

Budget Book

2016/17

April 2016

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INTRODUCTION

Introduction

Rother District Council set its budget for 2016/17 at a meeting of all Members on 22 February 2016. This book shows the agreed revenue budget for each Council Service and the Council's Capital Programme. Additional information relating to the Council's financial position in 2016/17 and the Council Tax for each area in Rother is also included.

Revenue Budget

Government Funding

One of the key financial drivers remains the continued decline in Government Funding, first announced as part of the last spending review. The Government announced its final grant settlement figures for 2016/17 in December 2015 and provided draft figures up to 2019/20.

The Government's proposals for the Revenue Support Grant showed that they had front loaded the reduction for the Council with 75% of the grant disappearing by 2017/18. The cash reduction for 2016/17 was £800,000. The following table sets out the grant over the next four years

Revenue Support Grant	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Proposed Grant £m	1.87	1.07	0.45	0.07	0.00
Reduction in Grant £m		-0.08	-0.62	-0.38	-0.07
Change % - year on year		-42.8%	-57.9%	-84.4%	-100.0%
Change % - compared to 15/16		-42.8%	-75.9%	-96.3%	-100.0%

Business Rates

The Business Rate element of the Collection Fund is estimated to be in deficit for the 2015/16 financial year by £815,600. A significant part of the deficit is due to having to increase the Appeals Provision to manage the expected appeal claims from the health sector (namely purpose built GP surgeries and clinics). Rother will have to meet 40% of this deficit which equates to £326,400 and this will be recovered during 2016/17.

The Business Rate baseline assessment set by the Government for 2016/17 has been set at £2.17m. Over the four years of the settlement this will rise to £2.36m, an increase of £200,000. However, in reality it is expected that the actual income the Council achieves from Business Rates will be higher than the baseline over this period. Estimates of the amount of Business Rates income for 2016/17 shows that of the £17m collectable in the Rother area, the Council's share is expected to be £2.54m. This is calculated as follows:

	£'000
Total Estimated 2016/17 Business Rate Income net of 2015/16 estimated Deficit	16,614
50% Share to Government	-8,307
40% Share to Rother	-6,646
9% to East Sussex County Council	-1,495
1% to East Sussex Fire Authority	-166

	£'000
Rother's 40% Share of Business Rate income from above	-6,646
Section 31 Grants (SBRR, Government Reliefs)	-712
Cost of collection allowance	-146
Estimated Levy Payment to Business Rate Pool	366
Tariff payment to Government	4,598
Net Business Rates Retained	-2,540

INTRODUCTION

The Council's ability to grow our Business Rate income over the next four years is very much dependent on commercial developments in North East Bexhill and bringing proposals forward for the regeneration of Beeching Road.

New Homes Bonus

The Council's New Homes Bonus (NHB) will increase in 2016/17 from £1.3m to nearly £1.7m. However, the Government expect that there will be a decline in the amount received of approximately £700,000 based on the redirection of £800m of NHB funding to Councils with social care responsibilities. As a result, the budget continues to limit reliance on NHB within the Revenue Budget to £1m and set aside the balance of £631,010 in Earmarked Reserves. This funding can then be used to support the delivery of the Corporate Plan or meet the in-year effects of not achieving saving targets.

Council Tax Policy

The Government announced in February that they would allow District Councils to increase their Council Tax by up to 2% or £5 which ever was the greater. Members decided that due to the lateness of the announcement and that the option for a 35 increase hadn't formed part of the budget consultation process, that the Council would continue with the original proposal to increase Council Tax by 1.94% or £3.13 for a Band D property. For subsequent years the forecast Council Tax assumes the increase will be £5 per annum (at Band D) until 2019/20 subject to the Government maintaining the policy.

Other Factors affecting the Revenue Budget

Income: There continues to be pressure on existing income sources but with the new Link Road being opened in 2016, planning fee income is expected to increase. The take up of the chargeable garden waste service remains strong and with the increase charge to £35, it is expected that an additional £90,000 of income will be generated.

Savings and Service Resetting: The Council has delivered savings of around £4.6m since 2010. The budget is balanced for 2016/17 but with the continued reduction in government grant and the uncertainties regarding business rate appeals, further savings need to be delivered in 2017/18 to 2019/20. The latest financial forecast suggests savings of around £2m are required over the next three years, 2017/18 to 2019/20. Work is underway to identify how these will be achieved and proposals will be presented to Members of the Council in the autumn of 2016.

Use of Reserves: the revenue budget now only contains planned use of reserves to support the development of the Council's Planning Core Strategy, homeless prevention and the community grants scheme. The Business Rate equalisation reserve is also being used to support the revenue budget to deal with the effects of the 2015/16 deficit on the business rate collection fund. In addition it is planned to set aside approximately £700,000 of New Homes Bonus to reduce reliance on this source of funding.

Overall Revenue Position

The total net spend for the Council is estimated at £11,860,320 for 2016/17 after use of reserves and use of the New Homes Bonus grant referred to above, a decrease of 4.6% over the 2015/16 budget in cash terms. Due to the use of reserves and yet to be achieved savings, this reduction has not, in actuality, been achieved.

The Council needs to continue with its significant programme of change to secure a balanced budget. Already in place are measures such as the redirection of staff to higher priority and activity areas, close monitoring of income streams and recruiting posts on fixed terms to maximise flexibility over the size of workforce.

Capital Programme and Asset Management

The latest Capital Programme (2016/17 to 2019/20) totals £2.7m and is fully funded. The Programme is relatively limited in value due to the amount of available funding and mainly consists of supporting the disabled facilities programme and community grants scheme. It is likely that any future Council capital investment will rely on borrowing. The Corporate Plan includes the ambition to deliver a single site leisure and swimming centre utilising land received from East Sussex County Council as compensation for land taken for the construction of the Link Road. It is highly likely that borrowing will be required for this scheme if it is to proceed and will require greater consideration to the affordability of the proposal.

INTRODUCTION

There is a fundamental link between the Council's capital programme and resources with how the Council manages its major assets. A review of the Council's Asset Management Plan continues this year but it is clear that the Council needs to be increasingly proactive in acquisition and disposal of assets to support continued investment in the development of the district and to ensure the Council's portfolio of assets supports the achievement of its aims and objectives.

Without releasing assets for disposal or entering into borrowing the Council is very restricted in its ability to continue its investment in the District at a level achieved in previous years. The financial pressure on the Revenue Budget means that it will be difficult to meet the cost of any borrowing unless savings can be achieved or additional income secured. Other sources of funding will be explored as opportunities arise, but again it should be recognised that most funding bodies require a high degree of match funding before supporting a project.

