

Report to: Scrutiny Committee

Date: 04 December 2023

Title: Revenue and Capital Financial Monitoring Report Quarter 2 2023-24

Report of: Homira Javadi, Director of Finance and Performance

Cabinet member: Councillor Robin Maxted, Cabinet member for Finance and Resources

Ward(s): All

Purpose of report: The report provides an assessment of the Council's financial performance against its approved 2023-24 budget, incorporating key financial risks, issues and opportunities identified since 1 April 2023 for the General Fund and the Housing Revenue Account (HRA)

Decision type: Non-Key

Officer recommendations to the Cabinet: It is recommended that the Cabinet:

- i) Note the forecast outturn position for 2023-24 and associated risks.
- ii) Delegate authority to the Director of Finance and Performance and the portfolio holder for finance to apply the required budget virements to support effective management of the overall budget.
- iii) Note Appendix 1 and 2

Reasons for recommendations: To update members on the financial position of the Council and ensure that the Authority complies with its financial regulations.

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

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1. Introduction

- 1.1. Eastbourne Borough Council provides a range of services to residents and businesses across the area including the collection and disposal of waste, housing, and support for the homeless, leisure and community wellbeing, planning and tourism and culture activities.
- 1.2. The Council successfully balanced its 2022-23 budget and published the details in the provisional outturn report that Cabinet considered.
- 1.3. However, the Council, alongside many other local authorities and organisations across the nation, has seen a significant impact on its finances because of external factors beyond its control. The recent exercise to construct the Medium-Term Financial Strategy for 2024-25 through to 2027-28 has further highlighted pressures facing the council's finances. The main drivers of these cost pressures are highlighted below:
 - The higher interest rates affecting our ability to fund Capital Expenditure.
 - Inflationary and cost of living pressures impacting on the now agreed pay award for 2023-24, the net cost of borrowing, contract inflation and energy costs.
 - Demand led and inflationary pressures within housing and temporary accommodation for homelessness.
 - The lack of clarity over Government funding for local government particularly around business rates and a long-term settlement to enable planning over the medium term.
- 1.4. As a result of these externally driven financial challenges, Corporate Management Teams continue to be focused on reducing the cost-of-service delivery in their areas to support the Council to forecast spend closer in line with the budget, while ensuring that services are still delivered and that there is not a corresponding reduction in service provision.

2. General Fund

- 2.1. The forecast outturn position for 2023-24 as at the 30 September 2023 is an overspend of £3.96m as shown in Table 1. This shows a worsened position of £1.6m from that reported at Q1.
- 2.2. The position at Q2 follows a more in-depth review of budgets and likely expenditure than the initial high level key exercise undertaken in Q1. The position will continue to be analysed and monitored over the coming months to achieve a plan of expenditure and funding aligning by the year end.
- 2.3. The initial main underlying pressures which directorates are seeking to mitigate are as follows:
 - Underlying levels of inflation and increased interest costs affecting contracts, operations, running costs and the cost of borrowing to fund the capital programme. **£1.0m above budget**

- Increase in homelessness provision. **£2.7m above budget. This is a £4.9m spend above the existing provision of £2.2m.**
- Significant pressure on the Neighbourhood First Service. **£0.4m above budget.**

2.4. These three unmitigated items alone add up to £4.5m which is in excess of the total overspend projected at this stage. Work continues in discussions with Government, as well as scrutiny of our current and aspirational capital Programme and in reviewing service spend across the organisation to try and mitigate the budget gap which is currently forecast to continue into 2024/25.

2.5. The detailed forecast variations against budget are set out from Section 3.

Table 1: Quarter 2 Forecast Outturn 2023-24 by Directorate

Directorate	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
	£'000					
Corporate Services	4,820	5,099	280	309	(29)	6%
Service Delivery	8,139	11,979	3,840	2,321	1,519	47%
Regeneration & Planning	(56)	(349)	(293)	722	(1,015)	
Tourism & Enterprise	2,037	2,206	169	(14)	183	8%
Cost of Services	14,940	18,936	3,996	3,338	658	27%
Technical/Centrally Controlled Budgets	3,033	3,751	718	0	718	24%
Total Budgeted Expenditure	17,973	22,687	4,714	3,338	1,376	26%
Less Funding	(17,973)	(18,723)	(750)	(989)	239	4%
Net Position 2023-24	(0)	3,964	3,964	2,349	1,615	22%

2.6 The report reflects the position on 30 September 2023.

2.7 Services have an early awareness of their pressures and as a result are taking positive steps to mitigate the overspend in their areas.

