

Cabinet	
Meeting Date	16 December 2020
Report Title	Budget 2021/22 and Medium Term Financial Plan
Cabinet Member	Cllr Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager
Key Decision	Yes
Classification	Open
Forward Plan	Reference Number: 9
Recommendations	<ol style="list-style-type: none"> 1. To endorse the draft 2021/22 revenue and capital budgets. 2. To endorse the Medium Term Financial Plan.

1. Purpose of Report and Executive Summary

- 1.1 This report sets out draft 2021/22 revenue and capital budgets and the draft Medium Term Financial Plan (MTFP).
- 1.2 The Council is facing its most serious challenges since its creation arising from the Covid 19 pandemic. Huge calls have been made upon the resources and ingenuity of the Council to help residents deal with the consequences of the pandemic. This crisis is about the health of residents, supporting the most disadvantaged and those hardest hit, such as the Clinically Extremely Vulnerable, and trying to ensure that a robust local economy survives the pandemic. This budget is focussed on how the Council can positively support the community over the next 18 months.
- 1.3 The Government announced a Spending Review on 25 November and the Local Government Finance Settlement has to be announced by 17 December and a verbal update will be given on the impact if known.
- 1.4 The contents of this report will form the basis of the formal scrutiny of the proposals on 20 January.

2. Background

Local Government Finance

- 2.1 The fundamental changes planned to the funding basis of councils have once again been deferred. The changes would have seen business rate localisation, a reset of each council's business rate base position and the implementation of the Fair Funding Review notionally reflecting resource needs in the allocation of funding. It does seem unlikely that these fundamental changes, which will result in many losers in funding, will be implemented in the foreseeable future.
- 2.2 This Council receives 25% less in Revenue Support Grant and Business Rates income than it did 10 years ago. With the significant price inflation in that time this shows just how severely funding for the Council has been reduced. The Government, in moving away from Revenue Support Grant, reflecting some element of need, to funding through Business Rates, is not properly funding high need areas. The Covid pandemic has focussed attention on just how stretched Council finances have become and the response from the Ministry for Housing, Communities and Local Government (MHCLG) has been quite exceptional. In light of the initial Council estimate of a funding pressure from Covid of £4.1m the following funding streams have been or will be received:

Funding	Amount £	Allocation basis
Tranche 1	75,560	March £1.6bn of which £1.46bn for Social care
Tranche 2	1,501,441	April £1.6bn with 35% allocation to districts
Tranche 3	317,585	July £500m with a Relative Needs Formula reflecting deprivation
Tranche 4	1,027,204	October £919m with a Relative Needs Formula reflecting deprivation
Sales, Fees and Charges	716,000	75% of defined losses on some Sales, Fees and Charges - initial submission made
Sub-total	3,637,790	
New Burdens Grant Revenues & Benefits	170,000	Banded allocation based upon number of hereditaments
Covid Enforcement	90,000	£30m allocation nationally
Contain Outbreak Funding	100,000	Via Kent County Council (KCC)
Total	3,997,790	

Note- this table excludes funding streams for specific purposes provided via KCC.

- 2.3 At this point in time there has been no further commitment from MHCLG to provide additional funding but it seems reasonable to assume that Government, having taken the steps it has to date, will not want to see large numbers of local authorities failing.
- 2.4 The Spending Review was on 25 November and the Chancellor of the Exchequer made announcements which are highly supportive of the strategy being put forward for balancing the Council's finances in 2021/22. The main features are:
- £1.55bn grant funding to cover COVID related expenditure costs for Quarter 1 2021/22. It is anticipated that this will be allocated on a needs basis as Tranche 4 funding was.
 - Extension of the Sales Fee and Charges scheme for the first Quarter 1 of 2021/22 – 75% reimbursement with a 5% disregard (calculated on the first quarter only).
 - £670m of additional grant funding to help local authorities support households that are least able to afford Council Tax payments.
 - Maintain the existing New Homes Bonus (NHB) scheme for a further year with no new legacy payments. This is positive but we will have to await the detail in a MHCLG technical paper. The Council is forecasting an £881,000 reduction in NHB for 2021/22.

Coalition Priorities

- 2.5 Against this very difficult background the Council has to be able to meet the challenges from the Covid pandemic. The Recovery Plan agreed by Cabinet emphasises delivery of the priorities identified in May 2019 and now reflected in the new Corporate Plan as the key priorities for recovery. The 2021/22 budget therefore needs to support the delivery of the priorities in this Covid environment which means maintaining and where possible enhancing services to residents to assist them through the recovery.
- 2.6 The current circumstances are quite unprecedented for councils and this requires different thinking even if the legal framework which the Council has to operate within is unchanged. The budget proposals therefore reflect:
- Delivery of existing Coalition priorities has to be maintained. The next two years should see major steps forward based on the work undertaken to date.
 - The organisation cannot support large scale reductions in staffing levels as would normally have to happen in this financial position.

