

Meeting: FULL COUNCIL

Date: Wednesday 5 March 2025

Subject: COUNCIL BUDGET AND SETTING OF THE COUNCIL TAX FOR 2025/26

Report of: Councillor Daniel Butcher, Cabinet Member for Finance & Resources

The Council is asked to consider the reports to Cabinet and also the Cabinet minutes and resolutions from the meeting held on 12 February 2025.

The budget book 2025/26 will be circulated to all Members of the Council, 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](#).

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, 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		2025/26 Band D	Change over 2024/25	
	£	%	£	£	%
Eastbourne Borough Council:	10,303,104	11.29%	286.04	8.30	2.99%
East Sussex County Council	67,250,768	73.72%	1,867.05	88.74	4.99%
The Police and Crime Commissioner for Sussex	9,614,045	10.54%	266.91	14.00	5.54%
East Sussex Fire Authority	4,051,867	4.44%	112.49	5.00	4.65%
Total	91,219,784	100.00%	2,532.49	116.04	4.80%

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 12 February 2025.

Section 1.19 of the report confirmed that the Council had made a request to Ministry of Housing, Communities and Local Government (MHCLG) for a further round of capitalisation of £2m in 2025/26. On 20 February 2025 MHCLG agreed in principle to allow the capitalisation request.

- (i) To approve the General Fund budget for 2025/26. An increase in the Council Tax for Eastbourne Borough Council of 2.99% resulting in a total Band D charge for of £286.04 for 2025/26.
- (ii) To approve the rates of Fees and Charges as recommended by Cabinet and contained within Appendix 6 to the Cabinet report, to apply from 1 April 2025 and to implement changes to statutory fees and charges for services shown within Appendix 6 to the report as and when notified by Government, **subject to a change to the following item contained with the Fees and Charges Schedule (Appendix 6 to the budget report) as follows:**
 - Recovery Action - The Summons Cost Charge has been amended to £80.00 and the Liability Order Cost Charge has been amended to £15.00

The change will marginally impact the total value of the General fund budget in 2025/26 but does not result in a change to the overall Council Tax Requirement set out in the general fund budget report.

- (iii) To approve the revised General Fund capital programme 2025/26.
- (iv) To note the Section 151 Officer's sign off as outlined in the Cabinet Report and at Appendix 1.
- (v) To approve the Treasury Management Strategy and Annual Investment Strategy for 2025/26.
- (vi) To approve the Minimum Revenue Provision Policy Statement for 2025/26.
- (vii) To approve the Prudential and Treasury Indicators for 2025/26 to 2027/28.
- (viii) To approve the Capital Strategy 2024/25.
- (ix) To approve the Housing Revenue Account (HRA) income and expenditure proposals, and revised HRA budget for 2024/25 and the budget for 2025/26, rents and service charges and the HRA Capital Programme, including:
 - An increase of 2.7% to social and affordable rents (including Shared Ownership) with effect from 7 April 2025 in line with government policy.
 - That, when social rented supported accommodation properties are relet to new tenants, the applicable rent will be increased by 10% above target rent with effect from 7 April 2025 in line with government policy.

- That when affordable rented properties are relet to new tenants, the applicable rent is reset to a maximum of 80% of market rent (inclusive of Service Charges) with effect from 7 April 2025 in line with government policy.
 - That the revised service charges as set out in paragraph 2.4 and appendix 3 of the Cabinet Report are implemented with effect from 7 April 2025.
 - That garage rents are increased by 10% with effect from 7 April 2025.
 - To grant delegated authority to the Chief Executive, in consultation with the Cabinet Portfolio holder for Finance and Resources and the Chief Finance Officer to devolve the relevant Management Fee from now the former Eastbourne Homes Limited (EHL) to services inside the HRA.
 - To note that £2.227m of Major Works capital expenditure be profiled over 4 years between 2024/25 to 2027/28 is being 50% matched funded by grant, subject to government grant bids. The government scheme aims to improve EPC ratings in HRA properties.
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 12 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 £10,303,104 and other matters, the basic amount (Band D) of Council Tax for the Borough Council's functions will be £286.04 (representing an increase of 2.99%) calculated as follows:

	£'000	£'000
Gross Expenditure:		
General Fund		105,205
HRA		20,578
Business Rates Tariff payable and deficit		13,185
		138,968
Less Income:		
Service Income	-107,865	
Interest on HRA Balances	-113	
Other Government Grants	-5,093	
Business Rates income	-13,552	
Additional EA/TA Funding	-2,000	
Collection Fund Surplus (Council Tax)	-42	
		-128,665
COUNCIL TAX REQUIREMENT		10,303
Band 'D' Council Tax		£286.04

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 11 December 2022 the Cabinet agreed the Council Tax Base of 36,019.8 for Band 'D' equivalent properties for the year 2025/26 (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 2025/26 as £10,303,104.
7. That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:
 - (a) £138,967,773 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
 - (b) £128,664,669 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £10,303,104 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) £286.04 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).
8. To note that East Sussex County Council, the Sussex Police and Crime Commissioner 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 2025/26 for each of the categories of dwellings.

COUNCIL TAX 2025/26 - BY AREA AND VALUATION BAND								
MAJOR PRECEPTOR	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
East Sussex Fire Authority (ESFA)	74.99	87.49	99.99	112.49	137.49	162.49	187.48	224.98
Sussex Police & Crime Commissioner (SPCC)	177.94	207.60	237.25	266.91	326.22	385.54	444.85	533.82
East Sussex County Council (ESCC)	1,244.70	1,452.15	1,659.60	1,867.05	2,281.95	2,696.85	3,111.75	3,734.10
Eastbourne Borough Council	190.69	222.48	254.26	286.04	349.60	413.17	476.73	572.08
Total Council Tax Requirement	1,688.32	1,969.72	2,251.10	2,532.49	3,095.26	3,658.05	4,220.81	5,064.98

10. Determine that the Council's basic amount of Council Tax for 2025/26 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 of Council Tax for 2025/26 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:

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| Appendix 1 | Section 25 Statement of the Section 151 Officer (EBC) 2025-26 |
| Appendix 2 | General Fund Revenue Budget 2025-26 and Capital Programme |
| Appendix 3 | Treasury Management and Prudential Indicators 2025-26 Capital Strategy & Investment Strategy |
| Appendix 4 | Housing Revenue Account (HRA) Revenue Budget and Rent Setting 2025-26 |