

Budget Summary 2015/16

**Revenue Budget 2015/16
Medium Term Financial Plan
2015/16 to 2018/19 and Capital
Programme to 2017/18**

eastsussex.gov.uk

East Sussex
County Council



Contents

	Page		Page
Introduction	4	Capital Programme 2014/15 to 2017/18	20 to 31
Medium Term Financial Planning	5	Introduction	
Resources	6 to 8	Summary of Departmental Spending	
Funding / spending power		Adult Social Care	
Specific and Special Grant Funding		Business Services	
		Children's Services	
		Communities Economy and Transport	
		Governance	
Revenue Budget Summary	9 to 13	Earmarked reserve balances	32
ESCC Budget			
Aggregate expenditure and income		Explanation of key terms	33
Subjective Analysis			
Revenue Budgets	14 to 19		
Adult Social Care			
Public Health			
Business Services			
Children's Services			
Communities Economy and Transport			
Governance Services			

Further information can also be obtained from our website:
eastsussex.gov.uk

or by writing to:
Marion Kelly
Chief Finance Officer
East Sussex County Council
County Hall, St Anne's Crescent
Lewes
East Sussex BN7 1UE
or by email to:
finance@eastsussex.gov.uk

Chief Finance Officer's Foreword

Introduction

This budget summary provides detail on the 2015/16 revenue budget and the Capital Programme to 2017/18. It gives analysis of expenditure by type and also by accountability, along with detail of our resources to finance that expenditure. The summary provides a useful source of information for Council officers, elected members and the public alike.

The 2015/16 Approved Budget

In 2015/16 the Council (including schools) will spend £783m to deliver services to the people of East Sussex, with a further £139m of investment in infrastructure and assets through its capital programme. The Council's stated priorities outcomes are:-

- *Economic Growth*
- *Helping people to help themselves*
- *Keeping vulnerable people safe*
- *Making the best use of resources*

Revenue Budget

Making best use of our resources means achieving all stated outcomes within the diminishing resources available to the Council. This year is the third of a three year plan delivering over £60m of savings. At the same time, key services have been protected as far as possible from the effects of increased prices and demand. The net reduction for direct services delivery in 2015/16 is £6.3m.

The Council has been able to contain all of the cost pressures on its budget for 2015/16 within the forecast identified within the MTFP, except for the following items which have been funded from within the budget and the application of some additional income.

	£m
Slippage in the delivery of Agile savings	4.6
The Link	0.3
Changes to the treatment of DSG resulting in pressures on Children's Services	1.2
Slippage in the delivery of Highways saving	1.8
	7.9
<i>To be funded by</i>	
Increase in the Council Tax base	2.1
Allocation of general inflation provision	3.8
Reduction in Treasury Management budget	0.2
Reduction in contribution to waste reserve	1.8
	7.9

Government grants amount to £309m (39.5%) of the total expenditure of the Council.

Though there is not yet any certainty with regards to the level of government funding beyond the general election of May 2015, there are clear indications that the current austerity measures will continue for the foreseeable future.

Council tax finances approximately 29.6% of the total expenditure of the Council. It is the ongoing funding source over which the Council has the greatest control. For 2015/16 it is proposed to increase the council tax by 1.95%. Band D council tax would therefore be £1,203.93p per annum, an increase of £23.04p on the current year.

Capital Programme

Of the initial five year programme, the amount remaining to be spent is £469m from 2014/15 to 2017/18 (£139m in 2015/16) on capital investments such as road improvements, school need, libraries, social care facilities and measures to stimulate the local economy. Of this, 58% will be funded by government grants and scheme specific income.

Marion Kelly
Chief Finance Officer
February 2015

Medium Term Financial Planning

	Medium Term Financial Plan				
	2014/15 Budget	2015/16 Estimate	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast
	£m	£m	£m	£m	£m
RESOURCES					
Core Grant					
Business Rates	(66.424)	(68.860)	(71.842)	(73.918)	(75.904)
Council Tax	(221.710)	(231.775)	(233.967)	(240.915)	(248.069)
Revenue Support Grant	(85.644)	(65.093)	(47.453)	(32.261)	(18.561)
TOTAL RESOURCES	(373.778)	(365.728)	(353.262)	(347.094)	(342.534)
PLANNED EXPENDITURE					
Net Service spend (2)	321.896	315.526	321.870	328.345	334.945
Contributions to Capital Programme (3)	19.291	15.897	11.201	10.970	13.386
Treasury Management	30.786	30.566	30.786	30.786	30.786
Corporate Contingency	3.500	3.500	3.500	3.500	3.500
Contribution to balances and reserves	3.788	4.542	0.648	0.648	0.648
Non service expenditure (1)	4.724	5.479	6.299	6.864	7.429
Levies	0.431	0.432	0.437	0.442	0.448
Corporate Grants	(10.638)	(10.214)	(9.832)	(9.229)	(8.775)
Net Corporately held spend	51.882	50.202	43.039	43.981	47.422
TOTAL PLANNED SPENDING	373.778	365.728	364.909	372.326	382.367
DEFICIT/(SURPLUS)	0.000	0.000	11.647	25.232	39.833

The following risks will also have a financial impact during the period 2016/17 to 2018/19. The position of which will be updated at the State of the County report.

	£m
Implementation of the Care Act	TBC
Local Welfare Assistance Scheme	1.200
Independent Living fund	1.500
Extension of Foster Care to 21 years of age	3.300

TOTAL POTENTIAL CHALLENGE BY 2018/19 £70m-£90m

The Medium Term Financial Plan

The current three year medium term financial plan continues to 2015/16, at the end of which in excess of £60m savings will have been achieved.

The Council's medium term financial plan is driven by the need to address two basic and conflicting pressures, namely:-

- reducing funding from government and other sources;
- increasing costs arising from increasing service demand, inflation and contract costs rising at rates greater than the council can counter through increases in its own fees & charges.

The plan takes a prudent approach to funding given the uncertainty and expectation of further government spending cuts. Equally, reasonable estimates have been made for other economic challenges such as increasing demands on services and price inflation.

A financially robust medium term financial plan is essential, underpinned with developed and emerging plans that span the full financial cycle, allowing time to develop new thinking on prevention strategies, staffing costs, and essential resource allocation, whilst at the same time being able to deliver the agreed savings requirements to balance the budget.

Notes

(1) This covers items of expenditure which are of a corporate nature and can not be accounted for within specific service budgets. It primarily consists of funding for pensions liabilities.

(2) Service budgets include all specific, ring-fenced, grants including Public Health.

(3) For 2014/15 this included the additional resources allocated to 'Pothole' repairs and highways maintenance.

Resources - funding / spending power

Provisional Settlement Funding Assessment 2015/16

The Government's primary economic objective remains to reduce the national deficit and so Government funding to local authority services continues to decrease year on year.

