airshow Seating (Middle Balcony)	Adult	11.00	12.50	1.50	14%	standard	Discretionary
Airshow Seating (Middle Balcony)	Child	7.00	8.00	1.00	14%	standard	Discretionary
Beach Huts							
Casual Use Huts	Weekly (May, June, or Sept)	125.00	137.50	12.50	10%	standard	Discretionary
Casual Use Huts	Weekly (July or August)	150.00	165.00	15.00	10%	standard	Discretionary
Casual Use Huts	Daily (May, June, or Sept)	25.00	27.50	2.50	10%	standard	Discretionary
Casual Use Huts	Daily (July or August)	30.00	33.00	3.00	10%	standard	Discretionary
Spyglass	Weekly (May, June, or Sept)	225.00	247.50	22.50	10%	standard	Discretionary
Spyglass	Weekly (July or August)	250.00	275.00	25.00	10%	standard	Discretionary
Spyglass	Daily (May, June, or Sept)	45.00	49.50	4.50	10%	standard	Discretionary
Spyglass	Daily (July or August)	50.00	55.00	5.00	10%	standard	Discretionary
What Unearthed	Weekly (May, June, or Sept)	150.00	165.00	15.00	10%	standard	Discretionary
What Unearthed	Weekly (July or August)	175.00	192.50	17.50	10%	standard	Discretionary
What Unearthed	Daily (May, June, or Sept)	30.00	33.00	3.00	10%	standard	Discretionary
What Unearthed	Daily (July or August)	35.00	38.50	3.50	10%	standard	Discretionary
Annual	Main Resort (Large)	1,375.00	1,512.50	137.50	10%	standard	Discretionary
Annual	Main Resort (Small)	1,000.00	1,100.00	100.00	10%	standard	Discretionary
Annual	Main Resort (Large (no deck))	1,000.00	1,100.00	100.00	10%	standard	Discretionary
Annual	Main Resort (Small (no deck))	650.00	715.00	65.00	10%	standard	Discretionary
Annual	Holywell	1,680.00	1,848.00	168.00	10%	standard	Discretionary
Annual	Sovereign	1,995.00	2,194.50	199.50	10%	standard	Discretionary
Holywell Chalets							
Residents		4,500.00	4,950.00	450.00	10%	standard	Discretionary
Non-Residents		4,500.00	4,950.00	450.00	10%	standard	Discretionary
Beach Items							
Deckchair - All Day		2.00	2.50	0.50	25%	standard	Discretionary
Deckchair All Day - (FOB Member)		1.00	1.50	0.50	50%	standard	Discretionary
Deckchair After 3.00pm		1.50	2.00	0.50	33%	standard	Discretionary
Deckchair Weekly		10.00	11.00	1.00	10%	standard	Discretionary
Deckchair Weekly - (FOB Member)		8.00	9.00	1.00	13%	standard	Discretionary
Sunloungers Day		5.00	5.50	0.50	10%	standard	Discretionary
Mattress Day		3.00	3.50	0.50	17%	standard	Discretionary
Parasol Small Day		3.00	3.50	0.50	17%	standard	Discretionary
Tyro Lifeguard							
Single Session		18.00	20.00	2.00	0.11	standard	Discretionary
All four sessions		60.00	66.00	6.00	0.10	standard	Discretionary
Water Craft Berths							
Berth	Berth	200.00	220.00	20.00	10%	standard	Discretionary
Windsurf/Jet Ski Prom Permit	Permit	70.00	77.00	7.00	10%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Helen Gardens							
Full Season Ticket (all day)	Bowls	105.00	115.50	10.50	10%	standard	Discretionary
Full Season Ticket (PM Only)	Bowls	87.00	95.70	8.70	10%	standard	Discretionary
Hour	Bowls	4.50	4.95	0.45	10%	standard	Discretionary
3hr Session -	Bowls	6.50	7.15	0.65	10%	standard	Discretionary
Session Member	Bowls	10.00	11.00	1.00	10%	standard	Discretionary
Hire of woods	Bowls	3.00	3.30	0.30	10%	standard	Discretionary
Lost Jack	Bowls	10.00	11.00	1.00	10%	standard	Discretionary
Lost /Broken Wood	Bowls	15.00	16.50	1.50	10%	standard	Discretionary
Adult	Putting	2.75	3.03	0.28	10%	standard	Discretionary
Adult (FOB Member)	Putting	1.00	1.10	0.10	10%	standard	Discretionary
Child	Putting	2.25	2.48	0.23	10%	standard	Discretionary
Child (FOB Member)	Putting	1.00	1.10	0.10	10%	standard	Discretionary
Family	Putting	9.00	9.90	0.90	10%	standard	Discretionary
Family (FOB Member)	Putting	8.00	8.80	0.80	10%	standard	Discretionary
Student (with Card)	Putting	2.00	2.20	0.20	10%	standard	Discretionary
Lost ball	Putting	2.50	2.75	0.25	10%	standard	Discretionary
Broken/Lost Club	Putting	15.00	16.50	1.50	10%	standard	Discretionary
Adult	Petaque	1.85	2.04	0.19	10%	standard	Discretionary
Adult (FOB Member)	Petaque	1.00	1.10	0.10	10%	standard	Discretionary
Child	Petaque	1.50	1.65	0.15	10%	standard	Discretionary
Child (FOB Member)	Petaque	1.00	1.10	0.10	10%	standard	Discretionary
Family	Petaque	6.00	6.60	0.60	10%	standard	Discretionary
Family (FOB Member)	Petaque	5.00	5.50	0.50	10%	standard	Discretionary
Student (with Card)	Petaque	1.50	1.65	0.15	10%	standard	Discretionary
Lost Jack	Petaque	5.00	5.50	0.50	10%	standard	Discretionary
Lost Boule	Petaque	8.00	8.80	0.80	10%	standard	Discretionary
Admissions - General	Redoubt Cinema	10.00	11.00	1.00	10%	standard	Discretionary
Admissions - Member	Redoubt Cinema	8.00	8.80	0.80	10%	standard	Discretionary
Membership	Redoubt Cinema	10.00	11.00	1.00	10%	standard	Discretionary
Private Hire - 30-45 people for 3 hours	Redoubt Cinema	350.00	385.00	35.00	10%	standard	Discretionary
Private Hire - 45-60 people for 3 hours	Redoubt Cinema	450.00	495.00	45.00	10%	standard	Discretionary
Devonshire Park Complex							
Congress - Auditorium - Not for Profit Rate	Monday - Thursday - 4 hours	2,164.80	2,381.50	216.70	10%	standard	Discretionary
Congress - Auditorium - Not for Profit Rate	Monday - Thursday - Day	4,329.60	4,763.00	433.40	10%	standard	Discretionary
Congress - Auditorium - Not for Profit Rate	Friday, Saturday and Sunday - Day	5,196.00	5,716.00	520.00	10%	standard	Discretionary
Congress - Auditorium - Not for Profit Rate	Weekly - Day Rate	20,781.60	22,860.00	2,078.40	10%	standard	Discretionary
Welcome Building - Not for Profit Rate							
Monday - Thursday - 4 hours	Conference Hall 1	1,082.40	1,191.00	108.60	10%	standard	Discretionary
Monday - Thursday - 4 hours - Exhibition Rate	Conference Hall 1	1,352.40	1,488.00	135.60	10%	standard	Discretionary
Monday - Thursday - Day	Conference Hall 1	2,163.60	2,380.00	216.40	10%	standard	Discretionary
Monday - Thursday - Day - Exhibition Rate	Conference Hall 1	2,704.80	2,975.50	270.70	10%	standard	Discretionary
Friday, Saturday and Sunday - Day	Conference Hall 1	2,596.80	2,856.50	259.70	10%	standard	Discretionary
Friday, Saturday and Sunday - Day - Exhibition Rate	Conference Hall 1	3,246.00	3,571.00	325.00	10%	standard	Discretionary
Weekly - Day Rate	Conference Hall 1	10,386.00	11,425.00	1,039.00	10%	standard	Discretionary
Weekly - Day - Exhibition Rate	Conference Hall 1	12,982.80	14,281.50	1,298.70	10%	standard	Discretionary
Monday - Thursday - 4 hours	Conference Hall 2	1,082.40	1,191.00	108.60	10%	standard	Discretionary
Monday - Thursday - 4 hours - Exhibition Rate	Conference Hall 2	1,352.40	1,488.00	135.60	10%	standard	Discretionary
Monday - Thursday - Day	Conference Hall 2	2,163.60	2,380.00	216.40	10%	standard	Discretionary
Monday - Thursday - Day - Exhibition Rate	Conference Hall 2	2,704.80	2,975.50	270.70	10%	standard	Discretionary
Friday, Saturday and Sunday - Day	Conference Hall 2	2,596.80	2,856.50	259.70	10%	standard	Discretionary
Friday, Saturday and Sunday - Day - Exhibition Rate	Conference Hall 2	3,246.00	3,571.00	325.00	10%	standard	Discretionary
Weekly - Day Rate	Conference Hall 2	10,386.00	11,425.00	1,039.00	10%	standard	Discretionary
Weekly - Day - Exhibition Rate	Conference Hall 2	12,982.80	14,281.50	1,298.70	10%	standard	Discretionary
Monday - Thursday - 4 hours	Break Out Room 1	202.80	223.50	20.70	10%	standard	Discretionary
Monday - Thursday - Day	Break Out Room 1	321.60	354.00	32.40	10%	standard	Discretionary
Friday, Saturday and Sunday - Day	Break Out Room 1	371.40	409.00	37.60	10%	standard	Discretionary
Monday - Thursday - 4 hours	Break Out Room 2	202.80	223.50	20.70	10%	standard	Discretionary
Monday - Thursday - Day	Break Out Room 2	321.60	354.00	32.40	10%	standard	Discretionary
Friday, Saturday and Sunday - Day	Break Out Room 2	371.40	409.00	37.60	10%	standard	Discretionary
Winter Garden - venue currently closed for refurbishment/ Income							
						standard	Discretionary
Devonshire Park Theatre - Not For Profit Rate							
Monday - Thursday - 4 hours		919.20	1,011.50	92.30	10%	standard	Discretionary
Monday - Thursday - Day		1,839.60	2,024.00	184.40	10%	standard	Discretionary
Friday, Saturday and Sunday - Day		2,206.80	2,427.50	220.70	10%	standard	Discretionary
Weekly - Day Rate		8,828.40	9,711.50	883.10	10%	standard	Discretionary
International Lawn Tennis Centre - Not for Profit Rates - prices below include VAT - published price is for Room Hire plus VAT if applicable							
Monday - Friday - 4 Hours	Devonshire Board Room	120.00	132.00	12.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Devonshire Board Room	193.50	213.00	19.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Devonshire Board Room	34.50	38.00	3.50	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Devonshire Board Room	133.50	147.00	13.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Devonshire Board Room	215.00	236.50	21.50	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Devonshire Board Room	36.00	40.00	4.00	11%	standard	Discretionary
Monday - Friday - 4 Hours	Devonshire Lounge	147.50	162.50	15.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Devonshire Lounge	241.50	266.00	24.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Devonshire Lounge	41.00	45.50	4.50	11%	standard	Discretionary
Saturday and Sunday - 4 Hours	Devonshire Lounge	172.00	189.50	17.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Devonshire Lounge	273.00	300.50	27.50	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Devonshire Lounge	47.00	52.00	5.00	11%	standard	Discretionary
Monday - Friday - 4 Hours	Media Centre	197.00	217.00	20.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Media Centre	316.00	348.00	32.00	10%	standard	Discretionary
Monday - Friday - Extra Hour	Media Centre	52.00	57.50	5.50	11%	standard	Discretionary
Saturday and Sunday - 4 Hours	Media Centre	228.50	251.50	23.00	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Media Centre	360.50	397.00	36.50	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Media Centre	60.50	67.00	6.50	11%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Monday - Friday - 4 Hours	Spencer Suite (all sections)	169.00	186.00	17.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Spencer Suite (all sections)	268.00	295.00	27.00	10%	standard	Discretionary
Monday - Friday - Extra Hour	Spencer Suite (all sections)	47.00	52.00	5.00	11%	standard	Discretionary
Saturday and Sunday - 4 Hours	Spencer Suite (all sections)	195.00	214.50	19.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Spencer Suite (all sections)	309.50	340.50	31.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Spencer Suite (all sections)	53.50	59.00	5.50	10%	standard	Discretionary
Monday - Friday - 4 Hours	Spencer Suite (one section)	133.50	147.00	13.50	10%	standard	Discretionary
Monday - Friday - 8 Hours	Spencer Suite (one section)	221.00	243.50	22.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Spencer Suite (one section)	39.00	43.00	4.00	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Spencer Suite (one section)	154.00	169.50	15.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Spencer Suite (one section)	248.00	273.00	25.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Spencer Suite (one section)	42.50	47.00	4.50	11%	standard	Discretionary
Monday - Friday - 4 Hours	Spencer Room	133.50	147.00	13.50	10%	standard	Discretionary
Monday - Friday - 8 Hours	Spencer Room	221.00	243.50	22.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Spencer Room	39.00	43.00	4.00	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Spencer Room	154.00	169.50	15.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Spencer Room	248.00	273.00	25.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Spencer Room	42.50	47.00	4.50	11%	standard	Discretionary
Monday - Friday - 4 Hours	Hardwick Suite	222.00	244.50	22.50	10%	standard	Discretionary
Monday - Friday - 8 Hours	Hardwick Suite	343.50	378.00	34.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Hardwick Suite	58.00	64.00	6.00	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Hardwick Suite	249.00	274.00	25.00	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Hardwick Suite	390.00	429.00	39.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Hardwick Suite	66.50	73.50	7.00	11%	standard	Discretionary
The Locker Room - Not for Profit Rate							
Monday - Friday - 4 Hours	Grange Room	222.00	244.50	22.50	10%	standard	Discretionary
Monday - Friday - 8 Hours	Grange Room	343.50	378.00	34.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Grange Room	58.00	64.00	6.00	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Grange Room	249.00	274.00	25.00	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Grange Room	390.00	429.00	39.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Grange Room	66.50	73.50	7.00	11%	standard	Discretionary
Monday - Friday - 4 Hours	Grassington Board Room	147.50	162.50	15.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Grassington Board Room	241.50	266.00	24.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Grassington Board Room	41.00	45.50	4.50	11%	standard	Discretionary
Saturday and Sunday - 4 Hours	Grassington Board Room	172.00	189.50	17.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Grassington Board Room	273.00	300.50	27.50	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Grassington Board Room	47.00	52.00	5.00	11%	standard	Discretionary
Monday - Friday - 4 Hours	Cornfield Room	222.00	244.50	22.50	10%	standard	Discretionary
Monday - Friday - 8 Hours	Cornfield Room	343.50	378.00	34.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Cornfield Room	58.00	64.00	6.00	10%	standard	Discretionary
Saturday and Sunday - 4 Hours	Cornfield Room	249.00	274.00	25.00	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Cornfield Room	390.00	429.00	39.00	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Cornfield Room	66.50	73.50	7.00	11%	standard	Discretionary
Monday - Friday - 4 Hours	Chiswick Board Room	147.50	162.50	15.00	10%	standard	Discretionary
Monday - Friday - 8 Hours	Chiswick Board Room	241.50	266.00	24.50	10%	standard	Discretionary
Monday - Friday - Extra Hour	Chiswick Board Room	41.00	45.50	4.50	11%	standard	Discretionary
Saturday and Sunday - 4 Hours	Chiswick Board Room	172.00	189.50	17.50	10%	standard	Discretionary
Saturday and Sunday - 8 Hours	Chiswick Board Room	273.00	300.50	27.50	10%	standard	Discretionary
Saturday and Sunday - Extra Hour	Chiswick Board Room	47.00	52.00	5.00	11%	standard	Discretionary
Locker Room Hires	Chiswick Board Room					standard	Discretionary
CAR PARKING (OFF STREET)							
Fishermans Green	up to 1 hour	1.10	1.25	0.15	14%	standard	Discretionary
Fishermans Green	up to 2 hours	1.65	1.85	0.20	12%	standard	Discretionary
Fishermans Green	up to 3 hours	3.30	3.65	0.35	11%	standard	Discretionary
Fishermans Green	up to 4 hours	4.40	4.85	0.45	10%	standard	Discretionary
Wish Tower	up to 1 hour	1.76	1.95	0.19	11%	standard	Discretionary
Wish Tower	up to 2 hours	2.64	2.95	0.31	12%	standard	Discretionary
Wish Tower	up to 3 hours	3.85	4.25	0.40	10%	standard	Discretionary
Wish Tower	up to 6 hours	7.70	8.50	0.80	10%	standard	Discretionary
Wish Tower	up to 9 hours	11.00	12.10	1.10	10%	standard	Discretionary
Wish Tower	up to 12 hours	15.40	16.95	1.55	10%	standard	Discretionary
Downland Car Parks	up to 2 hours	1.10	1.25	0.15	14%	standard	Discretionary
Downland Car Parks	up to 4 hours	2.20	2.45	0.25	11%	standard	Discretionary
Devonshire Park	up to 2 hours	1.54	1.70	0.16	10%	standard	Discretionary
Devonshire Park	up to 4 hours	2.86	3.15	0.29	10%	standard	Discretionary
Devonshire Park	up to 8 hours	5.28	5.85	0.57	11%	standard	Discretionary
Devonshire Park	up to 12 hours	7.15	7.90	0.75	10%	standard	Discretionary
Hyde Gardens	up to 30 mins	1.10	1.25	0.15	14%	standard	Discretionary
Hyde Gardens	up to 1 hour	2.20	2.45	0.25	11%	standard	Discretionary
Hyde Gardens	up to 2 hours	3.30	3.65	0.35	11%	standard	Discretionary
Langney	up to 1 hour	1.10	1.25	0.15	14%	standard	Discretionary
Langney	up to 2 hours	1.65	1.85	0.20	12%	standard	Discretionary
Langney	up to 3 hours	3.30	3.65	0.35	11%	standard	Discretionary
Langney	up to 4 hours	4.40	4.85	0.45	10%	standard	Discretionary
Redoubt	up to 1 hour	1.65	1.85	0.20	12%	standard	Discretionary
Redoubt	up to 2 hours	2.75	3.05	0.30	11%	standard	Discretionary
Redoubt	up to 3 hours	3.85	4.25	0.40	10%	standard	Discretionary
Redoubt	up to 4 hours	5.50	6.05	0.55	10%	standard	Discretionary
Princes Park	up to 1 hour	1.10	1.25	0.15	14%	standard	Discretionary
Princes Park	up to 2 hours	2.20	2.45	0.25	11%	standard	Discretionary
Princes Park	up to 4 hours	3.30	3.65	0.35	11%	standard	Discretionary
Princes Park	up to 5 hours	4.40	4.85	0.45	10%	standard	Discretionary
Junction Road	up to 1 hour	2.20	2.45	0.25	11%	standard	Discretionary
Junction Road	up to 4 hours	5.50	6.05	0.55	10%	standard	Discretionary
Junction Road	up to 10 hours	16.50	18.15	1.65	10%	standard	Discretionary
Beachy Head	up to 1 hour	1.10	1.25	0.15	14%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Beachy Head	up to 2 hours	2.20	2.45	0.25	11%	<i>standard</i>	<i>Discretionary</i>
Beachy Head	up to 4 hours	3.30	3.65	0.35	11%	<i>standard</i>	<i>Discretionary</i>
Beachy Head	up to 5 hours	4.40	4.85	0.45	10%	<i>standard</i>	<i>Discretionary</i>

