

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	9 February 2022
<b>Report Title</b>	2022/23 Revenue Budget/ Medium Term Financial Plan and Capital Strategy
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Phil Wilson, Head of Finance and Procurement
<b>Lead Officer</b>	Phil Wilson, Head of Finance and Procurement
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the 2022/23 Revenue Budget proposals.</li> <li>2. To approve the proposed Council Tax Band D increase for 2022/23 to £189.27.</li> <li>3. To note the Medium Term Financial Plan.</li> <li>4. To approve the Capital Strategy.</li> <li>5. To approve the Capital Programme proposals.</li> <li>6. To note the additional amount of Council Tax for Parish Precepts.</li> <li>7. To approve the Minimum Revenue Provision Statement as set out in Appendix VII</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Revenue and Capital budget proposals for 2022/23, the Medium Term Financial Plan (MTFP) and the Capital Strategy.
- 1.2 Cabinet received a budget report on 8 December prior to the Provisional Local Authority Grant Settlement announced on 16 December. This report reflects the implications of the Settlement.
- 1.3 The previous budget report to Cabinet emphasized the need for the Council to be able to support residents to cope with the Covid pandemic by maintaining the Council's core services. That report was finalised at the beginning of December and cases are continuing to rise once again following the spread of the Omicron variant.
- 1.4 This report, if agreed by Cabinet, will then go forward to Council on 23 February.

## 2. Background

### Provisional Local Government Finance Settlement 2022/23

- 2.1 The draft Settlement announced some additional one off grant funding for 2022/23 and a further year's allocation of New Homes Bonus. Unfortunately, the settlement was once again for one year only, despite some indications that there would be a return to multi year settlement data this time.
- 2.2 The main issues to highlight from the settlement are:

<b>Funding Source</b>	<b>Amount (£)</b>	<b>Comments</b>
<b>Settlement Additional Funding</b>		
Revenue Support Grant	2,000	
Lower Tier Services Grant	192,000	Another year's allocation of this grant - to prevent any lower tier Council having a negative Spending Power change
Service Grant	296,000	New grant allocation for one year only
New Homes Bonus	494,000	One year only
<b>Total</b>	<b>984,000</b>	

### Lower Medway Internal Drainage Board Precept

- 2.3 The assumptions made in the draft budget proposal are in line with the levy due from the Board for 2022/23.

### Staff Pay

- 2.4 The pay proposal will come separately to Council but the budget assumes a 2% increase and that is still the intention. The Council will continue to apply increases to the Real Living Wage, which may be in excess of the average increase applied across the pay scales.

## Capital Strategy

- 2.5 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The proposed Treasury Management Strategy is reported separately to this meeting. The proposed Capital Programme and its funding are detailed in Appendix V to this report.
- 2.6 Councils are required to balance their revenue budget annually and cannot borrow to achieve a balanced position. However, they have very far reaching powers to borrow to fund capital expenditure. This has historically been funded from borrowing from the Public Works Loan Board (PWLB), which is part of the Debt Management Office which is part of the Treasury. Borrowing can be for up to 50 years at rates which are below commercial rates.
- 2.7 Government and the Chartered Institute of Public Finance and Accountancy (CIPFA) has taken a pretty dim view of Council borrowing to acquire assets for income generation purposes only. There has been extensive media coverage of some of the most egregious examples of this behaviour, it is very widespread. This Council has had a clear policy of not borrowing for income purposes only and the Sittingbourne Town Centre (STC) development is classified as a Regeneration project in the Council's accounts. Council in February 2020 agreed the following principles:
- Investing in sustainable, affordable and social housing to increase overall supply,
  - Using the ability to borrow at low rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value, and
  - Ensuring that the costs of borrowing are manageable long term within the Revenue budget.
- 2.8 Council also agreed that in future, rather than announcing a borrowing facility with no linkage to a particular project, the specific project agreed by Cabinet will have a borrowing limit associated with it. This limit can be varied by Cabinet.
- 2.9 The Council has not made and will not make any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents.
- 2.10 The Sittingbourne Town Centre retail and leisure developments are now complete with the cinema, bowling alley and Nandos now all open.
- 2.11 Looking ahead to 2022/23 there will be two major capital projects which are reflected in the draft Capital Budget:

- Housing company - in October 2020 Cabinet agreed to establish Swale Rainbow Homes Ltd. The outline business case envisaged the Council providing up to £23m of funding through loans to support the delivery of 139 new homes. The exact arrangements for the drawdown of this funding will follow the detailed planning and procurement phases. The cost of the borrowing will be wholly met by the company. Because the company is a wholly owned by the Council its accounts will need to be incorporated into those of the Council requiring the company to have the same financial year as the Council.
- Swale House refurbishment - in December Cabinet received an update report on this project and the intention is to bring a detailed report to Cabinet in March. At this point the Capital budget allows for £1.9m, this is a prudent figure reflecting energy savings and additional rental income to meet borrowing costs. Cabinet may decide on a higher figure and this will then be reflected in following years revenue budgets.

2.12 Debt is only a temporary source of finance, since loans must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). MRP is a charge to the revenue budget which then accrues on the Balance Sheet; it is not an external payment. Alternatively, capital receipts may be used to replace debt finance. The Council's policy on MRP is set out in Appendix VII.

2.13 All organisations need to manage their cash flow. For most Councils their cash flow level is much larger than their reserves as they take in funds through sources such as Business Rates and Council Tax which they hold before making payments to other bodies such as Kent County Council (KCC). The Council's daily cash balances averaged £33.8m in the 6 months to 30 September. With short-term deposit rates continuing to be very low, where a Council is investing in a capital project, it can fund this capital investment from cash flow and this is known as internal borrowing. Internal borrowing defers the financial commitment to external borrowing. MRP still has to be made. The Finance Department closely monitors cash flow to ensure that there is no adverse impact.

2.14 For any significant investment the Council will supplement the expertise of Members and Officers with appropriate external specialist expertise to ensure that proposals are fully tested and risks considered.

2.15 The Chief Financial Officer believes that the Capital Strategy and Capital Programme proposed are sustainable.

### **3. Proposals**

#### **Medium Term Financial Plan**

3.1 The updated Medium Term Financial Plan is attached in Appendix I.

## Balanced Budget Proposals

3.2 The 8 December Cabinet report showed a balanced position but based on a gap of £2.3m being closed by the use of £1m from the Business Rates Volatility Reserve originally earmarked for the Special Projects Fund and a further £1.3m from reserves.

3.3 The table below shows variations since the December budget report:

<b>Budget Heading</b>	<b>Variation £'000</b>
Corporate Restructure	95
Take out Footway Lighting saving	20
Additional inflation costs on contracts	100
M365 licences for roll out	15
Mobile working app - Contracts	10
Government Grant allocation	(984)
NI costs	113
CT base	(34)
<b>Total</b>	<b>(665)</b>

3.4 The overall effect of all the variations in this report are summarised below:

	<b>£'000</b>
<b>Requirement for balanced position December Cabinet</b>	<b>2,316</b>
Less budget variations paragraph 3.3	(665)
<b>New requirement for balanced position</b>	<b>1,651</b>

3.5 Detailed revenue budget proposals are attached in Appendix II.

3.6 An analysis of the budget risks is detailed in Appendix VIII.

## Council Tax

3.7 The budget proposals assume an increase of £4.95 in the Band D Council Tax to £189.27.

3.8 The Collection Fund and Council Tax base are set out in Appendix III.

3.9 The Council Tax base was set at 48,939.46 by the Director of Resources.

3.10 Parish precepts are shown in Appendix IV.

## **Capital Programme**

3.11 The Capital Budget is attached in Appendix V.

## **Reserves**

3.12 The key principles for the management of Reserves moving forward are:

- Maintain a prudent level of reserves to allow the Council to deal with unexpected one-off events;
- Funding the Council's strategic priorities; and,
- Fund one-off items of expenditure to support service delivery.

