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AGENDA

SCRUTINY COMMITTEE MEETING

Date: Thursday, 28 January 2016

Time: 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT

Membership:

Councillors Mike Baldock, Andy Booth (Chairman), Lloyd Bowen (Vice-Chairman), Derek Conway, Mike Dendor, Mick Galvin, Mike Henderson, Ken Ingleton, Samuel Koffie-Williams, Peter Marchington, Prescott, Ben Stokes and Roger Truelove

Quorum = 4

	Pages
1. Emergency Evacuation Procedure	
The Chairman will advise the meeting of the evacuation procedures to follow in the event of an emergency.	
2. Apologies for Absence and Confirmation of Substitutes	
3. Minutes	
To approve the Minutes of the Meeting held on 13 January 2016 (Minute Nos. 419 - 425) as a correct record.	
4. Declarations of Interest	
Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.	
The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:	
(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.	
(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.	

Advice to Members: If any Councillor has any doubt about the

existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Director of Corporate Services as Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as early as possible, and in advance of the Meeting.

Part One - Substantive Items

5. Financial Management Report 1 - 18

The Committee is asked to consider the Financial Monitoring Report for Quarter 2 2015/16.

The Cabinet Member for Finance and the Head of Finance have been invited to attend.

6. Draft Budget 2016/17 19 - 66

To review the draft budget 2016/17 and make the necessary recommendations to the Cabinet on 3 February 2016. Please see update from Head of Finance at Appendix III.

Cabinet, Strategic Management Team and Heads of Service have been invited to attend. The 2 December 2015 Medium Term Financial Plan and 2016/17 Revenue and Capital Budgets report and the draft Budget Book have been attached.

Issued on Tuesday, 19 January 2016

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of the Scrutiny Committee, please visit www.swale.gov.uk

**Director of Corporate Services, Swale Borough Council,
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

Cabinet	
Meeting Date	2 December 2015
Report Title	Financial Management Report – April – September 2015
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance
SMT Lead	Nick Vickers, Head of Finance
Head of Service	Nick Vickers, Head of Finance
Lead Officer	Phil Wilson, Chief Accountant
Key Decision	Yes
Classification	Open
Forward Plan	Reference number: 8
Recommendations	<ol style="list-style-type: none"> 1. To note the projected revenue underspend on services of £785,915. 2. To note the capital expenditure of £643,998 to end of September 2015.

1. Purpose of Report and Executive Summary

- 1.1 This report shows the revenue and capital projected outturn for 2015/16 as at the end of September 2015. The report is based on service activity up to the end of September 2015, and is collated from monitoring reports from budget managers.
- 1.2 The headline figures are:
 - total forecast revenue underspend of £785,915; and
 - capital expenditure of £643,998 to end of September 2015.

2. Background

- 2.1 The Council operates a monthly budget monitoring process at Head of Service level, with reports each month to the Strategic Management Team.
- 2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

3. Proposal

Revenue Outturn

3.1 Table 1 shows the projected outturn position by service, with most services showing an underspend. The line-by-line variations are explained in Table 2.

3.2 The main areas of underspend are as follows (items over £35,000 not attributable to grants):

Service/Contract	Reason for variance	£
Council Tax	Underspend on recovery of council tax court costs	80,000
Housing Benefits	Underspend on provision for bad debts	100,000
Leisure & Sports	Underspend on leisure contracts	40,000
Leisure & Sports	Additional income commuted sums	49,000
Waste Contract	Underspend on waste collection and street cleansing	87,000
Waste Contract	Additional income enabling payments	54,000
Waste Contract	Additional income garden waste brown bins	95,000
Grounds Maintenance Contract	Underspend on sports pitches, open spaces and cemeteries	37,000
Property	Additional depot rental income	35,000

3.3 The last reported variance to Cabinet in September 2015 was an underspend of £319,390. The main reasons for the movement of £466,525 to the end of September position are (items over £25,000 not attributable to ringfenced grants):

Service/Contract	Reason for variance	£
Council Tax	Underspend on recovery of council tax court costs	80,000
Housing Benefits	Underspend on provision for bad debts	100,000
Revenues & Benefits	Overspend re increased card commissioning costs	31,000
Council Tax	Additional Grant – Burdens Grant	30,000
Housing	Overspend on Bed & Breakfast	29,000
Housing	Net underspend on salaries, homeless hostel costs	44,000
Leisure & Sports	Underspend on leisure contracts	40,000
Leisure & Sports	Additional income commuted sums	49,000
Property	Additional depot rental income	35,000
Property	Net underspend on salaries, additional rental income etc.	28,000
Corporate Items	Accounting adjustments	88,000

Table 1: Underspend by Service

	Service Manager	Working Budget	Projected Outturn	Projected Variance
		£	£	£
Chief Executive	A. Kara	258,450	239,650	(18,800)
Policy	D. Clifford	204,010	188,540	(15,470)
Economy & Communities	E. Wiggins	2,092,760	2,073,270	(19,490)
Communications	S. Toal	254,920	243,310	(11,610)
Resident Services	A. Christou	1,468,620	1,365,220	(103,400)
Planning	J. Freeman	876,210	885,010	8,800
Commissioning & Customer Contact	D. Thomas	5,799,640	5,411,565	(388,075)
Director of Corporate Services & Director of Regeneration	M. Radford / K. Carr	335,650	335,650	0
Information Technology	A. Cole	1,038,270	1,038,270	0
Audit	R. Clarke	155,520	155,520	0
Environmental Health	T. Beattie	470,900	473,750	2,850
Finance	N. Vickers	1,398,940	1,398,140	(800)
Human Resources	D. Smart	339,110	354,110	15,000
Legal	J. Scarborough	347,790	347,790	0
Democratic Services	K. Bescoby	820,230	827,830	7,600
Property	A. Adams	527,550	441,250	(86,300)
Variances to be met from underspend		0	12,000	12,000
Corporate Provision for Bad Debt		(465,930)	(565,930)	(100,000)
Minimum Revenue Provision		655,180	655,180	0
Corporate Items		1,348,180	1,259,960	(88,220)
SERVICE EXPENDITURE		17,926,000	17,140,085	(785,915)
Financed by:				
Revenue Support Grant		(2,929,000)	(2,929,000)	0
Business Rates		(5,053,000)	(6,193,000)	(1,140,000)
Collection Fund Surplus		(176,200)	(176,200)	0
New Homes Bonus		(2,811,000)	(2,811,000)	0
Council Tax Freeze Grant		(159,000)	(159,000)	0
Council Tax Requirement		(6,855,800)	(6,855,800)	0
NET EXPENDITURE		(58,000)	(1,983,915)	(1,925,915)
Put Business Rate Underspend to Volatility Reserve			879,000	1,140,000
Contribution to General Fund		58,000	58,000	0
NET EXPENDITURE		0	(1,046,915)	(785,915)