Settlement Funding Assessment (SFA):

Funding	2014/15	Adjusted 2014/15	2015/16	Change	Percentage Change
	£000	£000	£000	£000	
Business Rates Retention	11,090	11,090	11,302	212	1.9%
Business Rates Top-up	55,763	55,763	56,828	1,065	1.9%
Business Rates	66,853	66,853	68,130	1,277	1.9%
Revenue Support Grant (RSG)	85,644	86,829	65,093	-21,736	-24.0%
Total - ESCC	152,497	153,682	133,223	-20,459	-13.3%
National					-13.9%

The SFA represents the general funding level provided by Government to local authorities. The Government transferred into the SFA £1.185m in respect of local welfare funding, from it being a separate specific grant. This increased the like for like RSG from £85.644m to £86.829m. The local welfare element is partially funded by an addition within the overall RSG settlement for 2015/16 of £0.584m for "local welfare needs and to improve social care provision". This compares with a calculated element of £0.892m within the SFA, which is otherwise unfunded. The general RSG grant has reduced by 24.0% or £21.7m.

Business rates retention is based on the Government's national assessment of business rate yield £11.302m in East Sussex. The County Council's budget for business rates retention reflects its 9% share of locally collected business rates £11.398m, which is shown on page 9 and from information provided by the District and Borough Councils.

Spending Power

"Spending Power" represents a basket of key revenue streams for local authorities, using a number of actual, provisional and indicative funding assumptions to provide Government with a view as to how local authority spending is changing overall. For 2015/16 the national reduction in revenue spending power is 1.7%. For East Sussex County Council the records show revenue spending power will increase by 0.6% or £2.613m, but if you exclude the impact of the Pooled NHS & Better Care Fund ESCC spending power reduces by - 4.0% or £16.174m.

Resources - funding / spending power

Government Assessed Illustrative Spending Power:

	2014/15	Adjusted 2014/15	2015/16	Change	Percentage Change
	£000	£000	£000	£000	
Settlement Funding Assessment	152,497	153,682	133,223	-20,459	-13.3%
Settlement Specific Grants	31,598	27,962	30,712	2,750	9.8%
Council Tax	214,937	219,576	221,111	1,535	0.7%
	399,032	401,220	385,046	-16,174	-4.0%
Pooled NHS & ESCC Better Care Fund	11,851	21,902	40,689	18,787	85.8%
Total	410,883	423,122	425,735	2,613	0.6%

The Council tax element of the Spending Power does not presume any increase in Band D rate, but only an ongoing forecast of increasing taxbase due to housing development.

The increase in the Pooled NHS & Better Care fund element reflects the Government assumption as to how much NHS funding will become (jointly) available between the Council and NHS for allocation by the Joint Health and Wellbeing Board.

Resources - specific and special grant funding

Direct impact on County Council Services

	Budget 2014/15 £000	Estimate 2015/16 £000	Change £000
Adult Social Care/Public Health			
Public Health Grant	* 24,507	24,067	(440)
Local Welfare provision grant	* 1,185	0	(1,185)
Stroke Strategy	80	0	(80)
Local Reform and Community Voices Grant Care Act	* 167 0	52 4,251	(115) 4,251
	25,939	28,370	2,431
Children's Services			
PFI Grant - Peacehaven Schools (moved to BSD)	1,759	0	(1,759)
Adoption Reform Grant	400	400	0
SEN Reform Grant	560	560	0
SEN New Burden Grant	0	268	268
Troubled Families Grant	1,081	1,081	0
Youth Justice Grant	615	592	(23)
Asylum Seekers	270	270	0
KS2 moderation and phonics	0	28	28
	4,685	3,199	(1,486)
Communities Economy and Transport			
PFI Grant - Waste	2,996	2,996	0
DEFRA - AONB - High Weald	277	231	(46)
Dept of Transport	693	824	131
Bus Service Operators Grant	0	418	418
	3,966	4,469	503
Governance Services			
Local Reform and Community Voices Grant	* 300	295	(5)
	300	295	(5)
Business Services			
PFI Grant - Peacehaven Schools (moved from CSD)	0	1,759	1,759
	0	1,759	1,759
Corporate items			
Education Services Grant	6,100	5,100	(1,000)
New Homes Bonus	* 1,816	2,275	459
New Homes Bonus Adjustment Grant	* 227	222	(5)
Business Rate Capping compensation grant	* 708	994	286
Business Rate Relief compensation grant	* 924	931	7
Local Service Support Grant			
- Extended Rights to Free Transportation	* 637	522	(115)
- Sussex FCA	* 58	58	0
- DEFRA lead Local Flood Authority funding	* 168	112	(56)
	10,638	10,214	(424)
Direct Impact	45,528	48,306	2,778

Indirect impact- where County Council acts as "agent" to transfer funds

	Budget 2014/15 £000	Estimate 2015/16 £000
Children's Services		
Higher Education Funding Council grant	909	909
Dedicated Schools Grant	263,462	242,848
Pupil Premium Grant	9,928	11,767
Universal Infant Free School Meals	0	4,732
Community Learning (was Family Learning)	194	194
	274,493	260,450

Communities Economy and Transport

Skills Funding Agency	678	680
-----------------------	-----	-----

Indirect Impact	275,171	261,130
------------------------	----------------	----------------

Grant Funding Summary

Government Specific and Special Grants		
Direct Impact	45,528	48,306
Indirect Impact	275,171	261,130
	320,699	309,436
Grants from other agencies		
Federation of Music - Arts Council	500	513
Initial teacher Training Grant - Teacher Training Agency	425	420
Young People Pooled Treatment - Health Authority	335	0
English Heritage Grant	0	16
	1,260	949
Total	321,959	310,385

Summary by department		
Children's Services	279,178	263,649
Adult Social Care	25,939	28,370
Communities Economy and Transport	4,644	5,149
Governance Services	300	295
Business Services	0	1,759
	310,061	299,222
Corporate items	10,638	10,214
	320,699	309,436
Grants from other agencies	1,260	949
Total	321,959	310,385