3.13 When the Council is considering its budget requirement, it is the Director of Resources' duty under S25 of the Local Government Act 2003 to report on the adequacy of reserves. These have been reviewed in line with guidance from the Chartered Institute of Public Finance and Accountancy.

3.14 The Council seeks to maintain a minimum of £1.5m as its General Fund balance and there is no reason to change this - the balance at 1 April 2021 was £4.484m. The Council holds earmarked reserves for specific purposes. The remaining unallocated funds form the General Reserve. The Director of Resources' view is that the level of reserves and balances held by the Council are at a reasonable level. Reserves and balances are set out in Appendix VI which shows the Budget forecast, but all in-year changes will be reflected in closedown and in the Council's financial accounts.

3.15 The Council's Section 151 Officer (Director of Resources), in accordance with the Local Government Act 2003, has hereby confirmed her opinion that the 2022/23 budget is robust, and the reserves are reasonable given the risks faced by the Council. The medium term savings requirement will need to be addressed in future budget rounds as it is not sustainable to continue to rely on significant transfers from reserves to support the base budget position.

## **4. Alternative Options**

4.1 Do nothing - this is not recommended as the Council is legally required to set a balanced budget.

4.2 The December report upon which this report builds has been considered by Scrutiny Committee.

## **5. Consultation Undertaken or Proposed**

5.1 The budget proposals were reported to Cabinet on 8 December 2021 and were examined by Scrutiny Committee on 2 February 2022.

5.2 Consultation with the business community has taken place.

5.3 An online budget consultation exercise took place and the results are summarised in Appendix IX.

## 6. Implications

<b>Issue</b>	<b>Implications</b>
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 Climate/Ecological Emergency	The proposals support the Climate Change and Ecological motion agreed by Cabinet.
Health and Wellbeing	Any potential implications will be addressed by service managers in their budget proposals.
Safeguarding of Children, Young People and Vulnerable Adults	Any potential implications will be addressed by service managers in their budget proposals.
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: Detailed Revenue Budget Proposals
- Appendix III: Collection Fund and Council Tax Base
- Appendix IV: Parish Precepts
- Appendix V: Capital Programme and Funding
- Appendix VI: Estimated Use of Revenue Reserves 2021/22 - 2024/25
- Appendix VII: Minimum Revenue Provision Statement

- Appendix VIII: Budget Risks
- Appendix IX: Budget Consultation

## **8. Background Papers**

[Cabinet Agenda papers 8 December 2021](#)

## 2022/23 Medium Term Financial Plan (MTFP)

Service	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Chief Executive	263	240	240	240
Director of Neighbourhoods & Regeneration	224	225	225	225
Environment & Leisure	6,258	6,645	7,366	8,157
Planning	865	765	739	740
Housing & Community Services	3,472	3,440	3,440	3,440
Regeneration & Economic Development	(129)	(152)	(237)	(305)
Policy, Governance & Customer Services	2,273	2,253	2,253	2,253
Finance & Procurement	816	782	788	794
Corporate Overheads/Capital Financing	2,344	2,877	2,874	2,838
Revenues & Benefits	392	441	398	354
Environmental Health	522	521	521	521
MKS Legal	486	476	476	476
MKS Audit	182	182	182	182
MKS Human Resources	431	450	450	450
MKS Information Technology	1,362	1,377	1,377	1,377
Collection Fund Surplus	(50)	0	0	0
Pay and inflation	0	427	719	1,011
<b>Sub Total Base Budget</b>	<b>19,711</b>	<b>20,949</b>	<b>21,811</b>	<b>22,753</b>
Drainage Board	876	906	937	969
Historic contribution to reserves	93	93	93	93
Contribution from reserve	(662)	52	106	106
<b>Cumulative Savings required</b>	<b>0</b>	<b>(1,651)</b>	<b>(2,875)</b>	<b>(3,318)</b>
<b>Grants</b>				
Revenue Support Grant	(116)	(119)	(119)	(2)
Business Rates - Gross	(8,733)	(9,163)	(9,413)	(9,667)
Less NNDR share of homelessness funding	91	91	91	91
Local Council Tax Scheme Grant	(198)	0	0	0
Lower Tier Services Grant	(183)	(192)	0	0
Services Grant	0	(296)	0	0
Covid grant allocation	(996)	0	0	0
New Homes Bonus (assuming not just legacy payments)	(1,028)	(1,407)	(983)	(983)
<b>Council Tax requirement</b>	<b>8,855</b>	<b>9,263</b>	<b>9,648</b>	<b>10,042</b>
<b>Annual savings required</b>		<b>(1,651)</b>	<b>(1,224)</b>	<b>(443)</b>
Tax Base	48,040.12	48,939.46	49,673.55	50,418.65
Council Tax £	184.32	189.27	194.22	199.17
Council Tax increase %		2.69%	2.62%	2.55%
Council Tax increase £		4.95	4.95	4.95
Tax Base increase %		1.87%	1.50%	1.50%

## 2022/23 Medium Term Financial Plan (MTFP)

Service	2021/22	Growth	Unavoidable Pressure	Loss of income	Increased income	Price increases	Savings	Operational	2022/23	Commentary
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Chief Executive	263						(23)		240	
Director of Neighbourhoods & Regeneration	224							1	225	
Environment & Leisure	6,258	281	93	373	(596)	308	(84)	12	6,645	Growth - New Grounds & Tree contract. Pressure = replacement bin costs. Loss of Parking income. New income from Green Waste increase, charging for replacement bins and leisure contract changes. Inflation increases at £308k
Planning	865				(36)		(65)	1	765	Planning income increases and staff savings
Housing & Community Services	3,472	16					(49)	1	3,440	Staff savings
Regeneration & Economic Development	(129)	95			(101)	15	(47)	15	(152)	Increased rental income and staffing costs & Savings
Policy, Governance & Customer Services	2,273					8	(25)	(3)	2,253	
Finance & Procurement	816						(36)	2	782	
Corporate Overheads/ Capital Financing	2,344		570			11	(50)	2	2,877	Cost of Capital financing and pension costs previously funded from reserves
Revenues & Benefits	392			87			(29)	(9)	441	
Environmental Health	522							(1)	521	
MKS Legal	486				(10)				476	

## 2022/23 Medium Term Financial Plan (MTFP)

Service	2021/22	Growth	Unavoidable Pressure	Loss of income	Increased income	Price increases	Savings	Operational	2022/23	Commentary
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
MKS Audit	182								182	
MKS Human Resources	431	19							450	
MKS Information Technology	1,362					15			1,377	
Collection Fund Surplus	(50)		50						0	
Pay and inflation	0	314				113			427	Pay award, increment costs and increase National Insurance charge
<b>Sub Total Base Budget</b>	<b>19,711</b>	<b>725</b>	<b>713</b>	<b>460</b>	<b>(743)</b>	<b>470</b>	<b>(408)</b>	<b>21</b>	<b>20,949</b>	
Drainage Board	876	30							906	Inflationary increase to levy
Historic contribution to reserves	93								93	
Contribution from reserve	(662)	714							52	Build back one off use of reserves
Savings required	0						(1,651)		(1,651)	Savings required to balance the budget