Further Information

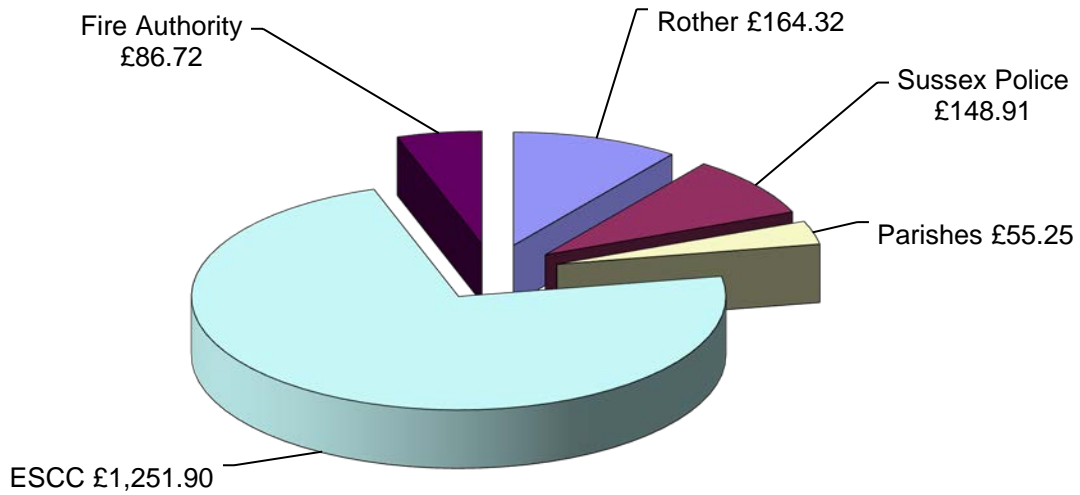
It is hoped that this introduction combined with the detailed information that follows provides sufficient information for the reader to understand the Council's finances and its future financial prospects. Should you however require further information please contact:

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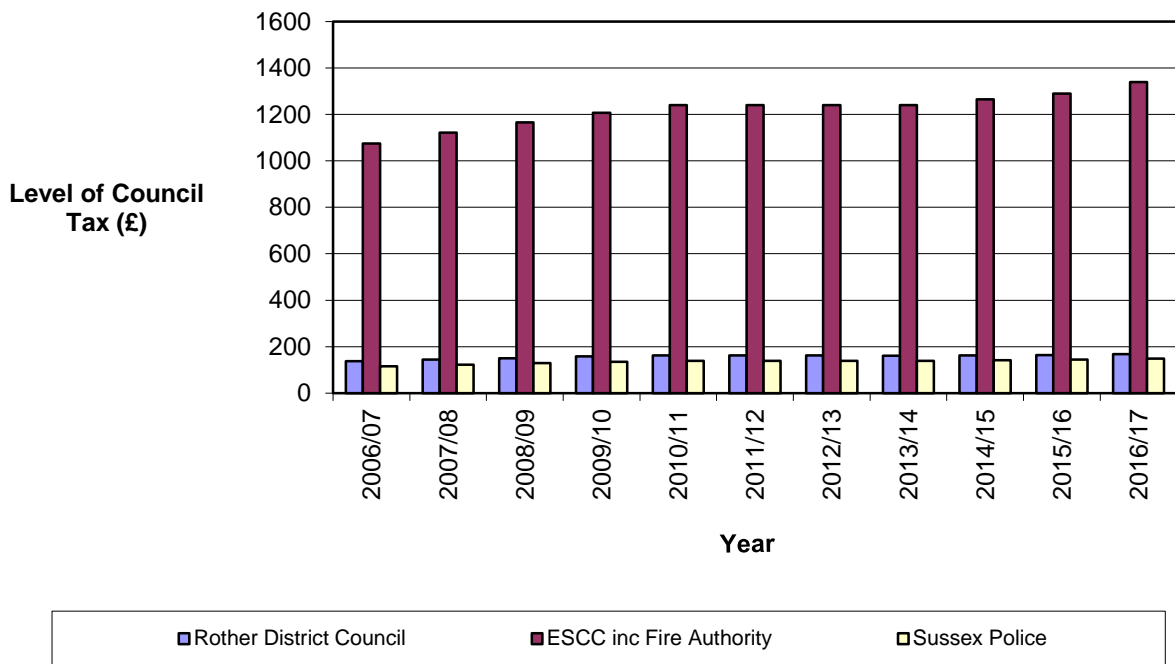
e-mail: finance@rother.gov.uk
Telephone: 01424 787711

