

**Meeting:** FULL COUNCIL

**Date:** Monday 19 February 2024

**Subject** COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2024/25

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

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The Council is asked to consider the reports to Cabinet and also the Cabinet minutes and resolutions from the meeting held on 1 February 2024.

The budget book 2024/25 will be circulated to all Members of the Council, once the budget has been formally adopted. A copy will be on the Council's website for public inspection purposes.

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

<https://democracy.lewes-eastbourne.gov.uk/mgChooseDocPack.aspx?ID=3786>

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 budgets approved by the East Sussex County Council, East Sussex Fire Authority and the Sussex Police and Crime Commissioner.

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

Authority	Precept/Demand		2024/25 Band D	Change over 2023/24	
	£	%	£	£	%
<b>Lewes District Council:</b>					
Council Tax Requirement (incl Special Expenses*)	8,793,451	9.11%	<b>228.17</b>	6.62	2.99%
Town and Parish Councils	5,264,274	5.46%	<b>136.60</b>	8.06	6.27%
<b>Total Lewes District Council</b>	<b>14,057,725</b>	<b>14.57%</b>	<b>364.77</b>	<b>14.68</b>	<b>4.19%</b>
East Sussex County Council	68,533,044	71.03%	<b>1,778.31</b>	84.51	4.99%
The Police and Crime Commissioner for Sussex	9,746,721	10.10%	<b>252.91</b>	13.00	5.42%
East Sussex Fire Authority	4,142,482	4.29%	<b>107.49</b>	3.12	2.99%
<b>Total</b>	<b>96,479,973</b>	<b>100.00%</b>	<b>2,503.48</b>	<b>115.31</b>	<b>4.83%</b>
*Special Expenses					
Council Tax to be levied on all LDC taxpayers	8,088,863	-	209.89	5.79	2.84%
Less Total amount to be charged as Special Expenses	704,588	-	18.28	0.83	4.76%
<b>LDC Council Tax Requirement</b>	<b>8,793,451</b>		<b>228.17</b>	<b>6.62</b>	<b>2.99%</b>

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 2024/25, 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. To approve the recommendations as detailed in the reports from the Chief Finance Officer to Cabinet on 1 February 2024 as summarised below:
  - (i) To approve the General Fund budget for 2023/24 (Revised) and 2024/25. An increase in the Council Tax for Lewes District Council of 2.99% (including Special Expenses) resulting in a total Band D charge for of £228.17 for 2024/25.
  - (ii) To approve the revised General Fund capital programme 2024/25.
  - (iii) To note the Section 151 Officer's sign off as outlined in the Cabinet Report and at Appendix 1.
  - (iv) To approve the Treasury Management Strategy and Annual Investment Strategy for 2024/25.
  - (v) To approve the Minimum Revenue Provision Policy Statement for 2024/25.
  - (vi) To approve the Prudential and Treasury Indicators for 2024/25 to 2026/2.
  - (vii) To approve the Capital Strategy.
  - (viii) To endorse the continuation of the Flexible use of Capital Receipts.

- (ix) To approve the Housing Revenue Account (HRA) income and expenditure proposals, including revised HRA budget for 2022/23 and the budget for 2023/24, rents and service charges and the HRA Capital Programme, including:
- That social and affordable rents (including Shared Ownership) be increased by 7.7% in line with Government policy with effect from 1st April 2024.
  - To agree 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 rent with effect from 1st April 2024.
  - That the revised service charges are implemented with effect from 1st April 2024
  - That garage rents are increased by 6.7%.
- (x) To approve the Council Tax Discount & Premiums from 1 April 2024 & 1 April 2025.
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 1 February the Business Rates return to the Government (NNDR1) has been finalised with no changes to the previous net budget assumptions.
  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 2024/25 £
Lewes	377,053
Newhaven	148,350
Telscombe	63,465
Seaford	64,443
Peacehaven	45,198
Chailey	1,226
Ringmer	4,853
<b>Total</b>	<b>704,588</b>

5. That consequent upon a General Fund budget of £8,793,451 and other matters, the basic amount (Band D) of Council Tax for the District Council's functions will be £228.77 calculated as follows:

	<b>General Expenses only</b>	<b>Total (Including Special Expenses)</b>
	£000's	£000's
<b>Gross Expenditure:</b>		
General Fund	54,161	
HRA	21,582	
Business Rates payable to Government	11,160	
Contributions to Reserves	110	
	87,012	87,012
Special expenses		705
<b>Less Income:</b>		
Service Income	(59,841)	
Other Government Grants	(6,152)	
Business Rates Income	(12,841)	
Collection Fund Surplus (Council Tax)	(91)	
	(78,925)	(78,925)
<b>COUNCIL TAX REQUIREMENT</b>	<b>8,087</b>	<b>8,792</b>
<b>Band D Council Tax</b>	<b>£209.89</b>	<b>£228.17</b>

The statutory resolutions relating to this matter are given at paragraphs 6 and 7 below.

6. That it be noted that at its meeting on 2 February 2023 Cabinet approved the following calculations for the year 2023/24, being made in accordance with regulations made under Sections 31(B)(4) and 34(4) of the Local Government Act 1992, as amended:
- a) 38,538.3 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) 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 dwellings in those parts of its area to which one or more special items relate can be found in Appendix 2 – Table A.

7. That the following amounts be now calculated by the Council for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:
- (a) £92,981,329 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
  - (b) £78,923,604 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £14,057,725 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) £364.77 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) £5,968,862 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
  - (f) £209.89 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) Table C in Appendix 2 being the amounts given by adding the amount at 7(c) 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 Table A (Appendix 2) for each area, 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.
  - (h) Table D in Appendix 2 being the amounts given by multiplying the amounts at 7(g) (Appendix 2 – Table C) 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.

8. To note that East Sussex County Council, East Sussex Fire Authority and Sussex Police and Crime Commissioner 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 Table E in Appendix 2.
9. That having calculated the aggregate in each case of the amounts at 6 and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts as set out in Table F in Appendix 2, the amounts of Council Tax for the year 2024/25 for each of the categories of dwellings as shown in Table F (Appendix 2).
10. To determine that the Council's basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992, as amended.
11. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount (and increase) of Council Tax for 2024/25 is excessive (as set out in Table G – Appendix 2) and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992, as amended.

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For a copy of the report please contact Democratic Services, Telephone (01323) 415023, Email: [committees@lewes-eastbourne.gov.uk](mailto:committees@lewes-eastbourne.gov.uk)

For further information please contact Homira Javadi, Chief Finance Officer - Telephone (01323) 415149, Email: [homira.javadi@lewes-eastbourne.gov.uk](mailto:homira.javadi@lewes-eastbourne.gov.uk).

### **Appendices:**

Appendix 1 - Section 25 Statement of the Chief Finance Officer.

Appendix 2 – LDC Council Tax Tables 2024/25

Appendix 3 - Cabinet Minute Extract, 1 February 2024, General Fund Budget 2024/25 and Capital Programme.

Appendix 4 – Cabinet Minute Extract, 1 February 2024, Treasury Management and Prudential Indicators 2024/25, Capital Strategy and Investment Strategy.

Appendix 5 – Cabinet Minute Extract, 1 February 2024, Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2024/25 and HRA Capital Programme 2023-26.

Appendix 6 – Cabinet Minute Extract, 7 December 2023, Council Tax Discounts & Premiums 2024-25