

Meeting: FULL COUNCIL

Date: Wednesday 23 February 2022

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2021/22

Report of: Councillor Stephen Holt, Deputy Leader of the Council and 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 9 February 2022.

The budget book 2022/23 will be circulated to all Members of the Council in March once the budget has been formally adopted. A copy will be provided on the Council's website.

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

[Agenda for Eastbourne Borough Council Cabinet on Wednesday, 9th February, 2022, 6.00 pm \(lewes-eastbourne.gov.uk\) \(https://democracy.lewes-eastbourne.gov.uk/ieListDocuments.aspx?CId=125&MId=3376&Ver=4\)](https://democracy.lewes-eastbourne.gov.uk/ieListDocuments.aspx?CId=125&MId=3376&Ver=4).

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 East Sussex County Council, the Police and Crime Commissioner for Sussex and East Sussex Fire Authority.

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

Authority	Precept/Demand		2022/23 Band D Council Tax	Change over 2021/22	
	£	%		£	£
Eastbourne Borough Council	9,100,335	11.91%	261.85	5.11	1.99%
East Sussex County Council	56,070,018	73.35%	1,613.34	69.30	4.49%
The Police and Crime Commissioner for Sussex	7,816,522	10.23%	224.91	10.00	4.65%
East Sussex Fire Authority	3,453,505	4.52%	99.37	1.94	1.99%
Total	76,440,380	100.00%	2,199.47	86.35	4.09%

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 to Cabinet on 9 February 2022:
 - (i) To approve the General Fund budget for 2021/22 (Revised) and 2022/23 (original).
 - (ii) To approve an increase in the Council Tax for Eastbourne Borough Council of 1.99% resulting in a Band D charge of £261.85 for 2022/23.
 - (iii) To approve the revised General Fund capital programme 2022/23.
 - (iv) To endorse the continuation of the Flexible use of Capital Receipts.
 - (v) To approve the Treasury Management Strategy and Annual Investment Strategy for 2022/23.
 - (vi) To approve the Minimum Revenue Provision Policy Statement 2022/23.
 - (vii) To approve the Prudential and Treasury Indicators 2022/23 to 2024/25.
 - (viii) To approve the Capital Strategy.
 - (ix) To approve the Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2021/22 and the budget for 2022/23, rents and service charges and the arrangements for finalising Eastbourne Homes' management fee, including:
 - That social and affordable rents (including Shared Ownership) are increased by 4.1% in line with Government policy.
 - That the average General Needs Housing Benefit (HB) Eligible service charge will be £5.04 per week.
 - That the average HB Eligible service charge for Retirement Housing will be £35.85 per week.
 - That the Support charge for Retirement Housing will be £5.44 per unit.
 - That the average Non-HB Eligible heating charges will be £3.49 per week.
 - That the average non-HB Eligible water charges will be £3.33.
 - That Garage rents are increased by 4.86% (September RPI).

- (x) To grant delegated authority to the Chief Executive, in consultation with the Cabinet Portfolio holders for Financial Services and Direct Assistance Service and the Chief Finance Officer to finalise Eastbourne Homes' Management Fee and Delivery Plan.
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 9 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 £16,105,550 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £261.85 (representing an increase of 1.99%) calculated as follows:

	£'000	£'000
Gross Expenditure:		
General Fund		90,256
HRA		19,452
Business Rates Tariff payable and deficit		12,974
		<u>122,682</u>
Less Income:		
Service Income	(90,294)	
Contribution form Reserves	(4,648)	
Other Government Grants	(2,706)	
Business Rates income	(15,672)	
Collection Fund Surplus (Council Tax)	(262)	(113,582)
		<u>9,100</u>
COUNCIL TAX REQUIREMENT		9,100
Band 'D' Council Tax		£261.85

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 1 December 2021 the Cabinet agreed the Council Tax Base of 34,754.0 for Band 'D' equivalent properties for the year 2022/23 (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 2022/23 as £9,100,335.
7. That the following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:

(a)	£122,681,850	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£113,581,550	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£9,100,300	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)	£261.85	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 East Sussex County Council, the Police and Crime Commissioner for Sussex and the East Sussex Fire Authority 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.
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 2022/23 for each of the categories of dwellings.

	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	2
	£	£	£	£	£	£	£	£
Precepting Authorities								
Eastbourne Borough Council	174.57	203.66	232.76	261.85	320.04	378.23	436.42	523.70
East Sussex County Council	1,075.56	1,254.82	1,434.08	1,613.34	1,971.86	2,330.38	2,688.90	3,226.68
Sussex Police Authority	155.19	181.06	206.92	224.91	284.52	336.25	387.98	465.58
East Sussex Fire Authority	66.25	77.29	88.33	99.37	121.45	143.53	165.62	198.74
Aggregate of Council Tax Requirements	1,471.57	1,716.83	1,962.09	2,199.47	2,697.87	3,188.39	3,678.92	4,414.70

10. Determine that the Council's basic amount of Council Tax for 2022/23 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 2022/23 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, Town Hall, Grove Road, Eastbourne, BN21 4TW. Tel. (01323) 415023.
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 - Draft Cabinet Minute Extract, 9 February 2022, General Fund Budget 2022/23 and Capital Programme.

Appendix 3 – Draft Cabinet Minute Extract, 9 February 2022, Treasury Management and Prudential Indicators 2022/23, Capital Strategy and Investment Strategy.

Appendix 4 – Draft Cabinet Minute Extract, 9 February 2022, Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2022/23 and HRA Capital Programme 2022-25.