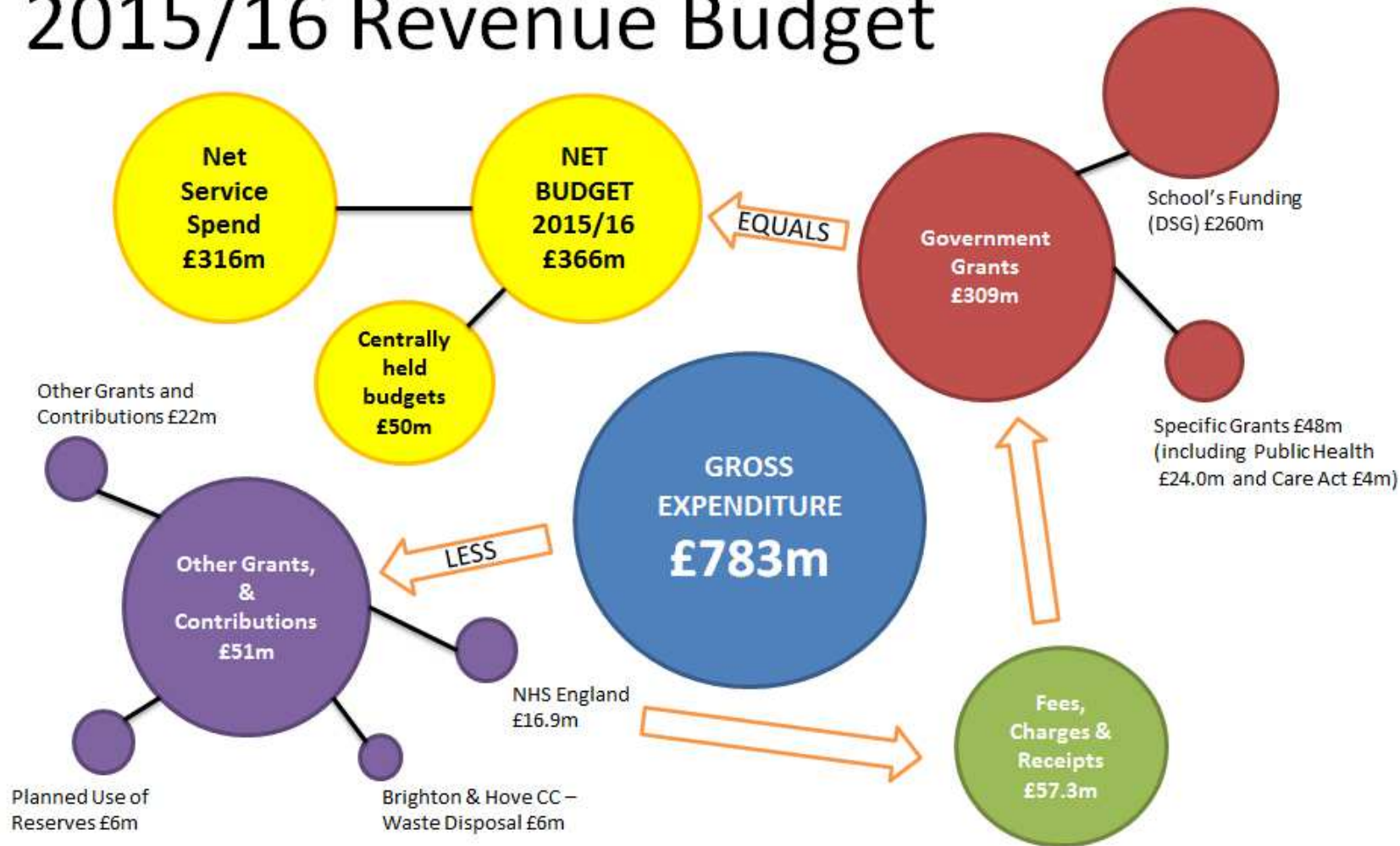
* Denotes grants that form part of the Settlement Funding Assessment.

Revenue Budget 2015/16

	2014/15	2015/16	Change	
	£000	£000	£000	%
Total Gross Spend	812,050	783,398	(28,652)	-3.53%
Less:				
Fees, Charges & Receipts	(59,194)	(57,314)	1,880	
Specific Government Grants	(320,699)	(309,436)	11,263	
Planned use of reserves & capital contribution to project staff	(20,600)	(9,002)	11,598	
Other grants and contributions	(37,779)	(41,918)	(4,139)	
Total Net Budget	373,778	365,728	(8,050)	-2.15%
Made up of:-				
Net Service Spend	321,896	315,526	(6,370)	
Contributions to Capital Programme	19,291	15,897	(3,394)	
Treasury Management	30,786	30,566	(220)	
Corporate Contingency	3,500	3,500	0	
Contribution to balances and reserves	3,788	4,542	754	
Non service expenditure	4,724	5,479	755	
Levies	431	432	1	
Corporate Grants	(10,638)	(10,214)	424	
Net centrally held budgets	51,882	50,202	(1,680)	
	373,778	365,728	(8,050)	-2.15%
Funded by:-				
Business Rates Retained	(66,738)	(69,130)		
Revenue Support Grant	(85,644)	(65,093)		
Collection Fund: Business Rates (Surplus)/ Deficit	314	270		
Collection Fund: Council Tax (Surplus)/ Deficit	(2,133)	(4,554)		
Funding Other Than Council Tax	(154,201)	(138,507)	15,694	-10.18%
Council Tax Requirement	219,577	227,221	7,644	3.48%
Taxbase: Number of "Band D" equivalent dwellings	185,942	188,732		
Band D Council Tax	£1,180.89	£1,203.93		1.95%

Notes

2015/16 Revenue Budget



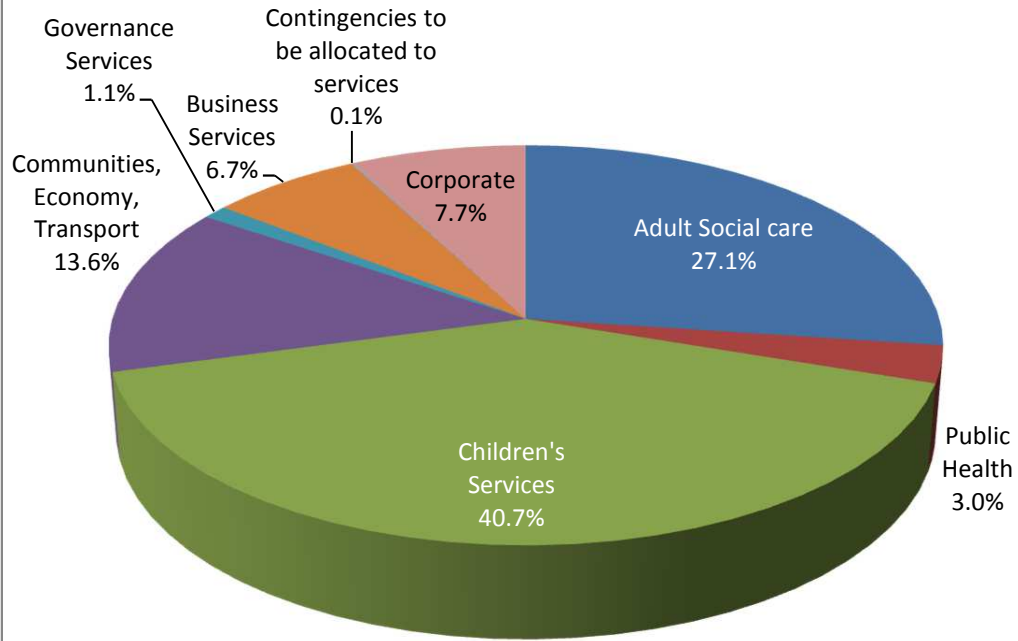
'Gross Expenditure': The total amount of money the Council spends on delivering its services to the community.

'Net Budget': The amount of the Council spending that is directly financed from the Revenue Support Grant, Business Rates and Council Tax receipts.

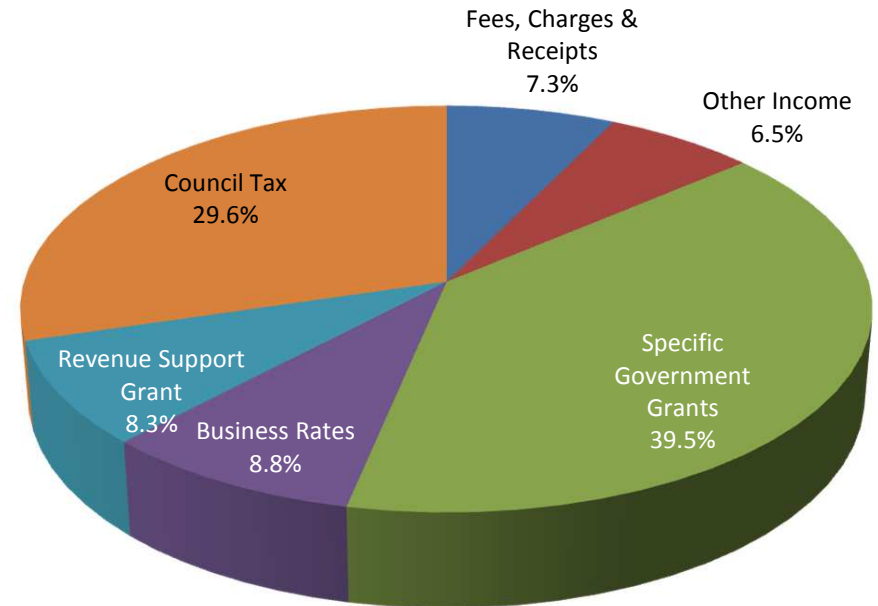
Centrally held Budgets include Treasury Management and Contribution to the Capital Programme

