

Meeting: COUNCIL

Date: Monday 24 February 2020

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

Report of: Councillor Zoe Nicholson (Leader and Portfolio Holder for Finance)

The Council is asked to consider the reports to Cabinet and also the Cabinet minutes and resolutions from the meeting held on 10 February 2020.

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=417&MId=2973&Ver=4>

(This is the listing for the Cabinet meeting held on 10 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 made to East Sussex Fire Authority and the budgets approved by the East Sussex County Council and the Police and Crime Commissioner for Sussex.

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	
	£	%	£	£	%
Lewes District Council:					
Council Tax Requirement (incl Special Expenses*)	7,713,114	9.93%	209.53	5.00	2.44%
Town and Parish Councils	4,198,131	5.40%	114.04	12.61	12.44%
Total Lewes District Council	11,911,244	15.33%	323.57	17.61	14.88%
East Sussex County Council	54,923,047	70.68%	1,492.02	57.24	3.99%
The Police and Crime Commissioner for Sussex	7,358,927	9.47%	199.91	10.00	5.27%
East Sussex Fire Authority	3,516,574	4.53%	95.53	1.86	1.99%
Total	77,709,792	100.00%	2,111.03	86.71	4.28%

*Special Expenses					
LDC Council Tax Requirement	7,713,114	-	209.53	5.00	2.44%
Less Total amount to be charged as Special Expenses	(642,310)	-	(17.45)	-	0.00%
Council Tax to be levied on all LDC taxpayers	7,070,804	-	192.08	5.00	2.67%

The Council has adopted a system of 'Special Expenses' in respect of the cost of General Fund Open Spaces. In setting the basic amount of the Council Tax for 2020/21, it is necessary for the Council to determine the costs which are to be its Special Expenses for the year, with all other costs being charged as its 'General Expenses'.

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 10 February 2020 as summarised below:
 - General Fund Budget and Capital Programme
 - (i) The General Fund budget for 2019/20 (Revised) and 2020/21 (Original) including growth and savings proposals for 2020/21.
 - (ii) An increase in the Council Tax for Lewes District Council of £5 resulting in a Band D charge for general expenses of £192.08 for 2020/21.
 - (iii) The revised General Fund capital programme 2020/21.
 - (iv) To note the Section 25 Statement of the Section 151 Officer Sign-Off attached at Appendix 1 and set out in the Cabinet report.
 - Treasury Management, Prudential Indicators and Capital Strategy
 - (v) Approve the Treasury Management Strategy and Annual Investment Strategy for 2020/21.
 - (vi) Approve the Minimum Revenue Provision Policy Statement for 2020/21.
 - (vii) Approve the Prudential and Treasury Indicators for 2020/21 to 2022/23.

- (viii) Approve the Capital Strategy.

Housing Revenue Account

- (ix) Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2019/20 and the budget for 2020/21, rents and service charges and the HRA Capital Programme including:
- (a) To agree the HRA budget for 2020/21 and revised 2019/20 budget as set out at Appendix 1 to the Cabinet report.
 - (b) To agree that social and affordable rents (including Shared Ownership) are increased by 2.7% in line with Government policy.
 - (c) To agree that private sector leased property rents are increased by 3.4% (RPI+1%).
 - (d) To agree that the revised service charges are implemented.
 - (e) To agree that garage rents are increased by 3.4% (RPI+1%).
 - (f) To agree that the HRA Capital Programme as set out at Appendix 2 to the Cabinet report.

2. That delegated authority is given to the Chief Finance Officer to amend the budget for any presentational changes ensuring the Council Tax Requirement remains unchanged.
3. That it be noted, that since the Cabinet meeting on 10 February the Business Rates return to the Government (NNDR1) has been finalised and the budget has been updated accordingly as shown in Appendix 2. As a result of the latest Business Rates position, it has been possible to add £450K to the Contingency Provision and transfer £202K into the Business Rates Equalisation Reserve. In addition, previously budgeted transfers from reserves of £700K, to cover additional capital financing costs and the impact of the economic downturn, are no longer required. Finally, it should also be noted that the forecast surplus of £300K together with a further £100K has been transferred into the General Fund Balance.
4. That the expenses incurred by the Council set out below be approved as Special Expenses chargeable to the residents of each of the Town/Parish areas indicated and that any other expenses (excluding local precepts) incurred by the Council be approved as general expenditure for the purposes of Section 35 of the Local Government Finance Act 1992.