GRAPHS

Share of Band D Council Tax 2016/2017

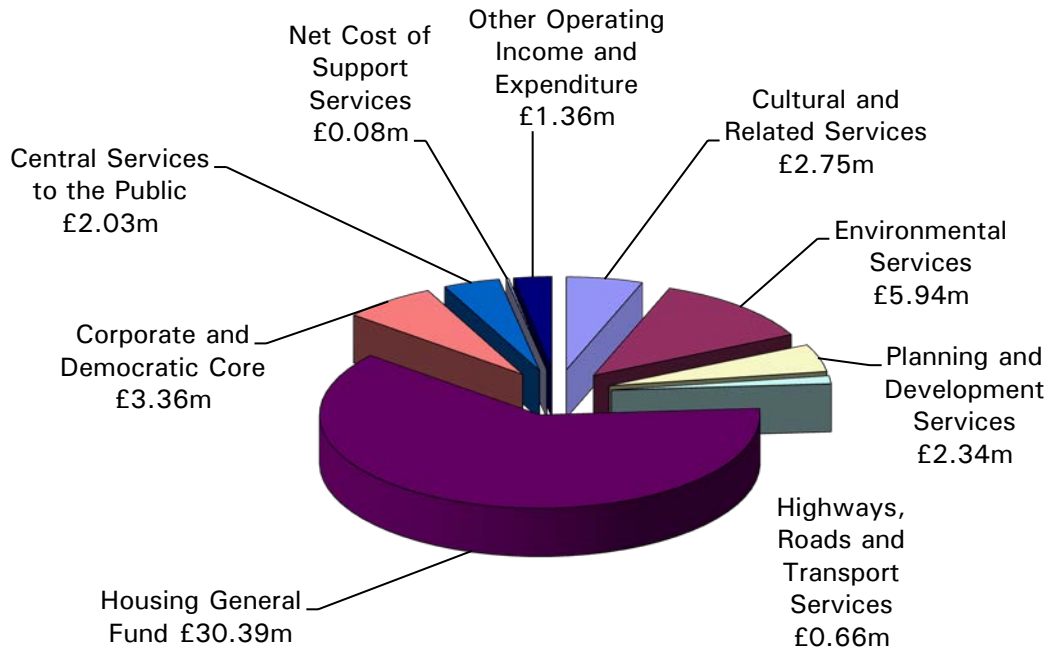


Band D By Authority 2006/07 - 2016/17

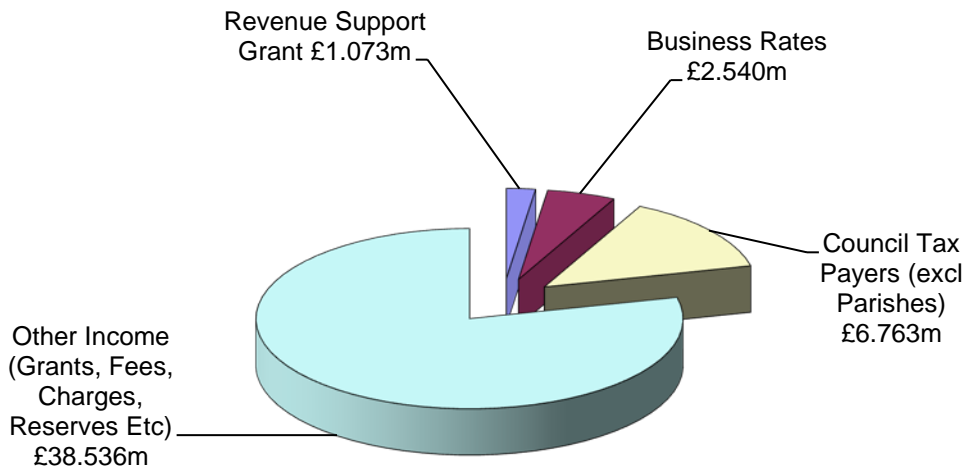


GRAPHS

Gross Expenditure £48.91m 2016/2017



Gross Income £48.91m 2016/2017



GENERAL FUND REVENUE BUDGET AND COUNCIL TAX 2016/2017

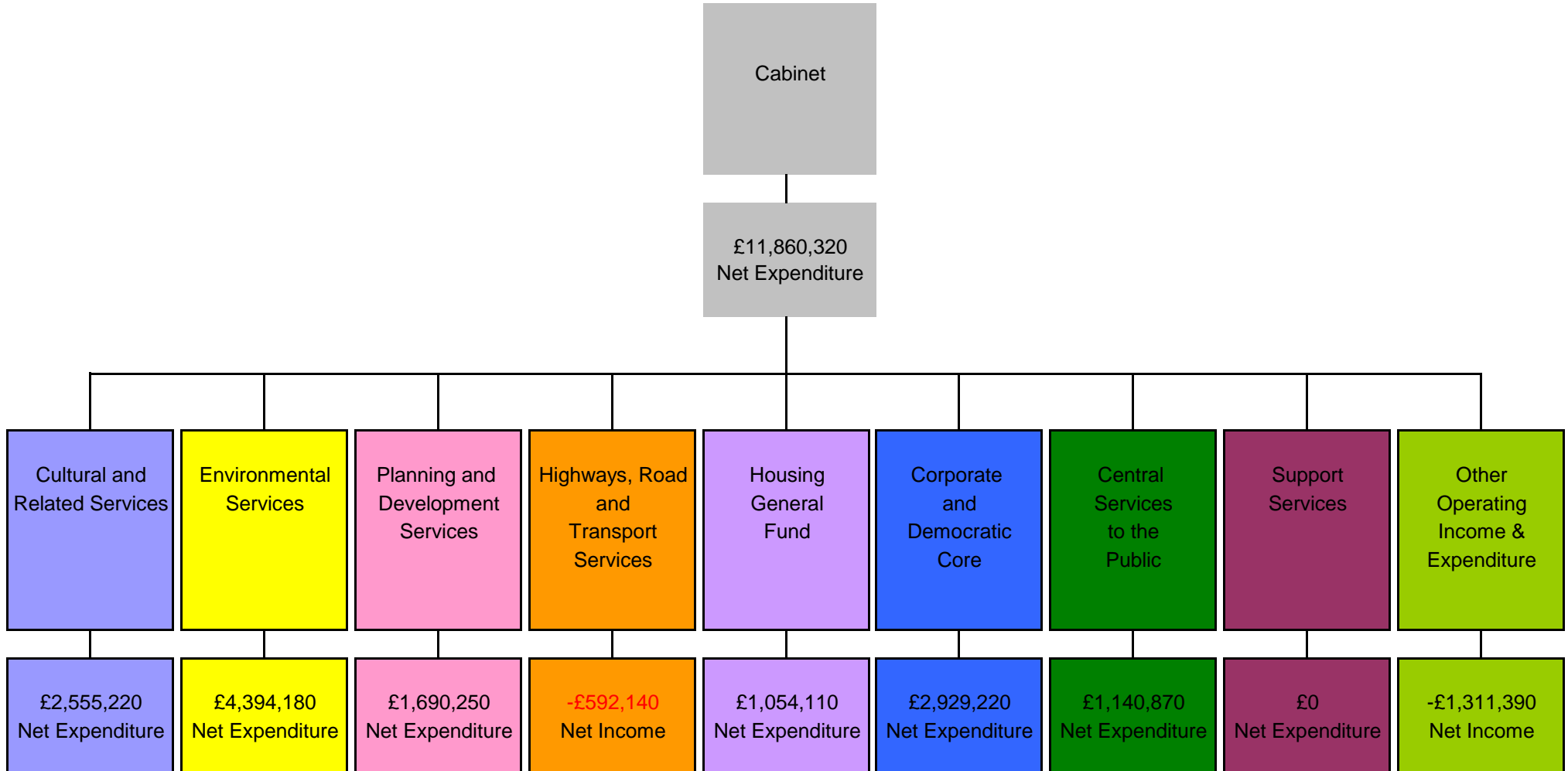
EXPENDITURE

	£
Cultural and Related Services	2,555,220
Environmental Services	4,394,180
Planning and Development Services	1,690,250
Highways, Road and Transport Services	(592,140)
Housing General Fund	1,054,110
Corporate and Democratic Core	2,929,220
Central Services to the Public	1,140,870
Support Services	0
Other Operating Income and Expenditure	(1,311,390)
	<hr/>
Total General Fund Net Expenditure 2016/2017	11,860,320
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CALCULATION OF ROTHER DISTRICT COUNCIL TAX

Expenditure shown above	11,860,320
<i>less</i> Special Expenses charged to area of Bexhill	(665,100)
charged to area of Rye	(49,450)
<i>less</i> Collection Fund (Surplus)/Deficit	171,240
<i>less</i> New Homes Bonus	(1,655,010)
<i>less</i> Revenue Support Grant from Central Government	(1,073,470)
<i>less</i> Business Rate Retention	(2,540,050)
	<hr/>
Total Amount to be Raised from Council Tax	6,048,480
	<hr/>
<i>divided by</i> Council Tax Base, in terms of Band D Equivalent	36,808.84
	<hr/>
<i>gives</i> Rother District Council Tax 2016/2017	£164.32
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SUMMARY OF NET SERVICE EXPENDITURE