Table 2: Main Variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of September 2015		
Service – Cabinet Member (Head of Service)		
	£'000	Explanation
CHIEF EXECUTIVE – Cllr A. Bowles (Abdool Kara)		
Chief Executive & Corporate Costs	(19)	Staff costs savings £16k, net other savings £3k.
Policy	(16)	Staff vacancy saving.
TOTAL	(35)	
ECONOMY AND COMMUNITIES – Cllrs M. Cosgrove, M. Whiting & K. Pugh (Emma Wiggins)		
Environmental Initiatives	1	Loss of income re graffiti cleaning to third party property.
Community Halls and Centres	(2)	Additional fees received £4k and additional utility costs £2k.
Markets	(17)	Reduced rates.
Pest Control	(1)	Additional income.
TOTAL	(19)	
COMMUNICATIONS – Cllr A. Bowles (Emma Wiggins)		
Communications	(12)	Net staff vacancy savings.
TOTAL	(12)	
RESIDENT SERVICES – Cllrs D. Dewar-Whalley & J. Wright (Amber Christou)		
Housing Development and Strategy	(17)	Underspend on salaries due to vacant posts.
Private Sector Housing	(6)	£9k underspend on mileage offset by a £5k pressure on the Private Sector Housing superannuation budget, £2k miscellaneous other underspends.
Stay Put Scheme	(8)	£12k underspend on the stay put salary budget, £6k additional grants received. Projected £10k pressure on the Disabled Facilities Grant fee income budget.
Housing Options	16	£29k projected overspend on the Bed & Breakfast budget, £20k expected underspend on the homeless hostel costs, £7k pressure on salaries.
Revenues & Benefits & Council Tax	(88)	£31k overspend as a result of increased card commissioning costs, £80k underspend for the recovery of council tax court costs, £30k Council Tax new burdens grant received to offset staff costs, £10k additional recovery of NNDR collection fund costs, £1k other additional costs.
TOTAL	(103)	
PLANNING – Cllr G. Lewin (James Freeman)		
Building Control	(4)	£4k underspend projected on the building control contract.

Projected Net (Under)/Overspend / Income Shortfall as at end of September 2015		
Service – Cabinet Member (Head of Service)		
	£'000	Explanation
Development Control	13	Additional planning fees currently projected to be £16k, this is offset by a projected shortfall on S106 monitoring fee income of £20k and £16k pressure on the pre-application planning fees, £6k underspend expected on the advertisement budget & £1k underspend on land registry fees.
Development Services	24	£22k salary pressure and recruitment advertisements £2k.
Local Land Charges	(15)	£15k additional Land Charges income forecast.
Local Planning & Conservation	0	No variance reported.
Planning Mid Kent Planning Service (MKPS)	(9)	Forecast overspend for the Mid Kent Planning Support service in 15/16 offset by the 14/15 recharge being less than anticipated. This variance includes land charges.
TOTAL	9	
COMMISSIONING & CUSTOMER CONTACT – Cllrs D. Simmons & M. Whiting (Dave Thomas)		
Commissioning & Customer Contact (C&CC), Client & Amenity Services (C&A) and Customer Service Centre (CSC)	(57)	Net staff vacancy savings C&CC and C&A £39k, additional rent and rates re Alexander Centre £5k, Gateway Fees & Services and Contract savings £24k, minor CSC net additional costs £1k.
Parking Management	0	£15k Increase in Maidstone Council charges for Car Parking offset by £15k additional Pay and Display income.
Leisure & Sports	(55)	Staff vacancy savings Green Spaces Ranger £10k, leisure contracts savings £40k (including costs savings and reduced indexation increases), increased energy costs recovery £10k, additional Commuted Sums income £49k (this will be moved to reserve at year end), net reduced rental income beach huts £6k, additional non-contract Grounds Maintenance seafront, play areas and open spaces £26k, tree and green waste removal additional costs £8k, net other additional costs £14k.
Cleansing	(34)	Savings on salaries.
Public Conveniences	(13)	Savings from retendered hygiene contract £11k and closed PC's £2k.
Recycling & Waste Minimisation	(149)	Additional income from Garden Waste brown bins £95k and 'Enabling Payments' £54k. (Under the new Waste contract, 'Enabling Payments' have compensated SBC for the income previously received from KCC re Recycling Credits.)

Projected Net (Under)/Overspend / Income Shortfall as at end of September 2015		
Service – Cabinet Member (Head of Service)		
	£'000	Explanation
Refuse Collection / Street Cleansing	(54)	Net additional income special/bulky collections £20k, overspend for additional wheeled bins (not covered by waste contract) £60k, net increased bin sales £17k, reduced clinical waste recharge £10k, net waste contract saving (including Street Cleansing) £87k largely due to negative indexation. Note: £100k budget has been vired to fund major communication programme to improve recycling rates (assumed total spend in year) and £10k vired to fund Netcall (improved automated answering service in respect of payments for garden waste bin subscriptions).
Grounds Maintenance Contract	(37)	Savings on reduced area/number of sports pitches £20k, open spaces £5k and cemeteries £12k.
Minor net variances	11	Additional closed churchyards non-contract grounds maintenance £10k and cemeteries rates £1k.
TOTAL	(388)	
DIRECTOR OF CORPORATE SERVICES – Cllr D. Dewar-Whalley (Mark Radford)		
Corporate Costs	-	Nil variance reported.
Licensing	-	Additional staff resources are being deployed but this will be funded from a performance fund bid. Staffing posts are currently being re-evaluated.
TOTAL	-	
EMERGENCY PLANNING – Cllr D. Dewar-Whalley (Della Fackrell)		
Emergency Planning	-	Nil variance reported.
TOTAL	-	
DIRECTOR OF REGENERATION – Cllr M. Cosgrove (Kathryn Carr)		
Strategic Directors	-	Nil variance reported.
TOTAL	-	
IT SERVICES – Cllr D. Dewar-Whalley (Andy Cole)		
IT MKIP	-	Nil variance reported.
GIS	-	Nil variance reported.
TOTAL	-	
ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)		
Environmental Services MKIP	3	£2.5k additional public funeral expenses, £6.5k additional MKIP mileage, £2k additional Food Safety Training income, £4k additional fees and charges income (tattoo shops)
TOTAL	3	
INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)		
Audit Services	-	Nil variance reported.
TOTAL	-	