- The Council has responded well to Covid and, with the pandemic by no means defeated, it is important that the Council can respond to new demands placed upon it. Government ministers have implied that they do not want to see councils slashing services at this time. But a balanced revenue budget position has to be achieved.

2.7 The Council in May 2019 had reserves of £23.9m, this reduced to £23.5m at 31 March 2020. The approach has been to use one off monies to support key Coalition priorities. So over the four years the £4m of Business Rates Volatility Reserve and £3.8m of shared Business Rates funds are committed to Coalition priorities. The projects supported from the Special Project Fund are reported separately to this meeting but show the extent of support provided across the borough to support specific projects.

Affordable Housing

2.8 There has been a significant increase in homelessness driven by the Covid 19 pandemic. This has resulted in a budget pressure of £500,000 for 2021/22.

2.9 It has been clear for a number of years that the real issue here is about increasing the supply of affordable homes. This is being approached in two main ways:

- Via the planning process. Currently it is projected that firm delivery sites over 5 years will be able to deliver 867 affordable dwellings.
- Through the creation of a housing company (Rainbow Homes). The business plan was agreed by Cabinet on 23 September and the first business case envisages 139 affordable homes being developed with Council funding of £23m.

2.10 Further business cases from Rainbow Homes will be considered as the company develops.

Use of Reserves

2.11 Reserves are central both to achieving the Coalition priorities and to achieving a balanced budget position. The Reserves position is healthy largely due to business rates growth since the partial localisation of Business Rates by the Coalition Government in 2013. Given the impact of Covid 19 it will be necessary to use Reserves to achieve a balanced position for 2021/22. It has to be recognised by all that the continued use of Reserves to achieve a balanced revenue budget position is not sustainable.

Capital Strategy

2.12 The capital strategy will be reported to Cabinet and Council in February. A draft capital budget is presented for Scrutiny to consider. New projects for the capital budget will be subject to individual business cases for decision by Cabinet.

Council Tax

- 2.13 The 2021/22 budget and the MTFP assume an increase of £4.95 per annum subject to confirmation in the Local Government Finance Settlement of the parameters for District Councils.

Contractual Price Inflation

- 2.14 The Council's major contracts are subject to price inflation (or deflation) provisions. The main contracts have the following provisions:

Contract	Inflation Provision
Refuse/ Street cleaning	Average Weighted Earnings (AWE) 40%, Consumer Price Index (CPI) 40%, and Diesel fuel index 20%
Grounds maintenance	Retail Price Index excluding mortgage interest payments (RPIX)
Leisure	Retail Price Index
Public Conveniences	AWE 55%, CPI 35%, and Diesel fuel index 10%.

Staff Pay

- 2.15 The budget currently reflects the fact that the staff pay increase, to which members' allowances increases are linked, is subject to negotiation locally. The current budget provision is for a 2% increase plus further salary costs including increments where applicable. In the Spending Review the Chancellor announced a widespread pay freeze across the public sector which we may apply to the Council. However, staff earning £24,000 or less will receive an increase of £250. We need to evaluate the impact of this, and it will be reported in the February Cabinet report.

Section 114 Local Government Finance Act 1988

- 2.16 When the pandemic hit in March 2020 there was much talk of the Section 114 powers. This has come back into prominence as a Section 114 notice was issued in the London Borough of Croydon in November 2020. This followed a Report in the Public Interest by external auditors, Grant Thornton, which makes very sanguine reading.
- 2.17 S114 imposes a specific duty on the S151 Officer to prepare and present a public report in certain circumstances of actual or possible financial misconduct and in circumstances where the S151 Officer believes it is not possible to maintain or achieve a balanced financial position.
- 2.18 The S151 Officer would be required to report to full Council within 21 days. The Council cannot enter into any agreements incurring expenditure until Council has considered the report.

2.19 To be clear, the S151 Officer would only take this route after all other options to achieve a balanced financial position had been unsuccessful. MHCLG officials in discussion with Kent Finance Officers have emphasized that they would want to be involved at an early stage if a Council felt that it was at risk of issuing a S114 notice.

2.20 To be absolutely clear there is no possibility of this happening in this Council.

3. Proposals

3.1 The updated Medium Term Financial Plan is attached in Appendix I. It currently shows a gap to be closed for a balanced position of £3,246,000. A gap of this magnitude on a net budget of £19m is unprecedented. The forecast includes an £881,000 reduction in New Homes Bonus income and for the first time since Business Rates were part localised in 2013 a forecast reduction in Business rates income, the latter reflecting the impact of Covid 19.

3.2 Variations from the 2020/21 base budget are set out in Appendix II. For convenience they are shown by Head of Service with the standard categories of Growth, Unavoidable Cost Pressures, Loss of Income, Service Savings and Additional Income.

