

Meeting: COUNCIL

Date: Wednesday 19 February 2020

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2020/21

Report of: Councillor Stephen Holt, Cabinet Member for Finance

The Council is asked to consider the reports to Cabinet and also the Cabinet minutes and resolutions from the meeting held on 05 February 2020 (attached at Appendices 3 and 4).

The budget book 2020/21 will be circulated to all Members of the Council in March once the budget has been formally adopted. A copy will be deposited at the Town Hall Reception for public inspection purposes and on the Council's website.

The reports may also be viewed on the Council's website at:

<https://democracy.lewes-eastbourne.gov.uk/ieListDocuments.aspx?CId=125&MId=2918&Ver=4>
 (This is the listing for the Cabinet meeting held on 05 February 2020)

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

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

The resolutions in this report, which must include the requirements of all precepting authorities, are based on the recommendations being made to those Authorities and the budget approved by the Police and Crime Commissioner for Sussex. At the time of writing this report the precepts for East Sussex County Council and East Sussex Fire Authority are still subject to approval. Should they subsequently change then this report will be updated prior to the Council meeting.

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

Authority	Precept/Demand		2020/21 Band D Council Tax	Change over 2019/20	
	£	%		£	%
Eastbourne Borough Council	8,771,741	12.3	251.71	4.94	2.00
East Sussex County Council	51,994,808	73.2	1,492.02	57.24	3.99
The Police and Crime Commissioner for Sussex	6,966,584	9.8	199.91	10.00	5.27
East Sussex Fire Authority	3,329,087	4.7	95.53	1.86	1.99
Total	71,062,220	100.0	2,039.17	74.04	3.77

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

Recommendations:

1. The recommendations as detailed in the reports from the Chief Finance Officer and the Director of Service Delivery to Cabinet on 05 February 2020:
 - (i) The General Fund budget for 2019/20 (Revised) and 2020/21 (original) Appendix 1 including growth and savings proposals for 2020/21.
 - (ii) The charge for Council Tax for Eastbourne Borough Council Band D change to £251.71; an increase of 2%.
 - (iii) The revised General Fund capital programme 2020/21.
 - (iv) Approve the Treasury Management Strategy and Annual Investment Strategy for 2020/21.
 - (v) Approve the Minimum Revenue Provision Policy Statement 2020/21.
 - (vi) Approve the Prudential and Treasury Indicators 2020/21 to 2022/23.
 - (vii) Approve the Capital Strategy.
 - (vii) Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2019/20 and the budget for 20/20/21, rents and service charges and the arrangements for finalising Eastbourne Homes' management fee.
2. That delegated authority is given to the Chief Finance Officer to amend the budget for any presentational changes ensuring the Council Tax Requirement at 6 below remains unchanged.
3. That it be noted, that since the Cabinet meeting on 05 February the Business Rates return to the Government (NNDR1) has been finalised with no changes to the previous net budget assumptions.
4. That consequent upon a General Fund budget of £13,522,133 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £251.71 calculated as follows:

	£'000	£'000
Gross Expenditure:		
General Fund		100,670
HRA		19,104
Business Rates payable to Government		11,104
Collection Fund Deficit (Council Tax)		60
		<u>130,938</u>
Less Income:		
Service Income	(101,235)	
Contribution from Reserves	(3,581)	
Other Government Grants	(2,220)	
Business Rates income	(15,130)	
		<u>(122,166)</u>
COUNCIL TAX REQUIREMENT		<u><u>8,772</u></u>
Band 'D' Council Tax		£251.71

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

5. That it be noted that at its meeting on 05 February 2020 the Cabinet agreed the Council Tax Base of 34,848.6 for Band 'D' equivalent properties for the year 2020/21 (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended).
6. Calculate that the Council Tax requirement for the Council's own purposes for 2020/21 as £8,771,741.
7. That the following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:

(a)	£130,937,574	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£122,165,833	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£8,771,741	being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
(d)	£251.71	being the amount at 5(c) above (Item R), all divided by Item T (4 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year.

8. To note that the Police and Crime Commissioner for Sussex has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each category of dwellings in the Council's area as indicated in the table below. The East Sussex County Council and East Sussex Fire and Rescue Authority figures are based on current recommendations to be considered by their respective budget setting meetings.
9. That the Council, in accordance with Sections 30 to 36 of the Local Government Finance Act 1992, as amended, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2020/21 for each of the categories of dwellings.

	Council Tax Valuation Bands							
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	1	11/9	13/9	15/9	2
	£	£	£	£	£	£	£	£
Precepting Authorities								
Eastbourne Borough Council	167.81	195.77	223.74	251.71	307.65	363.58	419.52	503.42
East Sussex County Council	994.68	1,160.46	1,326.24	1,492.02	1,823.58	2,155.14	2,486.70	2,984.04
Sussex Police Authority	133.27	155.49	177.70	199.91	244.33	288.76	333.18	399.82
East Sussex Fire Authority	63.69	74.30	84.92	95.53	116.76	137.99	159.22	191.06
Aggregate of Council Tax Requirements	1,359.45	1,586.02	1,812.60	2,039.17	2,492.32	2,945.47	3,398.62	4,078.34

10. Determine that the Council's basic amount of Council Tax for 2020/21 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.

As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2020/21 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992, as amended.

For a copy of the report please contact Democratic Services at 1 Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415021.

E-mail: committees@lewes-eastbourne.gov.uk

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

Appendices:

Appendix 1 - Section 25 Statement of the Section 151 Officer

Appendix 2 - General Fund Revenue Budget Summary

Appendix 3 – Draft Cabinet Minute Extract, 5 February 2020, General fund budget 2020/21 and capital programme

Appendix 4 - Draft Cabinet Minute Extract, 5 February 2020, Housing revenue account (HRA) revenue budget and rent setting 2020/21 and HRA capital programme 2019-23