Projected Net (Under)/Overspend / Income Shortfall as at end of September 2015		
Service – Cabinet Member (Head of Service)		
	£'000	Explanation
FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)		
Financial Services	(1)	Net minor variation.
TOTAL	(1)	
HUMAN RESOURCES – Cllr T. Wilcox (Dena Smart)		
MKIP Charges for HR Services	15	£15k savings on MKIP charges for HR not achieved due to Tunbridge Wells BC not joining the HR shared service.
TOTAL	15	
LEGAL – Cllr D. Dewar-Whalley (John Scarborough)		
External Legal Fees	-	No variance reported.
Legal MKLS	-	Nil variance reported at this stage. However as a result of increased demand for legal services a performance fund bid is due to be submitted.
TOTAL	-	
DEMOCRATIC SERVICES – Cllr D. Dewar-Whalley (Katherine Bescoby)		
Democratic Process	23	Increased National Insurance on members travel following changes in HMRC taxation legislation as reported in the 1st quarter (April – June) 2015/16 monitoring report to Cabinet.
Other Democratic cost	(16)	Underspend on salaries £8k, underspend on training courses £2k, miscellaneous savings £6k
TOTAL	7	
PROPERTY – Cllr D. Dewar-Whalley (Anne Adams)		
Property Services	(23)	Underspend on salaries £18k and a £5k underspend on paper.
Property Management	(44)	Additional depot rental income £35k; rental income received for back rent £10k; £2k additional licence fee income and a £3k overspend on rates due to empty properties.
Admin Buildings	(16)	£8k saving due to reduced energy costs; £5k underspend on equipment maintenance; £2k overspend on rates and £5k additional income for the recharge of Swale House office space.
Health & Safety	(2)	Underspend on books and e-resources.
Community Halls	(1)	Underspend on rates.
TOTAL	(86)	
OTHER VARIATIONS (TO BE MET FROM TOTAL UNDERSPEND)		
Remembrance & Commemoration	12	Commemorations in respect of the 30,000 th Last Post.
NON-SERVICE BUDGETS		
Corporate Provision for Bad Debts	(100)	Improvement in outstanding debt for benefits.

Projected Net (Under)/Overspend / Income Shortfall as at end of September 2015		
Service – Cabinet Member (Head of Service)		
	£'000	Explanation
Other Variations:		
Corporate Items	(88)	Accounting adjustments.
	(786)	NET EXPENDITURE (Projected Variance)

Business Rates

3.4 The headline figures for total Business Rates income are:

2014/15 NNDR3 (outturn)	£44,122,000
2015/16 Budget	£44,960,000
2015/16 NNDR1 (Forecast)	£46,494,000

This shows a strong growth in projected business rates with higher income than budget due to additional rateable values coming from, for example Neats Court.

3.5 The Council retains about 10% of total business rates and 40% of any growth over the 1 April 2013 base position. The Council has agreed to budget a year in arrears for business rates growth and any surplus goes into the Business Rates Volatility Reserve. The reserve currently stands at £1.2m and any surplus business rates for 2015/16 will be put to this reserve in order to be able to address any future volatility of income.

3.6 The Council set aside £5.6m for business rate appeals. This includes a provision for £0.9m as a result of a national tribunal ruling on business rates for purpose-built GP surgeries appeals which has resulted in substantial reductions in rateable value. This is a demonstration of how business rate income can vary greatly as a result of a decision on interpreting business rate legislation.

3.7 The table below shows the spread of the Council's business rate income for 2014/15. As can be seen, 14 properties make up 27% of the business rate taxbase. Therefore any changes to business rate appeals relating to a relatively small number of properties could have a significant effect on the total business rates collected.

Table 3: Business Rateable Value for 2014/15

Rateable Value Range	Rateable Values	No. of Properties
> £2,000,000	£2,752,220.00	1
> £1,000,000 < £2,000,000	£1,233,920.00	1
> £500,000 < £1,000,000	£8,256,660.00	12
> £250,000 < £500,000	£2,940,200.00	8
> £100,000 < £250,000	£5,903,054.00	39
> £50,000 < £100,000	£5,085,485.60	73
> £25,000 < £50,000	£5,805,473.10	164
> £10,000 < £25,000	£6,738,214.97	428
< £10,000	£6,457,848.40	3,468
Grand Total	£45,173,076.07	4,194

3.8 At time of writing the report there were 489 appeals outstanding with 364 backdated to 2010/11 with 314 not due to be decided upon until 2017/18. Given the sums involved this can make forecasting appeals a difficult issue and therefore use will have to be made of the business rate volatility reserve to continue to deal with any resulting variances.

3.9 The Chancellor has proposed major changes to the retained business rates system – and by extension to the whole local government finance system – over the course of this Parliament. By the end of the Parliament, local government will be able to retain 100 per cent of local taxes – including all £26 billion of revenue from business rates – to spend on local government services. We are likely to find out much more about how the proposals will work in the Spending Review next month.

3.10 The Council is currently a member of the Kent Business Rate Pool. At 7 October Cabinet it was agreed to delegate to the Cabinet Member for Finance and the Head of Finance any decision to enter into a business rates pool for 2016/17. The Head of Finance has recommended to the Leader and Cabinet Member for Finance that in principle we should continue to be a member of the existing pool.