3.0 Homelessness and Temporary Accommodation

3.1 The largest and most unmanageable pressure the Council currently faces is the numbers and costs of those seeking emergency or temporary accommodation. Within Eastbourne Council, there is a current projected overspend against budget of £2.7m to meet the current costs of providing homeless support and housing.

3.2 In addition, there are pressures on Eastbourne Housing Investment Company Limited (EHICL) who are also supporting cases leading to costs for them plus a loss of interest receipts on balances they had budgeted to receive.

3.3 The costs arising for the Council in both responding to the increased numbers and in putting in processes and resources to attempt to successfully manage the

numbers down are also considerable. We will work to quantify these figures during Q3.

- 3.4 The Council had supported approximately 120 households during the previous year and had budgeted to support 150 households in 2023/24.

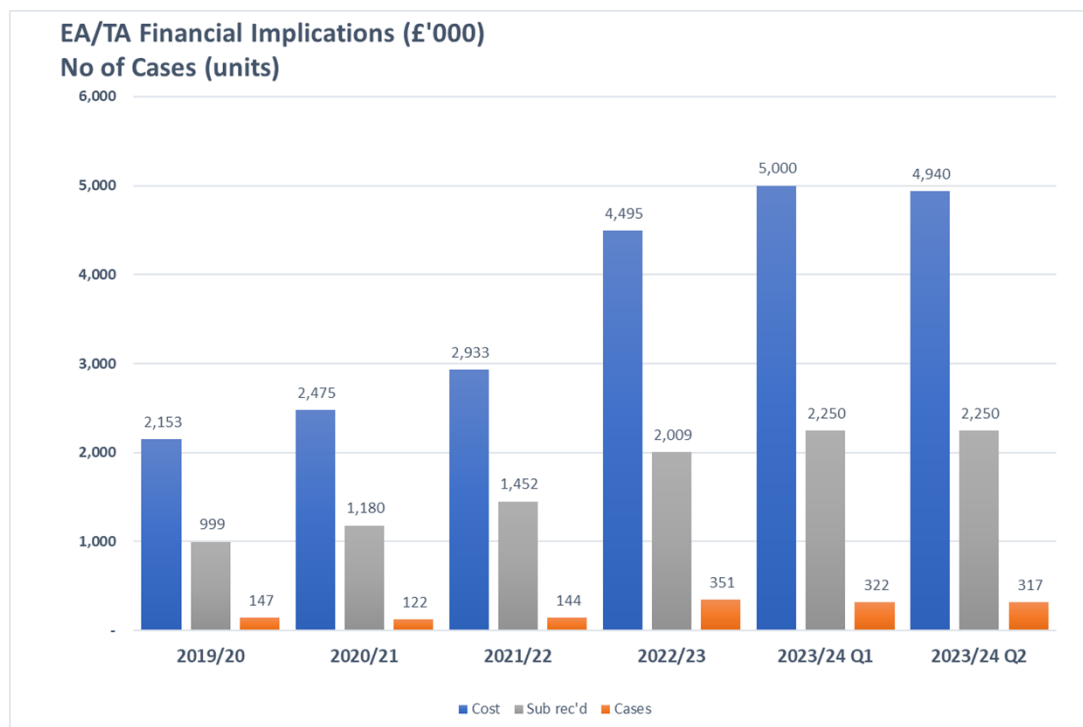
The current demand is 317 households (excluding 39 EHICL placements) in emergency accommodation which is an improvement from the Q1 position of 325 and reflects the considerable resources being used to attempt to manage the situation. Realistically though, the service is working hard to reduce the numbers 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.

- 3.5 The costs of this unprecedented pressure are spread over many council service areas. The table below shows what has been quantified.