## 2022/23 Medium Term Financial Plan (MTFP)

Service	2021/22	Growth	Unavoidable Pressure	Loss of income	Increased income	Price increases	Savings	Operational	2022/23	Commentary
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Grants</b>										
Revenue Support Grant	(116)				(3)				(119)	
Business Rates - Gross	(8,733)				(430)				(9,163)	business rate growth assumption
Less NNDR share of homelessness funding	91								91	
Local Council Tax Scheme Grant	(198)			198					0	One off grant allocation for 2021/22
Lower Tier Services Grant	(183)			183	(192)				(192)	One off grant allocations for 2021/22 & 2022/23
Services Grant 2022/23	0			0	(296)				(296)	One off grant allocations for 2021/22 & 2022/23
Covid grant allocation	(996)			996					0	One off grant allocation for 2021/22
New Homes Bonus (assuming not just legacy payments)	(1,028)			115	(494)				(1,407)	End of grant payments due
Council Tax requirement	8,855	1,469	713	1,952	(2,158)	470	(2,059)	21	9,263	
CT requirement	(8,855)				(374)		(34)		(9,263)	

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
1	REED	Chief Executive	Chief Exec - Dept Management	Salaries	Salary Savings	Salary savings	(23,000)	0	0
2					<b>Salary Savings Total</b>		<b>(23,000)</b>	<b>0</b>	<b>0</b>
3		<b>Chief Executive Total</b>					<b>(23,000)</b>	<b>0</b>	<b>0</b>
4	CASELL	Environment & Leisure	Cemeteries - Swale	Interment	Additional income	Variable burial income depending upon the number of burials requested	(11,350)	0	0
5	CASELL	Environment & Leisure	various	various	Additional income	Increase in Fees & Charges income	(23,680)	(1,000)	(1,000)
6	CASELL	Environment & Leisure	Swale Community Leisure Trust Ltd	Contracts	Additional income	Contractual changes do not include RPI uplift figures as dependent upon seeing Covid recovery.	(98,759)	(79,263)	0
7	CASELL	Environment & Leisure	S/B Multistorey Car Park	Season Tickets	Additional income	Only predicted for 22-23 due to current arrangement	(45,000)	45,000	0
8	CASELL	Environment & Leisure	Civil Parking Enforcement	Suspended Parking Bays	Additional income	Revised fees and charges	(2,550)	0	0
9	CASELL	Environment & Leisure	Recycling Campaign	Garden Waste Scheme-Brown Bins (not compost bins)	Additional income	Additional income from proposed increase in annual charge	(300,000)	(27,788)	(28,690)

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
10	CASELL	Environment & Leisure	Wheeled Bins	Grants & Contributions-no supply goods or services	Additional income	New bins for new estates	(30,000)	0	0
11	CASELL	Environment & Leisure	Wheeled Bins	Domestic/Residential Wheelie Bin Charge (lost/damaged/stolen bins)	Additional income	Income from proposed new charge for replacement bin	(85,000)	0	0
12					<b>Additional income Total</b>		<b>(596,339)</b>	<b>(63,051)</b>	<b>(29,690)</b>
13	CASELL	Environment & Leisure	various	various	Committed price increases	Inflation increases	31,110	14,605	14,975
14	CASELL	Environment & Leisure	Contracts Team	Mobile working app	Committed price increases	Overhead for mobile working app	10,000	0	0
15	CASELL	Environment & Leisure	Refuse & Recycling	Private Contractors	Committed price increases	Indexation on current contract up plus estimate for cost of new contract	160,831	364,944	384,245
16	CASELL	Environment & Leisure	Street Cleansing	Private Contractors	Committed price increases	Indexation on current contract up plus estimate for cost of new contract	106,705	317,065	335,004
17					<b>Committed price increases Total</b>		<b>308,646</b>	<b>696,614</b>	<b>734,224</b>
18	CASELL	Environment & Leisure	Grounds Maintenance	Maintenance - Grounds Contract	Growth items	This is based on the new contract	148,733	37,189	38,118

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
19	CASELL	Environment & Leisure	Open Spaces - Swale	Arboriculture (tree) contract	Growth items	Based on new Trees contract	31,000	980	1,000
20	CASELL	Environment & Leisure	Swale Car Parks	MKS charge for car park service	Growth items	Increase in cost for car parks partnership	15,000	0	0
21	CASELL	Environment & Leisure	Public Conveniences	Private Contractors	Growth items	Cost of new facilities	86,828	10,314	28,861
22					<b>Growth items Total</b>		<b>281,561</b>	<b>48,483</b>	<b>67,979</b>
23	CASELL	Environment & Leisure	Coast Protection	Contribution to SBC costs from KCC	Loss of income	Coast protection agreement ending	12,750	1,500	640
24	CASELL	Environment & Leisure	Open Spaces - Swale	Commuted Sums - Contracts	Loss of income	End of commuted sums provision	25,385	19,308	1,746
25	CASELL	Environment & Leisure	Beach Huts	Beach Huts - plot and hut	Loss of income	Income variations	8,000	(5,000)	(2,000)
26	CASELL	Environment & Leisure	S/B Multistorey Car Park	Fees & Chgs Vatable	Loss of income	Covid impact on parking expected to become permanent	20,000	0	0
27	CASELL	Environment & Leisure	Swale Car Parks	Fees & Chgs Vatable	Loss of income	Continued impact of Covid-19. Overall impact offset slightly by increased fees and charges	275,000	0	0
28	CASELL	Environment & Leisure	Swale Car Parks	Season Tickets	Loss of income	Continued impact of Covid-19	25,000	0	0

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
29	CASELL	Environment & Leisure	Special Collections	Fees & Chgs Vatable	Loss of income	A249 litter picking. This reduction is because SBC is not doing all of road.	6,450	0	0
30					<b>Loss of income Total</b>		<b>372,585</b>	<b>15,808</b>	<b>386</b>
31	CASELL	Environment & Leisure	Salaries	Salaries	Salary Savings	Net salary savings	(67,025)	0	0
32					<b>Salary Savings Total</b>		<b>(67,025)</b>	<b>0</b>	<b>0</b>
33	CASELL	Environment & Leisure	Public Conveniences	Business Rates	Service savings	A recent legislative change means that public conveniences no longer pay business rates.	(16,900)	0	0
34					<b>Service savings Total</b>		<b>(16,900)</b>	<b>0</b>	<b>0</b>
35	CASELL	Environment & Leisure	Wheeled Bins	Equipment Purchase	Unavoidable cost pressures	Increased cost of replacement bins	93,000	0	0
36					<b>Unavoidable cost pressures Total</b>		<b>93,000</b>	<b>0</b>	<b>0</b>
37		<b>Environment &amp; Leisure Total</b>					<b>375,528</b>	<b>697,854</b>	<b>772,899</b>
38	FREEMAN	Planning	Development Management	PPA - Planning Performance Agreement	Additional income	New item	(25,500)	0	0

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
39	FREEMAN	Planning	Development Management	S106 Monitoring Fees	Additional income	Additional income from s106 fees anticipated	(10,000)	0	0
40					<b>Additional income Total</b>		<b>(35,500)</b>	<b>0</b>	<b>0</b>
41	FREEMAN	Planning	Development Management	Salaries	Salary Savings	Salary savings	(58,839)	(27,300)	0
42					<b>Salary Savings Total</b>		<b>(58,839)</b>	<b>(27,300)</b>	<b>0</b>
43	FREEMAN	Planning	Spatial Policy	Fees and Services	Service savings	Reduction in fees required	(6,000)	0	0
44					<b>Service savings Total</b>		<b>(6,000)</b>	<b>0</b>	<b>0</b>
45		<b>Planning Total</b>					<b>(100,339)</b>	<b>(27,300)</b>	<b>0</b>
46	HUDSON	Housing & Community Services	Housing Private Sector	Salaries	Growth items	New approved increase in establishment to deal with Empty Homes and Caravan work and Energy	16,100	0	0
47					<b>Growth items Total</b>		<b>16,100</b>	<b>0</b>	<b>0</b>
48	HUDSON	Housing & Community Services	Salaries	Salaries	Salary Savings	Salary savings	(49,210)	0	0
49					<b>Salary Savings Total</b>		<b>(49,210)</b>	<b>0</b>	<b>0</b>
50		<b>Housing &amp; Community Services Total</b>					<b>(33,110)</b>	<b>0</b>	<b>0</b>