Revenue Budgets - aggregate expenditure and income

Expenditure by service: £783.4m



Income by type: £783.4m

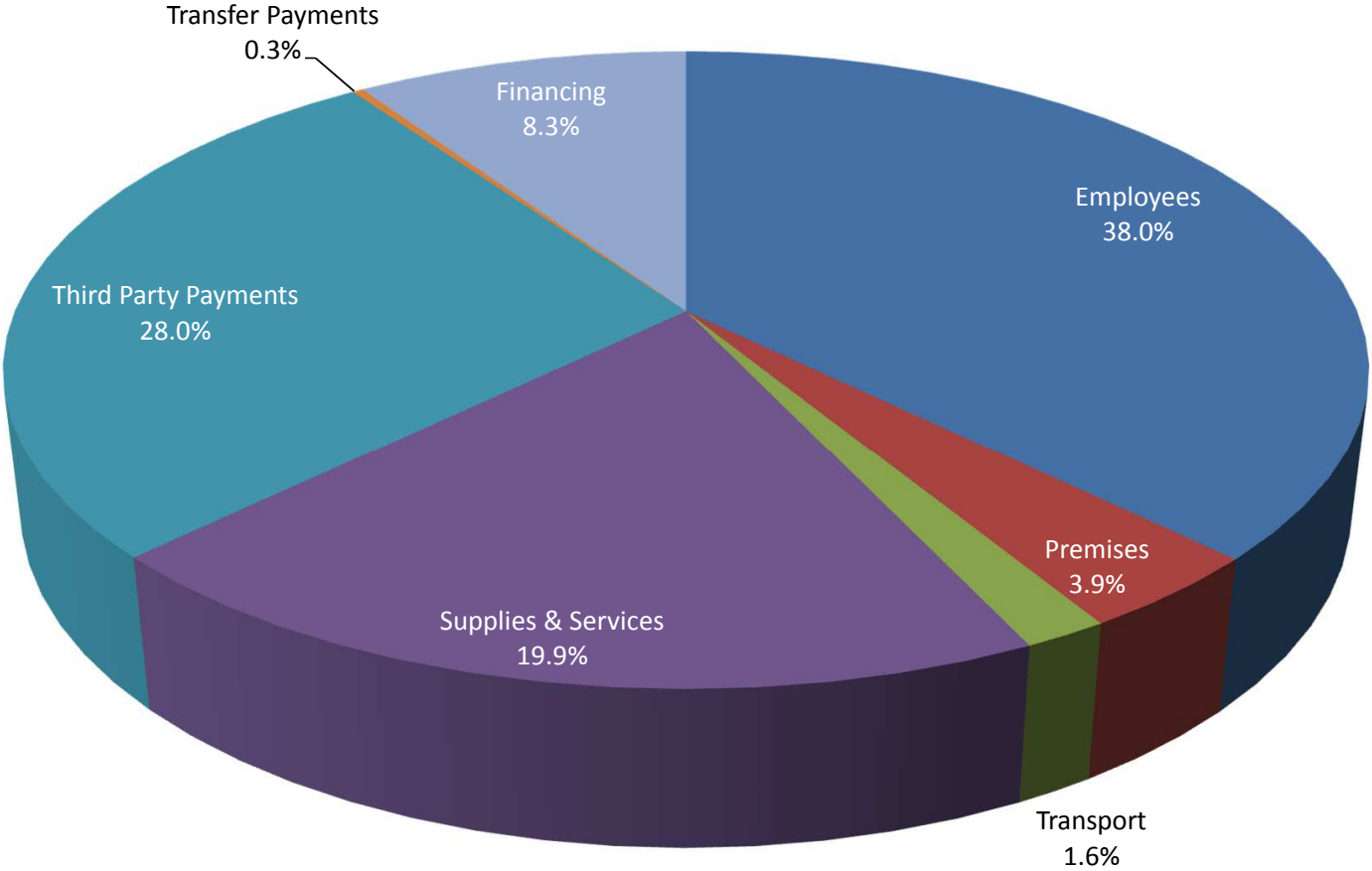


Revenue budget summary - subjective analysis

Analysis of 2015/16 budgets by type of cost

Department	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Financing	Total Expenditure	Government Grants	Other Grants and Contributions	Fees, Charges & Receipts	Planned use of reserves	Total Income	Net Service Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	Net Service Expenditure	Depreciation	Total Including Depreciation
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£,000	£000	£000	£000	£000	£000
Adult Social Care	52,685	1,338	1,081	6,232	151,251	-	-	212,587	(4,303)	(20,062)	(30,247)	(346)	(54,958)	157,629		1,995	(1,399)	158,225	702	158,927
Public Health	1,638	-	32	754	18,815	-	2,488	23,727	(24,067)	-	-	-	(24,067)	(340)		390	(50)	-	-	-
Business Services	18,318	10,265	174	22,090	357	900	6	52,110	(1,759)	(3,154)	(9,814)	(1,206)	(15,933)	36,177	(475)	2,008	(18,860)	18,850	1,975	20,825
Children's Services	199,647	14,496	1,724	56,625	44,722	1,323	-	318,537	(263,649)	(3,200)	(5,076)	(1,575)	(273,500)	45,037		46,850	(21,095)	70,792	15,942	86,734
Communities Economy & Transport	20,112	4,201	9,663	66,238	3,285	-	2,788	106,287	(5,149)	(14,941)	(12,037)	(2,770)	(34,897)	71,390	(2,606)	2,585	(12,111)	59,258	17,330	76,588
Governance Services	5,011	313	70	2,855	509	-	-	8,758	(295)	(561)	(140)	(24)	(1,020)	7,738		135	(448)	7,425	-	7,425
Unallocated	-	-	-	976	-	-	-	976	-	-	-	-	-	976		-	-	976	-	976
Services	297,411	30,613	12,744	155,770	218,939	2,223	5,282	722,982	(299,222)	(41,918)	(57,314)	(5,921)	(404,375)	318,607	(3,081)	53,963	(53,963)	315,526	35,949	351,475
Centrally held budgets					432		59,984	60,416	(10,214)				(10,214)	50,202				50,202		50,202
Total	297,411	30,613	12,744	155,770	219,371	2,223	65,266	783,398	(309,436)	(41,918)	(57,314)	(5,921)	(414,589)	368,809	(3,081)	53,963	(53,963)	365,728	35,949	401,677