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
PLANNING SERVICES -Statutory Planning Fees increased by 25% in December 2023. They are set by Government and can be found at https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf. Further information on the Councils discretionary fees can be found on the Councils website							
STREET NAMING AND Misc Highways							
New individual property	per application	55.50	61.05	5.55	10%	standard	Discretionary
New Development or Re-development (2+ new addresses)	per application	111.00	122.10	11.10	10%	standard	Discretionary
New Development or Re-development (3-10 new addresses)	per application	166.50	183.15	16.65	10%	standard	Discretionary
New Development or Re-development (11-19 new addresses)	per application	277.50	305.25	27.75	10%	standard	Discretionary
New Development or Re-development (20+ new addresses)	per application	388.50	427.35	38.85	10%	standard	Discretionary
Change of House Name or Commercial Property Name	per application	27.75	30.55	2.80	10%	standard	Discretionary
Change of Building Name (eg block of flats)	per application	111.00	122.10	11.10	10%	standard	Discretionary
Street Renaming	per application	222.00	244.20	22.20	10%	standard	Discretionary
Street Renaming	plus per property	27.75	30.55	2.80	10%	standard	Discretionary
Street Numbering	per application	222.00	244.20	22.20	10%	standard	Discretionary
Street Numbering	plus per property	27.75	30.55	2.80	10%	standard	Discretionary
Confirmation of postal address to solicitors or conveyancers		27.75	30.55	2.80	10%	standard	Discretionary
ELECTORAL SERVICES							
Register of Electors paper copy	Set up fee	10.00	11.00	1.00	10%	standard	Statutory
Register of Electors paper copy	plus per 1,000 names	5.00	5.50	0.50	10%	standard	Statutory
Register of Electors electronic copy	Set up fee	20.00	22.00	2.00	10%	standard	Statutory
Register of Electors electronic copy	plus per 1,000 names	1.50	1.65	0.15	10%	standard	Statutory
Plus Postage and Packing if applicable		10.00	11.00	1.00	10%	standard	Statutory
Marked Register and Marked Absent Voting lists paper copy	set up fee	10.00	11.00	1.00	10%	standard	Statutory
Marked Register and Marked Absent Voting lists paper copy	plus per 1,000 names	2.00	2.20	0.20	10%	standard	Statutory
Marked Register and Marked Absent Voting lists electronic copy	set up fee	10.00	11.00	1.00	10%	standard	Statutory
Marked Register and Marked Absent Voting lists electronic copy	plus per 1,000 names	1.00	1.10	0.10	10%	standard	Statutory
Land Charges							
Official Search of the Local Land Charges Register (LLC1)	search of the whole register	6.00	6.60	0.60	10%	standard	Statutory
CON29 Part 1- required enquiries		134.00	147.40	13.40	10%	standard	Statutory
WASTE							
Garden Waste fees, 1 bin		57.00	62.70	5.70	10%	standard	Statutory
COUNCIL TAX & NNDR							
Recovery action - Council Tax	Summons cost	52.50	57.75	5.25	10%	standard	Statutory
Recovery action - Business Rates	Summons cost	52.50	57.75	5.25	10%	standard	Statutory
HOUSING RENTS & LEASEHOLDERS							
Landlord Enquiries		160.00	176.00	16.00	10%	standard	Statutory
ANIMAL WARDENS							
Statutory Charge per stray dog		30.00	30.00	0.00	0%	exempt	Statutory
Seizure Charge per stray dog	In addition to statutory charge	30.00	33.00	3.00	10%	exempt	Discretionary
Return of Dog		45.00	49.50	4.50	10%	exempt	Discretionary
Kennelling	per day	25.00	27.50	2.50	10%	exempt	Discretionary
BURIALS & CREMATIONS							
Any child up to and including 12 yrs	Cremations	-	0.00			exempt	Statutory
Any child 13 yrs to & including 17yrs	Cremations	352.50	388.00	35.50	10%	exempt	Statutory
Any person 18 yrs and over	Cremations	705.00	775.50	70.50	10%	exempt	Statutory
Medical Referee Fee	Cremations	25.00	27.50	2.50	10%	exempt	Statutory
Environmental Levy	Cremations	60.00	66.00	6.00	10%	exempt	Statutory
Cremation less than 48hrs notice - additional charge	Cremations	110.00	121.00	11.00	10%	exempt	Statutory
Cancellation of a cremation at less than 3 working days notice	Cremations	95.00	104.50	9.50	10%	exempt	Statutory
Certified extract from Register of Cremations	Cremations	35.00	38.50	3.50	10%	exempt	Statutory
Improvement Fund	Cremations	-	0.00			exempt	Statutory
Remains as a Result of Crem @ Eastbourne	Unwitnessed	-	0.00			exempt	Statutory
Remains as a Result of Crem @ Eastbourne	Witnessed Mon-Fri	55.00	60.50	5.50	10%	exempt	Statutory
Remains as a Result of Crem @ Eastbourne	Witnessed Sat (Strictly by appointment)	80.00	88.00	8.00	10%	exempt	Statutory
Remains as a Result of Crem Elsewhere	Unwitnessed	35.00	38.50	3.50	10%	exempt	Statutory
Remains as a Result of Crem Elsewhere	Witnessed Mon-Fri	80.00	88.00	8.00	10%	exempt	Statutory
Remains as a Result of Crem Elsewhere	Witnessed Sat (Strictly by appointment)	100.00	110.00	10.00	10%	exempt	Statutory
Despatch of remains to	Mainland Great Britain	-	0.00				
Despatch of remains to	All other destinations POA	-	0.00				
Storage of Remains after 1 month		45.00	49.50	4.50	10%	exempt	Discretionary
Hire of Chapel for 30 mins		200.00	220.00	20.00	10%	exempt	Discretionary
Hire of Chapel Organ		15.00	16.50	1.50	10%	exempt	Discretionary
Transfer of Grave Ownership - Probate		70.00	77.00	7.00	10%	exempt	Discretionary
Transfer of Grave Ownership - Stat Dec		90.00	99.00	9.00	10%	exempt	Discretionary
Webcast - Live Broadcast of whole service	Visual Tributes	51.00	56.50	5.50	11%	exempt	Discretionary
Service Recording - Download MP4 Video File	Visual Tributes	30.00	33.00	3.00	10%	exempt	Discretionary
Service Recording - Download MP4 Video File inc Visual Trib	Visual Tributes	40.00	44.00	4.00	10%	exempt	Discretionary
Service Recording - 1st Copy of Webcast (DVD or USB)	Visual Tributes	55.00	60.50	5.50	10%	exempt	Discretionary
Service Recording - 1st Copy of Webcast (DVD or USB inc Vi	Visual Tributes	65.00	71.50	6.50	10%	exempt	Discretionary
Visual Tribute - Hold Image only	Visual Tributes	30.00	33.00	3.00	10%	exempt	Discretionary
Visual Tribute - Slideshow Loop of Up to 25 Still Images	Visual Tributes	40.00	44.00	4.00	10%	exempt	Discretionary
Visual Tribute - Slideshow to music (20 images per track)	Visual Tributes	60.00	66.00	6.00	10%	exempt	Discretionary
Visual Tribute - Additional Images	Visual Tributes	-	0.00			exempt	Discretionary
Visual Tribute - Video per minute	Visual Tributes	6.00	7.00	1.00	17%	exempt	Discretionary
Urgent Changes - within 48hrs	Visual Tributes	85.00	93.50	8.50	10%	exempt	Discretionary
Sun Flower Package - Live Webcast Service Recording (MP4	Visual Tributes	80.00	88.00	8.00	10%	exempt	Discretionary
Daffodil Package - Live Webcast Service Recordng (MP4 File inc Visual Tribute up to 25 Images (No Music)		115.00	126.50	11.50	10%	exempt	Discretionary
Daffodil Package - Live Webcast Service Recordng (MP4 File inc Visual Tribute up to 25 Images (Inc Music)		140.00	154.00	14.00	10%	exempt	Discretionary
Langney Cemetery							
1st Row Border	Adult Earthen Grave	1,160.00	1,276.00	116.00	10%	exempt	Discretionary
Interior	Adult Earthen Grave	1,040.00	1,144.00	104.00	10%	exempt	Discretionary
Child's Grave, Children's Garden	Up to and including 12yrs	400.00	440.00	40.00	10%	exempt	Discretionary
Child's Grave not in Children's Garden	13 to 17yrs - 1st Row Border	580.00	638.00	58.00	10%	exempt	Discretionary
Child's Grave not in Children's Garden	13 to 17yrs - Interior	520.00	572.00	52.00	10%	exempt	Discretionary
Babies Grave		400.00	440.00	40.00	10%	exempt	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Parishioner	Cremated Remains	635.00	698.50	63.50	10%	exempt	Discretionary
Non Parishioner Cremated at Eastbourne	Cremated Remains	950.00	1,045.00	95.00	10%	exempt	Discretionary
Non Parishioner Cremated Elsewhere	Cremated Remains	1,265.00	1,391.50	126.50	10%	exempt	Discretionary
Denominational Sections	Reservation Fees	795.00	874.50	79.50	10%	exempt	Discretionary
Individual Graves	Reservation Fees	-	0.00				
Interment in Unpurchased Grave & Tablet		1,110.00	1,221.00	111.00	10%	exempt	Discretionary
Interment in Earthen Grave	Up to 12yrs	-	0.00				
Interment in Earthen Grave	13 to 17yrs	532.50	586.00	53.50	10%	exempt	Discretionary
Interment in Earthen Grave	18yrs and over - Single depth	1,065.00	1,171.50	106.50	10%	exempt	Discretionary
Interment in Earthen Grave	18yrs and over - Double depth	1,160.00	1,276.00	116.00	10%	exempt	Discretionary
Woodland Burial Interment		1,065.00	1,171.50	106.50	10%	exempt	Discretionary
Interment in Walled Grave or Vault	Single Interment depth	1,190.00	1,309.00	119.00	10%	exempt	Discretionary
Interment in Walled Grave or Vault	Double Interment depth	1,350.00	1,485.00	135.00	10%	exempt	Discretionary
Interment of Cremated Remains in any grave	Parishioner in any grave	235.00	258.50	23.50	10%	exempt	Discretionary
Interment of Cremated Remains in any grave	Non Parishioner Cremated at Eastbourne	350.00	385.00	35.00	10%	exempt	Discretionary
Interment of Cremated Remains in any grave	Non Parishioner Cremated Elsewhere	465.00	511.50	46.50	10%	exempt	Discretionary
Interment of Cremated Remains in a Walled Grave or Vault	POA	-	0.00				
Search Fees		5.00	5.50	0.50	10%	exempt	Discretionary
Grave Selection (By appointment only)		45.00	49.50	4.50	10%	exempt	Discretionary
Exhumation Fee	POA	-	0.00				
Laying Down of Unsafe Cemetery Memoria		80.00	88.00	8.00	10%	exempt	Discretionary
Turfing Flat	Adult Grave Space	70.00	77.00	7.00	10%	exempt	Discretionary
Turfing Flat	Double Width Grave Space	140.00	154.00	14.00	10%	exempt	Discretionary
Turfing Flat	Childs Grave Space	30.00	33.00	3.00	10%	exempt	Discretionary
Turfing Flat	Cremated Remains Grave Space	30.00	33.00	3.00	10%	exempt	Discretionary
Turf Mounds	Adult Grave only	90.00	99.00	9.00	10%	exempt	Discretionary
Flower Garden	Adult Grave only	90.00	99.00	9.00	10%	exempt	Discretionary
Soil Beds	Ashes Grave	20.00	22.00	2.00	10%	exempt	Discretionary
Soil Beds	Childs Grave	20.00	22.00	2.00	10%	exempt	Discretionary
Soil Beds	Adult Grave	60.00	66.00	6.00	10%	exempt	Discretionary
Any Headstone, Cross, Book or statue more than 3' but less than 2' 6" but less than 2' 6"	Memorial Fees - Full Size Graves	160.00	176.00	16.00	10%	exempt	Discretionary
Any Headstone, Cross, Book or statue up to and inc 2' 6"	Memorial Fees - Full Size Graves	140.00	154.00	14.00	10%	exempt	Discretionary
Any Headstone, Cross, Book or statue up to and inc 2' 6"	Memorial Fees - Full Size Graves	110.00	121.00	11.00	10%	exempt	Discretionary
Any Tablet more than 18" but less than 2' 6"	Memorial Fees - Full Size Graves	55.00	60.50	5.50	10%	exempt	Discretionary
Tablet as above, but on rester with base no more than 2' 6" wide	Memorial Fees - Full Size Graves	65.00	71.50	6.50	10%	exempt	Discretionary
Full Kerb Set no more than 6' 6" x 2' 6"	Memorial Fees - Full Size Graves	110.00	121.00	11.00	10%	exempt	Discretionary
Full Kerb Set to surround a double space no more than 6' 6" x 6' 6"	Memorial Fees - Full Size Graves	165.00	181.50	16.50	10%	exempt	Discretionary
Cover Slab not enclosed by a kerb on a single grave	Memorial Fees - Full Size Graves	110.00	121.00	11.00	10%	exempt	Discretionary
Cover Slab not enclosed by a kerb on a double grave	Memorial Fees - Full Size Graves	155.00	170.50	15.50	10%	exempt	Discretionary
Cover Slab/Paving enclosed by a kerb on a single grave	Memorial Fees - Full Size Graves	40.00	44.00	4.00	10%	exempt	Discretionary
Mousetrap included in Kerb set on single grave	Memorial Fees - Full Size Graves	40.00	44.00	4.00	10%	exempt	Discretionary
Cover Slab/Paving enc. by kerb on a double grave	Memorial Fees - Full Size Graves	50.00	55.00	5.00	10%	exempt	Discretionary
Chippings (set in wet concrete and within full kerbsets only)	Memorial Fees - Full Size Graves	40.00	44.00	4.00	10%	exempt	Discretionary
Headstone/Cross/Statue/Open Book less than 2' X 1' 6" (Base)	Children's & Cremated Remains Graves	60.00	66.00	6.00	10%	exempt	Discretionary
Full Kerb Set no more than 3' x 2' and less than 4" thick	Children's & Cremated Remains Graves	55.00	60.50	5.50	10%	exempt	Discretionary
Flush Stone Strips no more than 3' x 2' and less than 4" thick	Children's & Cremated Remains Graves	50.00	55.00	5.00	10%	exempt	Discretionary
Cover Slab not enclosed by a kerb set and no more than 3' x 2'	Children's & Cremated Remains Graves	55.00	60.50	5.50	10%	exempt	Discretionary
Cover Slab enclosed by a kerb set no more than 3' x 2'	Children's & Cremated Remains Graves	20.00	22.00	2.00	10%	exempt	Discretionary
Mousetrap included in kerb set	Children's & Cremated Remains Graves	20.00	22.00	2.00	10%	exempt	Discretionary
Chippings (Set in wet cement and within full kerbsets only)	Children's & Cremated Remains Graves	15.00	16.50	1.50	10%	exempt	Discretionary
Tablet or Memorial more than 12" x 12" but less than 18" x 18"	Other Memorials on Graves	40.00	44.00	4.00	10%	exempt	Discretionary
Tablet as above, but on rester with base less than 2' wide	Other Memorials on Graves	50.00	55.00	5.00	10%	exempt	Discretionary
Tablet up to and including 12" x 12"	Other Memorials on Graves	30.00	33.00	3.00	10%	exempt	Discretionary
Any flower vase more than 7" x 7" but less than 12" x 12"	Other Memorials on Graves	15.00	16.50	1.50	10%	exempt	Discretionary
Any flower vase up to and including 7" x 7"	Other Memorials on Graves	-	0.00				
Photo Plaque less than 4" x 3"	Other Memorials on Graves	5.00	5.50	0.50	10%	exempt	Discretionary
Any figure not exceeding 18"	Other Memorials on Graves	35.00	38.50	3.50	10%	exempt	Discretionary
Above Fees include initial inscription	Other Memorials on Graves		0.00				
Every additional inscription	Other Memorials on Graves	55.00	60.50	5.50	10%	exempt	Discretionary
Minimum 2 line inscription	Entries in Book of Records	82.50	91.00	8.50	10%	standard	Discretionary
Minimum 5 line inscription	Entries in Book of Records	150.00	165.00	15.00	10%	standard	Discretionary
Minimum 8 line inscription	Entries in Book of Records	178.33	196.50	18.17	10%	standard	Discretionary
5 Line inscription and crest	Entries in Book of Records	212.50	234.00	21.50	10%	standard	Discretionary
8 Line inscription and crest	Entries in Book of Records	237.50	261.50	24.00	10%	standard	Discretionary
Token Entries in Book of Records (Special App)	2 Lines	11.67	13.00	1.33	11%	standard	Discretionary
Token Entries in Book of Records (Special App)	5 Lines	17.50	19.50	2.00	11%	standard	Discretionary
Token Entries in Book of Records (Special App)	8 Lines	24.17	27.00	2.83	12%	standard	Discretionary
Minimum 2 line inscription	Memorial Cards	35.00	38.50	3.50	10%	standard	Discretionary
Minimum 5 line inscription	Memorial Cards	51.67	57.00	5.33	10%	standard	Discretionary
Minimum 8 line inscription	Memorial Cards	64.17	71.00	6.83	11%	standard	Discretionary
5 line inscription and crest	Memorial Cards	93.33	103.00	9.67	10%	standard	Discretionary
8 line inscription and crest	Memorial Cards	103.33	114.00	10.67	10%	standard	Discretionary
Miniature book including a 2 line inscription	Miniature Books	64.17	71.00	6.83	11%	standard	Discretionary
Miniature book including a 5 line inscription	Miniature Books	75.00	82.50	7.50	10%	standard	Discretionary
Miniature book including a 8 line inscription	Miniature Books	98.33	108.50	10.17	10%	standard	Discretionary
Miniature book including a 5 line inscription and crest	Miniature Books	114.17	126.00	11.83	10%	standard	Discretionary
Miniature book including a 8 line inscription and crest	Miniature Books	127.50	140.50	13.00	10%	standard	Discretionary
Additional Entries in Existing Cards or Books	2 Lines	24.17	27.00	2.83	12%	standard	Discretionary
Additional Entries in Existing Cards or Books	5 Lines	40.00	44.00	4.00	10%	standard	Discretionary
Additional Entries in Existing Cards or Books	8 Lines	51.67	57.00	5.33	10%	standard	Discretionary
Additional Entries in Existing Cards or Books	5 Lines with Crest	75.00	82.50	7.50	10%	standard	Discretionary
Additional Entries in Existing Cards or Books	8 Lines with Crest	98.33	108.50	10.17	10%	standard	Discretionary
Photos in Cards or Books	1st Print	16.67	18.50	1.83	11%	standard	Discretionary
Photos in Cards or Books	Each Additional Print	5.83	6.50	0.67	11%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Plaque - Bronze Kerb	10 ys	292.50	322.00	29.50	10%	standard	Discretionary
Plaque - Bronze Kerb	5 yrs	195.00	214.50	19.50	10%	standard	Discretionary
Plaque - Bronze Kerb (renewal)	10 ys	146.25	161.00	14.75	10%	standard	Discretionary
Plaque - Bronze Kerb (renewal)	5 yrs	97.50	107.50	10.00	10%	standard	Discretionary
Replacement Kerb	New for Old	66.67	73.50	6.83	10%	standard	Discretionary
Replacement Kerb	Double Name	98.33	108.50	10.17	10%	standard	Discretionary
Plaque - Classic	5 yrs	190.00	209.00	19.00	10%	standard	Discretionary
Plaque - Classic (renewal)		95.00	104.50	9.50	10%	standard	Discretionary
Replacement Classic	New for Old	60.83	67.00	6.17	10%	standard	Discretionary
Replacement Classic	Double Name	95.00	104.50	9.50	10%	standard	Discretionary
Arboria Wall Plaque (5yrs) Text Only New		178.33	196.50	18.17	10%	standard	Discretionary
Arboria Wall Plaque (5yrs) Text Only Renewal		89.17	98.50	9.33	10%	standard	Discretionary
Replacement Arboria - Text Only New for old		98.33	108.50	10.17	10%	standard	Discretionary
Replacement Arboria - Text Only Double Name		109.17	120.50	11.33	10%	standard	Discretionary
Arboria Wall Plaque -(5yrs) Drawn Motif		201.67	222.00	20.33	10%	standard	Discretionary
Arboria Wall Plaque - Drawn Renewal		100.83	111.00	10.17	10%	standard	Discretionary
Replacement Arboria - Drawn Motif New for old		109.17	120.50	11.33	10%	standard	Discretionary
Replacement Arboria - Drawn Motif Double Name		120.00	132.00	12.00	10%	standard	Discretionary
Arboria Wall Plaque -(5yrs) Coloured Motif		212.50	234.00	21.50	10%	standard	Discretionary
Arboria Wall Plaque - Coloured Renewal		106.25	117.00	10.75	10%	standard	Discretionary
Replacement Arboria - Coloured Motif New for old		127.50	140.50	13.00	10%	standard	Discretionary
Replacement Arboria - Coloured Motif Double Name		133.33	147.00	13.67	10%	standard	Discretionary
Arboria Wall Plaque -(5yrs) Photo Plaque		237.50	261.50	24.00	10%	standard	Discretionary
Arboria Wall Plaque - Photo Renewal		118.75	131.00	12.25	10%	standard	Discretionary
Replacement Arboria - Photo New for old		167.50	184.50	17.00	10%	standard	Discretionary
Replacement Arboria - Photo Double Name		178.33	196.50	18.17	10%	standard	Discretionary
2nd Photo Plaque added to any of the above Arboria Plaques		76.67	84.50	7.83	10%	standard	Discretionary
Athenia Wall Plaque (5yrs) Text Only New		190.00	209.00	19.00	10%	standard	Discretionary
Athenia Wall Plaque (5yrs) Text Only Renewal		100.00	110.00	10.00	10%	standard	Discretionary
Replacement Athenia - Text Only New for old		109.17	120.50	11.33	10%	standard	Discretionary
Replacement Athenia - Text Only Double Name		122.50	135.00	12.50	10%	standard	Discretionary
Athenia Wall Plaque -(5yrs) Drawn Motif		212.50	234.00	21.50	10%	standard	Discretionary
Athenia Wall Plaque - Drawn Renewal		106.25	117.00	10.75	10%	standard	Discretionary
Replacement Athenia - Drawn Motif New for old		122.50	135.00	12.50	10%	standard	Discretionary
Replacement Athenia - Drawn Motif Double Name		134.17	148.00	13.83	10%	standard	Discretionary
Athenia Wall Plaque -(5yrs) Coloured Motif		225.00	247.50	22.50	10%	standard	Discretionary
Athenia Wall Plaque - Coloured Renewal		112.50	124.00	11.50	10%	standard	Discretionary
Replacement Athenia - Coloured Motif New for old		137.50	151.50	14.00	10%	standard	Discretionary
Replacement Athenia - Coloured Motif Double Name		145.83	160.50	14.67	10%	standard	Discretionary
Athenia Wall Plaque -(5yrs) Photo Plaque		247.50	272.50	25.00	10%	standard	Discretionary
Athenia Wall Plaque - Photo Renewal		123.75	136.50	12.75	10%	standard	Discretionary
Replacement Athenia - Photo New for old		178.33	196.50	18.17	10%	standard	Discretionary
Replacement Athenia - Photo Double Name		190.00	209.00	19.00	10%	standard	Discretionary
2nd Photo Plaque added to any of the above Athenia Plaques		76.67	84.50	7.83	10%	standard	Discretionary
Memorial Vase Block Tablet (10yrs)		380.83	419.00	38.17	10%	standard	Discretionary
Memorial Vase Block Tablet 10yrs Renewal		190.42	209.50	19.08	10%	standard	Discretionary
Memorial Vase Block Tablet 5 yr Renewal		98.33	108.50	10.17	10%	standard	Discretionary
Additional Motif (Pink Granite Only)		82.50	91.00	8.50	10%	standard	Discretionary
Replacement Vase Tablet - New for Old		109.17	120.50	11.33	10%	standard	Discretionary
Replacement Vase Tablet - Double Name		144.17	159.00	14.83	10%	standard	Discretionary
Replacement Vase Insert		9.17	10.50	1.33	15%	standard	Discretionary
Photo Plaque (Vase Block Only)		76.67	84.50	7.83	10%	standard	Discretionary
Barbican Tablet - Text Only		237.50	261.50	24.00	10%	standard	Discretionary
Barbican - Text only Renewal		118.75	131.00	12.25	10%	standard	Discretionary
Barbican Tablet - Text with Artwork - from		295.83	325.50	29.67	10%	standard	Discretionary
Barbican - With Artwork - renewal		147.92	163.00	15.08	10%	standard	Discretionary
Barbican Tablet - Text With Photo plaque		316.67	348.50	31.83	10%	standard	Discretionary
Barbican - With Photo - Renewal		158.33	174.50	16.17	10%	standard	Discretionary
Memorial Seats	POA	-	0.00			standard	Discretionary
Seat Bases inc Secure Fittings		324.17	357.00	32.83	10%	standard	Discretionary
Planter Tablet 10yrs	Childrens Memorials	235.00	258.50	23.50	10%	standard	Discretionary
Planter Tablet 5yrs	Childrens Memorials	148.33	163.50	15.17	10%	standard	Discretionary
Kerb Tablet 10yrs	Childrens Memorials	235.00	258.50	23.50	10%	standard	Discretionary
Kerb Tablet 5yrs	Childrens Memorials	148.33	163.50	15.17	10%	standard	Discretionary
Additional Motif	Childrens Memorials	35.83	39.50	3.67	10%	standard	Discretionary
Childrens Bronze Replacement Plaque	Childrens Memorials	30.00	33.00	3.00	10%	standard	Discretionary
Rose Bushes/Shrubs (incl. Prong Plaque) (5yrs)	Shrubs/Roses/Trees	327.50	360.50	33.00	10%	standard	Discretionary
Rose Bushes/Shrubs Renewal	Shrubs/Roses/Trees	163.75	180.50	16.75	10%	standard	Discretionary
Trees 10yrs	Shrubs/Roses/Trees	599.17	659.50	60.33	10%	standard	Discretionary
Trees (renewal only) 10 yrs	Shrubs/Roses/Trees	299.58	330.00	30.42	10%	standard	Discretionary
Trees (renewal only) 5 yrs	Shrubs/Roses/Trees	152.50	168.00	15.50	10%	standard	Discretionary
Replacement Prong Plaque - New for Old	Shrubs/Roses/Trees	64.17	71.00	6.83	11%	standard	Discretionary
Replacement Prong Plaque - Double Name	Shrubs/Roses/Trees	80.83	89.00	8.17	10%	standard	Discretionary