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
51	JOHNSON	Regeneration & Economic Development	Rental income	rental income	Additional income	Rental income increases	(100,977)	(52,223)	(78,353)
52					<b>Additional Income Total</b>		<b>(100,977)</b>	<b>(52,223)</b>	<b>(78,353)</b>
53	JOHNSON	Regeneration & Economic Development			Committed price increases	Utility costs	15,342	0	0
54					<b>Committed Prices Total</b>		<b>15,342</b>	<b>0</b>	<b>0</b>
55	JOHNSON	Regeneration & Economic Development	Salaries	Salaries	Growth items	Net salaries movement from restructure	95,000	0	0
56					<b>Unavoidable cost pressures Total</b>		<b>95,000</b>	<b>0</b>	<b>0</b>
57	JOHNSON	Regeneration & Economic Development	Business & Skills	Fees and Services	Salary savings	Salary savings	(35,515)	0	0
58					<b>Salary savings Total</b>		<b>(35,515)</b>	<b>0</b>	<b>0</b>
59	JOHNSON	Regeneration & Economic Development	Business & Skills	Fees and Services	Service savings	Reduction of the learning & skills operational budget	(11,780)	0	0
60					<b>Service savings Total</b>		<b>(11,780)</b>	<b>0</b>	<b>0</b>
61		<b>Regeneration &amp; Economic Development Total</b>					<b>(37,930)</b>	<b>(52,223)</b>	<b>(78,353)</b>
62	CLIFFORD	Policy, Governance & Customer Services	General Democratic Costs	Allowances	Committed price increases	Increase in NI costs for members	7,257	0	0

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
63					<b>Committed price increases Total</b>		<b>7,257</b>	<b>0</b>	<b>0</b>
64	CLIFFORD	Policy, Governance & Customer Services	Operational service savings	Operational service savings	Service savings	Operational service savings	(9,000)	0	0
65	CLIFFORD	Policy, Governance & Customer Services	Swale BC Publications	Developing & Printing	Service savings	Decrease in costs for Inside Swale	(7,500)	0	0
66	CLIFFORD	Policy, Governance & Customer Services	Swale BC Publications	Postage	Service savings	Decrease in costs for Inside Swale	(8,000)	0	0
67					<b>Service Savings Total</b>		<b>(24,500)</b>	<b>0</b>	<b>0</b>
68		<b>Policy, Governance &amp; Customer Services Total</b>					<b>(17,243)</b>	<b>0</b>	<b>0</b>
69	WILSON	Finance & Procurement	Financial Services	Salaries	Salary Savings	Salary savings	(36,640)	4,908	5,106
70					<b>Salary Savings Total</b>		<b>(36,640)</b>	<b>4,908</b>	<b>5,106</b>
71		<b>Finance &amp; Procurement Total</b>					<b>(36,640)</b>	<b>4,908</b>	<b>5,106</b>
72	WILSON	Corporate Costs	Financial Services	Supply of Insurance Cover	Committed price increases	Increase in cost of insurance cover	11,210	11,490	11,780
73					<b>Committed price increases Total</b>		<b>11,210</b>	<b>11,490</b>	<b>11,780</b>
74	WILSON	Corporate Costs	Interest Payable	Interest Payable	Service savings	Fewer loans This does not include Rainbow loan which will be reported separately	(38,900)	0	0

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
75	WILSON	Corporate Costs	Parish Councils (Footway Lighting)	Grants & Subscriptions	Service savings	Propose to end support to Parishes as they are able to increase their precept without restrictions	0	(19,855)	0
76	WILSON	Corporate Costs	Adjustments between accounting/funding basis - GF	Pension Enhancements	Service savings	Reductions in pension payments	(11,680)	0	0
77					<b>Service savings Total</b>		<b>(50,580)</b>	<b>(19,855)</b>	<b>0</b>
78	WILSON	Corporate Costs	Corporate Costs	External Audit Fee	Unavoidable cost pressures	Increase in audit fee	11,010	1,790	1,840
79	WILSON	Corporate Costs	Treasury Mgt & Bank Charges	Broker Fees	Unavoidable cost pressures	Increase in broker fees	9,900	0	0
80	WILSON	Corporate Costs	Pension no longer funded from Reserves	Pension	Unavoidable cost pressures	Pension no longer funded from reserves	181,640	0	0
81	WILSON	Corporate Costs	Adjustments between accounting/funding basis - GF	Minimum Revenue Provision	Unavoidable cost pressures	Borrowing cost of STC	335,000	3,000	(51,000)
82	WILSON	Corporate Costs	Adjustments between accounting/funding basis - GF	Payroll - Gross Pay	Unavoidable cost pressures	Net salary adjustments	33,130	0	0

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
83					Unavoidable cost pressures Total		570,680	4,790	(49,160)
84		<b>Corporate Costs Total</b>					531,310	(3,575)	(37,380)
85	KENT	Revenues & Benefits	MKS Enforcement Service - Council Tax	MKS Debt Recovery Service Income	Loss of income	Reduction in income due to revised forecast of proportion of debt that can be recovered	87,000	(43,500)	(43,500)
86					<b>Loss of income Total</b>		<b>87,000</b>	<b>(43,500)</b>	<b>(43,500)</b>
87	KENT	Revenues & Benefits	Housing Benefit & C Tax Support - Administration	Housing Benefit Admin Subsidy	Service savings	Admin grant	(8,726)	0	0
88	KENT	Revenues & Benefits	Council Tax Collection	Postage	Service savings	Postage savings	(20,000)	0	0
89					<b>Service savings Total</b>		<b>(28,726)</b>	<b>0</b>	<b>0</b>
90		<b>Revenues &amp; Benefits Total</b>					<b>58,274</b>	<b>(43,500)</b>	<b>(43,500)</b>
91	VALMOND	MKS Legal	Legal (Clientside Costs)	Legal Fees - Planning/S106 (Non-Business)	Additional income	Additional s106 income	(10,000)	0	0
92					<b>Additional income Total</b>		<b>(10,000)</b>	<b>0</b>	<b>0</b>
93		<b>MKS Legal Total</b>					<b>(10,000)</b>	<b>0</b>	<b>0</b>
94	SANDHER	MKS Human Resources	Apprenticeships	Payroll - Gross Pay	Growth items	Real living wage for apprentices	18,710	0	0
95					<b>Growth items Total</b>		<b>18,710</b>	<b>0</b>	<b>0</b>