3.3 The approach to bridging the £3.3m gap is based upon:

- Resisting pressures (£1.1m) - see paragraph 3.5;
- Assume that Government will not reduce funding (£1m);
- Balance from Reserves £1.2m.

3.4 If Government funding is not increased that would ultimately mean an additional £1m having to come from Reserves. This is a high risk approach which would not be recommended in “normal” circumstances but is driven by maintaining the Council’s Covid response. The Spending Review announcements are highly supportive of this strategy.

3.5 The table below shows the detail on resisting pressures:

Service Area	Issue	Amount £	Action
Environmental Health	Increase in charges from Tunbridge Wells Council	85,510	Not accepted/ under discussion
Parking	Increased charge from Maidstone Council	38,000	Fund from car parking income
Environmental & Community Services	Culture grants	10,000	Fund from other member funds
Environmental & Community Services	Members grants	53,800	Fund from Special Projects Fund (SPF) as planned
Planning	Local Land Charge income	76,000	Not accepted/ under discussion
Planning	Increased costs	30,000	Performance Fund
Planning	Planning fees reduced	180,850	Revise forecast/ staff savings
Leisure	Project surveyor	45,000	Fund from SPF as planned
Planning	Additional Heritage Officer	61,170	Fund from Heritage Reserve £250k
Licensing	Additional post	21,140	Fund from ring fenced income
Finance	Increased pension costs	181,640	Fund from reserves
Finance	Minimum Revenue Provision (MRP)	301,660	Fund from reserves
Revenues & Benefits	Reduction in benefits subsidy	52,280	Fund from Revenues & Benefits reserve
Total		1,137,050	

3.6 The draft capital budget is attached in Appendix III.

4. Alternative Options

4.1 Do nothing – This is not recommended as the Council is legally required to set a balanced budget. The Constitution also requires the Scrutiny Committee to have budget proposals one month in advance of their January meeting. Further budget report will be submitted to Cabinet and Council in February 2021.

5. Consultation Undertaken or Proposed

5.1 Formal consultation with the business community will be undertaken.

6. Implications

Issue	Implications
Corporate Plan	The budget proposals support the achievement of the Council's corporate priorities.
Financial, Resource and Property	The report sets out the Council's resourcing position.
Legal, Statutory and Procurement	The Council is required to set a Council tax and a balanced budget.
Crime and Disorder	Any potential implications will be addressed by service managers in their budget proposals.
Environment and Sustainability	The proposals support the Climate Change and Ecological motion agreed by Cabinet.
Health and Wellbeing	Funding is allocated for a dedicated Health post.
Risk Management and Health and Safety	Any potential implications will be addressed by service managers in their budget proposals.
Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.

7. Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Medium Term Financial Plan
- Appendix II: Budget variations
- Appendix III: Capital budget

8. Background Papers

None

2021/22 Medium Term Financial Plan (MTFP)

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Base Budget	19,395	19,395	19,395	19,395
Growth items	0	68	70	71
Unavoidable cost pressures	0	972	1,065	1,225
Loss of income	0	386	523	518
Additional income	0	(95)	(95)	(96)
Committed price increases	0	191	430	754
Sittingbourne Town Centre (STC) Bourne Place & Retail Park	0	(129)	(447)	(445)
Lower Medway Internal Drainage Board	847	878	910	943
Pay Award (2%)	0	263	530	797
Other Pay Increases	0	78	125	150
Contribution to reserves	93	93	93	93
Contribution (from) Special Projects	(99)	0	0	0
Contribution (from) Performance Fund	(43)	0	0	0
Contribution (from) Communities Fund	(10)	0	0	0
Contribution (from) General Reserves	(541)	0	0	0
Contribution (from) Heritage Reserve	(61)	0	0	0
Contribution (from) Revenues Reserves	(52)	0	0	0
Sub Total Contribution (from) reserves	(806)	0	0	0
Revenue Support Grant	(115)	(101)	0	0
Business Rates <i>This does not reflect changes from Fair Funding Review, Baseline Reset and New Approach to Business Rates.</i>	(8,750)	(8,642)	(8,690)	(8,739)
Contribution from Business Rates Reserves	(250)	0	0	0
Levy account surplus	(173)	0	0	0
Council Tax	(8,623)	(8,949)	(9,282)	(9,620)
New Homes Bonus	(1,633)	(752)	(371)	0
Savings Required	(15)	3,656	4,256	5,046
Service savings	0	(410)	(409)	(388)
Requirement for balanced position	0	(3,246)	(3,847)	(4,658)
Committed savings	0	(3,656)	(4,256)	(5,046)
Contribution (to) General Fund	(15)	0	0	0
Council Tax	£179.37	£184.32	£189.27	£194.22
Tax Base	48,072.67	48,553.40	49,038.93	49,529.32
Council Tax increase %	2.84%	2.76%	2.69%	2.62%
Council Tax increase £	£4.95	£4.95	£4.95	£4.95
Tax Base increase %	1.5%	1.0%	1.0%	1.0%