Eastbourne Fees and Charges Proposals 2024/25			2023/2024		2024/25		VAT	Statutory/ Discretionary
			charge	Proposed Charge	Increase			
			£pence	£pence	£	%		
PRIVATE HOUSING								
5 Persons - shared house	Initial fees	941.00	1,035.50	94.50	10%	standard	Discretionary	
6 Persons - shared house	Initial fees	956.00	1,052.00	96.00	10%	standard	Discretionary	
7 Persons - shared house	Initial fees	971.00	1,068.50	97.50	10%	standard	Discretionary	
8 Persons - shared house	Initial fees	986.00	1,085.00	99.00	10%	standard	Discretionary	
9 Persons - shared house	Initial fees	1,001.00	1,101.50	100.50	10%	standard	Discretionary	
2 Bedsits - Bedsit type accommodation	Initial fees	1,060.00	1,166.00	106.00	10%	standard	Discretionary	
3 Bedsits - Bedsit type accommodation	Initial fees	1,120.00	1,232.00	112.00	10%	standard	Discretionary	
4 Bedsits - Bedsit type accommodation	Initial fees	1,180.00	1,298.00	118.00	10%	standard	Discretionary	
5 Bedsits - Bedsit type accommodation	Initial fees	1,239.00	1,363.00	124.00	10%	standard	Discretionary	
6 Bedsits - Bedsit type accommodation	Initial fees	1,300.00	1,430.00	130.00	10%	standard	Discretionary	
Up to 10 Persons - Hostel type accommodation	Initial fees	941.00	1,035.50	94.50	10%	standard	Discretionary	
11 to 20 Persons - Hostel type accommodation	Initial fees	1,239.00	1,363.00	124.00	10%	standard	Discretionary	
21 to 40 Persons - Hostel type accommodation	Initial fees	1,537.00	1,691.00	154.00	10%	standard	Discretionary	
41 to 60 Persons - Hostel type accommodation	Initial fees	1,835.00	2,018.50	183.50	10%	standard	Discretionary	
61 to 80 Persons - Hostel type accommodation	Initial fees	2,133.00	2,346.50	213.50	10%	standard	Discretionary	
More than 81 Persons - Hostel type accommodation	Initial fees	2,431.00	2,674.50	243.50	10%	standard	Discretionary	
5 Persons - shared house	Renewal fees	660.00	726.00	66.00	10%	standard	Discretionary	
6 Persons - shared house	Renewal fees	673.00	740.50	67.50	10%	standard	Discretionary	
7 Persons - shared house	Renewal fees	685.00	753.50	68.50	10%	standard	Discretionary	
8 Persons - shared house	Renewal fees	697.00	767.00	70.00	10%	standard	Discretionary	
9 Persons - shared house	Renewal fees	709.00	780.00	71.00	10%	standard	Discretionary	
2 Bedsits - Bedsit type accommodation	Renewal fees	757.00	833.00	76.00	10%	standard	Discretionary	
3 Bedsits - Bedsit type accommodation	Renewal fees	806.00	887.00	81.00	10%	standard	Discretionary	
4 Bedsits - Bedsit type accommodation	Renewal fees	854.00	939.50	85.50	10%	standard	Discretionary	
5 Bedsits - Bedsit type accommodation	Renewal fees	901.00	991.50	90.50	10%	standard	Discretionary	
6 Bedsits - Bedsit type accommodation	Renewal fees	950.00	1,045.00	95.00	10%	standard	Discretionary	
Up to 10 Persons - Hostel type accommodation	Renewal fees	660.00	726.00	66.00	10%	standard	Discretionary	
11 to 20 Persons - Hostel type accommodation	Renewal fees	901.00	991.50	90.50	10%	standard	Discretionary	
21 to 40 Persons - Hostel type accommodation	Renewal fees	1,143.00	1,257.50	114.50	10%	standard	Discretionary	
41 to 60 Persons - Hostel type accommodation	Renewal fees	1,384.00	1,522.50	138.50	10%	standard	Discretionary	
61 to 80 Persons - Hostel type accommodation	Renewal fees	1,625.00	1,787.50	162.50	10%	standard	Discretionary	
More than 81 Persons - Hostel type accommodation	Renewal fees	1,866.00	2,053.00	187.00	10%	standard	Discretionary	
Mobile Homes Act 2013								
Band A 2-5 units	New Application Fee	194.00	213.50	19.50	10%	standard	Discretionary	
Band B 6-24 units	New Application Fee	260.00	286.00	26.00	10%	standard	Discretionary	
Band C 25-99 units	New Application Fee	299.00	329.00	30.00	10%	standard	Discretionary	
Band D 100+ units	New Application Fee	351.00	386.50	35.50	10%	standard	Discretionary	
Band E single unit at family site	New Application Fee	111.00	122.50	11.50	10%	standard	Discretionary	
Band A 2-5 units	Transfer of site license	77.00	85.00	8.00	10%	standard	Discretionary	
Band B 6-24 units	Transfer of site license	77.00	85.00	8.00	10%	standard	Discretionary	
Band C 25-99 units	Transfer of site license	77.00	85.00	8.00	10%	standard	Discretionary	
Band D 100+ units	Transfer of site license	77.00	85.00	8.00	10%	standard	Discretionary	
Band E single unit at family site	Transfer of site license	28.00	31.00	3.00	11%	standard	Discretionary	
Band A 2-5 units	Variation of site license	115.00	126.50	11.50	10%	standard	Discretionary	
Band B 6-24 units	Variation of site license	115.00	126.50	11.50	10%	standard	Discretionary	
Band C 25-99 units	Variation of site license	115.00	126.50	11.50	10%	standard	Discretionary	
Band D 100+ units	Variation of site license	115.00	126.50	11.50	10%	standard	Discretionary	
Band E single unit at family site	Variation of site license	56.00	62.00	6.00	11%	standard	Discretionary	
Band A 2-5 units	Annual Fee	130.00	143.00	13.00	10%	standard	Discretionary	
Band B 6-24 units	Annual Fee	154.00	169.50	15.50	10%	standard	Discretionary	
Band C 25-99 units	Annual Fee	191.00	210.50	19.50	10%	standard	Discretionary	
Band D 100+ units	Annual Fee	234.00	257.50	23.50	10%	standard	Discretionary	
Band E single unit at family site	Annual Fee	-	-	-	-	standard	Discretionary	
Deposit of park rules with LA (not applicable to single unit)		65.00	71.50	6.50	10%	standard	Discretionary	
ENVIRONMENTAL HEALTH LICENSING								
Acupuncture, tattooing ear piercing and electrolysis	Personal	90.00	94.50	4.50	5%	exempt	Discretionary	
Acupuncture, tattooing ear piercing and electrolysis	Premises	140.00	147.00	7.00	5%	exempt	Discretionary	
Acupuncture, tattooing ear piercing and electrolysis	Personal and Premises	230.00	241.50	11.50	5%	exempt	Discretionary	
Amendment to registered premises		-	-	-	-	exempt	Discretionary	
Replacement certificate		-	-	-	-	exempt	Discretionary	
MISCELLANEOUS LICENSING								
Street Trading	Application Fee	25.00	26.25	1.25	5%	exempt	Discretionary	
Street Trading	Daily rate	30.00	31.50	1.50	5%	exempt	Discretionary	
Street Trading	Weekly Rate	175.00	183.75	8.75	5%	exempt	Discretionary	
Street Trading	Annual Rate	475.00	498.75	23.75	5%	exempt	Discretionary	
Market Operators	New for 2023/24	475.00	498.75	23.75	5%	exempt	Discretionary	
Pavement Licences	New for 2023/24	75.00	78.75	3.75	5%	exempt	Discretionary	
Concessions	Event by a charity (inc street collections)							
Scrap Metal Dealers Act 2013	Site Licence - New	375.00	375.00	0.00	0%	exempt	Discretionary	
Scrap Metal Dealers Act 2014	Site Licence - Renewal	375.00	375.00	0.00	0%	exempt	Discretionary	
Scrap Metal Dealers Act 2015	Collector - New	255.00	255.00	0.00	0%	exempt	Discretionary	
Scrap Metal Dealers Act 2016	Collector - Renewal	255.00	255.00	0.00	0%	exempt	Discretionary	
Scrap Metal Dealers Act 2017	Licence Variation	75.00	75.00	0.00	0%	exempt	Discretionary	
Stage Hypnotism	Not listed					exempt	Discretionary	
Sex Establishments	Initial Grant of Licence	3,600.00	3,600.00	0.00	0%	exempt	Discretionary	
Sex Establishments	Annual Renewal	2,050.00	2,050.00	0.00	0%	exempt	Discretionary	
Sex Establishments	Variation	1,800.00	1,800.00	0.00	0%	exempt	Discretionary	
Zoo Licensing Act 1981	Not listed					exempt	Discretionary	
Guard Dogs Act 1975	Not listed					exempt	Discretionary	
Dangerous Wild Animals Act 1976	Vet fee +	750.00	750.00	0.00	0%	exempt	Discretionary	

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
TAXI LICENSING							
Knowledge Test Hackney & Private Hire Retest		50.00	52.50	2.50	5%	exempt	Discretionary
Drivers License Application Fee including DBS check and English language Test		226.50	237.50	11.00	5%	exempt	Discretionary
Hackney Carriage and Private Hire Driver's Licence	Renewal - 3 years	350.00	367.50	17.50	5%	exempt	Discretionary
Additional DBS fee		144.00	151.00	7.00	5%	exempt	Discretionary
Hackney Carriage and / or Private Hire Vehicle Licence		185.00	195.00	10.00	5%	exempt	Discretionary
Private Hire Operator Licence	5 Year up to 5 Vehicles	350.00	350.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 6 - 10 Vehicles	550.00	550.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 11 - 20 Vehicles	800.00	800.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 21 - 40 Vehicles	1,300.00	1,300.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 41 - 80 Vehicles	2,280.00	2,280.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 81-100 Vehicles	2,800.00	2,800.00	0.00	0%	exempt	Discretionary
Private Hire Operator Licence	5 Year 101+ Vehicles	3,500.00	3,500.00	0.00	0%	exempt	Discretionary
New / Replacement of Lost /Damaged Licence Plates	External	44.50	46.50	2.00	4%	exempt	Discretionary
New / Replacement of Lost /Damaged Licence Plates	Internal	11.00	11.55	0.55	5%	exempt	Discretionary
New / Replacement Doorsigns		27.50	28.50	1.00	4%	exempt	Discretionary
Replacement of Driver's Badge		11.00	11.55	0.55	5%	exempt	Discretionary
Transfer of Licence Plate to Different Vehicle	Hackney	41.50	43.50	2.00	5%	exempt	Discretionary
Transfer of Licence Plate to Different Vehicle	Private Hire	41.50	43.50	2.00	5%	exempt	Discretionary
Transfer of Ownership	Hackney	41.50	43.50	2.00	5%	exempt	Discretionary
Transfer of Ownership	Private Hire	41.50	43.50	2.00	5%	exempt	Discretionary
LICENSING ACT 2003							
Premises Licence and Club Premises Certificates - Licence fees are linked to non-domestic rateable value of the premises							
Annual Charge	Band A	100.00	100.00	0.00	0%	exempt	Discretionary
Annual Charge	Band B	190.00	190.00	0.00	0%	exempt	Discretionary
Annual Charge	Band C	315.00	315.00	0.00	0%	exempt	Discretionary
Annual Charge	Band D	450.00	450.00	0.00	0%	exempt	Discretionary
Annual Charge	Band E	635.00	635.00	0.00	0%	exempt	Discretionary
Annual Charge	Band A	70.00	70.00	0.00	0%	exempt	Discretionary
Annual Charge	Band B	180.00	180.00	0.00	0%	exempt	Discretionary
Annual Charge	Band C	295.00	295.00	0.00	0%	exempt	Discretionary
Annual Charge	Band D	320.00	320.00	0.00	0%	exempt	Discretionary
Annual Charge	Band E	350.00	350.00	0.00	0%	exempt	Discretionary
Minor variation application		89.00	89.00	0.00	0%	exempt	Discretionary
Dis Application DPS		23.00	23.00	0.00	0%	exempt	Discretionary
Personal Licence		37.00	37.00	0.00	0%	exempt	Discretionary
Tempory Event Notice		21.00	21.00	0.00	0%	exempt	Discretionary
Theft, loss etc of premises licence summary		10.50	10.50	0.00	0%	exempt	Discretionary
Application for a provisional statement where premises being built etc.		315.00	315.00	0.00	0%	exempt	Discretionary
Notice of change of name or address		10.50	10.50	0.00	0%	exempt	Discretionary
Application to vary a licence to specify individual as Designated Premises Supervisor		23.00	23.00	0.00	0%	exempt	Discretionary
Application for transfer of Premises Licence		23.00	23.00	0.00	0%	exempt	Discretionary
Interim authority notice following death etc. of licence holder		23.00	23.00	0.00	0%	exempt	Discretionary
Theft, loss etc. of certificate or summary		10.50	10.50	0.00	0%	exempt	Discretionary
Notification of change of name or alteration of rules of club		10.50	10.50	0.00	0%	exempt	Discretionary
Change of relevant registered address of club		10.50	10.50	0.00	0%	exempt	Discretionary
Theft, loss etc. of Tempory Event Notice		10.50	10.50	0.00	0%	exempt	Discretionary
Theft, loss etc. of Personal Licence		10.50	10.50	0.00	0%	exempt	Discretionary
Duty to notify of change of name or address		10.50	10.50	0.00	0%	exempt	Discretionary
Right of freeholder etc. to be notified of licensing matters		21.00	21.00	0.00	0%	exempt	Discretionary
Premises Licenses Additional Fees							Where the number of people that the applicant allows on the premises at any one time is 5,000 or more an additional fee will be
ANIMAL WELFARE							
Animal Welfare Regs 2018 Dog Day Care		250.00	262.50	12.50	5%	exempt	Discretionary
Animal Welfare Regs 2018 Sale of animals		277.50	291.38	13.88	5%	exempt	Discretionary
Animal Welfare Regs 2018 Breeding Dogs	Vet Fee + 1st inspection only	277.50	291.38	13.88	5%	exempt	Discretionary
Animal Welfare Regs 2018 Cat and Dog Home Boarding	Vet Fee + 1st inspection only	250.00	262.50	12.50	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (upto 10)	Vet Fee + 1st inspection only	277.50	291.38	13.88	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (between 11and 20)	Vet Fee + 1st inspection only	350.00	367.50	17.50	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (More than 20)	Vet Fee + 1st inspection only	460.00	483.00	23.00	5%	exempt	Discretionary
Animal Wefare Regs 2018 Keeping or training animals	Vet Fee + 1st inspection only	161.00	169.05	8.05	5%	exempt	Discretionary
Animal Welfare Regs 2018 Dog Day Care	ADDITIONAL ACTIVITY	76.50	80.33	3.83	5%	exempt	Discretionary
Animal Welfare Regs 2018 Sale of animals	ADDITIONAL ACTIVITY	101.00	106.05	5.05	5%	exempt	Discretionary
Animal Welfare Regs 2018 Breeding Dogs	ADDITIONAL ACTIVITY	112.00	117.60	5.60	5%	exempt	Discretionary
Animal Welfare Regs 2018 Cat and Dog Home Boarding	ADDITIONAL ACTIVITY	65.50	68.78	3.28	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (upto 10)	ADDITIONAL ACTIVITY	118.50	124.43	5.93	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (between 11 and 20)	ADDITIONAL ACTIVITY	136.50	143.33	6.83	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (More than 20)	ADDITIONAL ACTIVITY	278.50	292.43	13.93	5%	exempt	Discretionary
Animal Wefare Regs 2018 Keeping or training animals	ADDITIONAL ACTIVITY	51.00	53.55	2.55	5%	exempt	Discretionary
Animal Welfare Regs 2018 Dog Day Care	PLV	153.00	160.65	7.65	5%	exempt	Discretionary
Animal Welfare Regs 2018 Sale of animals	PLV	160.00	168.00	8.00	5%	exempt	Discretionary
Animal Welfare Regs 2018 Breeding Dogs	PLV	125.00	131.25	6.25	5%	exempt	Discretionary
Animal Welfare Regs 2018 Cat and Dog Home Boarding	PLV	180.00	189.00	9.00	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (up to 10)	PLV	196.50	206.33	9.83	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (between 11 and 20)	PLV	338.50	355.43	16.93	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (More than 20)	PLV	161.00	169.05	8.05	5%	exempt	Discretionary
Animal Wefare Regs 2018 Keeping or training animals	PLV	127.50	133.88	6.38	5%	exempt	Discretionary
Animal Welfare Regs 2018 Dog Day Care	RESCORE	127.50	133.88	6.38	5%	exempt	Discretionary
Animal Welfare Regs 2018 Sale of animals	RESCORE	112.00	117.60	5.60	5%	exempt	Discretionary
Animal Welfare Regs 2018 Breeding Dogs	RESCORE	123.00	129.15	6.15	5%	exempt	Discretionary
Animal Welfare Regs 2018 Cat and Dog Home Boarding	RESCORE	100.00	105.00	5.00	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (up to 10)	RESCORE	130.00	136.50	6.50	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (between 11 and 20)	RESCORE	147.50	154.88	7.38	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (More than 20)	RESCORE	290.00	304.50	14.50	5%	exempt	Discretionary
Animal Wefare Regs 2018 Keeping or training animals	RESCORE					exempt	Discretionary
Animal Welfare Regs 2018 Dog Day Care	APPEAL	91.00	95.55	4.55	5%	exempt	Discretionary
Animal Welfare Regs 2018 Sale of animals	APPEAL	79.00	82.95	3.95	5%	exempt	Discretionary

Eastbourne Fees and Charges Proposals 2024/25		2023/2024		2024/25		VAT	Statutory/ Discretionary
		charge	Proposed Charge	Increase			
		£pence	£pence	£	%		
Animal Welfare Regs 2018 Breeding Dogs	APPEAL	96.50	101.33	4.83	5%	exempt	Discretionary
Animal Welfare Regs 2018 Cat and Dog Home Boarding	APPEAL	66.50	69.83	3.33	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (up to 10)	APPEAL	96.50	101.33	4.83	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (between 11 and 20)	APPEAL	114.50	120.23	5.73	5%	exempt	Discretionary
Animal Welfare Regs 2018 Horses (More than 20)	APPEAL	256.50	269.33	12.83	5%		
Animal Welfare Regs 2018 Keeping or training animals	APPEAL						
GAMBLING ACT 2003							
Lotteries (Statutory Fee)	Initial	40.00	40.00	0.00	0%	exempt	Discretionary
Lotteries (Statutory Fee)	Renewal	20.00	20.00	0.00	0%	exempt	Discretionary
Notify Licensing Authority of intention to provide a maximum of	Gaming Machines	50.00	50.00	0.00	0%	exempt	Discretionary
New licensed premises gaming permit	Gaming Machines	150.00	150.00	0.00	0%	exempt	Discretionary
Vary an existing licensed premises gaming permit	Gaming Machines	100.00	100.00	0.00	0%	exempt	Discretionary
Transfer an existing licensed premises gaming permit	Gaming Machines	25.00	25.00	0.00	0%	exempt	Discretionary
Annual Fee (Permits over 2 machines)	Gaming Machines	50.00	50.00	0.00	0%	exempt	Discretionary
Annual Fee	Bingo Premises Licence	800.00	800.00	0.00	0%	exempt	Discretionary
Application to vary a licence	Bingo Premises Licence	1,500.00	1,500.00	0.00	0%	exempt	Discretionary
Application to transfer a licence	Bingo Premises Licence	1,000.00	1,000.00	0.00	0%	exempt	Discretionary
Application for reinstatement of a licence	Bingo Premises Licence	1,000.00	1,000.00	0.00	0%	exempt	Discretionary
Application for provisional statement	Bingo Premises Licence	2,700.00	2,700.00	0.00	0%	exempt	Discretionary
Application for a new premises licence	Bingo Premises Licence	2,700.00	2,700.00	0.00	0%	exempt	Discretionary
Application for a new premises licence (Provisional Statement)	Bingo Premises Licence	1,000.00	1,000.00	0.00	0%	exempt	Discretionary
Annual Fee	Adult gaming centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application to vary a licence	Adult gaming centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application to transfer a licence	Adult gaming centre premises licence	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Application for reinstatement of a licence	Adult gaming centre premises licence	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Application for provisional statement	Adult gaming centre premises licence	1,500.00	1,650.00	150.00	10%	exempt	Discretionary
Application for a new premises licence	Adult gaming centre premises licence	1,500.00	1,650.00	150.00	10%	exempt	Discretionary
Application for a new premises licence (Provisional Statement)	Adult gaming centre premises licence	1,500.00	1,650.00	150.00	10%	exempt	Discretionary
Application for a new permit	Club Gaming/Machine Permit	200.00	220.00	20.00	10%	exempt	Discretionary
Application for a permit (Club Premises Certificate Holder)	Club Gaming/Machine Permit	100.00	110.00	10.00	10%	exempt	Discretionary
Application for a permit (Existing Operator))	Club Gaming/Machine Permit	100.00	110.00	10.00	10%	exempt	Discretionary
Application to vary a permit	Club Gaming/Machine Permit	100.00	110.00	10.00	10%	exempt	Discretionary
Renewal	Club Gaming/Machine Permit	200.00	220.00	20.00	10%	exempt	Discretionary
Renewal (Club Premises Certificate Holder)	Club Gaming/Machine Permit	100.00	110.00	10.00	10%	exempt	Discretionary
Annual Fee	Club Gaming/Machine Permit	50.00	55.00	5.00	10%	exempt	Discretionary
Copy of Permit	Club Gaming/Machine Permit	15.00	16.50	1.50	10%	exempt	Discretionary
Annual Fee	Betting premises (Track licence)	800.00	880.00	80.00	10%	exempt	Discretionary
Application to vary a licence	Betting premises (Track licence)	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Application to transfer a licence	Betting premises (Track licence)	800.00	880.00	80.00	10%	exempt	Discretionary
Application for reinstatement of a licence	Betting premises (Track licence)	800.00	880.00	80.00	10%	exempt	Discretionary
Application for provisional statement	Betting premises (Track licence)	2,000.00	2,200.00	200.00	10%	exempt	Discretionary
Application for a new premises licence	Betting premises (Track licence)	2,000.00	2,200.00	200.00	10%	exempt	Discretionary
Application for a new premises licence (Provisional Statement)	Betting premises (Track licence)	800.00	880.00	80.00	10%	exempt	Discretionary
Annual Fee	Betting premises (other) licence	500.00	550.00	50.00	10%	exempt	Discretionary
Application to vary a licence	Betting premises (other) licence	1,200.00	1,320.00	120.00	10%	exempt	Discretionary
Application to transfer a licence	Betting premises (other) licence	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Application for reinstatement of a licence	Betting premises (other) licence	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Application for provisional statement	Betting premises (other) licence	2,300.00	2,530.00	230.00	10%	exempt	Discretionary
Application for a new premises licence	Betting premises (other) licence	2,300.00	2,530.00	230.00	10%	exempt	Discretionary
Application for a new premises licence (Provisional Statement)	Betting premises (other) licence	1,000.00	1,100.00	100.00	10%	exempt	Discretionary
Temporary use notice	Betting premises (other) licence	250.00	275.00	25.00	10%	exempt	Discretionary
Annual Fee	Family entertainment centre premises licence	600.00	660.00	60.00	10%	exempt	Discretionary
Application to vary a licence	Family entertainment centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application to transfer a licence	Family entertainment centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application for reinstatement of a licence	Family entertainment centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application for provisional statement	Family entertainment centre premises licence	1,500.00	1,650.00	150.00	10%	exempt	Discretionary
Application for a new premises licence	Family entertainment centre premises licence	1,500.00	1,650.00	150.00	10%	exempt	Discretionary
Application for a new premises licence (Provisional Statement)	Family entertainment centre premises licence	800.00	880.00	80.00	10%	exempt	Discretionary
Application for a new permit	Family Entertainment Centre Gaming Machine P	300.00	330.00	30.00	10%	exempt	Discretionary
Renewal	Family Entertainment Centre Gaming Machine P	300.00	330.00	30.00	10%	exempt	Discretionary
Application to Substitute name	Family Entertainment Centre Gaming Machine P	25.00	27.50	2.50	10%	exempt	Discretionary
Copy of permit	Family Entertainment Centre Gaming Machine P	15.00	16.50	1.50	10%	exempt	Discretionary