Town/Parish Area	Special Expense 2020/21 £
Lewes	344,430
Newhaven	134,940
Telscombe	57,720
Seaford	58,590
Peacehaven	41,100
Chailey	1,120
Ringmer	4,410
Total	642,310

4. That consequent upon a General Fund budget of £14,254,000 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £209.53 calculated as follows:

	General Expenses only	Total including special items
	£000's	£000's
Gross Expenditure:		
General Fund	50,743	
HRA	16,212	
Business Rates payable to Government	7,805	
Contributions to Reserves	689	
	75,449	75,449
Special expenses		642
Parish and Town Council Precepts		4,198
Less Income:		
Service Income	(54,259)	
Other Government Grants	(3,449)	
Business Rates income	(10,587)	
Collection Fund Surplus (Council Tax)	(83)	
	(68,378)	(68,378)
COUNCIL TAX REQUIREMENT	7,071	11,911
Band D Council Tax	£192.08	£323.57

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 10 February 2020 Cabinet approved the following calculations for the year 2020/21, being made in accordance with regulations made under Sections 31(B)(4) and 34(4) of the Local Government Act 1992, as amended:-
- (a) 36,811.50 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of the Council Tax Base) Regulations 1992, as amended, as its Council Tax Base for the year) Item T in the formula in Section 31B of the Local Government Finance Act 1992).

(b)

<u>Part of the Council's Area</u>	<u>Tax Base</u>
Parish of Barcombe	637.60
Parish of Beddingham and Glynde	184.00
Parish of Chailey	1,299.60
Parish of Ditchling	1,122.00
Parish of East Chiltington	192.90
Parish of Falmer	65.80
Parish of Firle	124.80
Parish of Hamsey	271.50
Parish of Iford	90.70
Parish of Kingston	428.10
Town of Lewes	6,137.90
Town of Newhaven	3,693.80
Parish of Newick	1,106.30
Town of Peacehaven	4,800.90
Parish of Piddinghoe	123.60
Parish of Plumpton	665.40
Parish of Ringmer	1,876.30
Parish of Rodmell	208.20
Parish of St Ann Without	39.60
Parish of St John Without	23.60
Town of Seaford	9,495.70
Parish of Southease	22.80
Parish of South Heighton	277.60
Parish of Streat	81.20
Parish of Tarring Neville	8.60
Town of Telscombe	2,533.60
Parish of Westmeston	153.20
Parish of Wivelsfield	1,146.20

Being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as amended, as the amounts of its Council Tax base for the year for dwelling in those parts of its area to which one or more special items relate.

6. 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)	£80,289,345	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£68,378,100	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£11,911,245	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)	£323.57	being the amount at 6(c) above (Item R), all divided by Item T (5 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including local precepts).																																																								
(e)	£4,840,441	being the aggregate amount of all special items referred to in Section 34(1) of the Act.																																																								
(f)	£192.08	being the amount at 6(d) above less the result given by dividing the amount at 6(e) above by the amount at 4(a) above (Item T), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates,																																																								
(g)	<p>Parts of the Council's area</p> <table border="0" data-bbox="352 779 1410 1308"> <tr> <td>Barcombe</td> <td>242.23</td> <td>Piddinghoe</td> <td>272.74</td> </tr> <tr> <td>Beddingham and Glynde</td> <td>253.40</td> <td>Plumpton</td> <td>283.68</td> </tr> <tr> <td>Chailey</td> <td>244.28</td> <td>Ringmer</td> <td>262.99</td> </tr> <tr> <td>Ditchling</td> <td>280.23</td> <td>Rodmell</td> <td>263.17</td> </tr> <tr> <td>East Chiltington</td> <td>226.36</td> <td>St Ann Without</td> <td>192.08</td> </tr> <tr> <td>Falmer</td> <td>199.68</td> <td>St John Without</td> <td>192.08</td> </tr> <tr> <td>Firle</td> <td>272.58</td> <td>Seaford</td> <td>290.08</td> </tr> <tr> <td>Hamsey</td> <td>260.24</td> <td>Southeast</td> <td>192.08</td> </tr> <tr> <td>Iford</td> <td>203.11</td> <td>South Heighton</td> <td>236.67</td> </tr> <tr> <td>Kingston</td> <td>308.88</td> <td>Streat</td> <td>236.41</td> </tr> <tr> <td>Lewes</td> <td>445.95</td> <td>Tarring Neville</td> <td>192.08</td> </tr> <tr> <td>Newhaven</td> <td>374.67</td> <td>Telscombe</td> <td>309.57</td> </tr> <tr> <td>Newick</td> <td>251.74</td> <td>Westmeston</td> <td>276.94</td> </tr> <tr> <td>Peacehaven</td> <td>334.82</td> <td>Wivelsfield</td> <td>265.18</td> </tr> </table> <p>Being the amounts given by adding the amount at 5(f) above, the amounts of the special items or items relating to dwelling in those parts of the Council's area mentioned above divided in each case by the amount at 5(B) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.</p>		Barcombe	242.23	Piddinghoe	272.74	Beddingham and Glynde	253.40	Plumpton	283.68	Chailey	244.28	Ringmer	262.99	Ditchling	280.23	Rodmell	263.17	East Chiltington	226.36	St Ann Without	192.08	Falmer	199.68	St John Without	192.08	Firle	272.58	Seaford	290.08	Hamsey	260.24	Southeast	192.08	Iford	203.11	South Heighton	236.67	Kingston	308.88	Streat	236.41	Lewes	445.95	Tarring Neville	192.08	Newhaven	374.67	Telscombe	309.57	Newick	251.74	Westmeston	276.94	Peacehaven	334.82	Wivelsfield	265.18
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(h) Parts of the Council's area