## Revenue Budget Proposals

No.	Head of Service	Service	Service Description	Type of Spend/ Income	MTFP Category	Explanation of Budget Change	22/23 Increase Over & Above 21/22 £	23/24 Increase Over & Above 22/23 £	24/25 Increase Over & Above 23/24 £
96		<b>MKS Human Resources Total</b>					18,710	0	0
97	WOOD- WARD	MKS ICT	ICT Software	Software licence	Committed price increases	M365 additional licences	15,000	0	0
98					<b>Committed price increases Total</b>		15,000	0	0
99		<b>MKS ICT Total</b>					15,000	0	0
100	WILSON	Collection Fund Surplus	Non-Specific Grants	Surplus/Deficit Council Tax Income (Budget)	Unavoidable cost pressures	No surplus is anticipated on the collection fund due to the after effects of covid and the reduction in C tax income	50,000	0	0
101					<b>Unavoidable cost pressures Total</b>		50,000	0	0
102		<b>Collection Fund Surplus Total</b>					50,000	0	0
103		<b>Service Total</b>					790,560	576,164	618,772
104		<b>Operational Items Total</b>					20,983	(7,151)	30,835
105		<b>Grand Total</b>					811,543	569,013	649,607

		<b>To Match Appendix I:</b>					<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
		<b>Grand Total (above)</b>					811	570	650
		<b>Base Budget</b>					19,711	20,949	21,811
		<b>Pay and Inflation</b>					427	292	292
		<b>Base Budget Total</b>					20,949	21,811	22,753

## Collection Fund and Council Tax Base

### Tax Base

The tax base for 2022/23 is 48,939.46.

### Collection Fund

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Collection Fund for Council Tax and Business Rates in January 2022, notifying Kent County Council, the Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions. The declared deficit of £9,653,000 is shared as follows:

	<b>£'000</b>
Central Government	4,586
Kent County Council	1,178
The Police and Crime Commissioner for Kent	53
Kent & Medway Towns Fire & Rescue Authority	113
Swale Borough Council	3,723
<b>Total</b>	<b>9,653</b>

These amounts are not added to precepts or budgets but must be taken into account by each Authority when setting their basic Council Tax. One of the main causes of the deficit was the announcement in the Budget on 3 March 2021 that the government would continue to provide eligible retail, hospitality and leisure properties with 100% business rates relief from 1 April 2021 to 30 June 2021 and that this would be followed by 66% business rates relief for the period from 1 July 2021 to 31 March 2022 if certain criteria were met. The Government has compensated councils for this loss of business rate income through grants.

### Other Preceptors

Kent County Council, the Kent & Medway Fire Authority and the Kent Police and Crime Commissioner will set their own precepting for all valuation bands. These tax levels will form part of the overall Council Tax to be set by full Council on 23 February 2022.

### Parish Council Precepts

Parish Council precept demands have been submitted during January 2022 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

## Parish Precepts

Parish / Town Council	Additional Council Tax for Band D 2021/22 £	Tax Base 2022/23	Parish Precept (rounded) 2022/23 £	Additional Council Tax for Band D 2022/23 £	Additional Council Tax for Band D 2022/23 % Change
Bapchild	27.76	467.78	13,379	28.60	3.03%
Bobbing	19.25	985.82	18,980	19.25	0.00%
Borden	55.80	1,104.39	64,151	58.09	4.10%
Boughton-under-Blean	85.59	698.98	65,000	92.99	8.65%
Bredgar	35.73	292.21	10,684	36.56	2.32%
Doddington	38.20	228.21	8,718	38.20	0.00%
Dunkirk	26.88	525.39	17,105	32.56	21.13%
Eastchurch	46.57	848.91	47,402	55.84	19.91%
Eastling	35.00	149.22	5,223	35.00	0.00%
Faversham Town Council	78.05	6,880.49	553,132	80.39	3.00%
Graveney & Goodnestone	61.42	185.21	11,200	60.47	-1.55%
Hartlip	21.71	364.85	8,000	21.93	1.01%
Hernhill	36.27	299.08	14,000	46.81	29.06%
Iwade	35.43	1,459.01	51,585	35.36	-0.20%
Leysdown	31.36	1164.61	35,890	30.82	-1.72%
Lower Halstow	82.59	457.35	37,740	82.52	-0.08%
Luddenham	0.00	41.82	0	0.00	0.00%
Lynsted	36.32	477.89	18,753	39.24	8.04%
Milstead	60.72	90.36	6,300	69.72	14.82%
Minster	35.00	5,643.03	197,506	35.00	0.00%
Newington	54.85	1,055.46	58,472	55.40	1.00%
Newnham	34.29	158.92	5,449	34.29	0.00%
Norton & Buckland	37.72	189.97	6,956	36.62	-2.92%
Oare	57.63	173.90	10,500	60.38	4.77%
Ospringle	28.06	285.14	7,875	27.62	-1.57%
Queenborough Town Council	76.12	900.32	69,000	76.64	0.68%
Rodmersham	42.87	241.95	11,500	47.53	10.87%
Selling	34.93	374.26	13,000	34.74	-0.54%
Sheerness Town Council	50.30	2,834.17	139,962	49.38	-1.83%
Sheldwich, Leaveland & Badlesmere	24.76	351.31	To be received		
Stalisfield	29.14	98.94	2,883	29.14	0.00%
Teynham	56.65	944.08	61,000	64.61	14.05%
Throwley	25.72	146.19	3,749	25.64	-0.31%
Tonge	5.04	444.24	3,200	7.20	42.86%
Tunstall	29.55	705.54	22,080	31.30	5.92%
Upchurch	44.93	1,030.52	36,814	35.72	-20.50%
Warden	30.02	503.02	15,000	29.82	-0.67%
<b>TOTAL</b>					

## Capital Programme and Funding

	Detail	2021/22 Original Budget	2021/22 Revised Budget	2022/23 Original Budget	2023/24 Original Budget	Budget Later Years
		£	£	£	£	£
<b><u>Housing &amp; Community Services - C. Hudson</u></b>						
CCTV – Reserves	R & R Reserve	15,000	45,000	15,000	15,000	15,000
CCTV Monitoring Control Centre – Reserves	R & R Reserve	0	4,960	0	0	0
Disabled Facilities Grant Mandatory – External Grant	External Grant	2,062,800	3,301,260	2,062,800	2,062,800	2,062,800
Disabled Facilities Grant – External Grant	External Grant	0	1,927,530	0	0	0
Winter Warmth Grants	External Grant	0	6,780	0		
Rainbow Homes	Internal/External	11,500,000	0	23,000,000	0	0
Rainbow Homes - Business Planning Work	Internal/External	250,000	250,000	0	0	0
Murston Old Church	Community Fund CFB 62	0	20,000	0	0	0
Sheppey Hall Improvement	Special Project SPF 11	40,000	0	0	0	0
Thistle Hill Community Centre - Solar PV installation	Special Project SPF 30	20,000	20,000	0	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark	Special Project SPF 18	37,920	37,920	0	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark	Capital Receipts	14,140	14,140	0	0	0
<b>Total Housing &amp; Community Services</b>		<b>13,939,860</b>	<b>5,627,590</b>	<b>25,077,800</b>	<b>2,077,800</b>	<b>2,077,800</b>
<b><u>Environment &amp; Leisure - M. Cassell</u></b>						
Gunpowder Works Oare Faversham – S106	S106	0	9,000	0	0	0
New Play Area – Iwade Schemes – S106	S106	0	45,000	0	0	0
Resurfacing Promenade, The Leas – External Grant	External Grant	0	79,970	0	0	0
Modular Toilet Kiosk - Minster Leas - Special Project	Special Project SPF 22	0	24,360	0	0	0
Milton Creek Access Road – Reserves	Reserves	0	40,000	0	0	0
Barton's Point Coastal Park - replacement bridge - Capital Receipts	Capital Receipts	0	148,400	0	0	0
Beach Huts – Capital Receipts	Capital Receipts	0	60,000	0	0	0