CULTURAL AND RELATED SERVICES

Service	2015/16 Net Expenditure £	2016/17 Operational Expenditure £	2016/17 Income £	2016/17 Net Operational Expenditure £	2016/17 Support Services £	2016/17 Capital Charges £	2016/17 Net Expenditure £
Arts Development	60,600	47,580	(100)	47,480	9,980	-	57,460
Rother Museum Services	78,900	74,310	(8,300)	66,010	10,520	3,750	80,280
De La Warr Pavilion Client	522,460	516,210	-	516,210	2,990	-	519,200
Ancient Monuments and Gazebo	6,710	6,520	-	6,520	50	-	6,570
Bexhill Allotments	15,540	15,300	(6,580)	8,720	7,450	-	16,170
Rye/Rural Allotments	10,080	1,000	-	1,000	1,810	-	2,810
Camber Beach and Foreshore Management	156,640	162,320	(28,660)	133,660	13,590	5,000	152,250
Bexhill Promenade and Foreshore	181,170	191,430	(56,200)	135,230	24,660	14,500	174,390
Sports Development	58,810	52,800	-	52,800	7,950	-	60,750
Battle Sports Centre	6,490	6,000	-	6,000	-	-	6,000
Rye Sports Centre and Swimming Pool	173,160	19,910	(15,250)	4,660	3,280	-	7,940
Bexhill Leisure Centre	165,520	34,150	(2,000)	32,150	7,320	76,060	115,530
Bexhill Leisure Pool	220,650	44,680	(26,960)	17,720	3,340	89,040	110,100
Bexhill Parks and Open Spaces	854,030	850,510	(40,800)	809,710	45,970	21,930	877,610
Rye Area Parks and Open Spaces	127,110	130,870	(7,600)	123,270	8,990	-	132,260
Rural Open Spaces and Amenity Areas	66,220	61,250	-	61,250	7,760	-	69,010
Cultural Services Administration Account	21,490	450	-	450	12,950	-	13,400
Tourism	160,690	146,490	-	146,490	7,000	-	153,490
Total Cultural and Related Services	2,886,270	2,361,780	(192,450)	2,169,330	175,610	210,280	2,555,220

ENVIRONMENTAL SERVICES

Service	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Net Expenditure £	Operational Expenditure £	Income £	Net Operational Expenditure £	Support Services £	Capital Charges £	Net Expenditure £
Cemeteries and Churchyards	14,120	193,940	(180,000)	13,940	18,460	-	32,400
Coast Protection	245,730	63,510	(1,780)	61,730	2,020	182,940	246,690
Food Hygiene/Water Purity/IDC	164,150	117,110	-	117,110	42,300	-	159,410
Pollution	243,380	176,360	(12,100)	164,260	80,360	-	244,620
Sub Standard Housing	32,260	29,600	-	29,600	3,970	-	33,570
Houses in Multiple Occupation	16,060	14,690	-	14,690	2,040	-	16,730
Pest and Canine Control	68,430	71,210	(26,250)	44,960	16,450	-	61,410
Animal Welfare	2,490	1,660	-	1,660	870	-	2,530
Health and Safety/Swimming Pools	105,620	78,750	-	78,750	28,850	-	107,600
Licensing	28,680	70,780	(86,700)	(15,920)	47,660	-	31,740
Licences and Registration	88,270	74,420	(32,900)	41,520	41,200	-	82,720
Taxi and Private Hire Licences	22,520	63,560	(78,000)	(14,440)	39,820	-	25,380
Caravan Licences and Travellers	73,430	69,280	-	69,280	8,550	-	77,830
Environmental Administration Account	11,360	12,530	(500)	12,030	6,880	-	18,910
Public Conveniences	532,440	452,920	-	452,920	28,360	60,960	542,240
Community Safety	80,320	82,290	(10,000)	72,290	8,290	-	80,580
Watercourses, Ditches and Drainage	13,020	12,450	-	12,450	740	-	13,190
Internal Drainage Board Levies	119,000	122,000	-	122,000	-	-	122,000
Street Sweeping and Beach Cleansing	1,082,620	1,108,850	(24,000)	1,084,850	7,400	-	1,092,250
Refuse Collection	1,806,900	2,230,900	(521,000)	1,709,900	112,130	29,270	1,851,300
Recycling	(456,960)	87,840	(570,000)	(482,160)	33,240	-	(448,920)
Total Environmental Services	4,293,840	5,134,650	(1,543,230)	3,591,420	529,590	273,170	4,394,180

PLANNING AND DEVELOPMENT SERVICES

Service	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Net Expenditure £	Operational Expenditure £	Income £	Net Operational Expenditure £	Support Services £	Capital Charges £	Net Expenditure £
Building Control Applications	11,460	-	(33,540)	(33,540)	47,440	-	13,900
Building Control Access	25,900	12,220	-	12,220	6,340	-	18,560
Building Control Dangerous Structures	33,820	9,210	-	9,210	6,260	-	15,470
General Planning Expenses	21,560	7,900	(500)	7,400	1,550	-	8,950
Planning Applications	333,370	625,690	(555,500)	70,190	291,800	-	361,990
Planning Complaints, Compliance and Enforcement	261,690	182,570	-	182,570	97,900	-	280,470
Planning Appeals	90,710	56,590	-	56,590	24,620	-	81,210
Planning Policy	296,080	270,460	-	270,460	65,030	-	335,490
Local Development Framework	150,000	150,000	-	150,000	9,200	-	159,200
Planning Enquiries	166,200	167,340	(60,000)	107,340	55,450	-	162,790
Conservation and Preservation	53,630	27,900	-	27,900	8,620	-	36,520
Planning E-Government	32,480	28,990	-	28,990	5,290	-	34,280
Regeneration	179,750	137,490	-	137,490	43,930	-	181,420
Total Planning and Development Services	1,656,650	1,676,360	(649,540)	1,026,820	663,430	0	1,690,250

HIGHWAYS, ROADS AND TRANSPORT SERVICES

Service	2015/16 Net Expenditure £	2016/17 Operational Expenditure £	2016/17 Income £	2016/17 Net Operational Expenditure £	2016/17 Support Services £	2016/17 Capital Charges £	2016/17 Net Expenditure £
Car Parks	(679,190)	491,110	(1,250,490)	(759,380)	52,210	36,500	(670,670)
Residual Highway Services	50,290	48,620	(2,700)	45,920	7,690	-	53,610
Abandoned Vehicles	24,230	20,440	-	20,440	4,480	-	24,920
Total Highways, Roads and Transport Services	(604,670)	560,170	(1,253,190)	(693,020)	64,380	36,500	(592,140)