Improvement and Regeneration Funds

3.11 Table 4 below details the balance as at the end of September 2015 on the Improvement and Regeneration Funds:

Table 4: Improvement and Regeneration Funds

	Balance Unallocated as at 1 April 2015	Transfers from reserve in year	Balance Unallocated as at 30 September 2015
Funds:	£	£	£
Performance	519,208	89,000	430,208
Regeneration	347,647	66,100	281,547
Communities	89,027	50,873	38,154
Transformation	293,338	0	293,338
Local Loan Fund	193,805	0	193,805
TOTAL	1,443,025	205,973	1,237,052

3.12 The Regeneration fund was topped up by £250,000 from the 2015/16 budget.

3.13 The Communities and Transformation Funds were topped up by £66,400 and £100,000 respectively from the 2014/15 underspend.

3.14 Further details of the approved allocations to the end of September 2015 are available in Appendix I.

Usable Reserves

3.15 At 31 March 2015 the Council's usable reserves totalled £15.017m.

Capital Expenditure

3.16 This report details the latest position on the 2015/16 capital programme and highlights any variations between the revised 2015/16 capital budget and expenditure to the end of September 2015.

3.17 Actual expenditure to end of September 2015 is £643,998. This represents 27% of the revised budget. An underspend of £650,000 is forecast on the capital budget for projects which will now take place in 2016/17. Further details are set out in Appendix II.

3.18 At Cabinet on 15 July Members approved a number of capital rollover requests totalling £319,550 to be spent in 2015/16 to be released from the underspend of 2014/15.

Funding of the 2015/16 Capital Programme

3.19 The 2015/16 capital programme expenditure to end of September 2015 is to be funded as set out in Table 5.

Table 5: Capital Programme Funding

	2015/16 Revised Budget	2015/16 Actual to end of September 2015
	£	£
Use of partnership funding (including S106 Grants) to fund capital expenditure	1,763,888	597,894
Use of earmarked reserves to fund capital expenditure	46,000	0
Use of repayment of long term debtors / third party loans to fund capital expenditure	0	18,425
Use of capital receipts to fund capital expenditure	718,765	27,679
Total Funded	2,528,653	643,998

3.20 The latest monitoring position is shown in Table 6.

Table 6: Capital programme – main projected variances

Variance	Specific Issues
Managed Underspends	Disabled Facilities Grants £100k - these grants will all be committed by the end of 2015/16 but payments are unlikely to be made until early 2016/17.
Pending Projects	<p>Sittingbourne Skate Park £200k - The project has slipped whilst we secure a trust to operate the site and for them to provide an approved business plan. Current estimates are that the construction will not start until next financial year.</p> <p>Faversham Creek £200k - At this stage some of the conditions for this funding have not been met including the approval of the Faversham Local Plan, so the timescales for the spend are as yet unknown.</p> <p>Refurbishment of Faversham Pools Refurbishment £150k – The condition that the Swimming Pools Management Committee becomes an incorporated body is outstanding at this stage.</p>

Payment of Creditors

Table 7: Invoice payment

	Target 2015/16	Cumulative year to date	September 2015
Invoices paid in 30 days	97.00%	99.06%	99.21%

Debtors

3.21 Tables 8, 9 and 10 analyse the debt outstanding.

3.22 The debt over six years old relates to charges on property, i.e. where the debt cannot be collected until the property concerned is sold. It should be noted that the number of debts raised is increasing as we are now required to formally raise debts for all of our grants receivable from Kent County Council, NHS, etc.

Table 8: Debt outstanding by due date (not including Rent Deposit Scheme)

	September 2015	August 2015	June 2015
	£'000	£'000	£'000
Not Due	288	263	313
1-2 Months	95	242	116
2-6 Months	65	121	65
6-12 Months	20	19	20
1-2 Years	10	10	11
2-3 Years	4	4	6
3-4 Years	9	9	8
4-5 Years	25	25	24
5-6 Years	10	11	11
6 Years +	15	15	15
Total	541	719	589
Total Due	253	456	276
% Total Due	47%	63%	47%

Table 9: Debt outstanding by due date (including Rent Deposit Scheme)

	September 2015	August 2015	June 2015
	£'000	£'000	£'000
Not Due	288	263	317
1-2 Months	99	250	116
2-6 Months	73	127	76
6-12 Months	32	29	20
1-2 Years	34	38	18
2-3 Years	24	22	12
3-4 Years	15	15	15
4-5 Years	45	46	57
5-6 Years	154	153	173
6 Years +	15	15	15
Total	779	958	819
Total Due	491	695	502
% Total Due	63%	73%	61%

Table 10: Total of invoices unpaid (including Rent Deposit Scheme) by Head of Service

	September 2015	August 2015	June 2015
	£'000	£'000	£'000
Rent Deposit Scheme	238	239	231
Commissioning & Customer Contact	137	41	33
Property	168	146	196
Residents Services	59	66	66
Legal (MKLS)	1	137	2
Economy & Communities	13	104	12
Planning	10	21	20
Regeneration	0	0	45
Communications	2	4	1
Environmental Health	2	8	4
Finance	119	0	0
Policy	2	3	3
Other	28	189	206
Total	779	958	819

4. Alternative Options

4.1 None identified – this report is largely for information.

5. Consultation Undertaken or Proposed

5.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to achieving our Corporate Plan priority of being “A council to be proud of”
Financial, Resource and Property	As detailed in the report
Legal and Statutory	None identified at this stage
Crime and Disorder	None identified at this stage
Sustainability	None identified at this stage
Health & Wellbeing	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage

7. Appendices

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

Appendix I – Improvement and Regeneration Fund allocations as at end of September 2015;

Appendix II – Capital Programme – Projected outturn as at end of September 2015.