## Capital Programme and Funding

	Detail	2021/22 Original Budget	2021/22 Revised Budget	2022/23 Original Budget	2023/24 Original Budget	Budget Later Years
		£	£	£	£	£
Sheppey Improvement Fund – Capital Receipts	Capital Receipts	250,000	250,000	0	0	0
Sheppey Improvement Fund - Loan	Loan	0	16,000	0	0	0
Faversham Recreation Ground Outdoor Gym equipment - S106	S106		4,940			
Faversham Recreation Ground Improvements – External Grants/S106	External Grant	0	15,800	0	0	0
Open Spaces Play Equipment – S106	S106	100,000	456,000	0	0	0
Leisure Centres – Internal / External Borrowing	Internal/External	0	293,850	0	0	0
Swallows Leisure Centre - Capital Works	Covid Recovery Fund	0	81,740	0	0	0
Play Improvements – Reserves	Special Projects	0	150,000	0	0	0
Play Improvements – Capital Receipts	Capital Receipts	50,000	50,000	0	0	0
Play Improvements – Diligent Drive – Reserves	Special Projects	0	18,000	0	0	0
Public Toilets for Queenborough All Tide Landing	Improvement & Resilience Fund	0	6,900	0	0	0
Public Toilets - Forum Sittingbourne - Special Project	Special Project SPF 24	0	42,080	0	0	0
Toilet Block & Shower Block - Barton Point – Special Projects	Special Project SPF 23	0	184,280	0	0	0
Wheeled Bins - Reserves	R & R	35,000	286,000	35,000	35,000	35,000
St Anne's Footbridge Lighting - Reserves	SPF 16	0	41,250			
<b>Total Environment &amp; Leisure</b>		<b>435,000</b>	<b>2,303,570</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>
<b><u>Regeneration &amp; Economic Development - J. Johnson</u></b>						
High Streets - Various	High Street Fund	0	780,430	0	0	0
High Streets - Various	S106	0	100,000	0	0	0
High Streets - Various	Improvement & Resilience Fund	0	106,920	0	0	0
Sittingbourne Town Centre –Internal/External Borrowing	Internal/External	0	1,079,700	0	0	0
Footpath Contribution – High Street Sittingbourne – S106	S106	0	5,660	0	0	0

## Capital Programme and Funding

	Detail	2021/22 Original Budget	2021/22 Revised Budget	2022/23 Original Budget	2023/24 Original Budget	Budget Later Years
		£	£	£	£	£
Faversham Creek Basin Regeneration Project (Swing Bridge) – Capital Receipts	Capital Receipts	0	200,000	0	0	0
Queenborough & Rushenden Klondyke Land Improvement	External Grant - Housing Infrastructure Fund (HIF)	0	1,103,490	0	0	0
Swale House Refurbishment - Internal/External	Internal/External	3,000,000	50,000	1,912,400	0	0
Coronation Clock Tower Sheerness - Reserves	Reserves/ s106	0	185,000	0	0	0
Redevelopment of Master's House, Sheerness	Capital Receipts/ external grant/ reserves	0	1,550,000	0	0	0
Sheppey Capital Investments	Capital Receipts	850,000	0	0	0	0
<b>Total Regeneration &amp; Economic Development</b>		<b>3,850,000</b>	<b>5,161,200</b>	<b>1,912,400</b>	<b>0</b>	<b>0</b>
<b>Policy</b>						
Council Chamber IT equipment	Capital Receipts	0	0	50,000	0	0
<b>Total Policy</b>		<b>0</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>0</b>
<b>Planning – J. Freeman</b>						
Faversham Reach Public Footpath ZF43	Faversham Creek Footpath Reserve	0	60,000	0	0	0
<b>Total Planning</b>		<b>0</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ICT - C. Woodward</b>						
ICT Infrastructure & Equipment Replacement - Reserves	R & R	299,300	349,700	0	0	0
<b>Total ICT</b>		<b>299,300</b>	<b>349,700</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Capital Programme</b>		<b>18,524,160</b>	<b>13,502,060</b>	<b>27,075,200</b>	<b>2,112,800</b>	<b>2,112,800</b>

## Estimated Use of Revenue Reserves 2021/22 - 2024/25

Group Title	At 1 April 2021 including 2020/21 Rollforwards £	2021/22 £	Balance 31 March 2022 £	2022/23 £	Balance 31 March 2023 £	2023/24 £	Balance 31 March 2024 £	2024/25 £	Balance 31 March 2025 £
<b>General Fund Reserve</b>	<b>(4,484,000)</b>	<b>2,248,598</b>	<b>(2,235,402)</b>	<b>0</b>	<b>(2,235,402)</b>	<b>0</b>	<b>(2,235,402)</b>	<b>0</b>	<b>(2,235,402)</b>
<b>Earmarked Revenue Reserves</b>									
Business Rates Volatility Reserve	(2,826,291)	2,000,000	(826,291)	500,000	(326,291)	300,000	(26,291)	0	(26,291)
Budget Contingency Reserve	0	(2,000,000)	(2,000,000)	1,651,000	(349,000)	0	(349,000)	0	(349,000)
North Kent Housing & Commercial Growth Business Rates	(1,673,250)	50,000	(1,623,250)	100,000	(1,523,250)	0	(1,523,250)	0	(1,523,250)
Council Tax/Housing Benefits Reserve	(1,413,404)	942,000	(471,404)	114,000	(357,404)	114,000	(243,404)	114,000	(129,404)
Preceptors Council Tax Support Reserve	(1,157,677)	1,000,000	(157,677)	50,000	(107,677)	0	(107,677)	0	(107,677)
Kent Pool Economic Development Business Rates	(1,094,190)	334,000	(760,190)	0	(760,190)	0	(760,190)	0	(760,190)
Special Projects Fund Reserve	(1,055,233)	494,094	(561,139)	561,139	(0)	0	(0)	0	(0)
Improvement and Resilience Fund	(1,000,000)	1,000,000	0	0	0	0	0	0	0
Town Centres/ High Street Fund	(758,146)	258,146	(500,000)	500,000	(0)	0	(0)	0	(0)
Building Maintenance Fund	(618,644)	50,000	(568,644)	50,000	(518,644)	50,000	(468,644)	50,000	(418,644)
Communities Fund	(410,865)	184,000	(226,865)	0	(226,865)	0	(226,865)	0	(226,865)
ICT Reserve	(381,026)	145,425	(235,601)	111,850	(123,751)	111,850	(11,901)	(40,000)	(51,901)