Expenditure by type: £783.4m



Revenue Budgets - Adult Social Care

2014/15		Estimate 2015/16												
Net Expenditure budget		Gross Expenditure Staff	Other costs	Total Expenditure	Government Grants	Service Income	Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	Net Expenditure	Depreciation	Total Including Depreciation
£000		£000	£000	£000	£000	£000	£000	£000	£'000	£000	£000	£000	£000	£000
50,972	Older Peoples' Services	10,120	74,226	84,346	-	(34,952)	(34,952)	49,394	-	240	-	49,634	251	49,885
14,880	Physical Disability Services	124	18,865	18,989		(4,259)	(4,259)	14,730	-	-	(92)	14,638	-	14,638
43,729	Learning Disability Services	8,172	40,340	48,512		(3,677)	(3,677)	44,835	-	396	(452)	44,779	267	45,046
6,421	Mental Health Services	-	8,263	8,263	-	(1,816)	(1,816)	6,447	-	-	(443)	6,004	1	6,005
1,739	Other Adult Services	604	2,509	3,113	-	(478)	(478)	2,635	-	80	-	2,715	-	2,715
10,201	Supporting People	261	8,958	9,219	-	(346)	(346)	8,873	-	988	-	9,861	-	9,861
410	Safer Communities	362	301	663	-	(251)	(251)	412	-	4	-	416	-	416
23,157	Assessment & Care Management	25,703	1,172	26,875	(2,421)	(884)	(3,305)	23,570	-	154	(195)	23,529	-	23,529
6,876	Management & Support	7,339	5,268	12,607	(1,882)	(3,992)	(5,874)	6,733	-	133	(217)	6,649	183	6,832
158,385	Total	52,685	159,902	212,587	(4,303)	(50,655)	(54,958)	157,629	-	1,995	(1,399)	158,225	702	158,927

Main changes between years	£000
Net expenditure budget 2014/15	158,385
Unavoidable Additional Service Spend	1,602
Inflation	3,497
Savings	(7,168)
Other Adjustments	
Changes in responsibility	1,295
Other	614
Departmental Estimate 2015/16	158,225

Revenue Budgets - Public Health

Public Health is for organisational purposes actually part of the Adult Social Care department, however it retains its own distinct political portfolio.

2014/15 Net expenditure budget	Estimate 2015/16												
	Gross Expenditure Staff	Other costs	Total Expenditure	Government Grants	Service Income	Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	Net Expenditure	Depreciation	Total Including Depreciation
£000	£000	£000	£000	£000	£000	£000	£000	£'000	£000	£000	£000	£000	£000
5,854	Health Improvement Services	-	4,412	4,412	-	-	4,412	-	16	-	4,428	-	4,428
6,382	Drug & Alcohol Services	-	6,382	6,382	-	-	6,382	-	-	-	6,382	-	6,382
4,706	Sexual Health Services	-	4,266	4,266	-	-	4,266	-	50	(50)	4,266	-	4,266
1,856	School Nursing Services	-	1,856	1,856	-	-	1,856	-	-	-	1,856	-	1,856
881	NHS Health Checks	-	881	881	-	-	881	-	-	-	881	-	881
(19,807)	Other programmes and Non- contracted Services	1,638	4,292	5,930	(24,067)	-	(24,067)	(18,137)	-	324	(17,813)	-	(17,813)
(128)	Total	1,638	22,089	23,727	(24,067)	-	(24,067)	(340)	-	390	(50)	-	-

Main changes between years	£000
Net expenditure budget 2014/15	(128)
Unavoidable Additional Service Spend	-
Inflation	-
Savings	-
Other Adjustments	-
Changes in responsibility	-
Other	128
Departmental Estimate 2015/16	-

Revenue Budgets - Business Services

2014/15 Net Expenditure budget		Gross Expenditure Staff		Total Expenditure	Government Grants	Service Income	Estimate 2015/16					Net Expenditure	Depreciation	Total Including Depreciation
£000		£000	£000	£000	£000	£000	Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	£000	£000	£000
1,679	Personnel & Training	2,554	593	3,147	-	(526)	(526)	2,621		60	(1,068)	1,613	-	1,613
7,017	Finance	5,581	6,935	12,516	-	(2,705)	(2,705)	9,811		1,266	(3,864)	7,213	35	7,248
896	Procurement	991	88	1,079	-	(188)	(188)	891		4	-	895	-	895
9,723	Property	2,737	23,233	25,970	(1,759)	(9,239)	(10,998)	14,972		100	(8,754)	6,318	857	7,175
3,896	ICT Services	6,193	4,226	10,419	-	(1,498)	(1,498)	8,921	(475)	71	(4,355)	4,162	1,083	5,245
634	Management & Support	931	39	970	-	(18)	(18)	952		1	(819)	134	-	134
(637)	Non-Service Specific Budgets*	(669)	(1,322)	(1,991)	-	-	-	(1,991)		506	-	(1,485)	-	(1,485)
23,208	Total	18,318	33,792	52,110	(1,759)	(14,174)	(15,933)	36,177	(475)	2,008	(18,860)	18,850	1,975	20,825

* includes some savings that are to be allocated across other areas within Business Services.

Main changes between years	£000
Net expenditure budget 2014/15	23,208
Unavoidable Additional Service Spend	-
Inflation	803
Savings	(2,923)
Other Adjustments	
Changes in responsibility	(238)
Other - schools	(2,186)
Other	186
Departmental Estimate 2015/16	18,850

Revenue Budgets - Children's Services

2014/15		Estimate 2015/16												
Net Expenditure budget		Gross Expenditure Staff	Other costs	Total Expenditure	Government Grants	Service Income	Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	Net Expenditure	Depreciation	Total Including Depreciation
£000		£000	£000	£000	£000	£000	£000	£000	£'000	£000	£000	£000	£000	£000
8,558	Early Help & Commissioning	8,296	4,937	13,233	(2,242)	(854)	(3,096)	10,137	-	643	(876)	9,904	212	10,116
43,857	Children & Families	20,582	20,180	40,762	(2,721)	(2,583)	(5,304)	35,458	-	678	(833)	35,303	206	35,509
18,058	Learning & Schools Effectiveness	15,587	48,780	64,367	(51,229)	(1,846)	(53,075)	11,292	-	3,546	(1,318)	13,520	45	13,565
(4,145)	Schools	146,479	39,516	185,995	(199,507)	-	(199,507)	(13,512)	-	30,010	(16,498)	-	15,282	15,282
542	Management & Support	8,703	5,477	14,180	(7,950)	(4,568)	(12,518)	1,662	-	11,973	(1,570)	12,065	197	12,262
66,870	Total	199,647	118,890	318,537	(263,649)	(9,851)	(273,500)	45,037	-	46,850	(21,095)	70,792	15,942	86,734

From October 2015 the Children's Health Visiting Service will transfer from NHS England to CSD. Initial estimates of cost transfer are £3m for 2015/16, £6m for a full year starting 2016/17. This is not reflected in the current budget as the figures are not yet confirmed.