8. Background Papers

8.1 The Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2017/18

**Improvement and Regeneration Fund Allocations
to the End of September 2015**

	Amount £
Performance Fund	
Fixed Penalty Notices pilot tackling anti-social behaviour	25,000
Cabinet Member ICT Equipment	9,000
Customer Service Excellence 2015/16	5,000
Investors in People Assessment January 2016	10,000
Leisure Development Officer	35,000
Kent Channel Shift Project 15/16	5,000
Total Approved as at September 2015	89,000
Regeneration Fund	
Members Regeneration Grants	47,000
The Meads Community Centre	11,000
Further development of 'Swale Means Business' website	8,100
Total Approved as at September 2015	66,100
Communities Fund	
Swale Trustee Network Event 2015/16	4,400
Volunteers' Week Billboards 2015/16	1,168
Meads Community Centre Grant	22,500
Grantfinder Software – 3 year Licence	12,555
Culture Grants 2015/16	10,000
Sport in the Park - Hall Hire	250
Total Approved as at September 2015	50,873

Capital Programme

	Funding SBC / P	2015/16 Original Budget £	Approved Rollovers £	Other Adjustments £	2015/16 Working Budget £	2015/16 Actual to End of September 2015 £	2015/16 Projected Variance £
SUMMARY							
<u>PARTNERSHIP FUNDING SCHEMES</u>							
Economy & Communities	P	0	0	489,103	489,103	311,454	0
Commissioning & Customer Contact	P	18,000	129,810	0	147,810	445	0
Housing	P	1,040,000	92,060	0	1,132,060	279,834	-100,000
Property	P	0	0	0	0	0	0
TOTAL PARTNERSHIP FUNDING SCHEMES	P	1,058,000	221,870	489,103	1,768,973	591,733	-100,000
<u>SWALE BOROUGH COUNCIL FUNDING SCHEMES</u>							
Commissioning & Customer Contact	SBC	30,000	74,920	36,000	140,920	22,729	0
Economy & Communities	SBC	15,000	0	581,000	596,000	0	-550,000
Housing	SBC	0			0	24,586	0
Finance	SBC	0	22,760		22,760	4,950	0
TOTAL SBC FUNDING SCHEMES	SBC	45,000	97,680	617,000	759,680	52,265	-550,000
TOTAL CAPITAL PROGRAMME		1,103,000	319,550	1,106,103	2,528,653	643,998	-650,000

Capital Programme

	Funding SBC / P	2015/16 Original Budget £	Approved Rollovers £	Other Adjustments £	2015/16 Working Budget £	2015/16 Actual to End of September 2015 £	2015/16 Projected Variance £
<u>ECONOMY & COMMUNITIES - E.WIGGINS</u>							
The Mill Project, Sittingbourne Skate Park - Capital Receipts	SBC	0	0	200,000	200,000	0	-200,000
Faversham Creek Basin Regeneration Project - Capital Receipts	SBC	0	0	200,000	200,000	0	-200,000
Refurbishment of Faversham Pools	SBC	0	0	150,000	150,000	0	-150,000
CCTV - Repairs & Renewals Reserve	SBC	15,000	0	0	15,000	0	0
Kemsley Community Facilities - S106	P	0	0	4,870	4,870	4,866	0
Easthall Farm Community Centre - S106	P	0	0	16,903	16,903	16,903	0
The Meads Community Centre- S106	P	0	0	417,330	417,330	289,685	0
The Meads Community Centre- KCC Grant	P	0	0	50,000	50,000	0	0
The Meads Community Centre- Regeneration Fund	SBC	0	0	31,000	31,000	0	0
TOTAL ECONOMY & COMMUNITIES		15,000	0	1,070,103	1,085,103	311,454	-550,000
<u>FINANCE - N. VICKERS</u>							
Cash Receipting System - Replacement - Capital	SBC	0	22,760	0	22,760	4,950	0

Capital Programme

	Funding SBC / P	2015/16 Original Budget £	Approved Rollovers £	Other Adjustments £	2015/16 Working Budget £	2015/16 Actual to End of September 2015 £	2015/16 Projected Variance £
COMMISSIONING & CUSTOMER CONTACT - D.THOMAS							
Cemeteries - future burial provision in the borough - Capital Receipts	SBC	0	22,040	0	22,040	0	0
Milton Creek Footpath & Viewing platform - Capital Receipts	SBC	0	5,190	11,000	16,190	0	0
Tree Works in Cemeteries - Capital Receipts	SBC	30,000	7,690	0	37,690	22,729	0
Customer Service Centre telephony system - Capital Receipts	SBC	0	40,000	25,000	65,000	0	0
Thistle Hill Community Woodland - Trim Trail - S106	P	0	35,000	0	35,000	0	0
New Play Area - Iwade Schemes - S106	P	0	92,200	0	92,200	0	0
Faversham Recreation Ground Improvements- S106	P	0	2,610	0	2,610	0	0
Oare Village Hall - S106	P	9,000	0	0	9,000	445	0
Oare Gunpowder Works - S106	P	9,000	0	0	9,000	0	0
TOTAL COMMISSIONING & CUSTOMER CONTACT		48,000	204,730	36,000	288,730	23,174	0
HOUSING - A. CHRISTOU							
DFG Mandatory Grants (CLG)	P	1,040,000	92,060	0	1,132,060	279,834	-100,000
HRG - Housing Repair Grants Over 60	SBC	0	0	0	0	6,161	0
RHB2 - Decent Home Loans Owner Occupier	SBC	0	0	0	0	18,425	0
TOTAL HOUSING		1,040,000	92,060	0	1,132,060	304,420	-100,000

Cabinet Meeting	
Meeting Date	2 December 2015
Report Title	Medium Term Financial Plan and 2016/17 Budget
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance
SMT Lead	Abdool Kara, Chief Executive
Head of Service	Nick Vickers, Head of Finance
Lead Officer	Nick Vickers, Head of Finance
Key Decision	Yes
Classification	Open
Forward Plan	Reference number: 7
Recommendations	<ol style="list-style-type: none"> 1. To note the budget proposals. 2. To note the Medium Term Financial Plan.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Medium Term Financial Plan and proposals for the 2016/17 Budget.
- 1.2 The approach taken seeks to build on the work of the previous Administration to protect frontline services to residents, and limit the cost of those services to the Council Tax payer. As each year progressively sees substantial further reductions in local authority funding as part of the national economic recovery plan, this becomes increasingly difficult to do. It certainly means that we have to continue to produce efficiency savings and, increasingly, generate new income streams. None of this is easy to do, and the actions necessary to balance the budget do include difficult decisions on staffing levels and fees and charges.
- 1.3 This Council is increasingly self-financing, and by the end of the decade is likely under the fully devolved business rates proposals to receive no Government Revenue Support Grant. This budget needs to look ahead to relying more on long-term revenue streams, such as business rates and fees and charges, and reflects that there is increasing uncertainty which we need to be able to manage.
- 1.4 In order to give Scrutiny Committee time to scrutinise the budget proposals we have to produce this report before we know the final Local Government Finance Settlement. This year's report will be published before the Comprehensive Spending Review announcements on 25 November, so there will be changes to the budget put before Cabinet once the local settlement and

Scrutiny Committee 28 January 2016

other details are known. Scrutiny Committee, Cabinet and Opposition Group Leaders will be fully briefed on these.