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Agenda Item 12

Report to:	Scrutiny Committee
Date:	5 February 2024
Title:	Treasury Management Strategy, Investment Strategy, Capital Strategy and Prudential Indicators 2024/25
Report of:	Homira Javadi, Director of Finance and Performance (Chief Finance Officer – S151 Officer)
Cabinet member:	Councillor Robin Maxted, Cabinet Member for Finance and Resources
Ward(s):	All
Purpose of the report:	To approve the Council’s Annual Treasury Management Strategy, Capital Strategy & Investment Strategy together with the Treasury and Prudential Indicators.
Decision type:	Budget and policy framework
Recommendation:	Cabinet is asked to recommend the following proposals to full Council to: <ul style="list-style-type: none">a. Approve the Treasury Management Strategy and Annual Investment Strategy for 2024/25 as set out in Appendix A;b. Approve the Minimum Revenue Provision Policy Statement 2024/25 (Appendix A);c. Approve the Prudential and Treasury Indicators 2024/25 to 2026/27 (Appendix A);d. Approve the Capital Strategy 2024/25 (Appendix B).
Reasons for recommendations:	It is a requirement within the budget setting process for the Council to review and approve the Prudential and Treasury indicators, Treasury Strategy, Investment Strategy and Capital Strategy.
Recommendations to the Scrutiny Committee:	The Scrutiny Committee is asked to note the report.
Contact Officer:	Ross Sutton, Head of Financial Reporting Telephone: 07591 988346 E-mail address: ross.sutton@lewes-eastbourne.gov.uk

1. Introduction

- 1.1. The Prudential and Treasury Indicators and Treasury Strategy covers:
 - the capital prudential indicators;
 - the Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
 - an investment strategy (the parameters on how investments management);
 - Capital Strategy.
- 1.2. The Council has adopted CIPFA's Treasury Management code of Practice and this code is supported by treasury management practices (TMPs) that set out the manner in which the council seeks to achieve the treasury management strategy and prescribes how it manages and controls those activities.
- 1.3. CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 1.4. The Council will continue to regularly review the position on its long-term borrowing requirement, its affordability and the capital financing costs impact on the Council future financial planning. Borrowing will only be undertaken for temporary liquidity or to fund the capital programme and will be undertaken as necessary in accordance with the 2024/25 borrowing strategy. The Council will continue to assess all financing options when making long term borrowing decisions to achieve best financial value for the Council.
- 1.5. CIPFA has published the updated Treasury Management and Prudential Codes, and has stated that after a soft introduction of the Codes, Local Authorities are expected to fully implement the required reporting changes within the Treasury Management Strategy reports from 2024/25.
- 1.6. The Department for Levelling Up, Housing and Communities (DLUHC) is proposing to tighten up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has already closed access to all PWLB borrowing if such schemes are included in an authority's capital programme. The new CIPFA codes have adopted a similar outlook to discourage further capital expenditure on commercial investments for yield. DLUHC is also conducting a consultation on amending MRP regulations/guidance for England. The latest information is that any changes will take effect from 2025/26 at the earliest.

- 1.7. Prudential Code – a number of changes have been implemented for CIPFA Code revisions for the 2023/24 financial year as follows:
- a. Adopting a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;
 - b. Long-term treasury investments, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
 - c. Pooled funds are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
 - d. Amendment to the knowledge and skills register for officers and members involved in the treasury management function;
 - e. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly.
 - f. Environmental, social and governance (ESG) issues to be addressed within an authority's treasury management policies and practices.

- 1.8. This report includes the Capital Strategy (Appendix B), which provides a longer-term focus on the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The aim of the capital strategy is to ensure that all elected members on the Full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite. The Capital Strategy covers the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed;
 - the implications for future financial sustainability.

Potential impact on climate change and the environment

- 1.9. Fund managers will be required to consider ESG (Environmental, Social and Governance) factors in their investment process. All the fund managers would be expected to have signed up to the UN Principles for Responsible Investment (PRI). PRI argues that active participation in ESG and exercising shareholder rights on this basis can help to improve the performance of companies which may otherwise not address such concerns and so being an engaged corporate stakeholder is a more effective way to bring about change in corporate behaviour on ethical issues. Further requirements from those identified above are not practical given the limited ability to directly influence any immediate change in the financial markets.

- 1.10. The Council recognises the importance of supporting sustainability and ethical investments and as part of future investment strategy, consideration will be given to potential opportunities to invest in environmentally focussed instruments or organisations locally and/or countrywide. 'Ethical, Social and Governance' (ESG) investment criteria will be considered and, where viable in adherence to the policies laid out in this strategy, will only be entered into following satisfactory assessment of the instrument and/or organisation. This will ensure the Council complies with the CIPFA investment guidance that makes it clear that all investing must prioritise security, liquidity and yield (SLY) principles and that ethical issues are subordinate.

Policy on the use of external providers

- 1.11. The Council uses Link Market Services as its external treasury management advisor, and recognises that responsibility for treasury management decisions remains with the Council at all times. It also recognises that there is value in employing external providers of treasury management services in order to have access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2. End of year investment report

- 2.1. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

3. Outcome expected and performance management

- 3.1. Loans, Investments and Prudential Indicators will be monitored regularly during 2024/25 and performance will be reported to members quarterly.

4. Financial appraisal

- 4.1. These are included in the main body of the report.

5. Legal implications

- 5.1. This report covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

6. Equality analysis

- 6.1. No impact.

7. Minimum Revenue Provision (MRP)

- 7.1. The Council has adopted an annuity method, under this methodology, MRP will be lower in the early years and increase over time. This is considered a prudent approach as it reflects the time value of money (i.e. the impact of inflation) as well as providing a charge that is better matched to how the benefits of the asset financed by borrowing are consumed over its useful life. That is, a method that reflects the fact that asset deterioration is slower in the early years of an asset and accelerates towards the latter years. The MRP Policy Statement (Section 2.5 of TMSS) reflects this policy.

8. Conclusion

- 8.1. Capital prudential indicators are set to demonstrate plans for borrowing are affordable. The movement in the Capital Financing Requirement (CFR) forecasts for 2024/25, 2025/26 and 2026/27 are set as £9.2m, £4.1m, and £14.7m respectively. This borrowing has been reflected in the Capital Financing Requirement, which sets out the Council's outlining requirement for borrowing, and includes both the use of internal resources and external borrowing.
- 8.2. The Minimum Revenue Provision Policy has been updated to ensure that prudent provision is made for the repayment of borrowing.
- 8.3. All Treasury indicators have been set to reflect the treasury strategy and funding requirements of the capital programme.

Appendices

- A** Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy
- B** Capital Strategy

Background papers

The background papers used in compiling this report were as follows:

- CIPFA Prudential Code and Guidance Notes
- CIPFA Treasury Management Code and Guidance Notes
- Treasury Management Strategy Statement 2023/24
- Treasury Management Practices
- Council Budget 7 February 2024
- Treasury Monitoring Reports 2023/24
- CIPFA Prudential Property Investment

To inspect or obtain copies of background papers please refer to the contact officer listed above.

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Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Eastbourne Borough Council
2024/25

INDEX

1.1	Background	3
1.2	Reporting Requirements	3
1.3	Treasury Management Strategy for 2024/25	4
1.4	Training	5
1.5	Banking Services	6
1.6	IFRS 16 Leasing	6
1.7	IFRS 9 Financial Instruments.....	6
1.8	Treasury Management Consultants	6
2.	THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27	7
2.1	Capital Expenditure and Financing	7
2.2	The Council’s Borrowing Need (the Capital Financing Requirement).....	7
2.3	Liability Benchmark	9
2.4	Core Funds and Expected Investment Balances	10
2.5	Minimum Revenue Provision (MRP) Policy Statement	11
3.	BORROWING	12
3.1	Current Portfolio Position	12
3.2	Treasury Indicators: Limits to Borrowing Activity	14
3.3	Prospects for Interest Rates	15
3.4	Borrowing Strategy	17
3.5	Policy on Borrowing in Advance of Need.....	18
3.6	Rescheduling	18
3.7	New Financial Institutions as a Source of Borrowing / Types of Borrowing	18
3.8	Approved Sources of Long and Short-term Borrowing.....	19
4	ANNUAL INVESTMENT STRATEGY	20
4.1	Investment Policy – Management of Risk	20
4.2	Creditworthiness Policy	22
4.3	Limits	25
4.4	Investment Strategy	25
4.5	Environmental, Social & Governance (ESG) Considerations	27
4.6	Investment Performance / Risk Benchmarking.....	27
4.7	End of Year Investment Report	27
4.8	External Fund Managers	27
5	APPENDICES	28
5.1	THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27 ...	29
5.2	ECONOMIC BACKGROUND	31
5.3	COUNTERPARTY LIST	35
5.4	APPROVED COUNTRIES FOR INVESTMENTS	41
5.5	TREASURY MANAGEMENT SCHEME OF DELEGATION.....	42
5.6	THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER	43
5.7	GLOSSARY.....	44

1.1 Background

The Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report)
 - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, the Council will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit and Governance Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee.

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling

- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, the Code states that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, the Council should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and council members.
- Require treasury management officers and council members to undertake self-assessment against the required competencies.
- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’.

Treasury Management training was provided to members of the Audit and Governance Committee on 27 November 2023 by its external treasury management advisors. The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Director of Finance and Performance. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Director of Finance and Performance.

1.5 Banking Services

Lloyds Bank currently provides banking services for the Council.

1.6 IFRS 16 Leasing

The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. The new standard requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments.

1.7 IFRS 9 Financial Instruments

The DLUHC enacted a statutory over-ride from 1/4/18 for a five-year period until 31/3/23 following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31/3/23: this was intended to allow authorities to initiate an orderly withdrawal of funds if required. In addition, IFRS9 impacts the write-down in the valuation of impaired loans. The override has now been extended for a further two years to 31/3/25.

1.8 Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

Where the Council undertake non-treasury investments, e.g., investment in commercial properties, it will use specialist property advisers.

2. THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Cap Exp £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	6,854	20,811	15,397	6,344	3,164
HRA	12,850	17,141	15,418	12,276	25,420
Total	19,704	37,952	30,815	18,620	28,584

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital receipts	802	92	-	-	-
Capital grants	2,701	12,970	10,794	4,104	1,754
Capital Reserves	-	-	-	-	-
Revenue	-	-	-	-	-
Net financing need for the year	3,351	7,749	4,603	2,240	1,410

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council does not currently have such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Financing Requirement					
GF	137,840	144,052	146,731	146,768	145,766
HRA	50,944	53,524	60,099	64,194	79,853
Total CFR	188,784	197,576	206,830	210,962	225,619
Movement in CFR		8,792	9,254	4,132	14,657

Movement in CFR represented by					
Net financing need for the year (above)	6,085	10,329	11,178	6,335	17,069
Less MRP/VRP	-	(1,537)	(1,924)	(2,203)	(2,412)
Loans Repaid	(191)	-	-	-	-
Movement in CFR	5,894	8,792	9,254	4,132	14,657

External borrowing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA	2,734	2,580	6,575	4,095	15,659
General Fund					
Housing	-	-	-	-	-
Loans to Housing Companies	506	890	466	-	-
Regeneration	495	926	250	350	100
Asset Management	1,810	1,860	2,180	365	35
Service Delivery	121	2,596	1,017	695	575
Tourism and Culture	-	-	35	-	-
Information Technology	39	263	250	250	250
Digital Transformation	-	1,214	255	430	450
Corporate	380	-	150	150	-
Total General Fund	3,351	7,749	4,603	2,240	1,410
Total	6,085	10,329	11,178	6,335	17,069

External borrowing £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Treasury Management	-	-	-	-	-

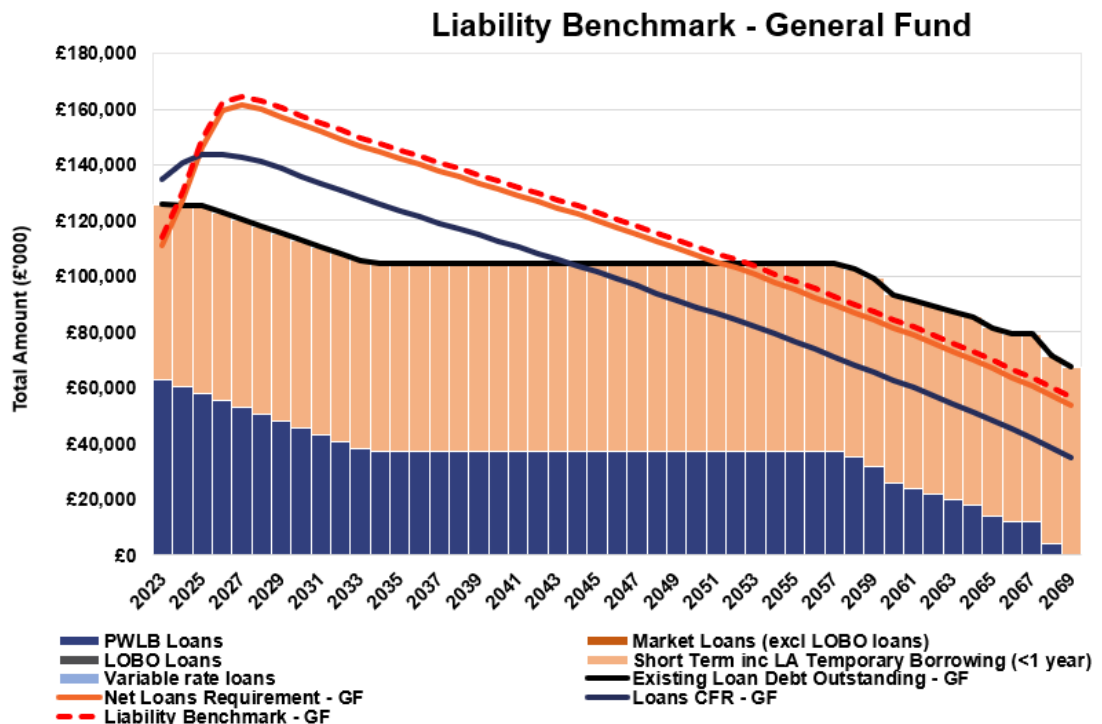
Treasury Management would be the externalisation of internal borrowing and re-financing.

2.3 Liability Benchmark

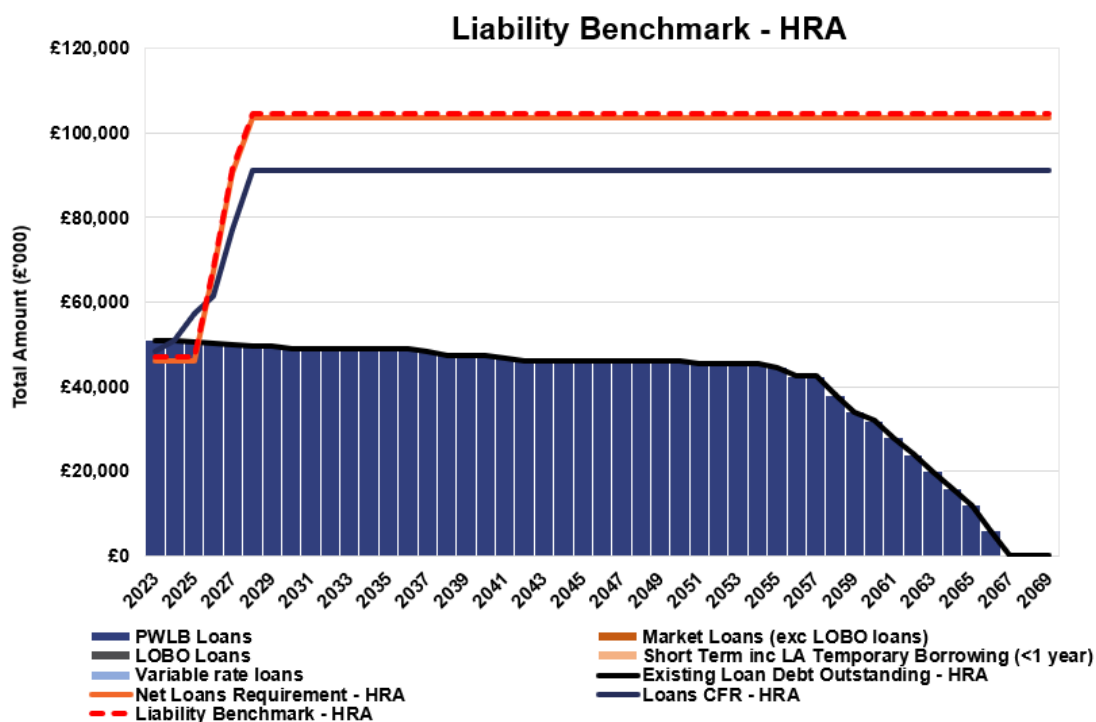
The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.



The graph provides a comparison of the existing loan portfolio against committed borrowing needs. This is to evidence an understanding of the existing debt maturity profile and how MRP and other cash flows affect the future debt requirement. If actual loans are less than the benchmark there is a future borrowing requirement.



2.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances / reserves	25,726	31,005	28,569	24,957	16,528
Capital receipts	1,423	257	1,006	1,804	962
Provisions	393	313	233	153	75
Other	-	-	-	-	-
Total core funds	27,542	31,575	29,808	26,914	17,565
Working capital*					
Under/over borrowing**					
Expected investments					

*Working capital balances are estimated at year-end and may be higher mid-year.

2.5 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

The Council is recommended to approve the following MRP Statement.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

Asset life method (annuity) – MRP will be based on a maximum of 50 years.

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

Asset life method (annuity) – MRP will be based on the estimated life of the assets.

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. There are no cumulative VRP overpayments made to date.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31/3/23 and for the position as at 31/12/23 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual 31/3/23 £000	Actual 31/3/23 %	Current 31/12/23 £000	Current 31/12/23 %
Treasury investments				
Banks (see detail below)	4,112	100%	4,891	100%
Building societies - unrated	-	-	-	-
Building societies - rated	-	-	-	-
Local authorities	-	-	-	-
DMADF (H.M.Treasury)	-	-	-	-
Money Market Funds	-	-	-	-
Certificates of Deposit	-	-	-	-
Total managed in house	4,112	100%	4,981	100%
Bond Funds	-	-	-	-
Property Funds	-	-	-	-
Total managed externally	-	-	-	-
Total treasury investments	4,112	100%	4,981	100%
Treasury external borrowing				
Local Authorities	63,000	35.6%	65,000	36.6%
PWLB	113,784	64.4%	112,557	63.4%
Market Loans	-	-	-	-
LOBOs	-	-	-	-
Total external borrowing	179,784	100%	177,557	100%
Net treasury investments / (borrowing)	(172,672)		(172,666)	

TREASURY INVESTMENTS				
	Actual 31/3/23	Actual 31/3/23	Current 31/12/23	Current 31/12/23
Banks	£000	%	£000	%
Lloyds	1,112	27%	3,691	75%
Santander	3,000	73%	1,200	25%
Total	4,112	100%	4,891	100%

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt					
Debt at 1 April	160,237	176,784	178,910	185,532	189,627
Expected change in Debt	16,547	2,126	6,622	4,095	15,659
Other long-term liabilities (OLTL)	-	-	-	-	-
Expected change in OLTL	-	-	-	-	-
Actual gross debt at 31 March	176,784	178,910	185,532	189,627	205,286
Capital Financing Requirement	188,784	197,576	206,830	210,962	225,619
Under / (over) borrowing	12,000	18,666	21,298	21,335	20,333

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance and Performance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	217,100	227,210	237,850	242,610
Other long-term liabilities	-	5,000	5,100	5,200
Total	217,100	232,210	242,950	247,810

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt	226,540	237,090	248,200	253,150
Other long-term liabilities	-	5,500	5,610	5,720
Total	226,540	242,590	253,810	258,870

3.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08 January 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

The MPC are keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. Rate cuts are expected to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness). Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged. In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

PWLB RATES

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. Currently there is a c70 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is even (not downside or upside).

Downside risks to current forecasts for UK gilt yields and PWLB rates include: -

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- The Bank of England has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- Geopolitical risks, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates: -

- Despite the tightening in Bank Rate to 5.25%, the Bank of England allows inflationary pressures to remain elevated for a long period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, which may prove inflationary, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

LINK GROUP FORECASTS

It is expected the MPC will keep Bank Rate at 5.25% until the second half of 2024 to combat on-going inflationary and wage pressures, even if they have dampened somewhat of late. It is not thought that the MPC will increase Bank Rate above 5.25%.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation continues to fall through 2024.

Target borrowing rates are set two years forward (expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 08.01.24 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	4.53%	3.70%	3.80%
10 years	4.67%	3.90%	3.80%
25 years	5.19%	4.20%	4.20%
50 years	4.97%	4.00%	4.00%

Borrowing advice: The long-term (beyond 10 years) forecast for Bank Rate remains at 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to factor in Base Rate reductions for 2024 and later.

The proposed budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.55%	4.70%
2025/26	3.10%	3.20%
2026/27	3.00%	3.00%
2027/28	3.25%	3.25%
Years 6 to 10	3.25%	3.25%
Years 10+	3.25%	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

The interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, Link continue to monitor events and will update their forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Director of Finance and Performance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. If rescheduling is to be undertaken, it will be reported to the Council, at the earliest meeting following its action.

3.7 New Financial Institutions as a Source of Borrowing / Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Examples include the UK Municipal Bonds Agency and UK Infrastructure Bank.

Link will inform as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals mainly with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered further in the Capital Strategy report.

The Council's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. The Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.3 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £2m.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. The Council will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. The Council has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored on an on-going basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The counterparties in which the Council will invest its cash surpluses is based on officer's assessment of investment security, risk factors, market intelligence, a diverse but manageable portfolio and their participation in the local authority market. The table below summarises the types of specified investment counterparties available to the Council, and the maximum amount and maturity periods placed on each of these. Further details are contained in the Appendix 5.3.