HOUSING GENERAL FUND

Service	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Net	Operational	Income	Net	Support	Capital	Net
	Expenditure	Expenditure		Operational	Services	Charges	Expenditure
	£	£	£	£	£	£	£
Housing Policy, Strategy and Development	68,570	67,750	-	67,750	22,610	-	90,360
Housing Needs	281,600	461,260	(259,450)	201,810	70,800	-	272,610
Homelessness and Prevention	273,310	232,110	-	232,110	74,870	-	306,980
Private Sector Housing	150,080	106,760	-	106,760	44,560	-	151,320
Housing Administration Account	6,050	590	-	590	2,430	-	3,020
Rent Allowances	281,220	29,022,610	(29,083,000)	(60,390)	266,710	-	206,320
Care in the Community	25,460	19,900	-	19,900	3,600	-	23,500
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Total Housing General Fund	1,086,290	29,910,980	(29,342,450)	568,530	485,580	0	1,054,110
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CORPORATE AND DEMOCRATIC CORE

Service	2015/16 Net Expenditure £	2016/17 Operational Expenditure £	2016/17 Income £	2016/17 Net Operational Expenditure £	2016/17 Support Services £	2016/17 Capital Charges £	2016/17 Net Expenditure £
Representing Local Interest	296,700	275,750	(100)	275,650	20,510	-	296,160
Committee Services	240,120	150,800	-	150,800	111,230	-	262,030
Corporate Policy Making	209,310	4,250	-	4,250	219,770	-	224,020
E-Government	179,800	125,780	-	125,780	36,950	-	162,730
Public Accountability	59,470	32,720	-	32,720	85,260	-	117,980
Council Training Budget	92,560	92,560	-	92,560	-	-	92,560
NLPG E-Government	73,630	58,770	(4,000)	54,770	21,740	-	76,510
Other Apportionable Overheads	-	141,850	(165,660)	(23,810)	23,810	-	-
Treasury Management	51,300	8,500	-	8,500	42,650	-	51,150
Bexhill Help and Advice Centre	176,750	123,900	(300)	123,600	49,310	-	172,910
Battle Help and Advice Centre	79,010	63,340	(100)	63,240	15,160	-	78,400
Rye Help and Advice Centre	66,670	51,860	-	51,860	13,270	-	65,130
Customer Services and Development	87,420	74,580	-	74,580	28,010	-	102,590
Contact Centre	301,570	202,920	-	202,920	96,610	-	299,530
Risk Management and Self Insurance	37,150	218,050	(236,090)	(18,040)	21,920	-	3,880
Performance Management	144,470	102,370	-	102,370	46,930	-	149,300
Procurement Strategy	39,400	30,400	-	30,400	13,920	-	44,320
Community Strategy	126,380	112,790	(22,000)	90,790	24,290	-	115,080
Unapportionable Central Overheads	459,870	531,300	-	531,300	24,680	-	555,980
Communications	61,960	57,000	-	57,000	1,960	-	58,960
Total Corporate and Democratic Core	2,783,540	2,459,490	(428,250)	2,031,240	897,980	0	2,929,220

CENTRAL SERVICES TO THE PUBLIC

Service	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Net Expenditure £	Operational Expenditure £	Income £	Net Operational Expenditure £	Support Services £	Capital Charges £	Net Expenditure £
Cost of Collection	360,230	502,410	(319,000)	183,410	255,280	-	438,690
Council Tax Benefits	115,960	237,550	(215,700)	21,850	128,780	-	150,630
Electoral Registration	148,750	109,930	(1,000)	108,930	41,740	-	150,670
District Council Elections	78,770	45,980	-	45,980	23,140	-	69,120
Emergency Planning	49,330	31,590	-	31,590	22,900	-	54,490
Local Land Charges	(5,520)	218,590	(242,000)	(23,410)	32,500	-	9,090
Grants and Subscriptions	274,210	251,680	-	251,680	16,500	-	268,180
Benefit Fraud Investigation	-	77,810	(110,020)	(32,210)	32,210	-	-
Total Central Services to the Public	1,021,730	1,475,540	(887,720)	587,820	553,050	0	1,140,870

SUPPORT SERVICES

Service	2015/16	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	Net Expenditure £	Operational Expenditure £	Income £	Net Operational Expenditure £	Support Services £	Capital Charges £	Net Expenditure £
Computer Services	-	794,810	(1,091,940)	(297,130)	212,250	84,880	-
Printing Services	-	161,710	(181,470)	(19,760)	16,080	3,680	-
Stationery	-	46,090	(48,860)	(2,770)	2,770	-	-
Postages	-	97,330	(101,280)	(3,950)	3,950	-	-
Telephones	-	170,430	(175,900)	(5,470)	5,470	-	-
Financial Services	-	451,740	(616,700)	(164,960)	164,960	-	-
Internal Audit	-	134,330	(160,880)	(26,550)	26,550	-	-
Business Improvement	-	178,240	(194,610)	(16,370)	16,370	-	-
Legal Services	-	256,630	(278,170)	(21,540)	21,540	-	-
Human Resources	-	150,130	(207,140)	(57,010)	57,010	-	-
Property Management	-	129,360	(223,750)	(94,390)	94,390	-	-
Administrative Offices	-	358,700	(539,750)	(181,050)	102,210	78,840	-
Strategic Management Team	-	388,660	(430,090)	(41,430)	41,430	-	-
Total Support Services	0	3,318,160	(4,250,540)	(932,380)	764,980	167,400	0

OTHER OPERATING INCOME AND EXPENDITURE

Service	2015/16 Net Expenditure £	2016/17 Operational Expenditure £	2016/17 Income £	2016/17 Net Operational Expenditure £	2016/17 Support Services £	2016/17 Capital Charges £	2016/17 Net Expenditure £
Maintenance Services	3,170	194,660	(229,200)	(34,540)	32,930	-	(1,610)
West Trading Estate-Bexhill	(337,750)	17,840	(408,530)	(390,690)	48,610	-	(342,080)
St. Martins-Battle	(18,150)	1,430	(20,570)	(19,140)	2,340	-	(16,800)
Miscellaneous Land and Buildings	12,310	7,780	(13,460)	(5,680)	10,270	-	4,590
Residual Housing Land	820	-	(1,000)	(1,000)	2,350	-	1,350
Peasmarsh Workshops	5,830	23,110	(20,910)	2,200	7,390	-	9,590
Udimore Workshops	11,170	14,010	(7,800)	6,210	7,010	-	13,220
Watch Oak Estate	(26,720)	500	(32,500)	(32,000)	6,790	-	(25,210)
Elva Business Centre	(48,900)	89,490	(200,000)	(110,510)	51,030	5,840	(53,640)
Committee Property Account	(83,610)	41,820	(272,670)	(230,850)	116,760	7,000	(107,090)
Interest Payable	(645,190)	-	(700,190)	(700,190)	-	-	(700,190)
Interest and Investment Income	(100,000)	-	(135,000)	(135,000)	-	-	(135,000)
Use of Reserves	541,460	671,010	(629,530)	41,480	-	-	41,480
Total Other Operating Income and Expenditure	(685,560)	1,061,650	(2,671,360)	(1,609,710)	285,480	12,840	(1,311,390)