- 1.5 The changes required will be fully reflected in the final budget report to Cabinet in February, and of course in the budget report to Council.

2 Background

Local Government Finance

- 2.1 The Local Government Finance Settlement announced in December 2014 gave only a one-year settlement for local authorities. The Conservative Government will set out its public expenditure plans in the Comprehensive Spending Review (CSR) as part of the Autumn Statement on 25 November 2015, and it has been widely reported that non-protected Government departments, such as the Department for Communities and Local Government (DCLG), have been asked to put forward proposals for reductions in expenditure of up to 40%. The detail for individual local authorities will then be provided in the Local Government Finance Settlement.
- 2.2 The Council subscribes to two financial research services, one from LG Futures, and the other from the Chartered Institute of Public Finance and Accountancy (CIPFA). Based on our interpretation of their analysis we are assuming 30% reductions in Revenue Support Grant (RSG) for each of the next three years from the 2015/16 base. In cash terms this means a reduction from £2.9m this year to £900,000 in 2018/19. To put this even more starkly, RSG in 2013/14, the first year it was separated from localised business rates, was £5.5m. Even without the full localisation of business rates, we would have envisaged the complete removal of RSG in 2019/20.
- 2.3 Swale is a very diverse Borough with significant pockets of affluence and areas of outstanding natural beauty, but it also has some of the most deprived wards in the country - in particular on the Isle of Sheppey. This has been emphasised through the recent release of the latest 2015 indices of deprivation. RSG historically is meant to compensate councils financially for high demand and high cost activities linked to deprivation. It is clear that the link between RSG and 'need' has now broken down, and the Council will have to manage the impact on needs-led services such as Housing Options from its own resources.
- 2.4 An update on the CSR announcements will be provided before the Cabinet discussion on 2 December, and a detailed analysis of the Settlement will be provided as soon as possible after it is announced.

Business Rates

- 2.5 From 1 April 2013 Business Rates were part localised. Whilst the rate in the pound is still set nationally, local authorities retain 50% of the growth in income collected. In two-tier areas the income is then split between different tiers of council, and there is also a 'top-up' and 'tariff' regime. The Council currently keeps 40% of growth above the 1 April 2013 baseline of the retained business

Scrutiny Committee 28 January 2016

rates. The overall effect is that Swale currently keeps around £5m of the close to £46m it collects.

- 2.6 The Council has given a high priority for a number of years to business growth and this is apparent for example in the Neats Court development at Queenborough which has expanded dramatically in the last year, and the new Aldi distribution centre will become one of the largest business rate payers in the Borough when it opens in 2016/17. As a result, in recent years growth in business rates in the Borough has been strong – see Table 1.

Table 1: NNDR Income

Year	NNDR Income
2013/14 Outturn	£41,509,000
2014/15 Outturn	£44,122,000
2015/16 Budget	£44,960,000
2015/16 NNDR1 (Forecast)	£46,494,000

- 2.7 The Council has adopted the strategy of budgeting a year in arrears for business rates growth, and any surplus in-year goes into the Business Rates Volatility Reserve. The reserve currently stands at £1.2m and any surplus business rates for 2015/16 will be put to this reserve in order to be able to address any future volatility of income, for example arising from the loss of a major business, as happened with Thamesteel in 2012.
- 2.8 All businesses can appeal their business rate assessment to the Rating and Valuations Office. Appeals can be protracted exercises with businesses having a strong motivation to appeal. The Council therefore has to set aside a financial provision for appeals; based on the level of appeals and the chance of them being successful the total provision currently is £5.6m. This includes a provision for £0.9m as a result of a recent National Tribunal ruling on business rates for purpose-built GP surgeries appeals, which has resulted in substantial reductions in rateable value. This illustrates well that as well as providing a massively important source of revenue, localised business rates introduce an element of volatility into our budgeting arrangements far in excess of anything that we have had to manage previously.
- 2.9 Additionally, the annual cycle of business rates estimates does not fit easily into the budget making process. The key stages are:
- (i) January NNDR1 - forecast for the forthcoming year reported to DCLG;
 - (ii) June NNDR3 - actuals for the previous financial year known and reported; and
 - (iii) October - half year monitoring.
- 2.10 The Council is also currently a member of the Kent Business Rate Pool. The pool in 2015/16 consists of KCC and ten of the district councils (only Sevenoaks and Dartford did not participate). At the moment there is some

Scrutiny Committee 28 January 2016

doubt about whether the Pool will be allowed by DCLG to continue, but the Council has indicated that it would like to participate in 2016/17.

- 2.11 In October the Chancellor of the Exchequer announced that he intended to fully localise business rates, with all business rates revenues being retained locally. The key features announced were:
- (i) all £26bn of business rates collected would be retained locally. There will still be a redistribution mechanism of tariffs and top ups between authorities;
 - (ii) 100% of any growth would be retained locally;
 - (iii) councils could lower the rate to incentivise businesses to locate in their areas; and
 - (iv) 'Combined authorities' with mayors could increase rates by 2p in the pound to fund investment in infrastructure schemes, with the agreement of business members of the relevant LEP(s).
- 2.12 Overall this is a highly welcome development, but there will be much that needs to be understood about how the proposals will operate in practice. Implementation is likely to be 2019 or 2020, by which time all RSG is likely to cease. Also, as councils currently give back more business rates than they get back, £11.5bn to £9.4bn, additional responsibilities will be devolved to local authorities, for example to fund the public health budget.

Council Tax

- 2.13 The Council has not increased Council Tax for six years. Our ability to manage our finances and deliver in-year underspends, plus the receipt of modest levels of council tax freeze grant, means that the Council has not needed to increase Council Tax. The proposed level of Council Tax for 2016/17 will be determined once the Settlement details are known.