## Estimated Use of Revenue Reserves 2021/22 - 2024/25

Group Title	At 1 April 2021 including 2020/21 Rollforwards £	2021/22 £	Balance 31 March 2022 £	2022/23 £	Balance 31 March 2023 £	2023/24 £	Balance 31 March 2024 £	2024/25 £	Balance 31 March 2025 £
Disabled Facilities Grant	(316,617)	0	(316,617)	78,724	(237,894)	0	(237,894)	0	(237,894)
Wheeled Bins	(279,795)	150,000	(129,795)	129,795	(0)	0	(0)	0	(0)
Performance Fund	(271,426)	92,000	(179,426)	30,000	(149,426)	30,000	(119,426)	30,000	(89,426)
On Street Parking	(272,701)	3,780	(268,921)	268,921	0	0	0	0	0
Business Rates Growth Fund - Heritage Strategy Reserve	(225,753)	61,000	(164,753)	73,000	(91,753)	91,753	0	0	0
Financial Services	(201,520)	61,520	(140,000)	70,000	(70,000)	35,000	(35,000)	0	(35,000)
Visitor Economy Framework	(178,492)	50,000	(128,492)	50,000	(78,492)	50,000	(28,492)	28,492	0
Waste & Recycling	(171,717)	0	(171,717)	50,000	(121,717)	100,000	(21,717)	13,000	(8,717)
Local Plan Reserve	(167,321)	0	(167,321)	30,000	(137,321)	30,000	(107,321)	0	(107,321)
Homelessness/Housing Reserves	(165,817)	14,505	(151,312)	55,416	(95,897)	0	(95,897)	0	(95,897)
Regeneration Fund	(151,534)	151,534	0	0	0	0	0	0	0
Environmental Initiatives	(125,842)	10,000	(115,842)	30,000	(85,842)	30,000	(55,842)	30,000	(25,842)
Environmental Health Shared Service Reserves	(124,324)	15,637	(108,687)	63,000	(45,687)	36,730	(8,957)	3,400	(5,557)
Revenues & Benefits	(118,069)	50,000	(68,069)	63,800	(4,269)	4,269	0	0	0
Elections Reserve	(101,021)	0	(101,021)	0	(101,021)	100,000	(1,021)	0	(1,021)
HR & Training Reserve	(97,590)	13,000	(84,590)	33,000	(51,590)	8,000	(43,590)	8,000	(35,590)
Licensing Reserves	(95,627)	16,750	(78,877)	0	(78,877)	0	(78,877)	0	(78,877)

## Estimated Use of Revenue Reserves 2021/22 - 2024/25

Group Title	At 1 April 2021 including 2020/21 Rollforwards £	2021/22 £	Balance 31 March 2022 £	2022/23 £	Balance 31 March 2023 £	2023/24 £	Balance 31 March 2024 £	2024/25 £	Balance 31 March 2025 £
Coast Protection	(89,596)	0	(89,596)	30,000	(59,596)	30,000	(29,596)	29,596	(0)
Insurance	(83,288)	63,288	(20,000)	10,000	(10,000)	10,000	0	0	0
Cemeteries Reserve	(80,075)	0	(80,075)	25,000	(55,075)	2,000	(53,075)	2,000	(51,075)
Milton Creek access road	(74,740)	0	(74,740)	57,000	(17,740)	0	(17,740)	0	(17,740)
Area Committees Fund	(71,746)	71,746	0	0	0	0	0	0	0
CCTV Reserves	(70,292)	5,292	(65,000)	(15,000)	(80,000)	(15,000)	(95,000)	(15,000)	(110,000)
Democratic Services	(67,500)	67,500	0	0	0	0	0	0	0
Closed Churchyards and War Memorials	(65,900)	30,000	(35,900)	30,000	(5,900)	5,900	0	0	0
Tree Surveys and works in closed churchyards	(63,000)	0	(63,000)	15,000	(48,000)	15,000	(33,000)	15,000	(18,000)
Faversham Creek Footpath	(60,000)	60,000	0	0	0	0	0	0	0
Sports Reserves	(58,900)	0	(58,900)	58,900	0	0	0	0	0
Pension & Redundancy Reserve	(52,172)	(50,000)	(102,172)	100,000	(2,172)	0	(2,172)	0	(2,172)
Audit Reserve	(51,525)	0	(51,525)	0	(51,525)	0	(51,525)	0	(51,525)
Business Rates Growth Fund - Sheppey Lower Road Improvements	(50,000)	0	(50,000)	0	(50,000)	0	(50,000)	0	(50,000)
Sittingbourne Market Relocation	(43,746)	43,746	0	0	0	0	0	0	0

## Estimated Use of Revenue Reserves 2021/22 - 2024/25

Group Title	At 1 April 2021 including 2020/21 Rollforwards £	2021/22 £	Balance 31 March 2022 £	2022/23 £	Balance 31 March 2023 £	2023/24 £	Balance 31 March 2024 £	2024/25 £	Balance 31 March 2025 £
Planning Appeals	(41,220)	41,220	0	0	0	0	0	0	0
COVID recovery Reserve	0	(17,000)	(17,000)	0	(17,000)	0	(17,000)	0	(17,000)
Other reserves	(494,487)	16,911	(477,577)	252,921	(224,656)	52,756	(171,900)	0	(171,900)
<b>Total Earmarked Revenue Reserves</b>	<b>(16,972,078)</b>	<b>5,480,093</b>	<b>(11,491,985)</b>	<b>5,227,465</b>	<b>(6,264,520)</b>	<b>1,192,258</b>	<b>(5,072,262)</b>	<b>268,488</b>	<b>(4,803,774)</b>
<b>Total Usable Revenue Reserves</b>	<b>(21,456,078)</b>	<b>7,728,691</b>	<b>(13,727,387)</b>	<b>5,227,465</b>	<b>(8,499,922)</b>	<b>1,192,258</b>	<b>(7,307,665)</b>	<b>268,488</b>	<b>(7,039,177)</b>
<b>Accounting Adjustments</b>									
Collection Fund Reserves	(7,295,909)	7,295,909	0	0	0	0	0	0	0
Loan Fund Provision Reserve	(175,001)	106,001	(69,000)	6,000	(63,000)	6,000	(57,000)	6,000	(51,000)
Rent - accounting adjustment	(543,690)	50,000	(493,690)	50,000	(443,690)	50,000	(393,690)	0	(393,690)
CCTV - Accounting provision	(50,000)	50,000	0	0	0	0	0	0	0
Commuted Sums - Accounting Provision	(266,364)	53,000	(213,364)	53,000	(160,364)	53,000	(107,364)	53,000	(54,364)
<b>Total Accounting Adjustments</b>	<b>(8,330,963)</b>	<b>7,554,910</b>	<b>(776,054)</b>	<b>109,000</b>	<b>(667,054)</b>	<b>109,000</b>	<b>(558,054)</b>	<b>59,000</b>	<b>(499,054)</b>
<b>Total Reserves</b>	<b>(29,787,041)</b>	<b>15,283,600</b>	<b>(14,503,440)</b>	<b>5,336,465</b>	<b>(9,166,976)</b>	<b>1,301,258</b>	<b>(7,865,718)</b>	<b>327,488</b>	<b>(7,538,230)</b>

## Minimum Revenue Provision Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the former Ministry of Housing, Communities and Local Government's "Guidance on Minimum Revenue Provision" (the MHCLG Guidance) most recently issued in 2018. Please note that this guidance is still referred to as MHCLG guidance despite the name change of the department to Department of Levelling Up, Housing & Communities (DLUHC).

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

For 2022/23 it is recommended that:

- for supported expenditure, and for all capital expenditure incurred prior to 1 April 2008, MRP will, under delegated authority, be calculated using the Annuity Method over 50 years;
- MRP for all self-financed capital expenditure incurred from 1 April 2008 will, under delegated authority, be calculated under the Asset Life (Equal Instalments of Principal) Method;
- Where former operating leases have been brought onto the balance sheet on 1 April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue each year remains unaffected by the new standard;
- MRP in respect of leases and Public Finance Initiative (PFI) schemes will match the element of the rent or charge that goes to write down the balance sheet liability, to ensure that the impact on the revenue account is neutral; and
- where loans are made to other bodies for their capital expenditure, no MRP will be charged but the Council would apply the capital receipt arising from the principal repayments to reduce the Capital Financing Requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24. MRP is not required until an asset is operational.

The budget implications of MRP are detailed elsewhere in this report and the estimated Capital Financing Requirement is detailed in the Annual Treasury Strategy.