CAPITAL PROGRAMME 2016/2017 TO 2019/2020

Project	2016/2017 Estimate £	2017/2018 Estimate £	2018/2019 Estimate £	2019/2020 Estimate £
CULTURAL AND RELATED SERVICES				
Community Grants	65,000	65,000	65,000	TBD
De La Warr Pavilion - Capital Grant	49,752	50,996	52,271	TBD
Land Swap re Former High School Site	1,084,600			
Bexhill Leisure Centre Development	120,000			
Total - Cultural and Related Services	1,319,352	115,996	117,271	0
ENVIRONMENTAL SERVICES				
Fairlight Coastal Protection Scheme	2,318,000			
Total - Environmental Service	2,318,000	0	0	0
HOUSING				
Disabled Facilities Grants	1,314,470	TBD	TBD	TBD
Total - Housing	1,314,470	0	0	0
SUPPORT SERVICES				
IT Essential Maintenance Programme	266,240			
Total - Support Services	266,240	0	0	0
Total Capital Programme	5,218,062	115,996	117,271	0

CAPITAL PROGRAMME 2016/2017 TO 2019/2020

Financed by:	2016/2017	2017/2018	2018/2019	2019/2020
	£	£	£	£
Capital Receipts				
Housing				
Other	1,099,752	50,996	52,271	
Contributions				
Other Bodies	2,318,000			
Earmarked Reserves	485,840	65,000	65,000	
Direct Revenue Funding				
Capital Grants				
Disabled Facilities Grants	1,314,470			
	-----	-----	-----	-----
Total Financing	5,218,062	115,996	117,271	0
	=====	=====	=====	=====

ADDITIONAL INFORMATION 2016/2017: RESERVES

Details	General Fund Balance £	Earmarked Reserves £	Corporate Project Reserve £	Medium Term Fin. Strategy Reserve £	Insurance Fund £	Total £
Balance at 1 April 2016	1,000,000	5,768,903	580,286	2,515,565	190,594	10,055,348
<i>Add:</i> Budgeted contributions to reserves		671,010				671,010
<i>Less:</i> Used for revenue running costs or to support the council tax		(564,530)		(65,000)		(629,530)
Estimated Balance as at 31 March 2017	1,000,000	5,875,383	580,286	2,450,565	190,594	10,096,828

Explanation of Reserves

Reserve

General Fund Balance

Purpose

To meet unforeseen events e.g. inflation at higher than estimated levels, increased demand for benefits.

Earmarked

To fund the replacement of equipment and other specified activities.

Corporate Project

To provide full or leverage funding for key Corporate Priority Projects.

Medium Term Financial Strategy

To fund some service improvements as identified by Medium Term Financial Strategy.

Insurance Fund

To fund insurance claims for which external cover has not been made.

ADDITIONAL INFORMATION 2016/2017: GROSS AND NET REVENUE EXPENDITURE

	2016/2017 Gross Expenditure £	2016/2017 Gross Income £	2016/2017 Net Expenditure £
CABINET APPROVED REVENUE BUDGETS			
Cultural and Related Services	2,747,670	192,450	2,555,220
Environmental Services	5,937,410	1,543,230	4,394,180
Planning and Development Services	2,339,790	649,540	1,690,250
Highways Roads and Transport Services	661,050	1,253,190	(592,140)
Housing General Fund	30,396,560	29,342,450	1,054,110
Corporate and Democratic Core	3,357,470	428,250	2,929,220
Central Services to the Public	2,028,590	887,720	1,140,870
Support Services	4,250,540	4,250,540	-
Other Operating Income and Expenditure (Service Expenditure Only)	688,960	1,206,640	(517,680)
	<hr/>	<hr/>	<hr/>
Total Service Spending and Income	52,408,040	39,754,010	12,654,030
Other Operating Income and Expenditure (Financing Items)			
Interest Payable	-	700,190	(700,190)
Interest and Investment Income	-	135,000	(135,000)
Use of Reserves	671,010	629,530	41,480
	<hr/>	<hr/>	<hr/>
Total Budgets Approved by Cabinet	53,079,050	41,218,730	11,860,320
Add: Parish Council Precepts	-	-	1,318,975
	<hr/>	<hr/>	<hr/>
Total Council Revenue Budget Requirement 2016/2017	53,079,050	41,218,730	13,179,295
Amounts to be taken into Account Under Local Government Act 1998 Section 97(4)			
Less: Collection Fund (Surplus)/Deficit			171,240
Less: New Homes Bonus			(1,655,010)
Less: Revenue Support Grant			(1,073,470)
Less: Business Rate Retention			(2,540,050)
			<hr/>
Council Tax Requirement 2016/2017 (Rother & Parishes)			8,082,005
			<hr/> <hr/>

ADDITIONAL INFORMATION 2016/2017: SPECIAL EXPENSES

Rother has decided that the costs of the functions shown below are special expenses to be charged only on the areas of Bexhill and Rye. These functions are provided elsewhere in the District by a Parish or Town Council. The costs are added to the local precept of each area for the calculation of Council Tax.

Heading	£
Bexhill	
Bexhill Parks and Games	647,050
Bexhill Allotments	17,750
Christmas Lighting	17,480
Bexhill Museum	9,540
Bus Shelters	9,390
Bexhill Town Forum	4,270
Less: Council Tax Support Grant	(40,380)
	<hr/>
Special Expenses for Bexhill	665,100
	<hr/>
Rye	
Rye Parks and Games	48,680
Christmas Lighting	1,590
Rye Museum	640
Bus Shelters	620
Less: Council Tax Support Grant	(2,080)
	<hr/>
Special Expenses for Rye	49,450
	<hr/>
Total Special Expenses (excl. Parish Precepts)	714,550
	<hr/> <hr/>

Notes:

1. Capital charges attributed to the above services are not charged as special expenses
2. All Parish Council precepts on the General Fund are Special Expenses chargeable only on the originating Parish