Criteria for Specified Investments:

	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	Term Deposits (TD)	unlimited	1 yr
Government Treasury bills	UK	TD	unlimited	1 yr
UK Local Authorities	UK	TD	£10m	1 yr
Lloyds Banking Group • Lloyds Bank • Bank of Scotland	UK	TD (including callable deposits), Certificate of Deposits (CD's)	£10m	1 yr
RBS/NatWest Group • Royal Bank of Scotland • NatWest	UK		£5m	1 yr
HSBC	UK		£5m	1 yr
Barclays	UK		£5m	1 yr
Santander	UK		£5m	6 mths
Goldman Sachs Investment Bank	UK		£5m	6 mths
Standard Chartered Bank	UK		£5m	6 mths
Nationwide Building Society	UK		£5m	6 mths
Coventry Building Society	UK		£5m	6 mths
Money Market Funds (MMF)	UK/Ireland/ EU domiciled		AAA rated Money Market Funds	£10m per fund
Counterparties in select countries (non-UK) with a Sovereign Rating of at least AA+				
Australia & New Zealand Banking Group	Australia	TD / CD's	£5m	1 yr
Commonwealth Bank of Australia	Australia	TD / CD's	£5m	1 yr

	Country/ Domicile	Instrument	Maximum investments	Max. maturity period
National Australia Bank	Australia	TD / CD's	£5m	1 yr
Westpac Banking Corporation	Australia	TD / CD's	£5m	1 yr
Royal Bank of Canada	Canada	TD / CD's	£5m	1 yr
Toronto-Dominion Bank	Canada	TD / CD's	£5m	1 yr
Development Bank of Singapore	Singapore	TD / CD's	£5m	1 yr
Overseas Chinese Banking Corp	Singapore	TD / CD's	£5m	1 yr
United Overseas Bank	Singapore	TD / CD's	£5m	1 yr
Svenska Handelsbanken	Sweden	TD / CD's	£5m	1 yr
Nordea Bank AB	Sweden	TD / CD's	£5m	1 yr
ABN Amro Bank	Netherlands	TD / CD's	£5m	1 yr
Cooperative Rabobank	Netherlands	TD / CD's	£5m	1 yr
ING Bank NV	Netherlands	TD / CD's	£5m	1 yr
DZ Bank AG	Germany	TD / CD's	£5m	1 yr
UBS AG	Switzerland	TD / CD's	£5m	1 yr
Credit Suisse AG	Switzerland	TD / CD's	£5m	1 yr
Danske Bank	Denmark	TD / CD's	£5m	1 yr

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Non-Specified investments are any other types of investment that are not defined as specified. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out in the table below:

	Minimum credit criteria	Maximum investments	Period
UK Local Authorities	Government Backed	£2m	2 years
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 years

The maximum amount that can be invested will be monitored in relation to the Council surplus monies and the level of reserves. The approved counterparty list will be maintained by referring to an up-to-date credit rating agency reports, and the Council will liaise regularly with brokers for updates. Counterparties may be added to or removed from the list only with the approval of the Chief Finance Officer. A detailed list of specified and non-specified investments that form the counterparty list is shown in Appendix 5.3.

UK Local Authorities - Should a suitable opportunity in the market occur to lend to other Local Authorities of more than a 1-year duration, at a reasonable level of return the deal would be classed as a low risk Non-Specified Investment.

4.3 Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments.
- b. **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no more than £5m will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.4 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to have peaked at 5.25%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.55%
2025/26	3.10%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Changes of investment strategy

There are several alternative types of investment opportunity. This could involve the use of some of the following instruments as a different approach to how and where monies are invested in more traditional money markets.

- Ultra-Short Dated Bond Funds;
- Corporate Bonds - direct, passive and active external management (including Short Dated Bond Funds);
- Multi Asset Funds;
- Property Funds;
- Equity Funds.

Currently, these are not part of the Council’s investment strategy and involve taking on a different level of risk to that which members have approved in the past. If any of the instruments were to be considered, a separate report would be provided to include an explanation that enables members to understand the rationale and the change in risk exposure involved.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
£m	2024/25	2025/26	2026/27
Principal sums invested for longer than 365 days	£2m	£2m	£2m

4.5 Environmental, Social & Governance (ESG) Considerations

ESG issues are increasingly significant for investors and investment managers. However, this is better developed in equity and bond markets than for short-term cash deposits, and there is a diversity of market approaches to ESG classification and analysis. This means that a consistent and developed approach to ESG for public service organisations is currently difficult. The Council would need to develop its own ESG investment policy consistent with its own relevant policies, such as environmental and climate change policies. There is exposure to ESG risk and how well these risks would be managed would need to be evaluated. Many fund managers are unable to report accurately on the degree to which their funds/products are ESG compliant. The Council is currently making use of green/sustainable cash deposits where available.

4.6 Investment Performance / Risk Benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to historic default tables.

Liquidity – in respect of this area the Council seeks to maintain a limits for: -

- Bank overdraft;
- Liquid short-term deposits available with a week's notice
- Weighted average life benchmark.

Yield - local measures of yield benchmarks.

4.7 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.8 External Fund Managers

All investments are currently managed in-house and there are no funds externally managed on either a discretionary / pooled basis by fund managers.

5 APPENDICES

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Counterparty list
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Capital Expenditure

Capital expenditure £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	6,854	20,811	15,397	6,344	3,164
HRA	12,850	17,141	15,418	12,276	25,420
Total	19,704	37,952	30,815	18,620	28,584

5.1.2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators: -

Ratio of Financing Costs to Net Revenue Stream – General Fund

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs), against the net revenue stream.

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
GF	18.2%	35.6%	34.4%	29.2%	29.0%

Ratio of Financing Costs to Rental Income - HRA

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs) plus depreciation, against total rental income.

%	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
HRA	54.2%	44.0%	43.6%	44.3%	46.5%

The estimates of financing costs include current commitments and the proposals in this budget report.

5.1.3 Maturity Structure of Borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits: -

Maturity structure of fixed interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	40%
2 years to 5 years	0%	60%
5 years to 10 years	0%	70%
10 years +	0%	90%

5.1.4. Control of Interest Rate Exposure

Please see paragraphs 3.3, 3.4 and 4.4.

5.2 ECONOMIC BACKGROUND

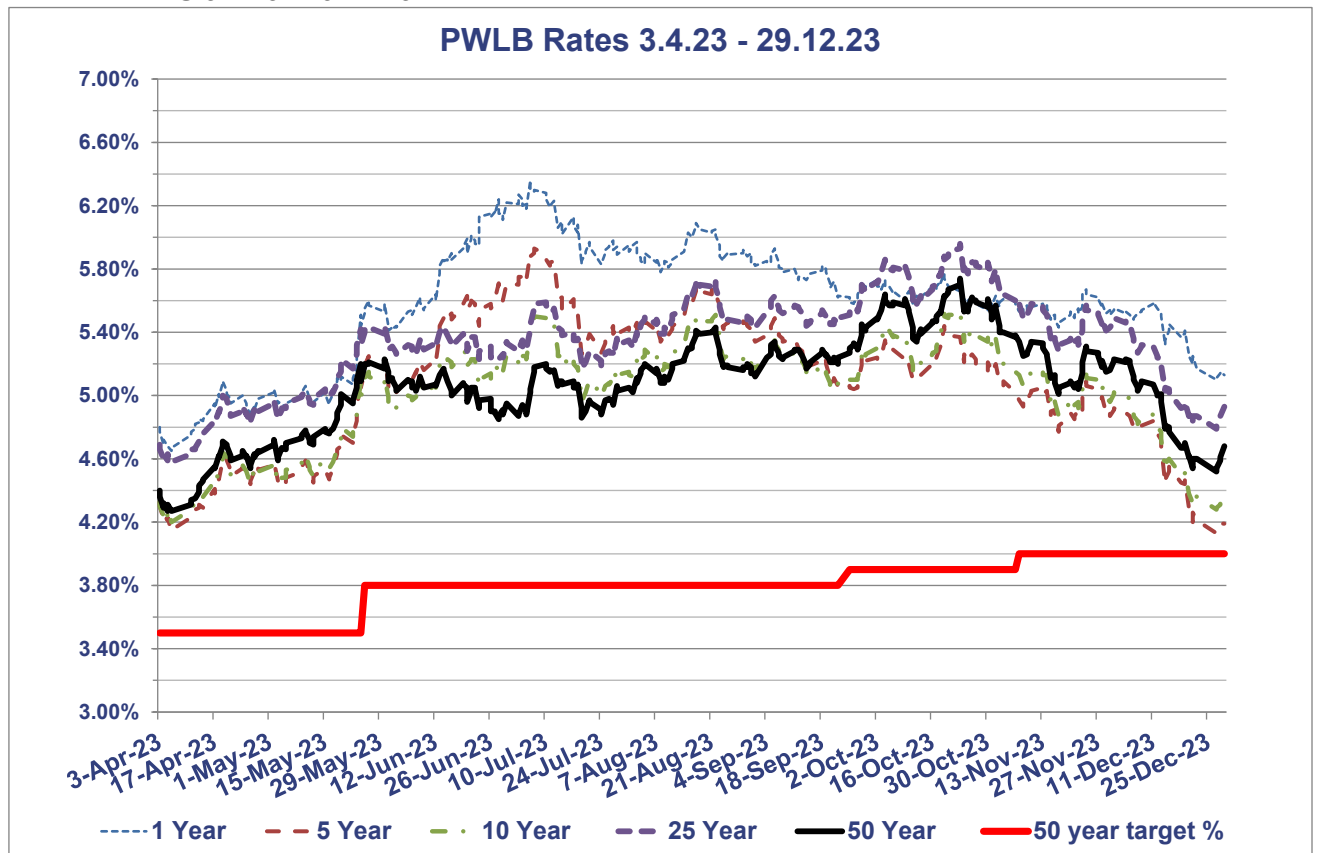
- The third quarter of 2023/24 saw:
 - A 0.3% m/m decline in real GDP in October, potentially partly due to unseasonably wet weather, but also due to the ongoing drag from higher interest rates. Growth for the second quarter, ending 30th September, was revised downwards to -0.1% and growth on an annual basis was also revised downwards, to 0.3%;
 - A sharp fall in wage growth, with the headline 3myy rate declining from 8.0% in September to 7.2% in October, although the ONS “experimental” rate of unemployment has remained low at 4.2%;
 - CPI inflation continuing on its downward trajectory, from 8.7% in April to 4.6% in October, then again to 3.9% in November;
 - Core CPI inflation decreasing from April and May’s 31 years’ high of 7.1% to 5.1% in November, the lowest rate since January 2022;
 - The Bank of England holding Bank Rate at 5.25% in November and December;
 - A steady fall in 10-year gilt yields as investors revised their interest rate expectations lower.
- The revision of GDP data in Q2 to a 0.1% q/q fall may mean the mildest of mild recessions has begun. Indeed, real GDP in October fell 0.3% m/m which does suggest that the economy may stagnate again in Q3. The weakness in October may partly be due to the unseasonably wet weather. That said, as the weakness was broad based it may also be the case that the ongoing drag from higher interest rates is more than offsetting any boost from the rise in real wages.
- However, the rise in the flash composite activity Purchasing Managers Index, from 50.7 in November to 51.7 in December, did increase the chances of the economy avoiding a contraction in Q3. The improvement was entirely driven by the increase in the services activity balance from 50.9 to 52.7. (Scores above 50 point to expansion in the economy, although only tepid in this instance.) The press release noted that this was primarily driven by a revival in consumer demand in the technological and financial services sectors. This chimes with the further improvement in the GfK measure of consumer confidence in December, from -24 to -22. The services PMI is now consistent with non-retail services output growing by 0.5% q/q in Q3, but this is in stark contrast to the manufacturing sector where the output balance slumped from 49.2 to 45.9 and, at face value, the output balance is consistent with a 1.5% q/q fall in manufacturing output in Q3.
- The 0.3% m/m fall in retail sales volumes in October means that after contracting by 1.0% q/q (which was downwardly revised from -0.8% q/q) in Q2, retail activity remained weak at the start of Q3. That suggests higher interest rates are taking a bigger toll on real consumer spending.
- Higher interest rates have filtered through the financial channels and weakened the housing market but, overall, it remains surprisingly resilient with the Halifax house price index recently pointing to a 1.7% year on year increase whilst Nationwide’s December data pointed to a -1.8% year on year decrease. However, the full weakness in real consumer spending and real business investment has yet to come as currently it is estimated that around two thirds to a half of the impact of higher interest rates on household interest payments has yet to be felt.
- Overall, we expect real GDP growth to remain subdued throughout 2024 as the drag from higher interest rates is protracted but a fading of the cost-of-living crisis and interest rate cuts in the second half of 2024 will support a recovery in GDP growth in 2025.

- The labour market remains tight by historical standards, but the sharp fall in wage growth seen in October will reinforce the growing belief in markets that interest rates will be cut mid-2024. Wage growth eased in October much faster than the consensus expected. Total earnings fell by 1.6% m/m, which meant the headline 3myy rate eased from 8.0% in September to 7.2% in October. This news will be welcomed by the Bank of England. Indeed, the timelier three-month annualised rate of average earnings growth fell from +2.4% to -1.2%. Excluding bonuses, it fell from 5.3% to 2.0%. Furthermore, one of the Bank's key barometers of inflation persistence, regular private sector pay growth, dropped from 7.9% 3myy to 7.3%, which leaves it comfortably on track to fall to 7.2% by December, as predicted by the Bank in November.
- The fall in wage growth occurred despite labour demand being stronger in October than expected. The three-month change in employment eased only a touch from +52,000 in September to +50,000 in October. But resilient labour demand was offset by a further 63,000 rise in the supply of workers in the three months to October. That meant labour supply exceeded its pre-pandemic level for the first time, and the unemployment rate remained at 4.2% in October. In the three months to November, the number of job vacancies fell for the 17th month in a row, from around 959,000 in October to around 949,000. That has reduced the vacancy to unemployment ratio as demand for labour eases relative to supply, which may support a further easing in wage growth in the coming months.
- CPI inflation fell from 6.7% in September to 4.6% in October, and then again to 3.9% in November. Both these falls were bigger than expected and there are clear signs of easing in domestic inflationary pressures. The fall in core CPI inflation from 5.7% to 5.1% in November was bigger than expected (consensus forecast 5.6%). That's the lowest rate since January 2022. Some of the decline in core inflation was due to the global influence of core goods inflation, which slowed from 4.3% to 3.3%. But some of it was due to services inflation falling from 6.6% to 6.3%. The Bank views the latter as a key barometer of the persistence of inflation and it came in further below the Bank's forecast of 6.9% in its November Monetary Policy Report. This will give the Bank more confidence that services inflation is now on a firmly downward path.
- The Bank of England sprung no surprises with its December monetary policy committee (MPC) meeting, leaving interest rates at 5.25% for the third time in a row and pushing back against the prospect of near-term interest rate cuts. The Bank continued to sound hawkish, with the MPC maintaining its tightening bias saying that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures". And it stuck to the familiar script, saying that policy will be "sufficiently restrictive for sufficiently long" and that "monetary policy is likely to need to be restrictive for an extended period of time". In other words, the message is that the MPC is not yet willing to endorse investors' expectations that rates will be cut as soon as May 2024.
- Looking ahead, our colleagues at Capital Economics forecast that the recent downward trends in CPI and core inflation will stall over the next few months before starting to decline more decisively again in February. That explains why we think the Bank of England won't feel comfortable cutting interest rates until H2 2024.
- The fall in UK market interest rate expectations in December has driven most of the decline in 10-year gilt yields, which have fallen in line with 10-year US Treasury and euro-zone yields. 10-year gilt yields have fallen from 4.68% in October 2023 to around 3.70% in early January, with further declines likely if the falling inflation story is maintained.
- Investors' growing expectations that the Fed will cut interest rates soon has led to an improvement in risk sentiment, which has boosted the pound and other risky assets. In addition, the rise in the pound, from \$1.21 in November to \$1.27 now, has also been supported by the recent relative decline in UK wholesale gas prices.

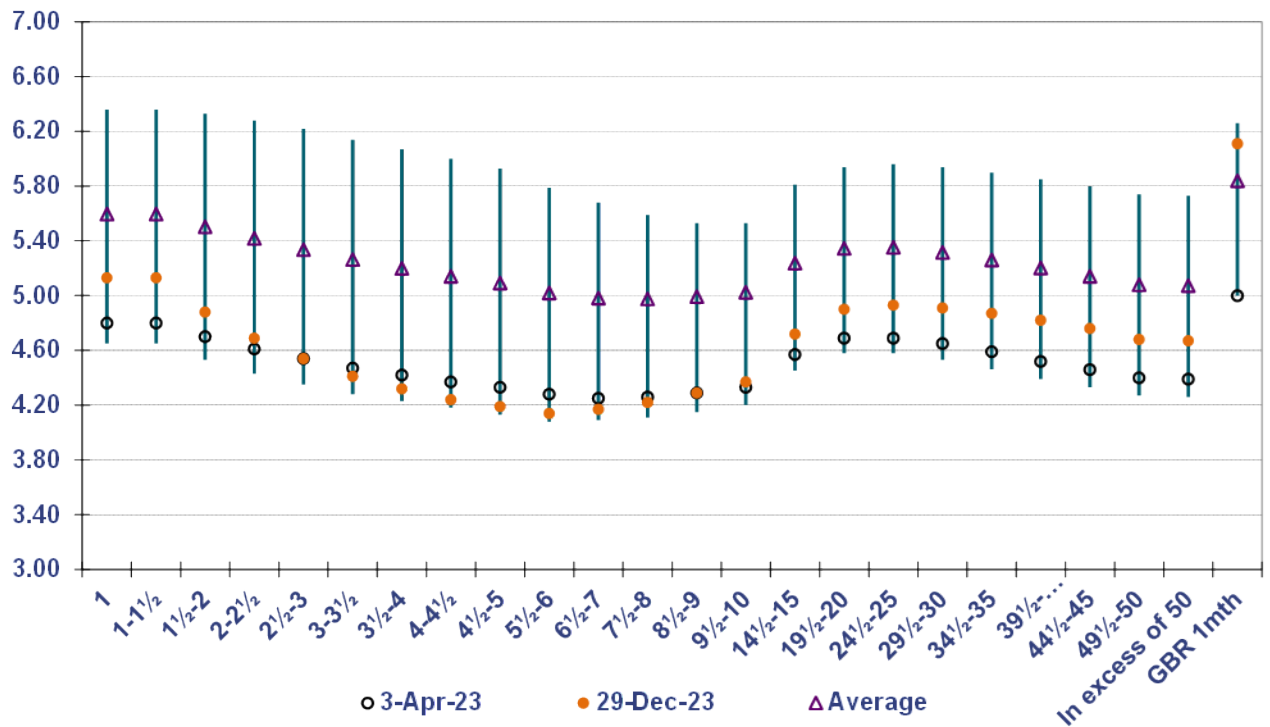
- The further fall in 10-year real gilt yields in December has supported the recent rise in the FTSE 100. That said, the index remains 5% below its record high in February 2023. This modest rise in equities appears to have been mostly driven by strong performances in the industrials and rate-sensitive technology sectors. But UK equities have continued to underperform US and euro-zone equities. The FTSE 100 has risen by 2.2% in December, while the S&P 500 has risen by 3.8%. This is partly due to lower energy prices, which have been a relatively bigger drag on the FTSE 100, due to the index's high concentration of energy companies.

In the chart below, the rise in gilt yields across the curve in the first half of 2023/24, and therein PWLB rates, is clear to see, prior to the end of year rally based on a mix of supportive domestic and international factors.

PWLB RATES 3.4.23 - 29.12.23



PWLB Certainty Rate Variations 3.4.23 to 29.12.23



HIGH/LOW/AVERAGE PWLB RATES FOR 3.4.23 – 29.12.23

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.60%	5.09%	5.03%	5.35%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

MPC meetings 2nd November and 14th December 2023

- On 2nd November, the Bank of England’s Monetary Policy Committee (MPC) voted to keep Bank Rate on hold at 5.25%, and on 14th December reiterated that view. Both increases reflected a split vote, the latter by 6 votes to 3, with the minority grouping voting for an increase of 0.25% as concerns about “sticky” inflation remained in place.
- Nonetheless, with UK CPI inflation now at 3.9%, and core inflating beginning to moderate (5.1%), markets are voicing a view that rate cuts should begin in Q1 2024/25, some way ahead of the indications from MPC members. Of course, the data will be the ultimate determinant, so upcoming publications of employment, wages and inflation numbers will be of particular importance, and on-going volatility in Bank Rate expectations and the gilt yield curve can be expected.
- In addition, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has kept short-term rates in the range of 5.25%-5.50%, whilst the ECB has moved its Deposit rate to a probable peak of 4%. Markets currently expect both central banks to start cutting rates in 2024.