Council Tax Valuation Bands								
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Barcombe	161.49	188.40	215.32	242.23	296.06	349.89	403.72	484.46
Beddingham and Glynde	168.93	197.09	225.24	253.40	309.71	366.02	422.33	506.80
Chailey	162.85	190.00	217.14	244.28	298.56	352.85	407.13	488.56
Ditchling	186.82	217.96	249.09	280.23	342.50	404.78	467.05	560.46
East Chiltington	150.91	176.06	201.21	226.36	276.66	326.96	377.27	452.72
Falmer	133.12	155.31	177.49	199.68	244.05	288.43	332.80	399.36
Firle	181.72	212.01	242.29	272.58	333.15	393.73	454.30	545.16
Hamsey	173.49	202.41	231.32	260.24	318.07	375.90	433.73	520.48
Iford	135.41	157.97	180.54	203.11	248.25	293.38	338.52	406.22
Kingston	205.92	240.24	274.56	308.88	377.52	446.16	514.80	617.76
Lewes	297.30	346.85	396.40	445.95	545.05	644.15	743.25	891.90
Newhaven	249.78	291.41	333.04	374.67	457.93	541.19	624.45	749.34
Newick	167.83	195.80	223.77	251.74	307.68	363.62	419.57	503.48
Peacehaven	223.21	260.42	297.62	334.82	409.22	483.63	558.03	669.64
Piddinghoe	181.83	212.13	242.44	272.74	333.35	393.96	454.57	545.48
Plumpton	189.12	220.64	252.16	283.68	346.72	409.76	472.80	567.36
Ringmer	175.33	204.55	233.77	262.99	321.43	379.87	438.32	525.98
Rodmell	175.45	204.69	233.93	263.17	321.65	380.13	438.62	526.34
St Ann Without	128.05	149.40	170.74	192.08	234.76	277.45	320.13	384.16
St John Without	128.05	149.40	170.74	192.08	234.76	277.45	320.13	384.16
Seaford	193.39	225.62	257.85	290.08	354.54	419.00	483.47	580.16
Southease	128.05	149.40	170.74	192.08	234.76	277.45	320.13	384.16
South Heighton	157.78	184.08	210.37	236.67	289.26	341.86	394.45	473.34
Streat	157.61	183.87	210.14	236.41	288.95	341.48	394.02	472.82
Tarring Neville	128.05	149.40	170.74	192.08	234.76	277.45	320.13	384.16
Telscombe	206.38	240.78	275.17	309.57	378.36	447.16	515.95	619.14
Westmeston	184.63	215.40	246.17	276.94	338.48	400.02	461.57	553.88
Wivelsfield	176.79	206.25	235.72	265.18	324.11	383.04	441.97	530.36

Being the amounts given by multiplying the amounts at 6(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

7. To note that East Sussex County Council, East Sussex Fire and Rescue Authority and Police and Crime Commissioner for Sussex have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as amended, for each category of dwellings in the Council's area as indicated in the table below.