New Homes Bonus

- 2.14 New Homes Bonus (NHB) is a specific government grant where match funding is provided based upon the additional Council Tax for new properties developed (or long term empty properties brought back into use) for a six year period. In fact 2016/17 is the sixth year of operation, so 2017/18 will see the year 1 properties dropping out of the calculations.
- 2.15 NHB has been a very important income stream for the Council and, given the reductions in RSG, it has been necessary to use the bulk of the funding to support the base budget. This has meant that many discretionary services which residents benefit from which would otherwise have had to close down have been able to be maintained. Additionally, £250,000 has been top-sliced annually to fund the Regeneration Fund, which itself supports local regeneration-related projects and supplements local member grants.
- 2.16 Our forecasts are that NHB will increase from £2.8m to £3.4m in 2016/17, and then £3.1m and £3.2m in subsequent years. We are aware of strong lobbying

Scrutiny Committee 28 January 2016

from county councils to increase their 20% share of NHB, so to be prudent we will only budget for £3.1m being taken in to the base in 2016/17.

- 2.17 The importance of NHB to the Council is a major financial risk, but it needs to be remembered that it is a device for recycling funding which would otherwise be provided through RSG. We will carefully monitor developments and lobby strongly to retain the current arrangements. Nonetheless, over time our strategy will be to replace the NHB currently taken into the base budget with the growth in business rates income. This will reduce our reliance on NHB and provide the headroom to set NHB aside to fund investment in regeneration.

Welfare Reform

- 2.18 There is a wide range of issues linked to the Government's Welfare Reform agenda which will impact significantly on the Council, including:
- (i) Universal Credit was introduced in the Council in March 2015, starting with claims from single people. Although the timescales have now been extended, a gradual transfer of work away from the Council is planned, with the Government also reducing the Administration Grant paid to the Council. The Benefits Service has looked radically at how it can effectively provide services despite reduced funding, and innovative steps such as much closer working with Housing Options and greater use of digital services means that the staffing level will be reduced by 7.5 FTE saving £244,000;
 - (ii) in November Cabinet agreed that the Council Tax Support Scheme would remain unchanged for 2016/17, and this will now go forward to Council. KCC and the 12 district councils have agreed to a major review with a view to a new scheme being set up for 2017/18. For 2016/17 the preceptors will continue to provide £125,000 of financial support to each district council, though this may reduce in future years depending on the outcome of the review; and
 - (iii) it will become clearer over the coming months what, if any, financial impact there is on Council services from other Government policies, in particular in relation to reductions in welfare payments.

Fees and Charges

- 2.19 Fees and charges proposals are reported separately on this agenda, and will then be submitted to Council on 16 December. Given the financial climate that we are operating in, we have had to look very seriously at our fees and charges, many of which have been held stable for many years. We also need to be aware that residents using discretionary services do need to pay at a level which covers the Council's costs. We cannot incorporate any of the fees and charges proposals until they have been considered by Council.

Scrutiny Committee 28 January 2016

Staff Pay

- 2.20 A 1% pay award is proposed for each of the next two years, and this is being consulted on with Unison. The members' allowances will be increased by the same percentage. However, this and other Human Resources related savings and increases are subject to the results of ongoing discussions with the unions.

Price Inflation

- 2.21 The main Council contracts are linked to the Retail Price Index (RPI) or the Consumer Price Index (CPI), normally as at September each year. This year they were 0.8% and -0.1% respectively. These are shown as 'committed price increases', but there are also savings in 2016/17 forecast as a result of negative indexation for the Council's major contracts, such as for the waste collection and street cleaning services. The detailed impact will be confirmed in the February Cabinet report.

Reserves

- 2.22 The Council's balance sheet is calculated at 31 March 2015, and at that point the total Reserves of the Council stood at £15m. Funding the build of a multi-storey car park in Sittingbourne, and the S106 contribution the Council is required to make to Sittingbourne Town Centre, will see the reserves reduce by up to £4m. Effective management of reserves are critical to enable the Council to fund major programmes, and to seed-fund small local initiatives.

Capital Budget

- 2.23 In recent years the Council has had a very limited capital budget. The main source of funding has been Disabled Facilities Grant now funded via KCC as part of the Better Care Funding arrangements. These arrangements have still to be confirmed for 2016/17.
- 2.24 The capital budget will also reflect the multi-storey car park build. No final decision has yet been taken on funding the multi-storey car park, and the key factor will be to minimise the revenue impact on the Council. The capital budget will be presented to Cabinet in February.

3 Proposals

Medium Term Financial Plan

- 3.1 The Medium Term Financial Plan is our forecast of the financial position of the Council over the next three years, and the main variables in the Plan have been examined in Section 2 above. The Medium Financial Plan is set out in Appendix I. A small deficit is currently shown for 2016/17, and this will be addressed once the actual Settlement and other current unknowns have become clear.

Scrutiny Committee 28 January 2016

- 3.2 All members have previously been circulated with the 2015/16 Budget Book, and additional copies can be obtained from Finance. The variations proposed from the 2015/16 base budget are set out in Appendix II against the headings as set out in Table 2.

Table 2: Budget Variation Headings

Heading	Explanation
Growth Items	These are items where the Council does have discretion
Unavoidable Cost Pressures	These are items where due to legal or contractual requirements there is no choice over incurring the expenditure
Loss of Income	Loss of income currently within the base budget
Service savings	Cashable cost savings identified by services
Additional Income	Increases in income over the current base

Council Tax

- 3.3 The Council meeting on 17 February 2016 will determine the level of the Council Tax.

4 Alternative Options

- 4.1 These are the Cabinet's budget proposals as at 2 December 2015. As set out in paragraphs 1.4 and 1.5, these will be updated as details of the Comprehensive Spending Review and the Local Settlement become clear, and alternative options can be proposed at the 17 February Council meeting.

5 Consultation Undertaken or Proposed

- 5.1 Formal consultation will take place between the December Cabinet meeting, and the final budget setting Council meeting on 24 February 2016. The consultation will focus upon:
- Scrutiny Committee on 28 January; and
 - Statutory consultation with representatives of local business groups.

6 Implications

Issue	Implications
Corporate Plan	The budget proposals support the delivery of all of the Council's corporate objectives.
Financial, Resource and Property	This report sets out an approach to the 2016/17 MTFP and budget.