5.3 COUNTERPARTY LIST

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Australia	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	17.62	In Range	Not Applicable	
Australia and New Zealand Banking Group Ltd.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	40.38	In Range	O - 12 mths	
Commonwealth Bank of Australia	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	41.29	In Range	O - 12 mths	
Macquarie Bank Ltd.	SB	A	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
National Australia Bank Ltd.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	42.36	In Range	O - 12 mths	
Westpac Banking Corp.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths	46.36	In Range	O - 12 mths	
Belgium	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	16.50	In Range	Not Applicable	
BNP Paribas Fortis	SB	A+	F1	a+	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
KBC Bank N.V.	SB	A+	F1	a	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Canada	SB	AA+				SB	Aaa		SB	AAA		Not Applicable	Not Applicable			Not Applicable	
Bank of Montreal	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Bank of Nova Scotia	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Canadian Imperial Bank of Commerce	SB	AA-	F1+	aa-	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
National Bank of Canada	SB	A+	F1	a+	WD	PO	Aa3	P-1	SB	A	A-1	R - 6 mths	O - 12 mths			O - 12 mths	
Royal Bank of Canada	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Toronto-Dominion Bank	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Denmark	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	9.49	In Range	Not Applicable	
Danske A/S	SB	A+	F1	a+	WD	PO	A2	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	45.18	In Range	R - 6 mths	
Finland	SB	AA+				SB	Aa1		SB	AA+		Not Applicable	Not Applicable	17.49	In Range	Not Applicable	
Nordea Bank Abp	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
OP Corporate Bank plc		WD	WD		WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
France	SB	AA-				SB	Aa2		NO	AA		Not Applicable	Not Applicable	12.49	In Range	Not Applicable	
BNP Paribas	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	48.73	In Range	O - 12 mths	
Credit Agricole Corporate and Investment Bank	SB	A+	F1	WD	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Credit Agricole S.A.	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	44.27	In Range	O - 12 mths	
Credit Industriel et Commercial	SB	A+	F1	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Societe Generale	PO	A-	F1	a-	WD	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	57.21	In Range	R - 6 mths	
Germany	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	12.50	In Range	Not Applicable	
Bayerische Landesbank	SB	A-	F1	bbb+	WD	PO	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths			R - 6 mths	
Commerzbank AG		WD	WD	WD	WD	SB	A1	P-1	PO	A-	A-2	R - 6 mths	R - 6 mths	66.21	In Range	R - 6 mths	
Deutsche Bank AG	SB	A-	F2	a-	WD	SB	A1	P-1	SB	A	A-1	R - 6 mths	R - 6 mths	90.07	In Range	R - 6 mths	
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	SB	AA-	F1+		WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Landesbank Baden-Wuerttemberg	SB	A-	F1	bbb+	WD	SB	Aa3	P-1		NR	NR	R - 6 mths	R - 6 mths			R - 6 mths	
Landesbank Berlin AG						SB	Aa3	P-1				O - 12 mths	O - 12 mths			O - 12 mths	
Landesbank Hessen-Thueringen Girozentrale	SB	A+	F1+		WD	SB	Aa3	P-1		NR	NR	O - 12 mths	O - 12 mths	67.81	In Range	O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Landwirtschaftliche Rentenbank	SB	AAA	F1+		WD	SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Norddeutsche Landesbank Girozentrale	SB	A-	F1	bb	WD	PO	A3	P-2		NR	NR	G - 100 days	G - 100 days			G - 100 days	
NRW.BANK	SB	AAA	F1+		WD	SB	Aa1	P-1	SB	AA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Netherlands	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	10.99	In Range	Not Applicable	
ABN AMRO Bank N.V.	SB	A	F1	a	WD	SB	Aa3	P-1	SB	A	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
BNG Bank N.V.	SB	AAA	F1+		WD	SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Cooperatieve Rabobank U.A.	SB	A+	F1	a+	WD	SB	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	28.68	In Range	O - 12 mths	
ING Bank N.V.	SB	AA-	F1+	a+	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	36.29	In Range	O - 12 mths	
Nederlandse Waterschapsbank N.V.						SB	Aaa	P-1	SB	AAA	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Norway	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	9.99	In Range	Not Applicable	
DNB Bank ASA						SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Qatar	PO	AA-				PO	Aa3		SB	AA		Not Applicable	Not Applicable	45.64	In Range	Not Applicable	
Qatar National Bank	PO	A	F1	bbb+	WD	SB	Aa3	P-1	SB	A+	A-1	R - 6 mths	O - 12 mths	85.64	In Range	O - 12 mths	
Singapore	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable			Not Applicable	
DBS Bank Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Oversea-Chinese Banking Corp. Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
United Overseas Bank Ltd.	SB	AA-	F1+	aa-	WD	SB	Aa1	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
Sweden	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	11.99	In Range	Not Applicable	
Skandinaviska Enskilda Banken AB	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Svenska Handelsbanken AB	SB	AA	F1+	aa	WD	NO	Aa2	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
Swedbank AB	SB	AA-	F1+	aa-	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Switzerland	SB	AAA				SB	Aaa		SB	AAA		Not Applicable	Not Applicable	8.16	In Range	Not Applicable	
UBS AG	SB	A+	F1	a	WD	NO	Aa2	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	55.17	In Range	O - 12 mths	
United Arab Emirates	SB	AA				SB	Aa2		SB	AA		Not Applicable	Not Applicable	41.17	In Range	Not Applicable	
First Abu Dhabi Bank PJSC	SB	AA-	F1+	a-	WD	SB	Aa3	P-1	SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
United Kingdom	NO	AA-				SB	Aa3		SB	AA		Not Applicable	Not Applicable	25.46	In Range	Not Applicable	
Collateralised LA Deposit*												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Debt Management Office												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Multilateral Development Banks												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Supranationals												Y - 60 mths	Y - 60 mths			Y - 60 mths	
UK Gilts												Y - 60 mths	Y - 60 mths			Y - 60 mths	
Al Rayan Bank Plc						NO	A1	P-1				R - 6 mths	R - 6 mths			R - 6 mths	
Bank of Scotland PLC (RFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	44.28	In Range	R - 6 mths	
Barclays Bank PLC (NRFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	84.08	In Range	R - 6 mths	
Barclays Bank UK PLC (RFB)	SB	A+	F1	a	WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths			R - 6 mths	
Close Brothers Ltd	NO	A-	F2	a-	WD	SB	Aa3	P-1				R - 6 mths	R - 6 mths			R - 6 mths	
Clydesdale Bank PLC	PO	A-	F2	bbb+	WD	SB	A3	P-2	SB	A-	A-2	G - 100 days	G - 100 days			G - 100 days	
Co-operative Bank PLC (The)	SB	BB	B	bb-	WD	PO	Ba1	NP				N/C - 0 mths	N/C - 0 mths			N/C - 0 mths	
Goldman Sachs International Bank	SB	A+	F1		WD	SB	A1	P-1	SB	A+	A-1	R - 6 mths	R - 6 mths	65.69	In Range	R - 6 mths	
Handelsbanken Plc	SB	AA	F1+		WD				SB	AA-	A-1+	O - 12 mths	O - 12 mths			O - 12 mths	
HSBC Bank PLC (NRFB)	SB	AA-	F1+	a	WD	SB	A1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	45.69	In Range	O - 12 mths	

	Fitch Rating					Moody's Ratings			S&P Ratings								
	Long Term Status	Long Term	Short Term	Viability	Support	Long Term Status	Long Term	Short Term	Long Term Status	Long Term	Short Term	Suggested Duration	Suggested Duration (Watch/Outlook Adjusted)	CDS Price	CDS Status	Suggested Duration (CDS Adjusted with manual override)	
United States	SB	AA+				NO	Aaa		SB	AA+		Not Applicable	Not Applicable	42.79	In Range	Not Applicable	
Bank of America N.A.	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Bank of New York Mellon, The	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	AA-	A-1+	P - 24 mths	P - 24 mths			P - 24 mths	
Citibank N.A.	SB	A+	F1	a	WD	SB	Aa3	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	60.92	In Range	O - 12 mths	
JPMorgan Chase Bank N.A.	SB	AA	F1+	aa-	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths			O - 12 mths	
Wells Fargo Bank, NA	SB	AA-	F1+	a+	WD	NO	Aa1	P-1	SB	A+	A-1	O - 12 mths	O - 12 mths	60.90	In Range	O - 12 mths	

Yellow	Purple	Blue	Orange	Red	Green	No Colour
Up to 5yrs	Up to 2yrs	Up to 1yr (semi nationalised UK bank NatWest/RBS)	Up to 1yr	Up to 6 months	Up to 100 days	Not to be used

Watches and Outlooks: SB- Stable Outlook; NO- Negative Outlook; NW- Negative Watch; PO- Positive Outlook; PW- Positive Watch; EO- Evolving Outlook; EW- Evolving Watch; WD- Rating Withdrawn.

Non-Specified Investments:			
	Minimum credit Criteria	Maximum Investments	Period
UK Local Authorities	Government Backed	£2m	2 years
Green Energy Bonds	Internal and External Due Diligence	£2m	2-5 years

5.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- U.K.

5.5 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Governance Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.6 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council;
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ;
- ensuring that members are adequately informed and understand the risk exposures taken on by the Council;
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non-treasury investments will be carried out and managed, to include risk management, performance management and measurement, decision making, governance and organisation, reporting and management information and training and qualifications.

5.7 GLOSSARY

Terms	Descriptions
A (Fitch) Rating	Fitch Ratings publishes credit ratings that are forward-looking opinions on the relative ability of an entity or obligation to meet financial commitments. <i>A: High credit quality.</i> 'A' rating denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets.
Borrowing	Usually refers to the stock of outstanding loans owed, and bonds issued.
CFR	Capital Financing Requirement. A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
CIPFA	The Chartered Institute of Public Finance and Accountancy (CIPFA) is a UK-based international accountancy membership and standard-setting body. The only such body globally dedicated to public financial management.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.
Covered bond	Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.

Terms	Descriptions
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
DLUHC	Department for Levelling Up, Housing and Communities (<i>formerly known as Ministry of Housing, Communities and Local Government - MHCLG</i>).
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government’s debt and investments.
Equity	An investment which usually confers ownership and voting rights.
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA.
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.
Income Return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
GILT	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LIBOR	London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Phased out in 2022.
LOBO	Lender’s Option Borrower’s option.
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to Constant Net Asset Value (CNAV) and Low Volatility Net Asset Value (LVNAV) funds with a Weighted Average Maturity (WAM) under 60 days which offer instant access, but the European Union definition extends to include cash plus funds.
MPC	The Monetary Policy Committee (MPC) decides what monetary policy action the Bank of England will take to keep inflation low and stable.
OBR	The Office for Budget Responsibility was created to provide independent and authoritative analysis of the UK's public finances. It is one of a growing number of official independent fiscal watchdogs around the world.
PMI	Purchasing Managers' Index (PMI) - a composite PMI is the weighted average of manufacturing and service sector PMIs for a given geography or economy, produced by IHS Markit. Weights are derived from official data relating to each sector's contribution to GDP (value added).

Terms	Descriptions
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Quantitative easing (QE)	Process by which central banks directly increase the quantity of money in the economy to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money.
S & P 500	The S&P 500 (also known as the Standard & Poor's 500) is a registered trademark of the joint venture S&P Dow Jones Indices. It is a stock index that consists of the 500 largest companies in the U.S. and is generally considered the best indicator of how U.S. stocks are performing overall.
SME	SME finance is the funding of small and medium-sized enterprises and represents a major function of the general business finance market – in which capital for different types of firms are supplied, acquired, and costed or priced.
SONIA	Sterling overnight interest average – a benchmark interest rate for overnight deposits.
Short-dated	Usually means less than one year.
TMSS	Treasury Management Strategy Statement.
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.

Capital Strategy Statement

Eastbourne Borough Council

2024/25+

CONTENTS

Section		Page
1.	Introduction	3
2.	Capital Expenditure and Financing	3
3.	Asset Management	6
4.	Treasury Management	6
5.	Investments for Service Purposes	10
6.	Commercial Investments	11
7.	Other Liabilities	13
8.	Revenue Implications	13
9.	Prioritisation Principles and Obligations to deliver a scheme	15
10.	Knowledge and Skills	16
11.	CFO Statement	17
12.	Capital Programme Oversight Board	18

Capital Strategy

1) Introduction

- 1.1 This Capital Strategy provides high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services in Eastbourne Borough Council (EBC), along with an overview of how associated risk is managed and the implications for future financial sustainability. It has purposely been written in an accessible style to enhance understanding of what can be very technical areas, and the key objectives are to deliver a capital programme that:
- Ensure the Council's capital assets are used to support the Council's vision;
 - Reduce ongoing commitments/schemes;
 - Reduce the current and projected level of borrowing;
 - Reduce borrowing impacts on the Council's revenue budget;
 - Increase capital programme partnership/support opportunities;
 - Links with the Council's asset management/disposal plan;
 - Is affordable, financially prudent and sustainable;
 - Ensure the most cost-effective use of existing assets and new capital investment.
- 1.2 The Capital Strategy is a 'living document' and will be periodically, usually annually, updated to reflect changing local circumstances and other significant developments. The Strategy outlines the council's approach to capital investment, ensuring that it is in line with the council's corporate priorities. It is good practice that capital strategy and asset management/disposal plans are regularly reviewed and revised to meet the changing priorities and circumstances of the Council.
- 1.3 The strategy provides an important link between the ambitions set out in the Council's longer-term vision and Council Plan and the important investment in infrastructure that will help turn that vision into a reality. There are economic and financial challenges post Covid-19. However, the Council is committed to investing now for the longer term and financing that commitment will be made possible by the Council's financial resilience that continue to be developed through various themes and ongoing initiatives, including –
- Recovery and Reset Programme, Best use of Assets review, Stability and Growth;
 - Medium Term Financial Strategy;
 - Prudential Code and Treasury Management Code

2. Capital Expenditure and Financing

2.1 Expenditure

- 2.1.1 Capital expenditure occurs when the Council spends money on assets such as property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below a de-minimis level are not capitalised and are charged to revenue in year.
- 2.1.2 Further details on the capitalisation policy can be found in the Council's Statement of Accounts.

2.1.3 In 2024/25, the Council is planning capital expenditure of £30.8 million (and £75.5m over the following three years) as summarised in Table 1 below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

Capital Expenditure	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
General Fund	17,572	14,381	5,664	2,604	2,415
Housing Revenue Account (HRA)	17,141	15,418	12,276	25,420	25,884
Service Investments - Loans (including subsidiary companies)	2,944	1,016	680	560	-
Commercial Investments	-	-	-	-	-
Service Investments	295	-	-	-	-
TOTAL	37,952	30,815	18,620	28,584	28,299

2.1.4 The main General Fund capital projects scheduled for 2024/25+ are as follows:

- Levelling Up Fund – Black Robin Farm, Victoria Place Pedestrianisation, Towner Centenary Project
- Bandstand and Promenade
- Redoubt
- Sovereign Centre
- Coast Defences and Beach Management

The main Service Investment capital projects scheduled for 2024/25+ are as follows:

- Hampden Retail Park
- Loans to Subsidiary Companies - Housing and Waste

2.1.5 Commercial Investments are primarily for financial return. Service Investments are taken or held primarily and directly for the delivery of public services rather than commercial gain. Some projects may include elements of both purposes, so a judgment is made on the primary purpose.

2.1.6 The HRA is a ring-fenced account which ensures that the Council's housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes £26m allocated to the New Build & Acquisitions programme and £53m to Major Improvements over 2024/25 – 2027/28 forecast period.

2.2 Governance

2.2.1 The evaluation, prioritisation and acceptance of capital schemes onto the Capital Programme is carried out in accordance with strict criteria that ensures that added schemes reflect Council priorities and can be delivered within available resources (e.g. due priority is given to schemes yielding savings and/or generating income as well as meeting a Council priority).

2.2.2 The draft Capital Programme is subject to formal scrutiny prior to setting the budget (and followed by Cabinet and Full Council approval).

2.3 Financing

2.3.1 All capital expenditure must be financed, either from external sources (Government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is presented in **Table 2** below.

Table 2: Capital Financing Sources

	2023/24	2024/25	2025/26	2026/27	2027/28
	Forecast	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
External sources (Grants and Contributions)	15,956	11,331	4,540	1,754	3,567
Own resources (Capital Receipts, MRR, Reserves, Revenue)	11,667	8,306	7,745	9,761	9,630
Borrowing	10,329	11,178	6,335	17,069	15,102
TOTAL	37,952	30,815	18,620	28,584	28,299

2.3.2 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as "Minimum Revenue Provision" (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are presented in **Table 3** below.

Table 3: Repayment of Debt Finance

	2023/24	2024/25	2025/26	2026/27
	Forecast	Estimate	Estimate	Estimate
	£000	£000	£000	£000
MRP	1,537	1,924	2,203	2,412

2.3.3 The Council's annual MRP statement can be found within the Treasury Management Strategy Statement.

2.3.4 The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £9.3m in 2024/25 (£2.7m GF and £6.6m HRA). Based on the above figures for expenditure and financing, the Council's estimated CFR is presented in **Table 4** below.

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement (CFR)

	2023/24	2024/25	2025/26	2026/27
	Forecast	Estimate	Estimate	Estimate
	£000	£000	£000	£000
General Fund	144,052	146,731	146,768	145,766
HRA	53,524	60,099	64,194	79,853
TOTAL	197,576	206,830	210,962	225,619

3. Asset Management

3.1 Asset Management Strategy

3.1.1 The Council recognises the importance of ensuring that capital assets continue to be of long-term use especially in a rapidly changing operational and technological backdrop. Consequently, at the time of preparing this Capital Strategy, a new Asset Management Strategy (AMS) is being developed. Led by the Asset Management team and backed by a comprehensive review of Council assets, the AMS will take a longer-term view comprising:

- 'Good' information about existing assets;
- The optimal asset base for the efficient delivery of Council objectives;
- The gap between existing assets and optimal assets;
- Strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets; and
- Plans for individual assets.

3.2 Asset Disposals

3.2.1 When a capital asset is no longer needed, it may be sold so that the proceeds (known as capital receipts) can be spent on new assets or to repay debt. The Council is also permitted to spend capital receipts (flexible use) on service transformation projects. Repayments of capital grants, loans and investments also generate capital receipts. The Council takes a prudent approach of assuming future capital receipts only when there is a high probability of realisation.

4. Treasury Management

4.1 Introduction

4.1.1 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is not cash rich as it utilises all its available cash before borrowing which in the current climate is more economic.

4.1.2 As at 31 December 2023, the Council had long term borrowing of £112.6m, short term borrowing (less than 1 year) of £65.0m and cash investments of £4.9m.

4.2 Borrowing

4.2.1 The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between short-term loans (less than one year) (currently around 5.6%) which could be replaced at a lower rate (if base rates were to fall) and long-term fixed rate loans where the future cost is known but higher (e.g. 5.0% for a 25 year term).

4.2.2 Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below in **Table 5**, compared with the Capital Financing Requirement (Table 4 above).

Table 5: Prudential Indicator: Estimates of Gross Debt and the Capital Financing Requirement

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000
Debt	178,910	185,532	189,627	205,286
CFR	197,576	206,830	210,962	225,619

- 4.2.3 Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from **Table 5**, the Council expects to comply with this in the medium term.

Affordable Borrowing Limit

- 4.2.4 The Council is legally obliged to set an affordable borrowing limit (also termed the “Authorised Limit” for external debt) each year. In line with statutory guidance, a lower “Operational Boundary” is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised Limit and Operational Boundary for External Debt

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£000	£000	£000	£000
Authorised Limit	242,590	253,810	258,870	276,570
Operational Boundary	232,210	242,950	247,810	264,760

- 4.2.5 Further details on borrowing are contained in the Treasury Management Strategy.

4.3 PWLB Borrowing

- 4.3.1 The government recognises the valuable contribution that local authorities make to the social and economic infrastructure and supports local investment in part by offering low cost loans to local authorities through the Public Works Loan Board (PWLB).

- 4.3.2 In compliance with the HM Treasury guidance, the Council need to ensure that the capital programme/investments are compliant with the ongoing access to the PWLB lending terms, which include an assurance from the Chief Finance Officer (Section 151 Officer) that the Council is not borrowing in advance of need and does not intend to buy investment assets primarily for yield.

- 4.3.4 The purpose of the PWLB is to offer long-term, affordable loans to support local authority investment in the following areas –

- Service spending, i.e. activities that would normally be captured in the following areas in the DLUHC Capital Outturn Return (COR): culture & related services, environmental & regulatory services, etc.
- Housing, i.e., activities normally captured in the HRA and General Fund housing sections of the COR, or housing delivered through a local authority housing company.
- Regeneration projects would usually have one or more of the following characteristics:

- the project is addressing an economic or social market failure by providing services, facilities, or other amenities;
 - the Council is making a significant investment in the asset beyond the purchase price:
 - the project involves or generates significant additional activity that would not otherwise happen without the Council's intervention;
 - the project may generate rental income, these rents are recycled within the project or applied to related regeneration projects, rather than being applied to wider services.
- Preventative action with the following characteristics - intervention that prevents a negative outcome, there is no realistic prospect of support from a source other than the Council; has an exit strategy, and does not propose to hold the investment for longer than is necessary; the intervention takes the form of grants, loans, sale and leaseback, equity injections, or other forms of business support that generate a balance sheet asset.
 - Treasury management covers refinancing or extending existing debt from any source, and the externalisation of internal borrowing.
- 4.3.5 Individual projects and schemes may have characteristics of several different categories. In these cases, the CFO would use professional judgment to assess the main objective of the investment and consider which category is the best fit.
- 4.3.6 If the Council wishes to on-lend money to deliver objectives in an innovative way, the government expects that spending to be reported in the most appropriate category based on the eventual use of the money. The Council must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans.
- 4.3.7 Under the prudential code, the Council cannot borrow from the PWLB or any other lender for speculative purposes, and must not use internal borrowing to temporarily support investments purely for yield, which would usually have one or more of the following characteristics:
- buying land or existing buildings to let out at market rate;
 - buying land or buildings which were previously operated on a commercial basis which is then continued by the local authority without any additional investment or modification;
 - buying land or existing buildings other than housing which generate income and are intended to be held indefinitely.
- 4.3.8 The decision over whether a project complies with the terms of the PWLB is for the Chief Finance Officer. This decision will be final unless the Treasury has concerns that issuing the loan is incompatible with HM Treasury's duty to Parliament to ensure that public spending represents good value for money to the Exchequer and aligns with relevant legislation. In practice such an eventuality is highly unlikely and would only occur after extensive discussion with the local authority in question – but a safeguard is necessary to protect the taxpayer.

4.4 Investments

4.4.1 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

4.4.2 The Council's Investment Strategy is to prioritise security and liquidity over yield and social/ethical impact, focussing on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely in selected high-quality banks, to minimise the risk of loss.

4.5 The Eastbourne Biodiversity Strategy and The Climate Emergency Strategy

4.5.1 In 2019 the council declared a climate emergency and committed to deliver a carbon neutral town by 2030. Nature-based solutions are at the heart of delivering against this target and work programmes are aligned to climate resilience and improving local biodiversity, through:

- the adoption of a pollinator strategy and pesticide policy in 2019.
- ongoing projects to increase valuable ecological habitats through better mowing regimes and tree and hedge planting where feasible.
- continual reviews of management and contracts for council-owned land and property.

4.5.2 The council is committed to supporting measures to help arrest biodiversity losses, restore habitats and species and work for climate resilience to promote healthy and thriving communities. This is recognised through this strategy, with the need to protect and maintain as well as enhance and increase biodiversity and nature across Eastbourne. The vision for biodiversity set out in 'Eastbourne Carbon Neutral 2030 - A plan for action' is: Existing green spaces, the coast and the sea have been protected and enhanced where appropriate and new protected spaces have been created to enable animal and plant life to flourish.

4.5.3 The Council broad key aims can be summarised as follows:

- To maintain and increase biodiversity on council-owned and managed land.
- To engage and enable community-led nature-based projects and to be involved in partnerships that promote natural capital and biodiversity across the borough.
- To ensure that all developments maximise the opportunities for well-considered gains in biodiversity.

4.5.4 The EBC Climate Emergency Strategy contains eight themes, which can be accessed through the link below and the strategy provides the background information on emissions for the Council and the borough. The Council will use these to measure our progress towards Eastbourne Carbon Neutral 2030.

4.6 The Council's Approach to Ethical Investments

4.6.1 Ethical investing is a term used to describe an investment process which takes environmental, social and governance (ESG) or other ethical considerations into account and is a topic of increasing interest within treasury management. Investment guidance, both statutory and from CIPFA, makes clear however that all investment must adopt the principals of security, liquidity, yield and that ethical issues must play a subordinate role to those priorities.

- 4.6.2 Furthermore, the council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the council's mission and values. This would include avoiding direct investment in institutions with material links to:
- Human rights abuse (e.g. child labour, political oppression);
 - Environmentally harmful activities (e.g. pollutions, destruction of habitat, fossil fuels);
 - Socially harmful activities (e.g. tobacco, gambling).
- 4.6.3 The investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. Link is looking at ways to incorporate these factors into their creditworthiness assessment service, but with a lack of consistency, as well as coverage, Link continue to review the options and will update the Council as progress is made.

4.7 Governance

- 4.7.1 Treasury management decisions are made daily and are therefore delegated to the CFO, who must act in line with the Treasury Management Strategy approved by the Council. Annual outturn reports on treasury management are also approved by the Council (following recommendation from Audit and Governance Committee), whereas mid-year updates are reported exclusively to the Audit and Governance Committee. Quarterly performance reports are also submitted to Cabinet.

5. Investments for Service Purposes

- 5.1 Investments for service purposes' (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- Service investments may or may not involve financial returns; however, obtaining those returns will not be the primary purpose of the investment.
 - For local authorities, service investments will normally constitute capital expenditure, and it may be appropriate to borrow to finance service investments.
- 5.2 The Council will sometimes make investments for service delivery purposes where there is a strategic case for doing so. Given its public service objectives, the Council is willing to take more risk than with treasury investments, nevertheless the arrangements feature cost reduction incentives, from which the Council will benefit.
- 5.3 Examples would include the purchase of office blocks, retail units or other assets inside of the local authority area.
- 5.4 Decisions on service investments are made by the Council's Cabinet and require the support of a full business case.