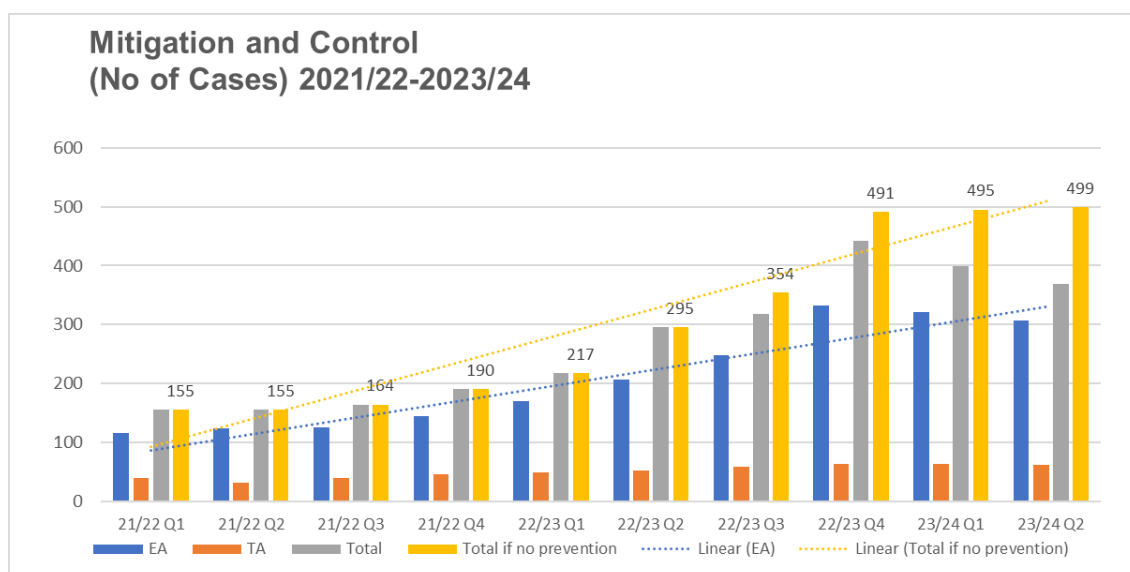
EBC Costs	2021/22	2022/23	2023/24
Costs of placements	£3.3m	£5.8m	£6.7m
Housing Benefit Receipts	(£2.7m)	(£4.3m)	(£5.5m)
Subsidy	£1.5m	£2.6m	£3.7m
Total	£2.1m	£4.1m	£4.9m

EHICL Costs			2023/24
Net costs of 39 placements			£0.6m
Total			£0.6k

The graph below shows the EBC costs, cases and projected subsidies based on current figures.



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.



Senior Managers are urgently raising the issue with the Department for Levelling Up, Housing & 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.

Financial Overview by Directorate

This section of the report provides an update on the forecast variations against the 2023-24 budget focused on individual Directorates.

4.0 Corporate Services

Table 2: Corporate services 2023-24

Corporate Services Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
Finance	1,404	1,789	385	334	51	27%
Corporate Management Team	(143)	(77)	67	0	67	
Business Transformation	1,488	1,420	(68)	(68)	0	-5%
Business Planning and Performance	445	405	(39)	26	(65)	-9%
Human Resources	377	352	(25)	15	(40)	-7%
Legal and Local Democracy	1,351	1,327	(24)	(18)	(6)	-2%
Local Land Charges	(102)	(118)	(15)	20	(35)	15%
Net Position	4,820	5,099	280	309	(29)	6%

4.1 The Directorate is reporting a forecast outturn position of £280k overspend.

4.2 **This is an improved position of £29k** since the Q1 exercise.

4.3 **Finance** - In common with many other local authorities, Finance has struggled to recruit to key posts on a permanent basis. Savings from permanent vacant posts are currently partially offsetting interim costs. The service has posts being advertised as part of a recruitment campaign with interviews having taken place during November. Seven posts have been permanently recruited to and the onboarding process begun. The candidates will begin employment before the end of the financial year alleviating the issue for 2024/25.

4.4 The forecast includes £100k overspend on insurance costs due to higher premiums.

4.5 **Corporate Management Team** – The forecast overspend relates to Health & Safety cost which has previously been absorbed by services underspends. This will be reviewed during the 2024/25 budget setting process.

4.6 **Business Transformation (IT)** forecast of £68k underspent remains unchanged.

4.7 Other Corporate Services areas are forecasting various reductions to their Q1 positions.

5.0 Service Delivery

The Service Delivery Directorate delivers services including housing and support to the homeless, waste, and environmental services and maximisation and welfare and regulatory service teams.

Table 3 Service Delivery

Service Delivery Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
Customer First	829	4,190	3,361	1,491	1,870	406%
Director of Service Delivery	15	28	14	16	(2)	93%
Neighbourhood First	1,895	2,317	421	862	(441)	22%
Environment First	4,916	4,818	(99)	0	(99)	-2%
Homes First	484	627	142	(48)	190	29%
Net Position	8,139	11,979	3,840	2,321	1,519	47%

5.1 The Directorate is reporting a overspend of £3.84m **This is an increased variance position of £1.519m** since the Q1 monitoring.

5.2 **Customer First** - There is a total current projected overspend of £2.7m (net accommodation and subsidy loss projection £4.9m against a budgeted provision of £2.2m) to meet the current costs of providing homeless support and housing. The Council had previously supported approximately 120 households during the recent years and had budgeted to support only 150 households. (See section 3.0)

Income Maximisation and Welfare - are reporting a £100k overspend relating to the migration costs of the new system which is currently being implemented.

Bereavement Services - are forecasting £200k under recovery of income.