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
1	Adams	Printing Section	Private Printing	-13,472	-12,000	Loss of income	External printing severely impacted due to Covid and uncertainty whether it will pick back up in 21/22.	6,000	6,000	6,000
2	Adams	Swale House - Structure	Rents	-21,986	-27,580	Loss of income	Swale FM not paying rent	5,180	5,180	5,180
3	Adams	Miscellaneous General Fund Properties	Rents	-351,055	-350,000	Loss of income	Will be reduced by £23,000 when Mormon Church site developed	0	23,000	23,000
4	Adams	Sub Total						11,180	34,180	34,180
5	Beattie	Kent & Medway Air Quality Data Mgt Network	Private Contractors	13,088	17,480	Unavoidable cost pressures	Contract management transferring to Tunbridge Wells in 2021/22	-17,480	-17,480	-17,480
6	Beattie	Kent & Medway Air Quality Data Mgt Network	Fees and Charges		-17,480	Unavoidable cost pressures	Contract management transferring to Tunbridge Wells in 2021/22	17,480	17,480	17,480
7	Beattie	Environmental Protection	Charges for Environmental Services		39,000	Service savings	Air Quality Project Officer for 2 years only (20/21 Budget Item 10 Special Projects Fund)	-39,000	-39,000	-39,000
8	Beattie	Contributions from Funds	Expenditure funded from Reserves		-39,000	Contribution from Reserves	End of reserve funding of Air Quality Project Officer (20/21 Budget Item 11 Special Projects Fund)	39,000	39,000	39,000

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9	Beattie	Various	Tunbridge Wells Council recharge for Environmental Services	496,390	526,160	Unavoidable cost pressures	Increase in cost of service and increase in Council's share of total costs	85,510	97,640	110,120
10	Beattie	Sub Total						85,510	97,640	110,120
11	Cassell	Head of Commissioning Economy and Community Services	Salary Savings	0	-60,000	Service savings	To confirm that these restructure 20/21 Budget savings will be achieved.	0	0	0
12	Cassell	Car Park Staff	Maidstone Council Charges for Car Parking	120,736	114,000	Unavoidable cost pressures	Revised resourcing	38,000	38,000	38,000
13	Cassell	Seafront	Undue Wear & Tear Rental Car	2,754	0	Unavoidable cost pressures	Trucks hire contract returnable standard	0	0	3,000
14	Cassell	Swale Community Leisure Trust Ltd	Contracts	228,319	112,150	Service savings	Contract anniversary in October 2021/22. Parking refunds of £90,000 not included.	-23,810	-38,570	-38,570
15	Cassell	Open Spaces - Swale	Commuted Sums - Contracts		-90,000	Loss of income	Change in policy of adopting open land has resulted in no additional new income	0	26,000	46,000

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16	Cassell	Faversham Recreation Ground	Salaries			Growth items	Budget for 2 posts for 5 years	29,850	31,810	33,180
17	Cassell	Faversham Recreation Ground	Grants & Subscriptions	0	0	Growth items	Funding for 2 posts for 5 years on Faversham Recreation Project from Heritage Fund (Lottery) and s106.	-29,850	-31,810	-33,180
18	Cassell	Environmental Initiatives	Equipment Purchase	0	15,000	Unavoidable cost pressures	Move budget for grants to equipment.	-15,000	-15,000	-15,000
19	Cassell	Environmental Initiatives	Grants and subscriptions	19,763	0	Unavoidable cost pressures	Move budget for grants to equipment.	15,000	15,000	15,000
20	Cassell	Environmental Initiatives	Fixed Penalty Notice (Environmental Response)	-141,460	-152,360	Loss of income	Predicted that there will be lower level of issuing from new contractor based on industry research	12,360	12,360	12,360
21	Cassell	Public Conveniences	Rates	16,686	22,970	Service savings	Business rates multiplier	-6,070	-6,030	-5,940
22	Cassell	Wheeled Bins	Equipment Purchase	234,637	137,000	Unavoidable cost pressures	Additional bin purchases to be offset against additional income and use of remaining reserve.	50,000	0	0

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23	Cassell	Recycling Campaign	Garden Waste Scheme-Brown Bins (not compost bins)	-580,898	-530,000	Additional income	Over achieved income in 2019-20. Small planned fee increase will probably balance drop in subscriptions following Covid effect.	-50,000	-50,000	-50,000
24	Cassell	Swale Car Parks	Rates	217,148	231,120	Service savings	Business rates multiplier	-11,920	-11,720	-10,620
25	Cassell	Swale Car Parks	Equipment Maintenance	20,320	15,000	Unavoidable cost pressures	Rebalanced budget and inflation	6,000	6,060	6,120
26	Cassell	Swale Car Parks	Fees - Licence	85,270	50,000	Unavoidable cost pressures	RingGo fees collected from customer for additional services and paid back to RingGo	35,620	35,980	36,340
27	Cassell	Swale Car Parks	Parking - Excess Charges	0	0	Unavoidable cost pressures	RingGo fees collected from customer for additional services and paid back to RingGo	-35,620	-35,980	-36,340
28	Cassell	S/B Multi-storey Car Park	Electricity	10,052	0	Unavoidable cost pressures	Operating costs of car park now known following opening 6 months last year.	12,000	12,000	12,000
29	Cassell	S/B Multi-storey Car Park	Fees and Services	2,137	0	Unavoidable cost pressures	Operating costs of car park software	10,000	10,000	10,000