## Budget Risks

Issue	Risk	Mitigation	Rating
COVID-19	Many of the council's budgets are affected by CV-19 be that directly or indirectly. The uncertainty around the ability to reduce the impact of CV-19 is very high.	The MTFP seeks to address the budget impacts as they are currently estimated. Ongoing monitoring of the position will be required as the pandemic position develops.	High
Uncertainty of future Central Government funding	New local government funding regime TBC - localisation of business rates, Fair Funding, Comprehensive Spending Review and New Homes Bonus	MTFP, engagement in local government finance reform work, advice from technical advisers LG Futures/Pixel, Local Government Association (LGA). One off funding announced for 22/23 maintains the uncertain position for future years.	High
Waste and Street Cleansing contract	<p>A) External factors leading to current contract failure requiring early or emergency re-tender</p> <p>B) Procurement of new contract at the end of the current contract term</p> <p>C) Impact of changes in government legislation on contracted service.</p>	<p>A) Engagement with the contractor</p> <p>B) Early preparation for contract renewal – working group in place to determine new contract requirements and ensure full compliance with procurement regulation</p> <p>C) Maximise use of new burdens claims for cost of legislative changes, respond to consultations</p>	High
Revenue Contribution from Reserves	The proposed budget relies on contributions of c£1.7m from reserves to deliver a balanced position. This is not sustainable in the medium term.	Early preparation of 23/24 MTFP to address the ongoing budget gap and deliver a sustainable base budget position	High
Excessive inflationary increase to contracts/projects	External market forces push prices continually higher beyond budget allocations for major contracts and utility services	Ongoing review of procurement approach and monitoring of inflation position to ensure timely and accurate financial planning	Medium

## Budget Risks

Issue	Risk	Mitigation	Rating
Sittingbourne Town Centre regeneration	Loss of tenants due to difficult operating conditions, failure to let newly developed units resulting in loss of tenants and income	Project monitoring, guarantees on rental income and active marketing	Medium
Planning fee income	Reliance on majors income, relationship with cost base to service demand	Judgement in setting base budget, ongoing monitoring	Medium
Car parking income	Disruption due to STC and CV-19 reduced town centre economic activity	Judgement in setting base budget, ongoing monitoring	Medium
Homelessness	Increasing demand on service following wider statutory responsibilities of Homeless Reduction Act and impact on resident due to current economic factors	Strategy refresh, grant funding for specialist services. Xantura pilot to target prevention work, tender of nightly let accommodation. Temporary Accommodation review.	Medium
Local Plan Review	Resource to support the review, in particular external consultants e.g., highways modelling	Ongoing discussion about requirements, making use of external sources of funding where possible	Medium
Planning appeals costs	Increased legal costs from appeals	Planning Committee decisions	Medium
Business rate income	Higher appeals, businesses choosing not to locate in the borough, business failure	Provide for appeals, openness to businesses, business support and signposting.	Medium
Cyber security	Cost pressures from actions to ensure compliance	Pragmatic view on the costs of compliance and the risks associated	Low

## Budget Consultation

Below are the questions raised in the online budget consultation exercise and the responses received.

**The Council needs to prepare a balanced budget so that its costs are met by its income. The council intends to increase its income. How would you suggest we might do that?**

- Thin out services and reduce staffing or merge fully with adjacent boroughs
- Increase Council Tax for higher band properties
- Draw on Reserves.
- not though council tax. high already.
- Council bosses take a pay cut
- Introduce residents parking permits and visitors permits in busy and central areas (London commuters parking instead of paying for the Station Car Park) or people parking their commercial vehicles in residential areas. Increase penalties for littering. Run full financial audit on expenses and costs for all council projects with third party suppliers and contractors.
- Why not reduce costs instead of increasing income
- Rather than increasing income, look at decreasing expenditure. Turn off street lighting in the early morning, cut expensive colour printed brochures and newsletters,
- Increase community events and levelling up high street to attract more people participate indirectly increase parking incomes, sustainable business improvement for business rates income.
- Turning off streetlights.
- Increase fees and charges

### Do you believe the Council should reduce its spending?

Answer Choices	Responses	
Yes	73.33%	11
No	26.67%	4
	<b>Answered</b>	<b>15</b>
	<b>Skipped</b>	<b>7</b>

## Budget Consultation

### What services would you reduce?

- Most of these are essential services and are interlinked. Also, I am unable to answer this question without knowing the grants available from elsewhere e.g. I understand that economic development and regeneration (of high streets etc) are sometimes covered by government funding via KCC with a successful bid.
- Anything related to local economic development as I'd say this and the recent town development has failed to deliver on a number of fronts and the road layout has significantly increased town congestion.
- Reduce OAP "free travel" to 50% in order to allow more commercial management of bus services in particular as costs fluctuate for providers and ticket price rises are more evenly distributed - not resting only on the few full-ticket passengers.
- property services
- Housing benefits
- Have fewer Councillors
- Street lighting and publicity costs
- Property services
- Street lighting, property services
- planning

### Do you believe the Council should reduce its spending on some services to be able to spend more on others?

Answer Choices	Responses	
Yes	71.43%	10
No	28.57%	4
	<b>Answered</b>	<b>14</b>
	<b>Skipped</b>	<b>8</b>

### Which services would you reduce spending on and which services would you spend more on?

- How do you monitor the £500,000+ paid to Faversham Town Council? e.g., are they spending this wisely / what footfall do their countless events generate in reality? They are employing more and more staff but what do they all do and does it actually benefit any more than a handful of residents? Their draft budget shows a 3% increase in salaries. They are forever generating new ideas rather than concentrating on core issues, commercial realities and the time constraints they have.
- Planning. Staff in part can work from home. Sell or develop Swale House site.
- None

### Budget Consultation

- Transport subsidies to OAPs (I am an OAP)
- planning, property services, economic development, regeneration
- council tax and housing benefit
- Street lighting and tourism publicity
- property services and street lighting
- heritage

**The Band D Council Tax for Swale Council for this year is £184.32 and the suggested increase for 2022/2023 is £4.95. In the current financial circumstances do you think that this is an appropriate amount to charge?**

Answer Choices	Responses	
Yes	50.00%	6
No	50.00%	6
	<b>Answered</b>	<b>12</b>
	<b>Skipped</b>	<b>10</b>

**Please use the text box below for any general comments on the Council's budget that you would like to make.**

- Why has the £200,000 for the Faversham Creek Bridge disappeared from the budget? I see a vast sum being budgeted for Sittingbourne and Sheppey - but nothing for Faversham.
- No joined up thinking. You spend our money attracting people to town, then make it difficult/expensive to park. Wardens everywhere. New car park is a joke and several times.
- I've seen boy racers racing up and down. Dangerous, so no longer take my family to local cinema and drive to Rochester instead.
- I was unable to detect the legal costs for the abortive Wises Lane legal challenge at Borden? As, I believe, the sums are large, it would be helpful to have them broken out in the Budget accounts for the 2021/22 FY.
- The subsidies for transport show little or no understanding of the impact on commercial bus travel providers.
- Council bosses should take a pay cut.
- Every single resident of Swale, regardless Council Tax band, must get the Council Tax increase. Stop discrimination of residents with Band D who are seeing increase of the Council Tax a few years in a row.
- Disagree to increase council tax on the extreme difficult years ahead to all with high inflation rate and most people have been financially affected by the pandemic and being making redundant.

**Budget Consultation**

- I know people whose properties were band B, then they extensively extended and now their properties are four and five bedrooms instead of the original two. Yet they are paying band B prices. How is that fare on others who only have two bedrooms still? If people extend their property, then they should have a council tax review at the same time. SBC are missing out on thousands of pounds and people are sitting pretty paying hardly any council tax while they live a huge house.