The Customer First Team are forecasting an overspend of £330k on staffing costs as they continue to incur difficulty in recruiting some vacancies. The required capacity is currently filled by agency workers at higher rates.

5.3 **Neighbourhood First** – Base overspend of £421k. This has been mitigated by other service savings which have been redirected to offset the historic issue. Subsequently there has been a favourable movement of £441k in the forecast overspend since Q1.

The overspends related to cleaning costs, Devonshire Park grounds maintenance costs, repairs, maintenance, and security.

5.4 **Environment First** is forecasting an underspend of £99k.

5.5 **Homes First** is forecasting an underspend of £142k which relates to the increased cost of and numbers in Bed & Breakfast Accommodation.

6.0 Regeneration and Planning

The Regeneration and Planning Directorate delivers services including estates and property, estate management and regeneration and planning activity across the geographical borough area.

Table 4 Regeneration and Planning

Regeneration & Planning Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
	£'000					
Director of Regeneration and Planning	42	60	18	0	18	42%
Estates and Property	(829)	(788)	40	436	(396)	-5%
Rechargeable Salaries	(0)	(137)	(137)	0	(137)	
Head of Commercial Business and Property	25	71	46	0	46	181%
Housing Delivery Team	78	123	45	(6)	51	59%
Planning	407	765	358	256	102	88%
Regeneration	221	(443)	(664)	36	(700)	
Net Position	(56)	(349)	(293)	722	(1,015)	

6.1 The Directorate is reporting a forecast outturn position of £293k underspend. **This is an improved position of £1,015m since the Q1 exercise.**

- 6.2 Director of Regeneration and Planning – this relates to the 22/23 pay award and increased spend over budget of £18k as a result.
- 6.3 Estates and Property – The service has scrutinised its Q1 projections and managed to bring them back to just below budget. Forecasts have reduced on fuel and utilities reflecting the overall national drop in energy prices and forecast rental income has been reviewed.
- 6.4 Recharged salaries to Eastbourne Homes are expected to recover above budget by £136k relating to additional management and secretariat services provided.
- 6.5 Head of Commercial Business and Properties. Difficulty in retaining staff in this area has led to market supplements and additional duty payments to staff (£46k overspend)
- 6.6 Housing Delivery Team - Difficulty in retaining staff in this area has led to market supplements and additional duty payments to staff (£45k overspend). The service has been unsuccessful in recruitment campaigns leading to additional payments required to attract staff.
- 6.7 Planning - £358k forecast overspend due to high levels of Agency Staff used to support the Local Plan plus the procurement of Specialist Consultancy advice to support Planning Applications. This expenditure is expected to be funded by reserves at year end.
- 6.8 Regeneration – Swing in variation relating to grant funding for Regeneration projects identified since Q1.

7.0 Tourism and Culture

The Tourism and Culture Directorate delivers a range of cultural activities across the area including the Devonshire Quarter, leisure, and sporting facilities as well as ongoing and one-off yearly events and productions.

Table 5 Tourism and Culture

Tourism & Culture Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
Towner	420	424	4	0	4	1%
Events	225	266	41	0	41	18%
Seafront	56	126	70	75	(5)	124%
Sports Delivery	606	568	(38)	(175)	137	-6%
Theatres	32	42	10	133	(123)	32%
Tourism and Culture	697	780	83	(47)	130	12%
Net Position	2,037	2,206	169	(14)	183	8.3%

- 7.1 The Directorate is reporting a forecast outturn position of £169k overspent. **This is an improved position of £183k** since the Q1 exercise.

- 7.2 Events – A savings target of £100k is not now considered achievable but the service has identified other area of savings resulting in a £41k overspend.
- 7.3 Seafront – The service has pulled back slightly from their forecast at Q1 by reviewing leaseholder costs.
- 7.4 Sports Delivery – An unbudgeted increase in staff costs of 8% for temporary staff and 18% for lifeguards have increased the forecast by £137k but the service is still forecast to underspend by £38k in total.
- 7.5 Theatres – have reduced their Q1 forecast by £123k due to various efficiencies and realignment of staff duties and have been able to absorb a facilities and cleaning pressure. Theatres are still forecasting a small overspend of £10k.
- 7.6 Tourism and Culture is projecting an overspend of £83k which is a movement of £47k from their Q1 forecast. This relates to unbudgeted staffing at the Golf Club and Heritage Storage costs of £20k.

8.0 Technical and Central Controlled Budgets

Technical and centrally controlled budgets include the treasury budgets, capital financing and contingency budgets. This area will also include any Council wide corporate cross cutting issues and/or opportunities.

Table 6 Technical/Centrally controlled.