Main changes between years	£000
Net expenditure budget 2014/15	66,870
Unavoidable Additional Service Spend	62
Inflation	1,380
Savings	(5,501)
Other Adjustments	
Changes in responsibility	1,328
Other - schools	3,386
Other - Thrive	3,455
Other	(188)
Departmental Estimate 2015/16	70,792

Revenue Budgets - Communities, Economy and Transport

2014/15		Estimate 2015/16												
Net Expenditure budget		Gross Expenditure Staff	Other costs	Total Expenditure	Government Grants	Service Income	Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income	Net Expenditure	Depreciation	Total Including Depreciation
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
6,489	Community Services	6,796	3,882	10,678	-	(3,887)	(3,887)	6,791	(30)	214	(497)	6,478	814	7,292
28,785	Environment	1,239	42,178	43,417	(3,227)	(13,733)	(16,960)	26,457	-	64	-	26,521	3,677	30,198
1,159	Planning	2,070	425	2,495	(140)	(1,302)	(1,442)	1,053	-	87	(130)	1,010	-	1,010
10,229	Transport & Operational Services	2,429	24,828	27,257	(418)	(6,739)	(7,157)	20,100	(925)	1,564	(11,340)	9,399	114	9,513
12,378	Highways	3,059	13,185	16,244	-	(3,080)	(3,080)	13,164	(674)	472	(24)	12,938	11,836	24,774
790	Trading Standards	637	341	978	-	(127)	(127)	851	-	16	(66)	801	-	801
747	Economic Development, Skills & Infrastructure	2,446	1,131	3,577	(1,364)	(754)	(2,118)	1,459	(977)	121	(20)	583	889	1,472
879	Management & Support	1,436	205	1,641	-	(126)	(126)	1,515	-	47	(34)	1,528	-	1,528
61,456	Total	20,112	86,175	106,287	(5,149)	(29,748)	(34,897)	71,390	(2,606)	2,585	(12,111)	59,258	17,330	76,588

Main changes between years	£000
Net expenditure budget 2014/15	61,456
Unavoidable Additional Service Spend	-
Inflation	1,448
Savings	(2,102)
Other Adjustments	
Change in responsibility	286
Other	(1,830)
Departmental Estimate 2015/16	59,258

Revenue Budgets - Governance Services

2014/15 Net Expenditure budget		Gross Expenditure		Total Expenditure	Government Grants	Service Income	Estimate 2015/16					Net Expenditure	Depreciation	Total Including Depreciation
		Staff	Other costs				Total Income	Net Expenditure	Recharges to Capital Programme	Internal Charge Expenditure	Internal Charge Income			
£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2,472	Corporate Governance	1,423	1,019	2,442	-	(52)	(52)	2,390	-	45	(10)	2,425	-	2,425
3,125	Corporate Support [Communications & Legal]	3,220	744	3,964	-	(595)	(595)	3,369	-	82	(438)	3,013	-	3,013
1,496	Community Services [Third Sector & Coroners]	246	1,605	1,851	(295)	(78)	(373)	1,478	-	1	-	1,479	-	1,479
120	Management & Support	122	379	501	-	-	-	501	-	7	-	508	-	508
7,213	Total	5,011	3,747	8,758	(295)	(725)	(1,020)	7,738	-	135	(448)	7,425	-	7,425

Main changes between years	£000
Net expenditure budget 2014/15	7,213
Unavoidable Additional Service Spend	-
Inflation	107
Savings	(169)
Other Adjustments	
Changes in Responsibility	329
Other	(55)
Departmental Estimate 2015/16	7,425

Capital programme to 2017/18

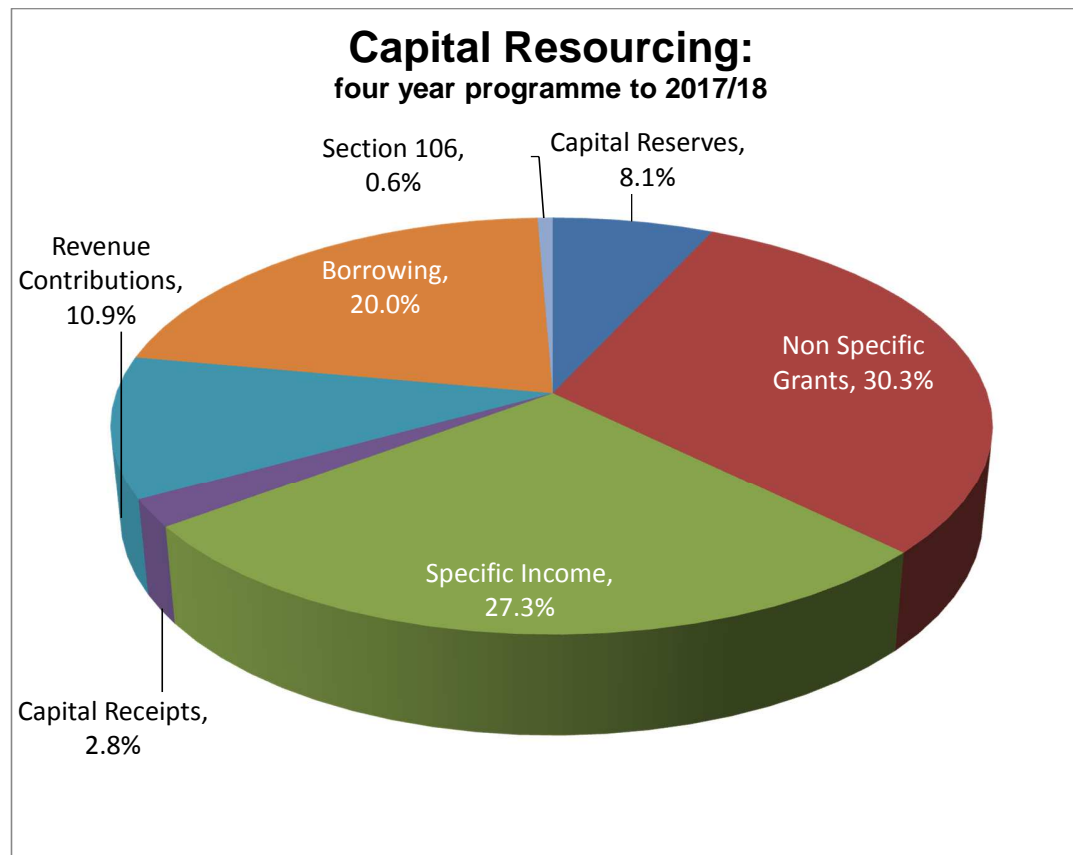
Introduction

The capital programme sets out the Council's investment plans to support its core services in the delivery of the Council promise to 2017/18. It includes new buildings, extensions, investments in roads and transport infrastructure and improvements to existing assets.

Of the initial five year programme, the amount remaining to be spent is £469m from 2014/15 to 2017/18. On capital investments such as road improvements, schools, libraries and social care facilities.

The projects included in the programme support our priorities and will include contributions to economic generation, basic need and risk management, invest to save and revenue efficiencies, and support for infrastructure. The proposed programme includes:

- A core rolling programme for school places, ICT, building improvement and Highways Structural maintenance of roads and bridges;
- Invest to Save schemes
- Economic Development schemes
- One off projects including Broadband and the Bexhill Link road.