ADDITIONAL INFORMATION 2016/2017: CALCULATION OF COUNCIL TAX BY AREA

LOCAL TAX AREA	LOCAL PRECEPT £	divided by LOCAL TAX no.	gives	add	add	add	add	gives
			LOCAL COUNCIL TAX £	ROTHER BAND D COUNCIL TAX £	SX POLICE BAND D COUNCIL TAX £	FIRE BRIGADE BAND D COUNCIL TAX £	ESCC BAND D COUNCIL TAX £	TOTAL BAND D COUNCIL TAX £
Bexhill (note 1)	675,695	15,991.57	42.25	164.32	148.91	86.72	1,251.90	1,694.10
Ashburnham & Penhurst	8,234	188.73	43.63	164.32	148.91	86.72	1,251.90	1,695.48
Battle	252,683	2,648.67	95.40	164.32	148.91	86.72	1,251.90	1,747.25
Beckley	21,000	528.85	39.71	164.32	148.91	86.72	1,251.90	1,691.56
Bodiam	8,825	148.83	59.30	164.32	148.91	86.72	1,251.90	1,711.15
Brede	23,075	832.42	27.72	164.32	148.91	86.72	1,251.90	1,679.57
Brightling	7,000	197.20	35.50	164.32	148.91	86.72	1,251.90	1,687.35
Burwash	35,712	1,246.52	28.65	164.32	148.91	86.72	1,251.90	1,680.50
Camber	61,432	686.64	89.47	164.32	148.91	86.72	1,251.90	1,741.32
Catsfield	21,777	345.34	63.06	164.32	148.91	86.72	1,251.90	1,714.91
Crowhurst	26,920	362.18	74.33	164.32	148.91	86.72	1,251.90	1,726.18
Dallington	8,435	176.12	47.89	164.32	148.91	86.72	1,251.90	1,699.74
East Guldeford	0	31.22	0.00	164.32	148.91	86.72	1,251.90	1,651.85
Etchingham	35,587	396.36	89.78	164.32	148.91	86.72	1,251.90	1,741.63
Ewhurst	62,220	538.30	115.59	164.32	148.91	86.72	1,251.90	1,767.44
Fairlight	47,000	874.09	53.77	164.32	148.91	86.72	1,251.90	1,705.62
Guestling	5,000	607.75	8.23	164.32	148.91	86.72	1,251.90	1,660.08
Hurst Green	33,275	570.32	58.34	164.32	148.91	86.72	1,251.90	1,710.19
Icklesham	103,811	1,218.45	85.20	164.32	148.91	86.72	1,251.90	1,737.05
Iden	14,000	236.99	59.07	164.32	148.91	86.72	1,251.90	1,710.92
Mountfield	13,100	199.36	65.71	164.32	148.91	86.72	1,251.90	1,717.56
Northiam	45,000	974.95	46.16	164.32	148.91	86.72	1,251.90	1,698.01
Peasmarsh	25,770	513.48	50.19	164.32	148.91	86.72	1,251.90	1,702.04
Pett	19,292	463.44	41.63	164.32	148.91	86.72	1,251.90	1,693.48
Playden	5,000	166.17	30.09	164.32	148.91	86.72	1,251.90	1,681.94
Rye Foreign	2,000	172.77	11.58	164.32	148.91	86.72	1,251.90	1,663.43
Salehurst	90,825	1,004.70	90.40	164.32	148.91	86.72	1,251.90	1,742.25
Sedlescombe	45,054	653.15	68.98	164.32	148.91	86.72	1,251.90	1,720.83
Ticehurst	118,350	1,626.33	72.77	164.32	148.91	86.72	1,251.90	1,724.62
Udimore	5,303	181.73	29.18	164.32	148.91	86.72	1,251.90	1,681.03
Westfield	33,000	1,040.55	31.71	164.32	148.91	86.72	1,251.90	1,683.56
Whatlington	7,600	151.39	50.20	164.32	148.91	86.72	1,251.90	1,702.05
Rye (note 2)	171,550	1,834.27	93.53	164.32	148.91	86.72	1,251.90	1,745.38

Note 1

Bexhill local precept shown above comprises

Bexhill Charter Trustees Precept	10,595
Bexhill Special Expenses	665,100

675,695

Note 2

Rye local precept shown above comprises

Rye Town Council Precept	122,100
Rye Special Expenses	49,450

171,550

ADDITIONAL INFORMATION 2016/2017: COUNCIL TAX BY AREA AND BAND

Band D Tax multiplied by LOCAL TAX AREA	6/9 gives	7/9 gives	8/9 gives		11/9 gives	13/9 gives	15/9 gives	18/9 gives
	BAND A COUNCIL TAX £	BAND B COUNCIL TAX £	BAND C COUNCIL TAX £	BAND D COUNCIL TAX £	BAND E COUNCIL TAX £	BAND F COUNCIL TAX £	BAND G COUNCIL TAX £	BAND H COUNCIL TAX £
Bexhill	1,129.40	1,317.63	1,505.86	1,694.10	2,070.57	2,447.02	2,823.50	3,388.20
Ashburnham & Penhurst	1,130.32	1,318.70	1,507.08	1,695.48	2,072.26	2,449.02	2,825.80	3,390.96
Battle	1,164.83	1,358.97	1,553.10	1,747.25	2,135.53	2,523.80	2,912.08	3,494.50
Beckley	1,127.70	1,315.66	1,503.60	1,691.56	2,067.46	2,443.36	2,819.26	3,383.12
Bodiam	1,140.76	1,330.89	1,521.01	1,711.15	2,091.41	2,471.66	2,851.91	3,422.30
Brede	1,119.71	1,306.33	1,492.94	1,679.57	2,052.81	2,426.04	2,799.28	3,359.14
Brightling	1,124.90	1,312.38	1,499.86	1,687.35	2,062.32	2,437.28	2,812.25	3,374.70
Burwash	1,120.33	1,307.05	1,493.77	1,680.50	2,053.95	2,427.38	2,800.83	3,361.00
Camber	1,160.88	1,354.36	1,547.83	1,741.32	2,128.28	2,515.23	2,902.20	3,482.64
Catsfield	1,143.27	1,333.82	1,524.35	1,714.91	2,096.00	2,477.09	2,858.18	3,429.82
Crowhurst	1,150.78	1,342.58	1,534.37	1,726.18	2,109.78	2,493.37	2,876.96	3,452.36
Dallington	1,133.16	1,322.02	1,510.87	1,699.74	2,077.46	2,455.17	2,832.90	3,399.48
East Guldeford	1,101.23	1,284.77	1,468.30	1,651.85	2,018.93	2,386.00	2,753.08	3,303.70
Etchingham	1,161.08	1,354.60	1,548.10	1,741.63	2,128.66	2,515.68	2,902.71	3,483.26
Ewhurst	1,178.29	1,374.67	1,571.05	1,767.44	2,160.21	2,552.96	2,945.73	3,534.88
Fairlight	1,137.08	1,326.59	1,516.10	1,705.62	2,084.65	2,463.67	2,842.70	3,411.24
Guestling	1,106.72	1,291.17	1,475.62	1,660.08	2,028.99	2,397.89	2,766.80	3,320.16
Hurst Green	1,140.12	1,330.15	1,520.16	1,710.19	2,090.23	2,470.27	2,850.31	3,420.38
Icklesham	1,158.03	1,351.04	1,544.03	1,737.05	2,123.06	2,509.07	2,895.08	3,474.10
Iden	1,140.61	1,330.71	1,520.81	1,710.92	2,091.13	2,471.32	2,851.53	3,421.84
Mountfield	1,145.04	1,335.88	1,526.71	1,717.56	2,099.24	2,480.91	2,862.60	3,435.12
Northiam	1,132.00	1,320.67	1,509.33	1,698.01	2,075.35	2,452.68	2,830.01	3,396.02
Peasmarsh	1,134.69	1,323.81	1,512.91	1,702.04	2,080.27	2,458.50	2,836.73	3,404.08
Pett	1,128.98	1,317.15	1,505.30	1,693.48	2,069.81	2,446.13	2,822.46	3,386.96
Playden	1,121.29	1,308.17	1,495.05	1,681.94	2,055.71	2,429.46	2,803.23	3,363.88
Rye Foreign	1,108.95	1,293.78	1,478.59	1,663.43	2,033.08	2,402.73	2,772.38	3,326.86
Salehurst	1,161.50	1,355.08	1,548.66	1,742.25	2,129.42	2,516.58	2,903.75	3,484.50
Sedlescombe	1,147.22	1,338.42	1,529.62	1,720.83	2,103.24	2,485.64	2,868.05	3,441.66
Ticehurst	1,149.74	1,341.37	1,532.98	1,724.62	2,107.87	2,491.11	2,874.36	3,449.24
Udimore	1,120.68	1,307.47	1,494.24	1,681.03	2,054.59	2,428.15	2,801.71	3,362.06
Westfield	1,122.37	1,309.43	1,496.49	1,683.56	2,057.69	2,431.80	2,805.93	3,367.12
Whatlington	1,134.70	1,323.81	1,512.92	1,702.05	2,080.29	2,458.51	2,836.75	3,404.10
Rye	1,163.58	1,357.52	1,551.43	1,745.38	2,133.24	2,521.10	2,908.96	3,490.76