Technical/Centrally Controlled Budgets Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
	£'000					
Contingencies	794	581	(213)	0	(213)	-27%
Levies	237	237	0	0	0	0%
Capital Financing	1,352	2,330	978	0	978	72%
Minimum Revenue Provision	649	603	(46)	0	(46)	-7%
Net Position	3,033	3,751	718	0	718	24%

- 8.1 Contingencies - The Council will be releasing its provision for contingency to offset the expected higher utility costs and to support service pressures being experienced during this year.
- 8.2 The pay award for 2023/24 will be higher than that assumed in the budget, therefore an additional £99k has been added into contingencies to cover the expected gap.
- 8.3 Levies are expected to be as budget.
- 8.4 With higher interest rates, capital financing costs are showing an increase of £0.98m. The council has put in place immediate measures to address this pressure.

8.5 The Minimum Revenue Provision is forecast to be reduced due to tighter controls on capital programme.

8.6 Further updates and will be provided to Cabinet as the year progresses and as financial monitoring is reported.

9.0 Housing Revenue Account (HRA)

Table 7: HRA 2023-24

EHB Housing Revenue Account	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
	£'000					
Dwelling Rents	(15,830)	(15,790)	40	181	(141)	0%
Non-Dwelling Rents	(355)	(341)	14	17	(3)	-4%
Charges for services	(1,378)	(1,376)	2	(202)	204	0%
GROSS INCOME	(17,563)	(17,507)	56	(4)	60	0%
Management Fee	8,436	8,436	0	0	0	0%
Supervision and Management	1,748	1,661	(87)	(45)	(42)	-5%
Doubtful Debt provision	145	145	0	0	0	0%
Depreciation	5,518	5,346	(172)	(172)	0	-3%
Debt management cost	16	32	16	0	16	100%
GROSS EXPENDITURE	15,863	15,620	(243)	(217)	(26)	-2%
NET COST OF HRA SERVICES	(1,700)	(1,887)	(187)	(221)	34	11%
Loan Charges- Interest	1,781	1,823	42	0	42	2%
Interest receivable	(57)	(152)	(95)	0	(95)	
NET OPERATING COST	24	(216)	(240)	(221)	(19)	
Contribution to Capital Expenditure	0	0	0	0	0	
HRA (SURPLUS) DEFICIT	24	(216)	(240)	(221)	(19)	

9.1 The Housing Revenue Account is a ring-fenced account used to manage the Council's housing stock. The costs of managing and maintaining the properties, collecting rents and meeting the interest cost of monies borrowed to pay for investment in the housing stock are all charged to the housing revenue account.

9.2 The Housing Revenue Account is reporting a forecast outturn position of £241k underspend, which is the second reported outturn projection reported for financial year 2023-24 and a favourable change of £20k compared to period Quarter 1.

9.3 The favourable change in outturn forecast represents a more refined outturn position of operational spend than the light touch forecast of Quarter 1. The movement in forecasts are mainly; Charges for Services where underlying inflationary costs incurred require a more detailed review over the coming months (£202k) and an improved outturn forecast for Dwelling Rents. The favourable change of £141k compared to Quarter 1 is largely due to rental income assumptions for New Builds and fewer Right-to-Buys.

- 9.4 Supervision and Management is reporting a forecast underspend of £87k mainly on fewer Under-Occupation incentive payments for Tenants downsizing (£45k) and improved recovery of Tenant repair costs (£37k)
- 9.5 There is a forecast reduction in the charge for Depreciation (£172k) due to a change in adopted methodology agreed by the Council's S151. An increase in the Land element of the Housing Stock valuation from 15% to 25% has decreased the amount chargeable to the revenue account.
- 9.6 The favourable change of £20k for Loan charges and Interest receivable represents an improved market interest rate on borrowing and interest earned on reserve balances.

10.0 Capital Expenditure

10.1 Capital Expenditure - General Fund

- 10.2 The capital programme at Appendix 2 provides a detailed summary of spend for quarter 2 compared to the revised allocation for 2023/24. The Capital Programme including slippages from 2022/23) for 2023/24 totals £16.4m compared to the original Capital Programme approved by Council in February 2023 of £28.0m. The summary of the General Fund Capital Programme is shown in the following table.

Table 8: General Fund Capital Programme Summary Table 2023-24

General Fund Capital Programme 2023/24	Original Budget 2023/24	Revised Budget 2023/24	Forecast for Year 23/24	Year to Date Spend Q2 2023/24
	£'000	£'000	£'000	£'000
General Fund Housing	1,200	2,233	2,233	362
Other Housing	751	1,804	1,819	- 65
Community Services	3,136	3,106	3,105	867
Tourism & Leisure	150	100	120	36
Corporate Services	570	658	462	107
Regeneration	17,947	5,840	5,840	291
Asset Management	4,256	2,648	2,684	974
General Fund	28,010	16,389	16,263	2,572

- 10.3 The forecast for the year (at quarter two) is £16.3m, a reduction of £126k on the latest revised budget which includes projects that will not be completed in 2023/24 and have been re-profiled to 2024/25 and later years. Actual expenditure at the end of quarter was £2.572m, so significant expenditure is expected in the second half of the year. Details of the capital programme are in Appendix 1.