Capital programme - current programme resources

Capital Programme	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross Expenditure	748,610	279,392	166,105	139,275	71,621	92,217	469,218
Scheme Specific Income	(246,379)	(118,250)	(38,674)	(23,588)	(23,617)	(42,250)	(128,129)
Net Expenditure	502,231	161,142	127,431	115,687	48,004	49,967	341,089
Adult Social Care	18,464	11,488	3,563	2,893	253	267	6,976
Business Services	59,765	12,298	15,068	12,079	9,910	10,410	47,467
Children's Services	121,741	42,608	29,960	24,432	12,150	12,591	79,133
Communities, Economy & Transport	302,146	94,748	78,725	76,283	25,691	26,699	207,398
Governance	115		115				115
Net Expenditure by Department	502,231	161,142	127,431	115,687	48,004	49,967	341,089
Current Funding Assumptions						Total Resource	
	2014/15	2015/16	2016/17	2017/18	Total Resource		
	£'000	£'000	£'000	£'000	£'000		
Capital Reserves	18,135	17,717	1,775	110	37,737		
Section 106		2,844			2,844		
Non Specific Grants	50,668	43,106	25,229	22,800	141,803		
Capital Receipts	7,531	5,995			13,526		
Revenue Contributions	23,075	16,189	6,617	5,298	51,179		
Borrowing	28,022	29,836	14,383	21,759	94,000		
	127,431	115,687	48,004	49,967	341,089		

Capital programme - Adult Social Care

Adult Social Care	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASC PPF IT Infrastructure	317	276	41				41
Older People's Service Opportunities	536	318	140	78			218
Gilda Close, Polegate	604	302	302				302
Westfield Lane, Hastings	585		293	292			585
Ninfield Road, Bexhill - MH Supported Accommodation	410	205	205				205
508 Seaside (formerly St Anthony's Court)	673	337	336				336
Greenwood, Bexhill-on-Sea	463	403	60				60
Extension to Warwick House	7,339	6,200	1,139				1,139
Social Care Information Systems	4,000	711	1,786	1,503			3,289
LD Service Opportunities	2,285	409	963	500	413		1,876
LD Extra Care Project	350	150		200			200
Battle Road, Hailsham	1,000	500		500			500

Capital programme - Adult Social Care

Adult Social Care	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Extra Care Housing - Bexhill-on-Sea	790	720		70			70
Refurbishment of Facilities to meet CQC Standards	374	188	186				186
House Adaptations	3,349	2,320	262	250	250	267	1,029
Gross Expenditure	23,075	13,039	5,713	3,393	663	267	10,036
Scheme Specific Income	(4,611)	(1,551)	(2,150)	(500)	(410)		(3,060)
Net Expenditure	18,464	11,488	3,563	2,893	253	267	6,976

Capital programme - Business Services

Business Services	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core Back Office Services (formerly CBOSS)	1,470	556	914				914
The Link	2,610	2,328	282				282
Provision of Community Hub (formerly Pine Grove)	310	310					0
SALIX Contract	2,644	1,855	184	298	307		789
Carbon Reduction Schemes	1,794	1,010	784				784
Property Agile Works	8,657	1,695	3,783	3,179			6,962
Core Programme:							
Capital Building Improvements	32,351	3,015	5,986	5,950	8,600	8,800	29,336
ICT Strategy Implementation	12,014	2,825	3,319	2,950	1,310	1,610	9,189
Gross Expenditure	61,850	13,594	15,252	12,377	10,217	10,410	48,256
Scheme Specific Income	(2,085)	(1,296)	(184)	(298)	(307)		(789)
Net Expenditure	59,765	12,298	15,068	12,079	9,910	10,410	47,467

Capital programme - Children's Services

Children's Services	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mercread Centre	867	804	63				63
Academies Project	469	469					0
Academies Programme - Fees	1,138	1,138					0
Hillcrest School - Academy	16,645	16,405	240				240
Filsham Valley - Academy	15,304	14,760	544				544
The Grove Interim Accommodation	670	513	157				157
Eastbourne Technical College - Academy	11,750	11,333	417				417
Academies Project - Contingency	273	2	271				271
Lansdowne Secure Unit	9,009	8,881	128				128
ASDC 2012/13	425	19	406				406
Diploma Exemplar Programme							
Strand 1 - LCL Centre at Beacon CC	2,236	2,236					0
Strand 2 - Outreach creative learning centres	1,357	1,152	205				205
Eastbourne Primary Places	3,594	3,531	63				63
Eastbourne Primary Places Phase 2	2,857	508	-159	2,508			2,349
St Mary Magdalen	3,000	535	325	2,140			2,465
Bexhill Primary Places	25		25				25

Capital programme - Children's Services

Children's Services	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sidley PS - Relocation	1,160	1,139	21				21
Area Review	0						0
Robertsbridge	0						0
Lewes Children's Centre	258	250	8				8
Mobile Replacement Programme							
Hankham	1,094	288	779	27			806
All Saints	768	89	670	9			679
Chantry	634	170	456	8			464
Dudley	819	122	680	17			697
Battle & Langton	3,845	709	3,092	44			3,136
Sports Facilities Programme							
Robertsbridge	1,005	983	22				22
Etchingham	5,202	1,787	3,415				3,415
Family Contact	346	81	265				265
Schools Access Initiative	5,169	4,622	547				547
Temporary Accommodation	13,024	10,741	2,283				2,283

Capital programme - Children's Services

Children's Services	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
House Adaptations for disabled children's carers homes	1,255	734	130	150	150	91	521
Universal Infant Free School Meals	985		985				985
Schools Delegated Capital	2,923	1,866	1,057				1,057
Early Years 2yr Old Grant	790	123	667				667
Core Programme:							
Schools Basic Need	65,520	1,216	15,854	23,950	12,000	12,500	64,304
Gross Expenditure	174,416	87,206	33,616	28,853	12,150	12,591	87,210
Scheme Specific Income	(52,675)	(44,598)	(3,656)	(4,421)			(8,077)
Net Expenditure	121,741	42,608	29,960	24,432	12,150	12,591	79,133

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	New Archive and Record Office - "The Keep"	20,717	19,650	1,067			
Rye Library	52	19	33				33
Hastings Library	9,916	1,742	6,018	2,156			8,174
Newhaven Library	1,672	662	960	50			1,010
Southover Grange (formerly The Maltings)	1,200	2	1,148	50			1,198
Library Refurbishment	1,926	1,434	102	390			492
Bexhill Library Refurbishment	285	242	43				43
Newhaven Household Waste Recycling Site	2,041	2,035	6				6
Travellers Site Bridies Tan	1,348	1,314	34				34
Broadband	25,600	523	9,086	14,996	995		25,077
Bexhill & Hastings Link Road	111,708	61,240	37,659	8,295	812	3,702	50,468
Bexhill Hastings Link Road Corporate Contingency	4,717		4,717				4,717
BHLR Complementary Measures	1,800	112	988	700			1,688

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Exceat Bridge Maintenance	500			500			500
Sovereign Harbour, Eastbourne	750		750				750
Economic Growth & Strategic Infrastructure Programme	80,910	1,699	3,495	23,877	11,600	40,239	79,211
Newhaven Port Access Road	23,219	62	165	12,992	10,000		23,157
Street Lighting Invest to Save	920	903	17				17
LSTF - ES Coastal Towns	1,617	369	1,248				1,248
LSTF - Travel Choices Lewes	1,063	440	623				623
Eastbourne and Hastings Light Reduction	3,704	1,977	1,727				1,727
Lewes Station Bridge	863		400	463			863
Eastern Depot Development	1,586	145	1,409	32			1,441
Newhaven Swing Bridge	1,238	145	1,075	18			1,093
Waste Leachate Programme	250		250				250