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30	Cassell	S/B Multi-storey Car Park	Private Contractors	107,102	0	Unavoidable cost pressures	Full operational costs of managing the site.	28,120	32,350	36,670
31	Cassell	Civil Parking Enforcement	Computer Equipment & Materials	7,700	0	Unavoidable cost pressures	Shared software costs	7,700	7,700	7,700
32	Cassell	Contributions from Funds	Expenditure funded from Reserves		-45,000	Contribution from Reserves	End of reserve funding for Project Support Surveyor (permanent addition to establishment) (20/21 Budget item 32 Special Projects Fund)	45,000	45,000	45,000
33	Cassell	Sub Total						117,380	83,150	111,720
34	Clifford	Data Protection Resource	Salaries			Growth items	Information Governance (IG) officer post for one year fixed term	62,530	0	0
35	Clifford	Contributions from funds	Expenditure funded from Reserves			Growth items	IG officer post for one year fixed term funded from Performance Fund	-62,530	0	0
36	Clifford	Data Protection Resource	Salaries		57,560	Service savings	IG officer post due to end in 20/21 (20/21 Budget item 51)	-57,560	-57,560	-57,560
37	Clifford	Contributions from Funds	Expenditure funded from Reserves		-43,170	Contribution from Reserves	End of reserve funding for IG officer post due to end in 20/21(20/21 Budget item 52 Performance Fund)	43,170	43,170	43,170

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38	Clifford	Policy & Performance	Salary Savings	0	-20,000	Service savings	To confirm that these restructure 20/21 Budget savings will be achieved.	0	0	0
39	Clifford	Forums/Local Engagement Forums (LEF's)	Hire of Premises	0	0	Unavoidable cost pressures	Required to hold Area committees, initially remotely but 4 x quarterly meetings, 4 times a year - unless funded from Special Projects Fund?	6,000	8,000	10,000
40	Clifford	General Democratic Costs	Mid Kent Services (MKS) Director	42,077	42,030	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	5,300	6,250	7,220
41	Clifford	Sub Total						-3,090	-140	2,830
42	Hudson	Head of Housing, Economy & Community Services	Salary Savings	0	-30,000	Service savings	To confirm that these 20/21 Budget savings will be achieved.	0	0	0
43	Hudson	Contributions from Funds	Expenditure funded from Reserves		-10,000	Contribution from Reserves	End of reserve funding for Culture Grants (20/21 Budget item 63 Communities Fund)	10,000	10,000	10,000
44	Hudson	Contributions from Funds	Expenditure funded from Reserves		-53,800	Contribution from Reserves	End of reserve funding for Members Localism Grants 20/21 Budget item 61 Special Projects Fund)	53,800	53,800	53,800

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45	Hudson	Temporary Accommodation (TA) (Homelessness)	NL (Nightly Lets) - Homelessness Landlord Payments	1,611,919	1,700,000	Unavoidable cost pressures	Significant increase in TA and due to recession unlikely to improve position.	500,000	500,000	500,000
46	Hudson	Housing - Housing Options Team	Salaries		100,000	Service savings	End of reserve funding for Housing, Homelessness and Rough Sleepers Strategy (19/20 Budget item 59 General Reserves). Housing will be rolling forward grant monies to 21/22 to pay for staff. There will need to be a growth entered for 22/23 if no savings in staff.	-100,000	-100,000	-100,000
47	Hudson	Contributions from Funds	Expenditure funded from Reserves		-100,000	Contribution from Reserves	End of reserve funding for Housing, Homelessness and Rough Sleepers Strategy (19/20 Budget item 59 General Reserves). Housing will be rolling forward grant monies to 21/22 to pay for staff.	100,000	100,000	100,000
48	Hudson	Sub Total						563,800	563,800	563,800