10.4 Capital Expenditure – HRA

- 10.5 The detailed HRA capital programme at Appendix 2, provides a summary of spend for quarter two compared to the allocation for 2023/24. The HRA Capital Programme (including slippages from 2022/23) for 2023/24 totals £15.7m compared to the original Capital Programme approved by Council in February 2023 of £13.6m. A summary of the HRA Capital Programme is shown in the following table.

Table 9: HRA Capital Programme Summary Table 2023-24

HRA Capital Programme 2023/24	Original Budget 2023/24	Revised Budget 2023/24	Forecast for Year 23/24	Year to Date Spend Q2 2023/24
	£'000	£'000	£'000	£'000
Major Works	5,000	5,880	5,880	3,717
Disabled Adaptations	450	450	450	303
New Build	6,688	4,989	5,008	2,701
Acquisitions	1,453	4,425	4,421	951
Total HRA	13,591	15,744	15,759	7,672

- 10.6 The revised budget for the Housing Capital Programme for the year is £15.7m, with expenditure and commitments at the end of quarter two of £7.7m. Capital budgets from the previous year have been carried forward to 2023/24, relating to the maintenance of the Council's housing stock, and the New Build programme.
- 10.7 At the end of quarter two, both the HRA and General Fund spend against the 2023/24 revised budget is low. The construction sector continues to be under pressure from rising prices for materials and labour shortages. The year-end forecasts are provided against a backdrop of economic uncertainty, regarding supply chain challenges, building cost inflation and other factors outside of the control of those delivering the projects.
- 10.8 Consequently, whilst based on best known information at quarter two, there could be further changes to forecasts in future monitoring reports. Project budget holders and managers are required to review scheme progress on an ongoing basis throughout the year and advise where there are significant revisions. The programme is under continuous review by the Capital Programme Overview Board.
- 10.9 Schemes that have been deferred and are funded from additional borrowing (rather than from capital grants, capital receipts or revenue) will impact on the projected cost of borrowing and minimum revenue provision (MRP).

11.0 Funding

The Council's net service budget is funded from the following areas: Council Tax income, Business Rates income, Government grants and reserves. A breakdown of the funding budget is detailed below.

Table 10 Funding

Financing Budgets Q2 Forecast Outturn	Net Budget	Forecast Net Spend	Q2 Forecast variance	Q1 variance	Q2/Q1 change in forecast	variance %
Council Tax Income	(9,639)	(9,639)	(0)	0	(0)	0%
Grants and Contributions	(3,190)	(3,593)	(403)	(403)	(0)	13%
Business Rates Income	(3,805)	(4,152)	(347)	(586)	239	9%
Reserves Movement	(1,339)	(1,339)	0	0	0	0%
Net Position	(17,973)	(18,723)	(750)	(989)	239	4%

11.1 The Council is forecasting an over-recovery of income totalling £750k position for the year in at Quarter 2, however this is a reduction of £239k from Q1, reflecting reduced Business Rates surpluses.

12.0 Financial appraisal

12.1 The forecast outturn position for 2023-24 is an overspend of £3.96m reflecting the position as of 30 September 2023.

12.2 During the quarter line by line reviews have been undertaken and have helped report an improved position than the first quarter's forecast. Work will continue to mitigate and address the projected outturn position.

12.3 The capital programme and new scheme proposals will also continue to be reviewed prior to the Q3 position being confirmed, with particular emphasis on the prior year slippage that is routinely added to the Original Budget to ensure that only those amounts required are allocated within the revised Capital Programme going forward.