Council Tax Valuation Bands								
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Precepting Authorities								
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	1,191.64	1,390.25	1,588.85	1,787.46	2,184.67	2,581.88	2,979.11	3,574.92

8. That having calculated the aggregate in each case of the amounts at 6(h) and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2020/21 for each of the categories of dwellings shown below:

Council Tax Valuation Bands								
	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Barcombe	1,353.13	1,578.65	1,804.17	2,029.69	2,480.73	2,931.76	3,382.83	4,059.38
Beddingham and Glynde	1,360.57	1,587.34	1,814.10	2,040.86	2,494.38	2,947.90	3,401.44	4,081.72
Chailey	1,354.49	1,580.24	1,805.99	2,031.74	2,483.24	2,934.73	3,386.24	4,063.48
Ditchling	1,378.46	1,608.20	1,837.95	2,067.69	2,527.18	2,986.65	3,446.16	4,135.38
East Chiltington	1,342.55	1,566.30	1,790.06	2,013.82	2,461.34	2,908.84	3,356.38	4,027.64
Falmer	1,324.76	1,545.55	1,766.35	1,987.14	2,428.73	2,870.30	3,311.91	3,974.28
Firle	1,373.36	1,602.25	1,831.15	2,060.04	2,517.83	2,975.60	3,433.41	4,120.08
Hamsey	1,365.13	1,592.66	1,820.18	2,047.70	2,502.74	2,957.78	3,412.84	4,095.40
Iford	1,327.05	1,548.22	1,769.40	1,990.57	2,432.92	2,875.26	3,317.63	3,981.14
Kingston	1,397.56	1,630.49	1,863.41	2,096.34	2,562.19	3,028.04	3,493.91	4,192.68
Lewes	1,488.94	1,737.10	1,985.25	2,233.41	2,729.72	3,226.03	3,722.36	4,466.82
Newhaven	1,441.42	1,681.66	1,921.89	2,162.13	2,642.60	3,123.07	3,603.56	4,324.26
Newick	1,359.47	1,586.04	1,812.62	2,039.20	2,492.36	2,945.50	3,398.68	4,078.40
Peacehaven	1,414.85	1,650.66	1,886.47	2,122.28	2,593.90	3,065.51	3,537.14	4,244.56
Piddinghoe	1,373.47	1,602.38	1,831.29	2,060.20	2,518.02	2,975.83	3,433.68	4,120.40
Plumpton	1,380.76	1,610.89	1,841.01	2,071.14	2,531.39	2,991.64	3,451.91	4,142.28
Ringmer	1,366.97	1,594.79	1,822.62	2,050.45	2,506.11	2,961.75	3,417.43	4,100.90
Rodmell	1,367.09	1,594.93	1,822.78	2,050.63	2,506.33	2,962.01	3,417.73	4,101.26
St Ann Without	1,319.69	1,539.64	1,759.59	1,979.54	2,419.44	2,859.33	3,299.24	3,959.08
St John Without	1,319.69	1,539.64	1,759.59	1,979.54	2,419.44	2,859.33	3,299.24	3,959.08
Seaford	1,385.03	1,615.86	1,846.70	2,077.54	2,539.22	3,000.88	3,462.58	4,155.08
Southeast	1,319.69	1,539.64	1,759.59	1,979.54	2,419.44	2,859.33	3,299.24	3,959.08
South Heighton	1,349.42	1,574.32	1,799.23	2,024.13	2,473.94	2,923.73	3,373.56	4,048.26
Streat	1,349.25	1,574.12	1,799.00	2,023.87	2,473.62	2,923.36	3,373.13	4,047.74
Tarring Neville	1,319.69	1,539.64	1,759.59	1,979.54	2,419.44	2,859.33	3,299.24	3,959.08
Telscombe	1,398.02	1,631.02	1,864.03	2,097.03	2,563.04	3,029.03	3,495.06	4,194.06
Westmeston	1,376.27	1,605.64	1,835.02	2,064.40	2,523.16	2,981.90	3,440.68	4,128.80
Wivelsfield	1,368.43	1,596.50	1,824.57	2,052.64	2,508.78	2,964.91	3,421.08	4,105.28

9. 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 Chief Finance Officer.

Appendix 2 - Revised General Fund Budget Summary.

Appendix 3 - Detail Town/Parish Precept, Tax Base and Band D analysis.

Appendix 4 - Draft Cabinet Minute Extract, 10 February 2020, General Fund Budget 2020/21 and Capital Programme.

Appendix 5 – Draft Cabinet Minute Extract, 10 February 2020, Treasury Management and Prudential Indicators 2020/21, Capital Strategy and Investment Strategy

Appendix 6 – Draft Cabinet Minute Extract, 10 February 2020, Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2020/21 and HRA Capital Programme 2019-23.