Investments for Treasury Management purposes

- 5.5 Investments for treasury management purposes' (or treasury management investments) are those investments that arise from the Council's cash flows or treasury risk management activity, and ultimately represent balances that need to be invested until the cash is required for use in the course of business.
- Treasury investments may include an allowance for a reasonable level of short-term treasury investments to provide access to liquidity.
 - Treasury investments may also include the investment of borrowing proceeds where it has been prudent for an organisation to borrow in advance of the need for cash, e.g. in order to reduce financing and interest rate risks.
 - Treasury investments may also arise from other treasury risk management activity that seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.
 - Treasury management investments should always be on commercial terms and will rarely constitute capital expenditure for local authorities.
 - For authorities with long-term surplus cash, this category may include long-term investments such as equities, bonds and property, whether accessed through a fund or directly, but unless there is a link to cash flow management or treasury risk management activity, it is likely that such investments would be for commercial purposes, i.e. primarily for financial return.

6. Commercial Investments

- 6.1.1 Commercial in this context refers to the purpose of the investment. Commercial investments are not taken to meet treasury management cash flow needs, and do not result from treasury risk management activity to prudently manage the risks, costs or income from existing or forecast debt or treasury investments. They are additional investments voluntarily taken primarily in order to generate net financial return or profit.
- 6.1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both incomes driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition. In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus/financial return.
- 6.1.3 Local authorities will be prohibited from accessing the PWLB if they plan debt-for-yield commercial investments in any of the three years. Commercial activity must be secondary priority to economic regeneration and housing provision. There will be more monitoring of what it is that local authorities are delivering by way of a capital scheme and Section 151 officers are required to formally validate those policies to HM Treasury/PWLB.
- 6.1.4 The Council can fund the purchase of investment property through various means **excluding borrowing** money, normally from the Debt Management Office as part of HM Treasury. The rental income paid by the tenant/annual surplus then supports the council's budget position and enables the council to continue to provide services for local people. The reasons for buying and owning property investments are primarily:

- Financial returns to fund services to residents
- Market and economic opportunity.
- Economic development and regeneration activity in the district.

6.1.5 Historically, property has provided strong investment returns in terms of capital growth generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. The strategy makes it clear that the council will continue to invest prudently on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process.

6.1.6 An example would be the purchase of assets, such as a retail unit, outside of the local authority area.

6.1.7 In May 2018, the Council's wholly owned the Investment Company Eastbourne Limited (ICE) entered into a deal with a private company, Infrastructure Investments Leicester Ltd (IIL), in respect of a property in Leicester. ICE is acting as the principal guarantor of a £48m refinancing loan to a private company, with the Council being the ultimate guarantor. ICE is also providing a rental guarantee in respect of shortfalls of rental income, again with the Council being the ultimate guarantor. In return for providing this guarantee, ICE has received an initial guarantee fee and will receive an annual guarantee fee.

6.2 Current Investments

6.2.1 In recent years, the Council has invested in commercial property in the District on a selective basis, usually where there is a fit with corporate priorities and a positive financial return that can be used to contribute towards the protection of local services.

6.3 Commercial Investment Strategy

6.3.1 However, in recognition of the continued shortfall in local government funding and commitments, Council's could look to a Commercial Investment Strategy to support and achieve a step change increase in commercial investment and trading.

6.3.2 CIPFA has made clear that Councils should not borrow to invest commercially, and their Capital Investment Strategy must make it clear as to where they depart from this principle and why. However, it has been recognised that local investments that are primarily designed for regeneration or service delivery purposes and which have a knock-on positive impact to the revenue budgets are not intended to be covered by this principle.

6.3.3 Councils must demonstrate that such investments are "proportionate" to their resources. The Council's approach will incorporate the revised CIPFA guidance when it is published; this will enhance the other risk management features that are being developed, which includes a strict governance framework, the use of real estate investment experts and diversified portfolios. The aim is to offset principle risks such as falling capital values and 'voids'. However, (within a tightly controlled framework) the Council ultimately accepts a higher risk on commercial investments compared to its prudent treasury investment that has primarily focused to date on protecting the principal.

6.3.4 The Council considers investing in housing properties and commercial properties within the District to be related to its temporary accommodation strategy and local regeneration. It will invest commercially but in relation to the services it provides or to build and strengthen the local economy, with the related benefit of increased business rates.

6.4 Governance

6.4.1 Governance arrangements would need to be stipulated within a Commercial Investment Strategy.

6.4 Deciding whether investments are for treasury, service or commercial purposes

6.4.1 It is the purpose of an investment that identifies whether it is for treasury management, service or commercial purposes. Any individual investment or class of investments can be in any of these three categories. The chief finance officer will need to make a professional judgement about which category a given investment falls into.

6.4.2 For example, pooled investment funds are widely used for treasury management purposes to invest sums until the time required to meet future cash flows. But if they were to be used by authorities that have a borrowing need as long-term investments primarily for the purpose of earning a profit above the cost of borrowing, they should be classed as investments for commercial purposes. The authority would be borrowing in order to invest primarily for financial return.

6.4.3 The boundary between treasury management use of pooled funds and commercial use of pooled funds is for the chief finance officer and treasury teams to judge. For example, it might be appropriate for an authority to hold a low-risk, short-duration bond fund, even if it forecasts a likely need to borrow within the duration of the fund, as part of its liquidity strategy, with limited risk to capital and no net cost to the revenue account. As part of a short-to-medium-term treasury management strategy to manage the authority's liquidity needs and borrowing costs, such investments might be considered to be treasury investments.

6.4.4 A truly long-term fund, for example of equities or property, is unlikely to meet this purpose for a borrowing authority, as the risks to capital are too high to make sense as part of liquidity management. The authority's investment strategy could set out the reasoning for judging such funds to be for treasury management purposes rather than being primarily for financial profit.

7. Other Liabilities

7.1 Outstanding Commitments

7.1.1 The Council also has the following outstanding commitments:

- The Council has also set aside £0.39m at 31st March 2023 to cover the financial risk associated with Business Rates appeals lodged with the Valuation Office Agency (VOA).

7.2 Guarantees

7.2.1 A 30-year Business Plan for the Council's HRA has been developed, which is currently generating sufficient rental income each year to run an efficient and effective housing management service, whilst at the same time servicing the outstanding debt. However, if the HRA is unable to repay the outstanding debt at any point in the future, the Council (through its General Fund) is liable to repay any remaining balance. The current balance on HRA debt is £50.9m comprising PWLB loans.

7.3 Governance

7.3.1 Decisions on incurring new discretionary liabilities are taken by Directors and Heads of Service in consultation with the CFO. For example, in accordance with the Financial Procedure Rules credit arrangements, such as leasing agreements, cannot be entered into without the prior approval of the CFO.

8. Revenue Implications

8.1 Financing Cost

8.1.1 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue (excluding investment income receivable). The annual charge is known as financing costs and this is compared to the net revenue stream i.e. the amount funded from Council Tax, Business Rates and general Government grants.

Table 7a: Prudential Indicator: Estimate of Proportion of Financing Costs to Net Revenue Stream (General Fund)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Financing Costs (£000)	5,945	6,452	5,719	5,834
Proportion of Net Revenue Stream %	35.6%	34.4%	29.2%	29.0%

Table 7b: Prudential Indicator: Estimate of Proportion of Financing Costs to Rental Income (HRA)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Financing Costs [including depreciation] (£000)	6,983	7,775	8,099	8,770
Proportion of Rental Income %	44.0%	43.6%	44.3%	46.5%

Table 7c: Prudential Indicator: Proportion of Net Income to Net Revenue Stream (Commercial & Service)

	2023/24 Forecast	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Net Income (£000)	2,717	2,799	2,882	2,969
Proportion of Net Revenue Stream %	16.3%	14.9%	14.7%	14.7%

8.1.2 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for many years into the future.

8.2 Prudence, Affordability and Sustainability

8.2.1 The CFO is satisfied that the proposed Capital Programme (Section 2) is prudent, affordable and sustainable based on the following:

Prudence

- Prudential indicators presented above (Paragraph 8.1.1) are within expected and controllable parameters. Thus:
 - *Prudential Indicator (General Fund) - Proportion of Financing Costs to Net Revenue Stream* – the growth in financing costs reflects the Council’s ambitions for capital investment in its strategic priorities over the medium-term.
 - *Prudential Indicator (HRA) - Proportion of Financing Costs to Net Revenue Stream* – the indicator profile mirrors the HRA 30-Year Business Plan.
- *Underlying Prudent Assumptions* – a prudent set of assumptions have been used in formulating the Capital Programme. This is illustrated in the approach to capital receipts whereby the proceeds are not assumed within projections until the associated sale is completed and the money received by the Council; and
- *Repairs and Maintenance* – the approach to asset maintenance is professionally guided with assets maintained in a condition commensurate with usage and expected life, addressing those items that could affect ongoing and future maintenance, in the most appropriate and cost-effective manner.

Affordability

- The estimated ‘revenue consequences’ of the Capital Programme (£106 million over four years) have been included in the 2024/25 Budget and Medium-Term Financial Strategy (MTFS), extending to 2027/28; and
- The MTFS includes a reserves strategy, which includes contingency funds in the event that projections are not as expected (further supported by CFO report to Council under Section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of financial reserves and balances).

Sustainability

- Capital schemes that are expected to deliver long-term revenue savings/generate income are given due priority.
- As explained in Section 3.1 above, the Asset Management Strategy will represent an enhancement to the Council approach to asset planning through (especially) taking a longer-term view. This includes providing for future operational need, balancing the requirement to achieve optimal performance, whilst taking account of technological change and managing the risk of obsolescence.

9. Prioritisation Principles and Obligations to deliver a scheme

9.1 The capital investment process is to ensure that money available for capital expenditure is prioritised in the way that best meets the Council's objectives and must be achieved within the constraints of the capital funding available. The Council need to demonstrate that it uses a clear, understandable method of comparing projects in order to prioritise expenditure and continue to allow schemes to be ranked according to Council’s need, while ensuring the best allocation of the Council scarce resources in the most efficient/sustainable way and thus ensuing value for money.

9.2 Therefore, it is important that there is a strict definition of what is included within the scheme. Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council and rolling programme items are the first call on available resources to ensure that existing approved service levels can continue to be delivered. New resource development bids will need to be prioritised as follows:

Projects Prioritisation for Capital Programme Inclusion	
Priority 1	Projects which enable compliance with Health & Safety and the Council's legal/statutory duties including projects which address any infrastructure deficits related to statutory compliance.
Priority 2	Projects that generate revenue savings through the delivery of a new business strategy or service transformation proposals or invest to save and cost avoidance.
Priority 3	Projects where a major proportion of the capital funding from external sources will be lost if the project fails to go ahead but subject to consideration of future revenue requirements.
Priority 4	Projects that contribute to the delivery of a smaller property portfolio through increased co-location or space utilisation or adaptation of new ways of working.
Priority 5	Projects that facilitate improvement, economic development, regeneration and housing growth
Priority 6	Projects that address cross-cutting issues, facilitate joint-working with partners or generate new/additional income.

9.3 The Council's financial and service planning process need to ensure decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach. The funding of capital schemes is via the following hierarchy:

- External grants and contributions;
- Capital receipts from the disposal of fixed assets;
- Leasing finance; (where applicable);
- Revenue contributions;
- External Borrowing.

9.4 The strategy will be to employ 'Whole Life Costing' that will demonstrate the systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset, i.e., encourages decision-making that takes account of the initial capital cost, running cost, maintenance cost, refurbishment requirements and disposal cost.

10. Knowledge and Skills

10.1 Officers

10.1.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Most notably:

- *Finance* - the Chief Finance Officer (CFO) and Deputy Chief Finance Officer (DCFO) are qualified (ACCA/ CIPFA) accountants with many years of public and private sector experiences. The Council sponsors junior staff to study for relevant professional qualifications including AAT, CIPFA and ACCA. The Council also supports training courses and conferences across all aspects of accounting.
- *Property* – the Head of Property and Asset Management (HPAM) – a qualified property professional - is responsible for Asset Management within the Council. It comprises Asset Development, Building and Maintenance, Corporate Landlord and development functions of the Council. Each area has appropriately qualified professionals within their individual specialism. The HPAM post plays a key role in the Council’s approach to any commercial investment and trading (highlighted above in Section 6).

10.1.2 The Council also has a separate Housing team that is responsible for overseeing social housing developments within the district.

10.2 External Advisors

10.2.1 Where the Council does not have the relevant knowledge and skills required, judicious use is made of external advisers and consultants that are experts/specialists in their field. The Council currently employs Link Asset Services as advisers, and the Asset Management team will commission advisers as appropriate (e.g. development managers, valuers) to support their work where required to ensure that the Council has access to knowledge and skills commensurate with risk.

10.3 Councillors

10.3.1 Elections were held in May 2023 and treasury training was provided in November 2023. May 2027 is the next date for district council elections. Duly elected councillors will receive training appropriate to their role in the new Council.

10.3.2 Specifically with regard to Treasury Management, the Council acknowledges the importance of ensuring that members have appropriate capacity, skills and information to effectively undertake their role. To this end, newly elected Eastbourne councillors with Treasury Management responsibilities will receive tailored training sessions from the Council’s Treasury Management advisers (Link Asset Services).

11. CFO Statement

11.1 Prudential Code

11.1.1 Paragraph 24 of the recently updated Prudential Code determines that....” the Chief Finance Officer should report explicitly on the affordability and risk associated with the Capital Strategy”.

11.1.2 Accordingly, it is the opinion of the CFO that the Capital Strategy as presented is affordable, and associated risk has been identified and is being adequately managed.

11.2 Affordability

11.2.1 The Capital Strategy is affordable and there is a range of evidence to support this assertion, including:

- *Capital Programme* – the Programme as presented above (in Section 2.1) is supported by a robust and resilient MTFs extending through until 2024/25 that contains adequate revenue provision, including sufficient reserves in the event that plans and assumptions do not materialise as expected.
- *Asset Management* – as presented above (in Section 3.1) a new Asset Management Strategy is under development, which is taking a strategic longer-term (i.e. beyond 2025/26) view of the Council's asset base. A fundamental aim of the Strategy is to achieve the optimum balance between future operational need and affordability, which will be reflected in its component parts including strategies for purchasing and constructing new assets, investment in existing assets, transferring of assets to other organisations and the disposal of surplus assets.
- *Commercial Investment* – as presented above (in Section 6.3) the Commercial Investment Strategy is also under development. The primary aim of the Strategy long-term is income generation to replace the shortfall in Government funding. The Strategy is progressing positively towards the delivery stage and its success will be critical to the long-term affordability of the Capital Strategy.

11.3 Risk

11.3.1 The risk associated with the Capital Strategy has been identified and is being adequately managed. Evidence to support this assertion includes:

- *Treasury Management Strategy* – the Council will formally approve the Treasury Management Strategy for 2024/25, at the Eastbourne Borough Council – Full Council meeting on 21 February 2024, in accordance with CIPFA's "Treasury Management in the Public Services: Code of Practice 2021".

That Strategy was developed by the Council's (professionally qualified and experienced) Finance team and informed by specialist advisors Link Asset Services and other relevant and extant professional guidance.

- *Investment Strategy* – the Council will also formally approve an Investment Strategy for 2024/25, at the Full Council meeting on 19 February 2024, in accordance with DLUHC's "Statutory Guidance on Local Government Investments (3rd Edition) 2021". As with the Treasury Management Strategy, the Investment Strategy was developed by the Finance team and informed by specialist advisors Link Asset Service and other relevant and extant professional guidance.
- *Commercial Activities* – as noted above (in paragraph 6.3) the Council could significantly expand the scale of its commercial activities in the medium-term as part of a Commercial Investment Strategy. It is recognised and accepted that increased commercial activity brings with its additional risk. A Strategy should be developed in accordance with contemporary best practice. This includes the engagement of professional advisors on the commercial, financial and legal aspects of a project and the preparation of full supporting business cases prior to the commencement of both in-house and arm's length trading activities, strictly in accordance with HM Treasury's 'five-case model' ("The Green Book: Central Government Guidance on Appraisal and Evaluation").

12.0 Capital Programme Oversight Board

12.1 Objectives

- The Capital Programme Oversight Board (CPOB) will provide strategic direction, oversight and corporate assurance for the General Fund capital programme and Housing Revenue Account (HRA) Business Plan across Eastbourne Borough and Lewes District Councils;
- The CPOB will have an oversight and stewardship role for the delivery of both Councils Capital expenditure including, the Council General Fund Capital Plan, the Council's Housing Capital (HRA), Commercial Activities/non-commercial investments and capital financing/funding;
- The CPOB is also responsible for addressing programme issues and reviewing risk and financial implications for LECs;
- The CPOB will drive through the Assurance Review recommendations in respect of the capital programme and move towards a fully sustainable capital programme and asset release.

12.2 Responsibilities

The responsibilities of the CPOB are to:

- Be responsible and accountable for feeding into the annual Service & Financial Planning process;
- Establish and embed a robust and effective governance framework through which all Councils capital projects will be evaluated, prioritised for development and delivery, subject to Member approval;
- Provide oversight of the capital programme and the Housing Revenue Account (HRA) Business Plan;
- Agree recommendations to relevant Committee(s), as required, to ensure the programme achieves its objectives in-line with initial proposals, Business Cases and options appraisals assessed through PRSOP and RAMP;
- Scrutinise and challenge programmes and projects at a strategic level in relation to budgets, actual spend, timing, and overall financial strategy;
- Monitor the achievement of the capital programme's core aims and objectives;
- Monitor the HRA Business Plan assumptions in line with Section 76 of the Local Government and Housing Act 1989;
- Continually monitor any potential impacts upon the HRA as they evolve i.e., Social Housing White Paper, post Covid-19;
- Monitor the critical path for delivery across the capital programme;
- Take timely decisions as the capital programme evolves;
- Ensure the capital programme is delivered in a joined-up way across Council departments;
- Assist with resolving issues across Council departments;
- Ensuring appropriate resources, capacity and capability are in place to deliver the capital programme across LECs, and where necessary, commit resources as required;
- Ensure risks are being effectively managed and updated, and mitigations are identified appropriately required.

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Report to:	Scrutiny Committee
Date:	5 February 2024
Subject:	Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-28
Report of:	Homira Javadi, Director of Finance and Performance (Chief Finance Officer – S151 Officer)
Cabinet member:	Councillor Robin Maxted, Cabinet Member for Finance and Resources
Ward(s):	All
Purpose of the report:	To agree the detailed HRA budget proposals, rent levels, service charges and heating costs for 2024/25, and the HRA Capital Programme 2023-28
Decision type:	Budget and policy framework
Recommendations:	Cabinet is asked to recommend the following proposals to full Council: <ul style="list-style-type: none">i) The HRA budget for 2024/25 and revised 2023/24 budget as set out in Appendix 1ii) That social and affordable rents (including Shared Ownership) are increased by 7.7% with effect from 1st April 2024 in line with government policyiii) That, with effect from 1st April 2024, when social-rented properties are relet to new tenants, the applicable rent will be increased by 5% above target rentiv) That the revised service charges as set out in paragraphs 2.3 to 2.6 of this report are implemented with effect from 1st April 2024v) That Garage rents are increased by 6.7%vi) 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 2024/25vii) The HRA Capital Programme as set out in Appendix 2viii) To note that £871.5k of Major Works expenditure is shown in the Capital Programme in 2024/25 and 2025/26 to improve EPC ratings in HRA properties, this

expenditure being the subject of a Government grant bid to secure 50% match-funding

Reasons for recommendations: The Cabinet must recommend to Full Council the setting of the HRA revenue and capital budget and the level of social and affordable housing rents for the forthcoming year.

Recommendations to the Scrutiny Committee: The Scrutiny Committee is asked to note the report.

Contact Officers: Names: Helen Waring and Katie Haffenden
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1.0 Introduction

1.1 The HRA is a statutory ring-fenced account that represents all landlord functions. The HRA is required to be self-financing, which means that expenditure must be entirely supported from rental and other HRA-related income. The main tool for the financial management of the HRA is the 30-Year Business Plan.

1.2 Any significant changes to the assumptions underpinning the 30-Year Business Plan will trigger a full review to assess the impact, but, in any event, there will be an annual review and update.

1.3 This report reflects the recommendations made by Eastbourne Homes Limited in relation to the increase in rent levels, service and other charges.

2 Proposal

2.1 2024/25 HRA Revenue Budget

2.1.1 The 2024/25 budget mirrors the HRA 30-Year Business Plan and is attached at Appendix 1.

2.1.2 For the 2024/25 budget, an £891k operating surplus (i.e. prior to making a contribution to capital expenditure) is expected compared to a revised operating deficit of £293k in 2023/24. It should be noted that, in the context of the HRA 30-Year Business Plan, an in-year deficit is not of concern in either year, as the balance on the account at the end of each year remains in surplus.

2.1.3 The estimated contribution to capital expenditure for 2024/25 is £905k. These contributions are made depending on the size of the proposed Capital Programme and the affordability for the Revenue Account. Appendix 2 shows that continued revenue contributions to the Capital Programme can be afforded from 2025/26 onwards.

2.1.4 The contribution to capital expenditure is funded from the HRA balance, reflects the modelling in the HRA 30-Year Business Plan and is consistent with the Council using its reserves and balances to fund the Capital Programme prior to taking out new borrowing.

2.1.5 Other variances between the 2024/25 budget and the 2023/24 revised budget are:

- Rent, Service Charge and Other Income – increased income of £2.111m
- Depreciation – increased cost of £426k
- Loan Charges – increased cost of £199k
- Interest Income – decrease in receipts of £105k
- Management Costs – increased cost of £724k
- Debt Management – increased cost of £3k

The provision for bad debts will reduce to £82k per year from £145k per year following a review of the calculation into the future.

2.1.6 The Major Repairs Reserve is funded from cash backed depreciation of £5.772m plus inflation per year and will be used to fund expenditure on improving the stock and other HRA assets.

2.1.7 The HRA debt outstanding at 31.03.23 was £50.944m. The outstanding debt at 31.03.25 is estimated to be £60.098m. In later years, debt levels will increase as the Authority begins to borrow more to fund property acquisitions and new build. The average debt per property is currently approximately £15k.

2.1.8 The Council's treasury management advisors are predicting a gradual decrease in interest rates (from the current relatively high level of 5%) over the next three years. The interest budget has been prepared on this basis.