13.0 Legal implications

13.1 There are no legal implications arising directly from this report.

14.0 Risk management implications

14.1 There are no risk management implications arising directly from this report.

15.0 Equality analysis

15.1 There are no environmental sustainability implications arising directly from this report.

16.0 Appendices

Appendix 1 - EBC Capital Programme Monitoring Q2 2023-24

Appendix 2 - Glossary

Appendix 1 – EBC Capital Programme Monitoring Q2 2023-24

General Fund Capital Programme	Original Budget 2023-24	Revised Budget 2023/24	Forecast for Year 23/24	Year to Date Spend Q2 2023/24
HOUSING REVENUE ACCOUNT				
Major Works	5,000,000	5,879,881	5,879,881	3,716,847
Disabled Adaptations	450,000	450,000	450,000	302,712
New Build	-			
Brede Close	40,500	68,976	85,549	- 16,573
Cavalry Crescent	3,965,200	3,174,574	3,174,574	1,268,962
Fort Lane	962,800	561,762	563,738	513,125
Southfields Road	1,719,400	1,184,000	1,184,000	935,985
Acquisitions General	-	2,049,324	2,049,324	809,894
Shared Ownership Acquisitions	913,000	913,000	913,000	-
Leasehold Acquisitions	539,900	539,900	539,900	-
Acquisitions NSAP Funded	-	-	4,140	- 4,140
Acquisitions RSAP Funded	-	273,005	273,005	145,390
SHAP (Single Homelessness Persons Accommod)	-	650,000	650,000	-
Total HRA	13,590,800	15,744,420	15,758,830	7,672,202
General Fund Housing				
Disabled Facilities Grants	1,200,000	2,232,470	2,232,470	361,291
BEST Grant (housing initiatives)	-	826	826	826
Total General Fund Housing	1,200,000	2,233,296	2,233,296	362,117
Other Housing				
EHIC - 24 Acacia Road	-	26,400	26,400	-
EHIC - Loan Facility (Private Properties)	-	-	-	-
EHIC - Elm Park Mansions	416,000	416,000	416,000	-
EHIC - Gowland Court	50,000	50,000	50,000	-
AH - Credit facility	35,000	35,000	50,000	- 65,000
AH - Loan 183 Langney Rd	-	160,000	160,000	-
AH - Loan Victoria Mansion	-	500,000	500,000	-
AH - RTB Grant Victoria Mansion	-	366,667	366,667	-
AH - Street Acquisitions (Affordable)	250,000	250,000	250,000	-
Total Other Housing	751,000	1,804,067	1,819,067	- 65,000

COMMUNITY SERVICES				
Coast Defences Beach Management	300,000	601,051	600,000	19,521
Refurbishment of Public Facilities	50,000	-	-	-
Play Equipment - Palesgate	35,000	35,000	35,000	-
Play Equipment - Vancouver Rd	35,000	35,000	35,000	-
Shinewater Toilets & Kiosk	190,000	15,000	15,000	-
Motcombe Pool	200,000	-	-	-
Changing Places	154,000	103,781	103,800	65,847
SEESL Loan	-	254,100	254,100	-
5 Fleet Vans	-	45,150	45,150	17,050
Waste & Recycling Equipment	150,000	150,000	150,000	44,794
Procurement of Fleet (SEESL Loan)	1,770,000	1,770,000	1,770,000	720,000
EBC Mixed/dual waste bin stock	15,000	14,000	14,000	-
Dog Bin Replacement	32,000	28,000	28,000	-
Digitalisation of Burial Records	50,000	25,000	25,000	-
Crematorium - new lighting	15,000	15,000	15,000	-
Crematorium - new lighting o-s family chapel	15,000	15,000	15,000	-
Car Park Machines - upgrade to card readers	125,000	-	-	-
Total Community Services	3,136,000	3,106,082	3,105,050	867,212
TOURISM & LEISURE				
Sovereign Centre - Existing building	150,000	100,147	120,000	35,550
	-	-	-	-
Total Tourism & Leisure	150,000	100,147	120,000	35,550
	-	-	-	-
CORPORATE SERVICES				
IT - Block Allocation	150,000	127,494	162,000	81,922
Contingency	250,000	250,000	-	-
Recovery & Stabilisation	-	255,008	255,008	25,572
JTP Finance Transformation	150,000	25,000	25,000	-
CCTV Enhancements (Dev Park)	20,000	-	20,000	-
Total Corporate Services	570,000	657,502	462,008	107,493
REGENERATION				
Black Robin Farm	10,056,757	1,324,430	1,324,430	148,837
Towner Centenary Project	219,000	552,045	552,045	89,809
Victoria Place Pedestrianisation	5,508,630	2,117,633	2,117,633	- 243,969
Shinewater	-	80,000	80,000	-
Retail Refurbishment	1,830,000	1,701,000	1,701,000	294,432
UK Shared Prosperity Fund	333,000	-	-	-
E4 Edeal Enterprise Agency	-	20,000	20,000	2,343
E8 SDNPA	-	45,000	45,000	-
Total Regeneration	17,947,387	5,840,108	5,840,108	291,453