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49	Freeman	Planning Admin team	MKS charges for Planning	167,181	201,770	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	19,760	24,190	28,710
50	Freeman	Local Land Charges	MKS Charges for Local Land Charges	57,122	75,060	Service savings	Forecast 2020/21 plus 2% indexation	-16,770	-15,600	-14,410
51	Freeman	Local Land Charges	Fees and Charges	-160,002	-236,000	Loss of income	The income budget has consistently been too high compared to actual income received.	76,000	76,000	76,000
52	Freeman	Building Control - Client Side	Contracts	62,972	59,240	Growth items	In accordance with shared service business plan	5,980	8,080	8,740
53	Freeman	Development Management	Fees and Charges	0	19,370	Growth items	This increase is based on trends in previous years.	30,000	30,000	30,000
54	Freeman	Development Management	Computer Equipment & Materials	0	0	Growth items	This is for the exacom software.	10,000	10,000	10,000
55	Freeman	Development Management	Planning Fees	-974,581	-1,180,850	Loss of income	This represents the forecast income from Planning Fees and does not include any adjustment for coronavirus.	180,850	180,850	180,850
56	Freeman	Development Management	Pre-application Planning advice	-59,479	-120,000	Additional income	Demand for this service is expected to increase.	-10,000	-10,000	-10,000

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57	Freeman	Local Plan	Fees and Services	166,293	151,540	Unavoidable cost pressures	The Local Plan Reserve currently absorbs any overspend on the revenue budget, but this reserve will be exhausted by March 2022, thereafter expenditure will have to be contained within this budget.	0	0	0
58	Freeman	Contributions from Funds	Expenditure funded from Reserves		-61,170	Contribution from Reserves	End of reserve funding for Heritage Conservation & Design (19/20 Budget item 52 £250k Heritage Strategy Reserve)	61,170	61,170	61,170
59	Freeman	Sub Total						356,990	364,690	371,060
60	Fackrell	Licensing	Salaries	95,195	113,860	Growth items	To restructure the team to enable an effective statutory service. Self-supporting service	21,140	21,140	21,140
61	Fackrell	Licences (Legal)	Licence Fees (Legal)	-128,788	-120,000	Additional income	To reflect anticipated higher income than originally forecast.	-5,000	-5,000	-5,000
62	Fackrell	Hackney Carriages + Private Hire	Hackney Carriage Licences	-97,899	-65,000	Additional income	Fees consistently received	-25,000	-25,000	-25,000
63	Fackrell	Sub Total						-8,860	-8,860	-8,860

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
64	Finance	Various	Pensions Future Funding	1,177,549	1,517,450	Unavoidable cost pressures	From last triennial valuation	65,590	97,250	129,540
65	Finance	Adjustments between accounting/funding basis - GF	Pensions Backfunding	0	1,200,000	Unavoidable cost pressures	From last triennial valuation	40,000	90,000	150,000
66	Finance	Contributions from Funds	Expenditure funded from Reserves		-88,370	Contribution from Reserves	End of reserve funding for pension commitments from last revaluation (19/20 Budget item 87 General Reserves)	88,370	88,370	88,370
67	Finance	Adjustments between accounting/funding basis - GF	Pension Enhancements	223,913	229,000	Service savings	Reduction in pension costs	-12,320	-12,320	-12,320
68	Finance	Chief Financial Officer	Salary Savings	0	-21,840	Service savings	To confirm that these Resources Directorate 20/21 Budget savings will be achieved.	0	0	0
69	Finance	Chief Financial Officer	Salary Savings	0	-30,000	Service savings	To confirm that these 20/21 Budget savings will be achieved.	0	0	0

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
70	Finance	Adjustments between accounting/funding basis - GF	Minimum Revenue Provision (MRP) not for STC	286,231	292,530	Service savings	MRP costs not including Retail Park or Bourne Place	-55,170	-26,170	-25,170
71	Finance	Contributions from Funds	Expenditure funded from Reserves		-301,660	Contribution from Reserves	End of reserve funding for MRP for capital projects (19/20 Budget item 97 General Reserves)	301,660	301,660	301,660
72	Finance	Sub Total						428,130	538,790	632,080
73	Revenues	Housing Benefit	Recovery Via Academy	-452,467	-652,370	Loss of income	Income from the recovery of overpaid housing benefit set to continue to fall due to move to Universal Credit.	102,370	127,370	152,370
74	Revenues	Council Tax	Salaries			Growth items	2 posts within Council Tax are funded from the Council Tax Support Grant	57,000	0	0
75	Revenues	Contributions from Funds	Expenditure funded from Reserves			Growth items	2 posts within Council Tax are funded from the Council Tax Support Grant	-57,000	0	0
76	Revenues	Fraud Partnership	MKS Fraud Partnership Charges	18,328	33,660	Service savings	Based on 2019/20 outturn	-15,330	-15,330	-15,330