Audit

The formal review of activities by people or agencies not otherwise responsible for those activities. Originally used for the periodic review of financial transactions but now increasingly used also for any independent review, usually ad hoc, of any activities.

Band "D" Equivalentents

This term relates to one of the Council Tax valuation bands (see Council Tax). The bands "A" to "C" and E to "H" are weighted to the equivalent of Band "D". This derived Band "D" equivalent is used as a basis for calculating the Council Tax.

Best Value

This is the duty (implied but may be made statutory) which local authorities owe to their stakeholders to provide relevant, cost effective services.

Billing Authority

This is an authority such as Rother which is responsible for collecting the Council Tax and the Non Domestic Rates.

Budget

A statement of Rother's plans for revenue or capital expenditure over a specified period of time. The annual budget is prepared as part of the Council's annual Council Tax setting process.

Capital Charges

This is a depreciation charge for the use of tangible and intangible fixed assets. Capital charges are borne by the service revenue accounts, but reversed out to ensure they have no impact on the level of Council Tax.

Capital Expenditure

This is expenditure on the acquisition of assets, or expenditure which adds to and not merely maintains the value of an existing asset. The Local Government Act 2003 defines capital expenditure as 'expenditure that falls to be capitalised under proper practices'. In practice the Council follows the various regulations issued by the Government and the Accounting Code of Practice. Expenditure outside this definition must be charged to the Revenue Account. A fixed asset is one which generally yields benefits to the local authority for a period exceeding one year.

Capital Finance

This is the raising of money to pay for capital expenditure, for example by borrowing, leasing, capital receipts, revenue or grants.

Capital Programme

This outlines the capital schemes that the Authority proposes to undertake over a set time; Rother has a three year capital programme.

Capital Receipts

These are monies received from the sale of fixed assets.

Centrally Managed Costs

These are made up of administrative buildings and office services

Collection Fund

This fund is administered by each billing authority and all proceeds from the Council Tax are paid into the fund to meet the net budget requirements of the County Council, Police Authority, District and Parish Councils for the area.

Council Tax

Council Tax is paid on most residential properties in a local authority's area. Properties are valued within eight valuation bands (A-H).

Council Tax Reduction Scheme

Introduced in April 2013, this locally defined scheme helps those on low incomes to meet their Council Tax. It replaced the Council Tax Benefit scheme.

External Interest

External Interest consists of payments to financial institutions in respect of interest incurred on borrowing undertaken to fund the activities of the authority.

Non Current Assets

These are tangible, intangible and infrastructure assets that yield benefit to local authorities and the services it provides for more than one year.

Growth

An increase in expenditure not due to inflation.

Housing Benefits

An allowance to persons on low or no income to meet either the whole or part of their rent. Benefit is allowed or paid by local authorities but Central Government refunds part of the cost of the benefits and contributes to the administrative costs of the service.

National Non Domestic Rates

These are paid on commercial, business and non residential properties. The Government determines the level, although the Council is responsible for its billing and collection. From 2013/14 the Council will retain part of the business rates it collects based on a formula set by Government. The balance is part to the Government, East Sussex County Council and East Sussex Fire and Rescue Authority.

Other Apportionable Overheads

These are costs which are of a necessity and/or benefit to most services and include bank charges, Audit Commission fees, pre-printed cheques and the costs associated with the Data Protection Act. Where it is not possible to identify the main beneficiary of the cost then a pro rata basis of apportionment is made.

Precept

This is the levy made by precepting authorities (such as East Sussex County Council, Sussex Police and Crime Commissioner and the Fire Authority) on a billing authority (Rother District Council), requiring the latter to collect.

Provisions, Reserves and Balances

These are amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general balances which every authority must maintain as a matter of prudence.

Recharges

The local authority accounting code of practice requires that all support costs be fully recharged to services.

Revenue Expenditure

This is expenditure on the day to day running of the authority, for example staff costs, premises related expenditure, transport and supplies and services.

Revenue Support Grant (RSG)

This is a grant paid by Central Government in support of general net revenue expenditure. The amount is calculated to make up the difference between an area's formula spending share and the sum of resources obtained from National Non Domestic Rates and the Council Tax.

Service Level Agreement (SLA)

An agreement made between the Council and an external service provider e.g. Citizens Advice Bureau, in addition to agreements made between services within the Council, which state the price and specifications of the support service by one to another.

Supplies and Services

Equipment and materials, protective clothing, office furniture, advertising and publications, fees for professional services.

Support Services

Computer services, financial services, legal services, personnel services, property management, office services, and office accommodation.

Total Costs

The principle that all unit costs and other comparable costs should include apportionments of all overheads and support service costs.

Virement

This is the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head. Virements must be properly authorised by the appropriate Committee or by officers under delegated powers.

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