Asset Management				
Winter Garden	850,000	130,435	130,435	80,439
Dev Park Theatre (H&S)	-	28,665	59,264	-
Congress Theatre Roof	125,000	279,055	279,750	151,751
Bandstand & Promenade Renovations	125,000	55,000	55,000	39,904
EDGC Improvements (Workshop)	-	50,233	50,233	50,233
Seafront Lighting	140,000	185,000	185,000	118,553
Leisure Estate	250,000	250,000	250,000	250,000
Asset Value Improvement Fund	-	-	-	-
Redoubt - new mains supply for café and Fort	-	50,000	50,000	35,133
Town Hall - annual allocation to keep operational	50,000	45,000	45,000	-
The Point Improvements - annual allocation	30,000	21,426	21,426	-
Redoubt incl Colonnade demolition	1,000,000	1,000,000	1,000,000	-
ILTC - Fire alarms & Lighting	70,000	15,000	15,000	-
Winter Garden Health & Safety	875,000	60,000	60,000	-
Town Hall Health & Safety	360,000	300,000	300,000	105,509
Cornish New Barn		-		-
Pavilion Café - metered electrical supply	20,000	20,000	20,000	
Chalk Farm - entrance & car park	50,000	-	-	-
Bridges at Princes Park	91,000	91,000	91,000	-
Seafront Railing	30,000	-	-	-
Hampden Park Community Centre	40,000	-	-	-
ILTC - Improvements	-	15,000	15,000	-
Towner Improvements	-	-	0	91,109
Fort Fun	-	-	0	-
1 Grove Road	50,000	10,000	15,000	10,000
Asset Management - Block Allocation	100,000	41,763	41,762	41,762
Total Asset Management	4,256,000	2,647,576	2,683,871	974,393
Total General Fund	28,010,387	16,388,777	16,263,400	2,573,217
Total	41,601,187	32,133,197	32,022,230	10,245,419

Appendix 2 - Glossary

Capital Expenditure	Capital Expenditure is the funds invested in long term assets like buildings, infrastructure, equipment, or technology. The expenditure is significant and provides lasting benefits and are depreciated over time. It contrasts to operating expenditure which are day to day expenditure.
Capital Financing	Capital Financing is how we raise money for to invest in capital projects. It can involve selling assets, borrowing money, using existing balances, and obtaining grants. Borrowing money means interest payments during the life of the loan plus the repayment of loan.
Capital Programme	A strategic plan outlining long term investments in assets like building and technology. It identifies projects and budgets, sets timelines, assesses risks and has approval processes. The plan aligns Capital Expenditure with Corporate Objectives.
Department for Levelling Up Housing and Communities (DHUHC)	The Department for Levelling Up, Housing and Communities, formerly the Ministry for Housing, Communities, and Local Government, is a department of His Majesty's Government responsible for housing, communities, and local government in England and the levelling up policy
Depreciation	An accounting method that allocates the cost of a tangible asset over its useful life. The process matches the cost of the asset with the benefit it provides reflecting its diminishing value over time.
Eastbourne Housing Investment Company Ltd (EHICL)	EHICL is a Council owned owned housing investment company (HIC) used to develop new homes on Council owned sites and acquire and regenerate existing mixed retail and residential sites.
Financial Regulations	Financial regulations are a set of financial procedures and rules that ensure good financial governance is observed. They include policies, procedures, financial delegation, and approvals and protect both staff and the council from financial misconduct.
General Fund (GF)	The main operating fund used for expenditure such as salaries and the running costs of day-to-day operations.
Grants and Contributions	Financial support received from external sources such as Central Government or developers. They can be for specific projects or more general.
Housing Revenue Account (HRA)	A separate accounting system for local authorities to manage their housing services. It includes rental income, housing related costs and is distinct from the General Fund. The HRA is used for improvements, maintenance and operational expenses related to local-authority owned housing.
Pevensey Levels IDD	Internal drainage boards (IDB) are the public body that manage water levels in an area. These are also internal

	<p>drainage districts (IDD), where there is a special need for drainage. IDBs undertake works to reduce flood risk to people and property and manage water levels for agricultural and environmental needs within their district. The Council contributes to the costs of the IDD through a special levy payment.</p>
<p>Medium Term Financial Strategy</p>	<p>This Medium-Term Financial Strategy (MTFS) sets out the Council's strategic approach to the management of its finances and provide a framework within which decisions can be made regarding future service provision and council tax levels. It is based on a five-year rolling forecast and is reviewed annually. The MTFS provides the financial context for the Council's financial resource allocation and budget setting processes.</p>
<p>Minimum Revenue Provision (MRP)</p>	<p>An annual provision made to set aside funds for repaying debt associated with Capital Projects. It ensures the gradual allocation of resources to cover debt repayment obligations and is set out in the Prudential Code.</p>
<p>Section 151 Officer</p>	<p>Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.</p>