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
77	Revenues	Council Tax Collection	Recovery of Costs	-462,884	-413,500	Loss of income	Reduction in income from court costs due to Covid for 21/22 is met from the Revenues reserves	113,500	63,500	13,500
78	Revenues	Contributions from Funds	Expenditure funded from Reserves	0	0	Loss of income	Assume reduction in income from court costs due to Covid and the economic environment but there will be some recovery 21/22 onwards met from Revenues reserves.	-113,500	0	0
79	Revenues	Housing Benefit & Council Tax Support - Administration	Benefit Subsidy	-399,813	-375,840	Unavoidable cost pressures	A year on year reduction in the Benefit Subsidy received is forecast.	-3,980	15,010	33,050
80	Revenues	Contributions from Funds	Expenditure funded from Reserves		-52,280	Contribution from Reserves	End of reserve funding for reduction in benefit subsidy (20/21 Budget item 105 Revenues and Benefits Reserve)	52,280	52,280	52,280
81	Revenues	Housing Benefit & C Tax Support - Administration	Council Tax Support Grant	-163,248	-158,630	Unavoidable cost pressures	A year on year reduction in the Council Tax Support Grant received is forecast.	7,940	15,470	22,630
82	Revenues	Sub Total						143,280	258,300	258,500

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
83	Clarke	Internal Audit	Mid Kent Services (MKS) - Audit Services	184,820	176,160	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	13,480	17,270	21,140
84	Clarke	Sub Total						13,480	17,270	21,140
85	Narebor	Mid Kent Legal Services (MKLS)	Salary Savings	0		Service savings	Salary savings from restructure	-105,000	-129,000	-129,000
86	Narebor	Mid Kent Legal Services (MKLS)	MKLS income	-1,205,212	-1,152,120	Service savings	Income from the partner authorities will reduce as salary savings realised.	73,500	90,300	90,300
87	Narebor	Sub Total						-31,500	-38,700	-38,700
88	Sandher	Human Resources	Fees and Services	0	12,000	Service savings	The bHeard survey which is every 2 years. If survey is not carried out this year then the budget will be required for 2021/22.	0	-12,000	0
89	Sandher	Contributions from Funds	Expenditure funded from Reserves		-12,000	Contribution from Reserves	End of reserve funding for bHeard survey (20/21 Budget item 97 General Reserves)	12,000	12,000	12,000
90	Sandher	Human Resources	MKS Charges for HR Service	227,890	258,080	Service savings	Forecast 2020/21 plus 2% indexation	-15,420	-10,570	-5,620
91	Sandher	Sub Total						-3,420	-10,570	6,380
92	Woodward	ICT Development, Network & Support	MKS Charges for ICT	475,308	438,000	Unavoidable cost pressures	Forecast for 2020/21 plus 2% indexation.	56,580	66,470	76,560

Budget Variations

No.	Head of Service	Service Description	Type of Spend/ Income	2019/20 Actual £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
93	Woodward	Swale House - Telephonists	Equipment Maintenance	0	15,130	Service savings	Saved on maintenance	-5,130	-5,130	-5,130
94	Woodward	Sub Total						51,450	61,340	71,430
95	Sittingbourne Town Centre (STC)	Princes Street Retail park	Fees and Services	10,730	23,600	Service savings	Management fee	-17,870	-17,700	-17,530
96	STC	Princes Street Retail park	Service Charges - Property	9,759	0	Unavoidable cost pressures	Service charges for Princes Street Retail Park	17,870	17,870	17,870
97	STC	Bourne Place	Fees and Services	0	10,000	Unavoidable cost pressures	Management Fee and Public Realm Costs	64,100	66,300	68,600
98	STC	Bourne Place	Rents	0	-584,290	Additional income	Assume full rent from April 2021	-286,400	-592,390	-592,390
99	STC	Interest Payable	Interest Payable	210,619	188,260	Service savings	£20m in borrowing	-119,360	-134,260	-134,260
100	STC	Minimum Revenue Provision (MRP)	MRP for STC Excluding Multi Storey Car Park	348,000	461,310	Unavoidable cost pressures	MRP costs to reflect completion of STC project	216,330	216,330	216,330
101	STC	Sub Total						-125,330	-443,850	-441,380
102	Committed Price Increases							191,080	429,580	753,410
103	Minor Items							-580	-3,910	-2,610
104	Grand Total							1,789,500	1,942,710	2,445,100