2.1.9 The 2023/24 revised budget is expected to return an operating deficit of £1.724m compared to the original budget deficit of £24k. Main variances are set out below:

- Rent, Service Charge and Other Income – increase in income of £24k
- Supervision and Management – increase in costs of £290k
- Provision for doubtful debts – increased cost of £467k due to a change in methodology for calculating the provision for current and former arrears – this is a one-off additional cost in 2023/24 only
- Depreciation – decrease in costs of £172k
- An increase in debt management costs of £16k
- Loan Charges – decrease in costs of £57k
- Interest Income – increase in receipts of £251k as a result of improved interest rates

In addition, a revenue contribution to capital expenditure of £1.431m can now be afforded

- 2.1.10 The Housing Revenue Account (HRA) Business Plan is a strategic planning document to assist the officers and members of the Council, working together with tenants and leaseholders, in the management and maintenance of the Council's housing stock over the next 30 years in ensuring our Homes always meet the Fitness for Human Habitation test.
- 2.1.11 The Business Plan is also a statement of the viability of Eastbourne Borough Council's HRA over the next 30 years and a statement of our aspirations as Landlord, drawing attention to the particular strengths of the Landlord service and highlighting the approach of that service and the HRA into the future based on a policy of maintaining a minimum level of HRA balance at £1.4m to ensure that the HRA remains sustainable in the event of any unforeseen risk arising.
- 2.1.12 As part of the Council's commitment, the Business Plan has been reviewed and as a result it is proposing a five-year capital programme which includes significant investment in new builds (£33.9m), the acquisition of new properties (£28.2m), Major Works (£31.6m) and disabled adaptations (£2.4m). This investment will be enabled by additional borrowing, revenue contributions and applying capital receipts and reserves. More details are contained in Appendix 2.
- 2.1.13 The forecast balances on HRA and Reserves are as follows:

	HRA Working Balance	Major Repairs Reserve (MRR)
	£'000	£'000
Balance at 1.4.23	3,388	3,332
Net Transfer from Reserve	(1,724)	
Depreciation		5,346
Expenditure Financed from MRR		(6,330)
Estimated Balance 31.3.24	1,664	2,348
Net Transfer from Reserve	(14)	
Depreciation		5,772
Expenditure Financed from MRR		(6,591)
Estimated Balance 31.3.25	1,650	1,529

Note 1: The balance on the MRR at 1.4.23 shown above includes a £647k balance on the Leaseholder Major Works Reserve.

Note 2: The Major Repairs Reserve is used to fund improvements to the Council's HRA assets.

2.2 Rent Levels for 2024/25

- 2.2.1 The Council has been following the Government's guidance for rents for social housing since December 2001. This has been subject to various legislative

changes in recent years and, in 2024/25, rents can be increased by no more than 7.7% (being 6.7% Consumer Prices Index (CPI) at 30th September 2023 + 1%). The proposal to increase rents by 7.7% is based on maintaining a sustainable (affordable) HRA Business Plan. It is proposed that Supported Housing and Shared Ownership property rents are increased by the same percentage. The average weekly social rent will be £97.21 and average affordable weekly rent will be £150.35.

- 2.2.2 In addition to the above proposed rent increase, the Council also has flexibility to increase rents by 5% above target rent at the point that a property is relet. This will only affect new tenancies and not current tenants in their current homes. According to the Government, a Council should ensure that there is a clear rationale for applying the flexibility which takes into account local circumstances and affordability. Although sustainable in the long term, the Eastbourne HRA Business Plan remains constrained and recent benchmarking has shown that its rents are relatively low when compared to other authorities. The average weekly social rent for 2023/24 (£90.23) is also significantly lower than the average weekly Local Housing Allowance (LHA) Rate (£171.00) and the average market rent (£260.00). Implementing this policy will increase rental income by some £16k in a part year, rising to £32k in a full year. Whilst these figures are not large in the context of the HRA Business Plan, over time income will build and allow more to be spent on repairs and services.

2.3 Service Charges

- 2.3.1 The service charges for 2024/25 have been calculated using a combination of actual costs from 2022/23 and estimates where more appropriate for 2024/25. For properties that share services, these charges cover common services such as communal heating, lighting, equipment maintenance contracts, cleaning, and grounds maintenance. In Retirement Housing Accommodation, the charges additionally include Retirement Housing Advisers staff costs. These costs should be charged separately from the rent in those properties to which they apply.

It should be noted that, in a year when inflation is particularly high, full cost recovery could mean that some service charge increases could prove challenging (in particular energy charges). Homes First will review the level of these charges and offer support where possible to mitigate the impact on individual tenants.

- 2.3.2 For General Needs tenants the average total for HB Eligible service charges will be £5.44 with the lowest at £0.07 and the highest at £40.02.
- 2.3.3 For Retirement Housing tenants the average total for HB Eligible service charges will be £57.66 per week with the lowest at £47.74 and the highest at £81.41.

2.4 Support Charge for Retirement Housing

- 2.4.1 To cover the withdrawal of the Supporting People funding 2016 for the provision of the on-site co-ordinator service, a charge was introduced to continue the vital work within the Retirement Housing blocks. The support charge for 2024/25 will be £4.94 per unit.

2.5 Heating Costs – Retirement Housing Accommodation

2.5.1 The average cost per unit for heating will be £11.50 with the lowest at £8.99 and the highest at £17.31. Heating costs are related to gas supplied to individual dwellings only and are not eligible for housing benefit.

2.6 Water Charges – Retirement Housing

2.6.1 The average cost per unit for water charges will be £3.17 with the lowest at £1.26 and the highest at £5.72. Water charges relate to water supplied to individual dwellings only and are not eligible for housing benefit.

2.7 Garage Rents

2.7.1 It is recommended that garage rents increase by 6.7% in 2024/25, with the weekly average rent being £14.63.

2.8 Capital Programme

2.8.1 The Capital Programme set out in Appendix 2 reflects the proposals contained within the HRA 30-Year Business Plan. Total budgeted expenditure for 2024/25 is £15.418m.

2.8.2 The base budget for the major works element of the programme has been set at £6.2m per annum, increasing by inflation each year. This sum and all sums required over the next 30 years reflect an affordable level of investment which will allow Eastbourne's housing stock to be appropriately maintained. However, although affordable and helping to maintain stock, the sums included may fall somewhat short of works required long-term, as identified in the Stock Condition Survey.

2.8.3 Sustainability is and will continue to be a key driver in developing capital repairs schemes and, to this end, officers are currently taking the opportunity to bid for Government grant to contribute towards improvements to energy efficiency in its stock over 2024/25 and 2025/26.

2.8.4 The budget for the disabled adaptations element of the programme has been set at £478k.

2.8.5 Funding for the major works programme comes mainly from the Major Repairs Reserve.

2.8.6 The Capital Programme continues to include sums for the acquisition of properties and new builds. In the case of acquisition, each proposed acquisition will be modelled to ensure "viability" (that the annual costs associated with the purchase and upkeep of the property will not exceed the rental income). New build schemes either have been brought or will need to be brought to Cabinet for individual approval. The reports will include an analysis of the effects on the Business Plan.

2.9 Eastbourne Homes Ltd Management Fee

- 2.9.1 The Management Fee covers both operational and administration costs as well as responsive and cyclical maintenance.
- 2.9.2 The fee for 2023/24 was set at £8,436,000. Appendix 1 shows that this has increased to £8,818,000 due to the addition of new properties requiring management and maintenance and additional resources being made available to fund repairs. It is proposed that the management fee for 2024/25 is set at £9,477,000, subject to any final variations.
- 2.9.3 To formally agree the management fees for both 2023/24 and 2024/25, Members are asked to delegate this responsibility to the Chief Executive, in consultation with the Cabinet portfolio holder for Finance and Resources and the Chief Finance Officer.

3 Outcome Expected and Performance Management

- 3.1 The HRA budget will be monitored regularly during 2023/24 and performance will be reported to Cabinet quarterly.
- 3.2 The Council is obliged to ensure that all tenants are given 28 days' notice of any changes to their tenancy including changes to the rent they pay.

4 Consultation

- 4.1 Residents' Voice have been consulted on this report. The proposed rent increase for 2024/25 reflects the requirements under The Direction on the Rent Standard 2019 and the Policy Statement on Rents for Social Housing December 2022.
- 4.2 It should be noted that the Council recognises that the continuing cost of living challenges mean that the rent increase and other increases in charges proposed in this report may create further issues for some of our tenants. A range of help and advice is available and information can be obtained via the Council's website or by contacting Homes First.

5 Corporate Plan and Council Policies

- 5.1 The Corporate Plan 2022-2026 (refreshed) sets out clear priorities for housing, specifically:
- Increasing the number of new build homes built and purchased
 - Reducing the number of families housed in emergency accommodation
 - Increasing the number of housing first accommodation units available to former rough sleepers
 - Increasing the levels of satisfaction across housing services
 - Increasing the numbers of residents helped to remain independent in their homes

- 5.2 The new Corporate Plan 2024-2028 has been subject to public consultation and is due to be presented to Cabinet in February 2024. The proposed plan continues to prioritise housing, particularly in the context of the cost-of-living crisis and increasing homelessness pressures, focusing on key areas such as: reducing the reliance on temporary and emergency accommodation, continuing to develop a pipeline of directly delivered homes, and ensuring the existing social housing stock remains to a high standard.
- 5.3 The proposals contained within this report flow directly from the HRA 30-Year Business Plan, which itself aligns with the Corporate Plan. Key (current and future) Council policies, plans, and strategies will all be aligned to help deliver the objectives and goals of the HRA 30-Year Business Plan.

6 Business Case and Alternative Option(s) Considered

- 6.1 The capital and revenue budgets, rents and service charges have been set in line with Government policy and with the HRA 30-Year Business Plan.

7 Financial Appraisal

- 7.1 This is included in the main body of the report.

8 Legal Implications

- 8.1 Local housing authorities are required by section 74 of the Local Government and Housing Act 1989 to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The account must show credits and debits arising from the authorities' activities as landlord. The HRA identifies the major elements of housing revenue expenditure, such as maintenance, administration and contributions to capital costs, and how they are funded by rents and other income.
- 8.2 Section 76 of the 1989 Act requires HRA budgets to be set on an annual basis in January or February before the start of the financial year. A local authority may not budget for an overall deficit on the HRA and all reasonable steps must be taken to avoid a deficit.
- 8.3 Section 24 of the Housing Act 1985 gives local authorities the power to make reasonable charges for the tenancy or occupation of dwellings. Rent setting must be seen in the context of the statutory duty to set a balanced HRA budget.
- 8.4 Under the Local Authorities (Functions and Responsibilities) Regulations 2000, the task of formulating a plan for determining the Council's minimum revenue provision (i.e. its budget) is the responsibility of Cabinet, whilst the approval or adoption of that plan is the responsibility of the full Council. This explains the decision-making route in the officer's recommendation.

Date of legal input: 06.12.23

Legal ref: 012594-JOINT-KS

9 Risk Management Implications

9.1 The 2024/25 Budget and Capital Programme will require close monitoring in the forthcoming year to ensure that they, and therefore the 30-Year HRA Business Plan, remain on track. Any large variances to expenditure or income will need to be reviewed and, if significant or ongoing, modelled into the Business Plan to assess the impact and likely mitigation.

9.2 Levels of voids and debts will also require close monitoring to ensure that rent and service charge increases are not causing greater levels of non-payment. Timely action will need to be taken if performance targets are not being met.

10 Equality Analysis

10.1 An Equality and Fairness Analysis has been undertaken on these proposals. This has concluded that:

- Changes to charges will impact the protected groups of age and disability. Additionally, those experiencing homelessness and potentially carers may be impacted.
- Communication around any change to charges must be clear and timely and contain information on how concerns may be channelled. Concerned residents (or their carers) should have a clear avenue to raise concerns or receive further information. Alternative formats should be arranged upon request.
- The cost of living crisis has impacted many residents across the board. Not only people of working age but anyone with limited funds who have been trying to manage the increase in price of food and energy. The Councils have funded local support initiatives including enhanced advice provision. The Councils will continue to maintain the website and Customer Advisor resources to support residents with any queries and concerns they may have relating to the cost of living crisis.

11 Sustainability Implications

11.1 The HRA Capital Programme shown at Appendix 2 includes £871,500 split equally over 2024/25 and 2025/26 to improve the energy efficiency of our stock. It is assumed that 50% of this will be paid for by Government (£435,750), as a capital grant, in 2025/26. Officers are currently preparing the bidding documents in order to secure the grant and will be notified if the bid is successful in late February/early March 2024. The aim of this bid is to provide warmer homes and reduce bills for tenants and residents, whilst also reducing the Council's carbon footprint. The scheme will help Eastbourne Council move towards meeting its target of becoming carbon neutral by 2030.

12 Appendices

- Appendix 1 - HRA 2023/24 Revised Revenue Budget and 2024/25 Budget
- Appendix 2 - HRA Capital Programme 2023/24-2027/28

13 Background Papers

- Government's Policy Statement on Rents for Social Housing (December 2022) [Policy statement on rents for social housing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policy-statements/policy-statement-on-rents-for-social-housing)

Eastbourne Borough Council Housing Revenue Account

	2023/24 Original Budget £000's	2023/24 Revised Budget £000's	2024/25 Estimate £000's
INCOME			
Dwelling Rents	(15,830)	(15,854)	(17,849)
Non-Dwelling Rents	(354)	(354)	(378)
Charges for Services	(1,378)	(1,378)	(1,470)
GROSS INCOME	(17,562)	(17,586)	(19,697)
EXPENDITURE			
Management Fee	8,436	8,818	9,477
Supervision and Management	1,748	1,656	1,721
Provision for Doubtful Debts	145	612	82
Depreciation & Impairment of Fixed Assets	5,518	5,346	5,772
Debt Management Costs	15	31	34
GROSS EXPENDITURE	15,862	16,463	17,086
NET COST OF HRA SERVICES	(1,700)	(1,123)	(2,611)
Loan Charges - Interest	1,781	1,724	1,923
Interest Receivable	(57)	(308)	(203)
NET OPERATING (SURPLUS)/DEFICIT	24	293	(891)
Transfer from Reserves	0	0	0
Revenue Contribution to Capital Expenditure	0	1,431	905
HRA (SURPLUS)/DEFICIT	24	1,724	14

HOUSING REVENUE ACCOUNT WORKING BALANCE	2023/24 Original Budget	2023/24 Revised Budget	2024/25 Estimate
Working Balance at 1 April	(1,438)	(3,388)	(1,664)
(Surplus) or Deficit for the year	24	1,724	14
Working Balance at 31 March	(1,414)	(1,664)	(1,650)

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HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2023/24 - 2027/28

Scheme	Original Allocation 2023/24 £000	Revised Allocation 2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Managed By Eastbourne Homes Ltd						
Major Works	5,000	5,880	6,272	6,390	6,478	6,567
Disabled Adaptations	450	450	478	487	494	500
New Build/Acquisitions	8,141	10,811	8,618	5,399	18,448	18,817
Lifeline Upgrade	0	0	50	0	0	0
Total HRA Capital Programme	13,591	17,141	15,418	12,276	25,420	25,884
Funded By:						
Capital Receipts	3,318	1,099	651	602	569	579
RTB 1-1 Receipts	0	67	0	0	1,673	1,706
Major Repairs Reserve	5,450	6,330	6,591	6,279	6,807	6,713
Leaseholder Major Works Contributions	0	0	159	162	165	167
Revenue Contributions	0	1,431	905	702	547	465
Regeneration Reserve	0	2,648	0	0	0	0
Homes England Grant	1,200	2,986	537	0	0	2,367
Major Works Grant	0	0	0	436	0	
Borrowing	3,623	2,580	6,575	4,095	15,659	13,887
Total Financing	13,591	17,141	15,418	12,276	25,420	25,884

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Report to:	Scrutiny Committee
Date:	5 February 2024
Title:	Local Council Tax Reduction Scheme 2024/25
Report of:	Robert Cottrill, Chief Executive
Cabinet member:	Councillor Robin Maxted, Cabinet Member for finance and resources
Ward(s):	All
Purpose of report:	To gain Cabinet's recommendation to Full Council that the 2023/24 Local Council Tax Reduction Scheme is adopted as the 2024/25 scheme and to seek Cabinet approval to commence the statutory consultation process the Council needs to follow in order to make changes to the current Local Council Tax Reduction scheme.
Decision type:	Budget and policy framework
Officer recommendation(s):	<p>(1) Cabinet recommend to Full Council that the 2023/24 Local Council Tax Reduction Scheme is adopted as the 2024/25 scheme.</p> <p>(2) Subject to Full Council approval Cabinet grants the Chief Executive delegated authority–</p> <ul style="list-style-type: none">(a) to implement the Scheme, such delegated authority to include any measures necessary for or incidental to its management and administration; and(b) if necessary, and in accordance with paragraph 2.3, to amend the Scheme in consultation with the Cabinet Member for Finance and Resources <p>(3) That the Exceptional Hardship Scheme continues in 2024/25 subject to funds being available.</p> <p>(4) That an initial £25,000 be added to the Exceptional Hardship Scheme with this coming from the additional income raised from changes to Council Tax Discounts and Exemptions</p> <p>(5) That Cabinet with the objective of implementing a revised Local Council Tax Reduction Scheme in future years:</p> <ul style="list-style-type: none">(a) authorise the Chief Finance Officer to enter into consultation with the major precepting authorities

(b) authorise the Chief Executive to produce a draft scheme that calculates a Council Tax Reduction of 100% of a person's council tax liability, removes the Minimum-Income Floor for the self-employed and removes the £5.00 minimum award

(c) on completion of the consultation and drafting authorised under (a) and (b) above, authorise the Chief Executive to consult with other interested parties

Reasons for recommendations: The Council must review the scheme each year and adopt a scheme for the coming financial year.

Recommendation to the Scrutiny Committee: The Scrutiny Committee is asked to note the report.

Contact Officer(s):

Name: Bill McCafferty

Post title: Lead for Income Maximisation and Welfare

E-mail: bill.mccafferty@lewes-eastbourne.gov.uk

Telephone number: (01323) 415171

1 Introduction

- 1.1 The government abolished the national Council Tax Benefit scheme from April 2013 and required local authorities to develop and adopt their own scheme of support for working age claimants. This change came with a 10% cut in funding.
- 1.2 To protect pensioners from any reduction in support, the government put in place a national scheme that local authorities had to adopt. Therefore, any reduction in support had to come from those of working age.
- 1.3 On 20 November 2015 the Council adopted a revised scheme for 2016/17 that:
- Limited a Council Tax Reduction to 80% of the council tax liability
 - Assumed a minimum income for claimants who have been self-employed for more than 12 months
- 1.4 There have not been any changes to the scheme since 2016/17 so the current 2023/24 scheme follows the principles of protecting the most vulnerable, incentivising individuals into work and takes into account the financial pressures on the Council and the major preceptors.

2 Local Council Tax Reduction Scheme 2023/24

- 2.1 The scheme provides financial support to c4,000 of the most disadvantaged working-age residents with help in meeting their council tax liabilities.

- 2.2 The current cost of the scheme, in terms of a reduction in Tax base, is c£8.4m and is shared by the Council, East Sussex County Council, Sussex Police, and East Sussex Fire & Rescue in relation to their share of Council Tax.

	% share of Council Tax	Cost
East Sussex County Council	73%	£6,132,000
Eastbourne Borough Council	12%	£1,008,00
Sussex Police	10%	£840,000
East Sussex Fire and Rescue	5%	£420,000

- 2.3 Over the last two years the government has introduced various schemes of financial support. Firstly, in response to Covid-19 and more recently to address the Cost-of-Living Crisis. It would be prudent for Cabinet to grant delegated authority to the Chief Executive to make in-year changes to the scheme, subject to consultation with the Cabinet member for Assets and Finance. This is to ensure that any future financial support the government puts in place does not reduce the amount of Council Tax Reduction a resident can receive.

Should such a change prove necessary, the Council would inform all major preceptors.

3 Exceptional Hardship Scheme

- 3.1 The Exceptional Hardship Payment (EHP) Scheme, funded by the Council and major preceptors, is intended to provide additional financial support to those in receipt of a Council Tax Reduction and are experiencing exceptional hardship.

The EHP scheme was established in April 2016 when the LCTR scheme was amended to:

- a) Limit the maximum CTR to 80% of a person's liability
- b) Apply a minimum-income floor to certain self-employed claimants
- c) Introduce a £5.00 per week minimum award below which a claimant would not receive a reduction

There was £17,000 remaining in the fund as of 30 September 2023. The Council may decide to add to this fund.

4 Proposal

- 4.1 That the Local Council Tax Reduction scheme 2023/24 is adopted as the scheme for 2024/25. A draft of the proposed scheme will be presented when the item is considered by Full Council.

- 4.2 That the Exceptional Hardship Scheme continues, subject to funds being available, into 2024/25.
- 4.3 That the Council conduct a statutory consultation on a 100% CTR scheme in 2023/24 financial year as planned and following the chancellor's autumn statement . The outcome of this consultation will be key in informing and potentially introducing the council's revised CTR scheme (the 100% reduction scheme). Whilst the outcome of any consultation cannot be predetermined, the council will be working closely with other preceptors to ensure a satisfactory approach is developed and the 100% CT reduction scheme is introduced in a collaborative way.

5 Outcome expected and performance management

- 5.1 That the LCTR scheme supports those on low incomes to meet their Council Tax liabilities and that the Exceptional Hardship Scheme provides additional support to those facing exceptional hardship
- 5.2 The cost of the LCTR scheme and the Exceptional Hardship scheme will be monitored monthly

6 Consultation

- 6.1 As there are no revisions to the current scheme, there is no requirement to consult.

7 Corporate plan and Council policies

- 7.1 The Local Council Tax Reduction Scheme supports the Council's objective of addressing deprivation through helping residents on a low income meet their council tax liabilities.

8 Business case and alternative option(s) considered

- 8.1 No alternatives considered as it is a statutory requirement to have in place a Local Council Tax Reduction Scheme.

9 Financial appraisal

- 9.1 The Council Tax Reduction Scheme reduces the Council Tax base and thereby the amount of Council Tax that can be collected. The total cost of the scheme is shared through the collection fund between the Council and preceptors. The recommendation in this report is to leave the scheme unchanged and might not have an immediate impact on the Council Tax collected by the Council.
- 9.2 The cost, in terms of a reduction in tax base regarding the 2024/25 scheme will be in the region of £8.6m (2023/24 cost will be in the region of £8.4m). The actual cost of the discount scheme for 2023/24 will not be known for certain until the end of the financial year and will be dependent on the actual caseload in year as well

as the levels of Council Tax set by the Council and the major precepting authorities.

10 Legal implications

- 10.1 The Council is required by the Local Government Finance Act 1992 (Schedule 1A, paragraph 5) to consider, for each year, whether to revise its council tax reduction scheme or to replace it with another scheme. It is open to the Council to decide to make no changes to the scheme from one financial year to the next.
- 10.2 Under section 67 of the 1992 Act, adoption of a Council Tax Reduction Scheme is reserved to full Council. The role of Cabinet is to consider the proposed revised scheme and make a recommendation to Council.
- 10.3 In relation to the scheme for 2025/6, the statutory basis for a billing authority's LCTR scheme is provided by section 13A of the 1992 Act; and the statutory basis for consulting over revisions to such a scheme is provided by Schedule 1A to the same Act.

012537-EBC KS 13th November 2023

11 Risk management implications

- 11.1 The main risk to the Council is that the cost of the scheme rises substantially. This could happen if there is an upturn in the number of people who become eligible for, and claim, CTR. This risk must be accepted as the Council has no mechanism to prevent this happening.

12 Equality analysis

- 12.1 Equality Analysis as one was carried out when the scheme was implemented, however a new Equality & Fairness Analysis will be compiled on completion of the consultation, should Full Council approve the proposal. It remains the case that working age people would benefit from the proposed changes, promoting greater equality throughout age groups, with those adversely impacted financially through the cost-of-living crisis potentially eligible for this financial relief, albeit not immediately.

13 Environmental sustainability implications

- 13.1 There are no sustainability implications arising from this report.

14 Appendices

- None

15 Background papers

The background papers used in compiling this report were as follows:

- None