Capital programme - Communities, Economy & Transport

Communities, Economy & Transport	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Integrated Transport - LTP plus Externally Funded	50,429	30,377	6,552	4,500	4,500	4,500
Speed Management	2,718	2,432	286				286
Terminus Road Improvements	3,250	15	3,235				3,235
Core Programme:							
Highways Structural Maintenance	103,236	17,751	25,968	23,250	18,250	18,017	85,485
Bridge Assessment Strengthening	17,400	12,815	1,145	1,115	1,145	1,180	4,585
Street Lighting - Life Expired Equipment	7,902	4,443	875	840	861	883	3,459
Rights of Way Surface Repairs and Bridge Replacement Programme	4,617	3,005	328	428	428	428	1,612
Gross Expenditure	489,154	165,553	111,409	94,652	48,591	68,949	323,601
Scheme Specific Income	(187,008)	(70,805)	(32,684)	(18,369)	(22,900)	(42,250)	(116,203)
Net Expenditure	302,146	94,748	78,725	76,283	25,691	26,699	207,398

Capital programme - Governance

Governance	Total Budget	Total Previous Years Spend	2014/15	2015/16	2016/17	2017/18	Remaining Budget Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Case Management System/Committee Management System	115		115				115
Gross Expenditure	115	0	115	0	0	0	115
Scheme Specific Income							
Net Expenditure	115	0	115	0	0	0	115

Resources - earmarked reserve balances

Ref	Opening Balance 1st April 2014 £000	Net planned movements 2014/15 £000	Net planned movements 2015/16 £000	Anticipated balance as at 1st April 2016 £000	
General Reserves					
R	Risk	2,917	(375)	0	2,542
T	Transformation	3,331	(681)	3,311	5,961
D	Service Development	1,653	(1,069)	(388)	196
I	Infrastructure	12,080	(5,351)	(2,095)	4,634
F	Financing	15,057	(4,580)	(267)	10,210
-	Schools	467	0	0	467
S	Service	1,816	(1,335)	(343)	138
Total General Reserves		37,321	(13,391)	218	24,148
Named Reserves					
	Insurance Risk	5,097	0	0	5,097
	Public Health Pandemic	1,200	0	0	1,200
	Public Health Recommissioning	5,237	3,189	0	8,426
	High Weald	101	9	(2)	108
	On Street Car Parking	1,534	(1,162)	(301)	71
	Claverham Adult Education	20	0	0	20
	ACRES (Adult College of Rural East Sussex)	447	0	0	447
	Corporate Waste	51,119	(16,649)	768	35,238
	Capital Programme	18,007	(9,922)	(1,000)	7,085
	Lewes Athletics Track	40	(4)	(36)	0
	Dedicated Schools Grant	1,976	0	(1,179)	797
	Virtual Colleges	65	0	0	65
	Ouse Valley Commuted Maintenance	17	0	0	17
	The Keep - Archive Service	30	91	91	212
Total Named Reserves		84,890	(24,448)	(1,659)	58,783
Total Earmarked Reserves		122,211	(37,839)	(1,441)	82,931

This table provides a summary of the effects of planned movements in and out of the individual reserves over the financial years 2014/15 and 2015/16.

The named reserves have been set up to either fund specific future activity (e.g Capital Programme, ACRES, or Corporate Waste) or to mitigate identified risks (e.g Insurance Risk or Public Health Pandemic).

The net transfer of £16.649m from the Corporate Waste reserve in 2014/15 consists of a £19m contribution to the Capital reserve less a £2.351m contribution from revenue.

Explanation of key terms

Balances

A working balance is needed so that payments can be made before income is received, and as a cushion against unexpected expenditure during the year.

Base Adjustment

An adjustment to an original budget, to enable it to be stated in the same terms as the new budget.

Budget

An expression mainly in financial terms of the Council's policy for a specified period.

Budget Transfer

Transfer of estimate provision between budget heads.

Business Rates

A charge on commercial and industrial buildings fixed by the Government and collected by District and Borough Councils. As of 2013/14 a proportion is retained and shared locally amongst authorities (including Fire & Rescue and Police), rather than going to the Government for redistribution on a national basis.

That part of business rates going to Government is redistributed as "Top-Up" grant, where local need is assessed as greater than the share of business rates retained locally. All County Councils are "Top-Up" authorities, receiving only a small share of business rates.

Depreciation

Amounts charged to services revenue for the use of assets/ infrastructure.

Capital Expenditure / Capital Programme

Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets. It is financed mainly from borrowing and charged to the revenue account over a number of years.

Capital Financing

Capital expenditure is financed by loans, Government grants, external contributions (e.g. developers' contributions to specific schemes) contribution from the revenue account, and

proceeds from the sale of assets. The revenue budget bears the cost of direct revenue contributions, together with interest and the provision for repayments of these loans.

Capital Receipts

Income received from the sale of capital assets, together with specific contributions, including Government grants, towards capital expenditure.

Contingency

A sum set aside to meet future pay and price rises over and above provision made in departmental budgets.

Council Tax Freeze Grant

A scheme was introduced in 2011-12 to reward local authorities that froze or reduced their council tax in that year. A grant payment will be made in each year of the 2010 Spending Review. A further scheme comprising of a one-off payment was offered to authorities that froze or reduced their council tax in 2012-13.

Council Tax Requirement

This is an amount calculated, in advance of each year, by each billing authority (e.g. Lewes District Council) and by each major precepting authority, (e.g. East Sussex County Council). It is the amount of revenue to be met from council tax, and is equivalent to an authority's Band D council tax multiplied by its council tax base.

Formula Grant Funding

The method previously used to distribute general grant to local authorities, based needs and other resources available. A version of this formula was also used to determine the overall local need in the business rates retention scheme.

Government Grants

Contributions by central Government towards either the revenue or capital cost of local authority services.

Levies

A contribution which the County Council is required to make towards the costs of Ashdown Forest Conservators, Environment Agency (for flood defence) and Sussex Inshore Fisheries and Conservation Authority.

Net Budget Requirement

The total expenditure (after deduction of income) that the Council can finance from the aggregation of Revenue Support Grant, Non-Domestic Rates and council tax.

Provisions and Reserves

Provisions are made for liabilities and losses which are likely or certain to be incurred but the amount or dates on which they will arise cannot be determined accurately. Internal reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions.

Revenue Estimates / Revenue Expenditure

Estimates of recurring expenditure principally on pay, running costs of buildings, equipment and capital financing costs.

Revenue Support Grant (RSG)

Additional funding received from central government, outside that received through the business rates retention scheme.

Slippage

Actual capital payments or income, spent or received in a year different to that planned in the capital programme.

Specific and Special Grants

Grants paid by central Government for specific services and allocated to local authorities according to specific policies criteria.

Supported Borrowing

The level of borrowing that the Government will support via grant towards interest and principal repayments.

Tax Base

All domestic properties are placed in one of eight valuation bands. The council tax base is calculated according to Government regulations to assess, by proportion, the equivalent number of Band D properties. The County's net expenditure is divided by this number to give the council tax levy.

Third Party Payments

This term covers payments to other bodies providing services on our behalf.

Transfer Payments

Money paid by a local authority to an individual specifically to enable them to pay someone else e.g. awards paid to students to enable them to pay fees.

Produced by:

**Business Services
East Sussex County Council
County Hall
Lewes
East Sussex County Council
BN7 1UE**

January 2015