Capital Budget

	Funding SBC/ Partner- ship	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
Commissioning, Environment & Leisure - M. Cassell						
Barton's Point Coastal Park - replacement bridge - Capital Receipts	SBC	0	158,260	0	0	0
Beach Huts – Capital Receipts	SBC	60,000	60,000	0	0	0
Car Park Improvements/Enhancements – 8 Electric Charging Points – Swale House Car Park – Reserves	SBC	0	32,000	0	0	0
Car Park Improvements/Enhancements – Electric Charging Points – Rose Street Car Park – Reserves	SBC	0	29,900	0	0	0
Faversham Recreation Ground Improvements – Reserves	SBC	0	122,240	0	0	0
Faversham Recreation Ground Improvements – External Grants	P	104,080	42,731	0	0	0
Faversham Recreation Ground Improvements – S106	P	21,320	0	0	0	0
Footpath Contribution – High Street Sittingbourne – S106	P	0	18,915	0	0	0
Gunpowder Works Oare Faversham – S106	P	0	9,000	0	0	0
Leisure Centres – Internal / External Borrowing	SBC	0	293,847	0	0	0
Milton Creek Access Road – Reserves	SBC	0	40,000	0	0	0
Modular Toilet Kiosk – Minster Leas – Reserves	SBC	0	29,931	0	0	0
Modular Toilet Kiosk – Minster Leas – Special Projects Fund	SBC	0	93,000	0	0	0
New Play Area – Iwade Schemes – S106	P	0	45,000	0	0	0
Open Spaces Play Equipment – S106	P	130,000	356,000	100,000	0	0
Ospringe Brickworks Site, Western Link – S106	P	0	21,440	0	0	0
Play Improvements – Reserves	SBC	150,000	150,000	0	0	0
Play Improvements – Capital Receipts	SBC	0	0	50,000	0	0
Play Improvements – Diligent Drive – Reserves	SBC	0	18,000	0	0	0
Play Improvements – Minster Lees – Reserves	SBC	0	1,753	0	0	0
Play Improvements – Shellness Road – Reserves	SBC	0	2,250	0	0	0
Public Toilets - Forum Sittingbourne – Reserves	SBC	0	50,000	0	0	0

Capital Budget

	Funding SBC/ Partnership	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
Public Toilets - Central Car Park Faversham – Reserves	SBC	0	40,000	0	0	0
Public Toilets - Milton Creek Country Park – Reserves	SBC	0	150,000	0	0	0
Public Toilets - Barton Point – Reserves	SBC	0	100,000	0	0	0
Public Toilets - Spinney Leysdown – Reserves	SBC	0	40,000	0	0	0
Resurfacing Promenade, The Leas – External Grant	P	0	79,970	0	0	0
Swallows Leisure Centre Roof – Internal/External Borrowing	SBC	0	691,800	0	0	0
Swallows Leisure Centre Roof – Direct Revenue Funding	SBC	0	51,200	0	0	0
Wheeled Bins – Reserves	SBC	157,000	251,000	35,000	35,000	35,000
Total Commissioning, Environment & Leisure		622,400	2,978,237	185,000	35,000	35,000
<u>Housing, Economy & Community Services - C. Hudson</u>						
CCTV – Reserves	SBC	0	30,000	15,000	15,000	15,000
Faversham Creek Basin Regeneration Project (Swing Bridge) – Capital Receipts	SBC	0	200,000	0	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark – Reserves	SBC	0	0	37,920	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark – Capital Receipts	SBC	0	0	14,140	0	0
Local Housing Company – Internal/External Borrowing	SBC	0	0	11,500,000	11,500,000	0
Local Housing Company – Reserves	SBC	0	0	250,000	0	0
Murston Old Church – Reserves	SBC	0	100,000	0	0	0
Sheppey Hall Improvement – Reserves	SBC	0	0	40,000	0	0
Sittingbourne Town Centre –Internal/External Borrowing	SBC	44,250	5,386,559	0	0	0
Sheppey Improvement – Capital Receipts	SBC	0	0	250,000	0	0
Sheppey Capital Investments – Capital Receipts	SBC	0	0	850,000	0	0
Thistle Hill Community Centre – Solar PV Installation – Reserves	SBC	0	0	20,000	0	0

Capital Budget

	Funding SBC/ Partner- ship	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
Disabled Facilities Grant – External Grant	P	2,062,800	3,990,333	2,062,800	2,062,800	2,062,800
Queenborough & Rushenden Klondyke Land Improvement – External Grant	P	0	66,600	0	0	0
Total Housing, Economy & Community Services		2,107,050	9,773,492	15,039,860	13,577,800	2,077,800
Finance - N. Vickers						
Finance System Upgrade – Reserves	SBC	0	1,410	0	0	0
Leaky Lucy Minibus Replacement – Reserves	SBC	0	10,000	0	0	0
Total Finance		0	11,410	0	0	0
ICT - C. Woodward						
ICT Infrastructure & Equipment Replacement - Reserves	SBC	76,200	92,000	299,300	0	0
Total ICT		76,200	92,000	299,300	0	0
Planning – J. Freeman						
Land Charges – Online Submission Module – Capital Receipts	SBC	6,400	0	0	0	0
Total Planning		6,400	0	0	0	0
Property – A. Adams						
Swale House Refurbishment – Feasibility Studies	SBC	0	200,000	0	0	0
Swale House Refurbishment	SBC	0	0	3,000,000	0	0
Total Property		0	200,000	3,000,000	0	0
Total Capital Programme Funded by SBC	SBC	493,850	8,425,150	16,361,360	11,550,000	50,000
Total Capital Programme Funded by Partners	P	2,318,200	4,629,989	2,162,800	2,062,800	2,062,800
Total Capital Programme		2,812,050	13,055,139	18,524,160	13,612,800	2,112,800