Scrutiny Committee 28 January 2016

Issue	Implications
Legal and Statutory	The Council legally has to set a Council Tax and agree a balanced budget.
Crime and Disorder	Any potential impact will be addressed by service managers in their budget proposals.
Sustainability	The sustainability implications of budget decisions will be fully investigated by service managers in drawing up their detailed proposals.
Health and Wellbeing	Any potential impact will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Risks will be reviewed as part of the risk update process. Specific H&S risks will be addressed by service managers in their budget proposals.
Equality and Diversity	Where appropriate there will be Equality Impact Assessments undertaken by service managers in relation to specific 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 Proposals

8 Background Papers

8.1 None.

Medium Term Financial Plan

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Base Budget	17,609	17,609	17,609	17,609
Growth Items	0	469	459	451
Unavoidable cost pressures	0	759	691	697
Loss of income	0	35	35	35
Additional income	0	(475)	(429)	(465)
Committed price increases	0	66	93	136
<u>Salary Related:</u>				
Increments	0	57	79	101
Pay Award	0	109	240	371
Contribution to/(from) reserves	317	257	317	317
Revenue Support Grant	(2,929)	(2,011)	(1,368)	(918)
Business Rates	(5,053)	(5,621)	(5,772)	(6,357)
Council Tax	(6,856)	(6,959)	(7,029)	(7,099)
Additional Council Tax Freeze 2014/15	(79)	(79)	(79)	(79)
Additional Council Tax Freeze 2015/16	(80)	(80)	(80)	(80)
New Homes Bonus	(2,811)	(3,110)	(3,110)	(3,183)
Collection Fund Surplus/Deficit Council Tax	(176)	(223)	0	0
Savings Required	(58)	803	1,656	1,536
<i>Additional savings over previous year</i>		861	853	(120)
Service savings	0	(517)	(378)	(384)
Requirement for balanced position	0	(286)	(1,278)	(1,152)
Committed savings	0	(803)	(1,656)	(1,536)
Contribution (to) from General Fund	(58)	0	0	0

Budget Proposals

Growth items			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Chief Executive		
1	Swale Borough Council share of the cost of a MKIP Director and support	Cllr A. Bowles / A. Kara	60,000
	Commissioning & Customer Contact		
2	Parking – funding communication links for car park machines	Cllr D. Simmons / D. Thomas	8,500
3	Parking - repairs and renewals to car parks and equipment	Cllr D. Simmons / D. Thomas	7,500
4	Leisure Development Officer	Cllr M. Whiting / D. Thomas	34,240
	Director of Corporate Services		
5	Licensing salaries change to establishment to provide a fit for purpose service following review of processes and resources	Cllr D. Dewar-Whalley / M. Radford	60,000
	Economic & Community Services		
6	Increase the Safeguarding Officer post to full time	Cllr K. Pugh / E. Wiggins	20,000
	Environmental Health		
7	Reallocation of MKIP resources for Food Safety service	Cllr D. Simmons / M. Radford	28,000
	Mid Kent Legal Services (MKLS)		
8	Gross cost increase in Mid Kent Legal Services pooled budget for additional staff. See also Additional Income.	Cllr D. Dewar-Whalley / J. Scarborough	176,770
	Property Services		
9	For the provision of software to support lone workers.	Cllr D. Dewar-Whalley / A. Adams	8,000
	Resident Services		
10	Two Council Tax Posts – to be funded from the Council Tax Support reserve	Cllr D. Dewar-Whalley / A. Christou	65,640
	Total Growth Items		468,650

Budget Proposals

Unavoidable Cost Pressures			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Business rates for Faversham District office	Cllr D. Dewar-Whalley / D. Thomas	1,700
2	Rent and service charges for Faversham District office - new charges to apply from 2016/17	Cllr D. Dewar-Whalley / D. Thomas	6,700
3	Closed churchyards maintenance	Cllr D. Simmons / D. Thomas	18,000
4	Parking shared service reapportionment	Cllr D. Simmons / D. Thomas	15,000
5	Beach Huts - unachievable income	Cllr D. Simmons / D. Thomas	20,000
6	The effect on grounds maintenance and leisure contract budgets of the introduction of the minimum living wage	Cllr D. Simmons / D. Thomas	46,000
7	Increase in cemeteries' rates	Cllr D. Simmons / D. Thomas	1,500
8	Cost of Bartons Point cesspit emptying	Cllr D. Simmons / D. Thomas	2,000
9	Cost of metered water at seafront	Cllr D. Simmons / D. Thomas	2,000
	Democratic Services		
10	Individual Electoral Registration additional staff resources	Cllr A. Bowles / M. Radford	22,000
	Finance		
11	Increase cost of credit and debit cards for Council Tax collection	Cllr D. Dewar-Whalley / N. Vickers	40,000
12	Increase in precept from Lower Medway Internal Drainage Board 2.2%	Cllr D. Dewar-Whalley / N. Vickers	3,850
13	Insurance increase from annual renewal. The projection reflects a 4.4% increase	Cllr D. Dewar-Whalley / N. Vickers	17,760
14	From 2016/17 KCC has announced it will be ending the grant to district councils relating to the number of second homes in their area	Cllr D. Dewar-Whalley / N. Vickers	46,000

Budget Proposals

Unavoidable Cost Pressures			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Mid Kent Improvement Partnership (MKIP)		
15	Unachieved saving from 2015/16. Extension of HR shared service to TWBC is no longer a possibility	Cllr T. Wilcox / D. Smart	19,690
16	National Insurance cost increase	Cllr T. Wilcox / D. Smart	182,000
	Planning		
17	Increased Local Plan costs - to be funded from reserves	Cllr G. Lewin / J. Freeman	60,000
	Property Services		
18	Increase in business rates for Swale House	Cllr D. Dewar- Whalley / A. Adams	6,000
19	Business rates for miscellaneous properties due to the necessary delay between vacating them and transferring them to Spirit of Sittingbourne	Cllr D. Dewar- Whalley / A. Adams	4,660
	Resident Services		
20	Reduction in Housing Benefits Admin subsidy. This pressure will be offset by Housing Benefits salary savings. The remaining grant pressure will then be met from the housing benefits reserve	Cllr D. Dewar- Whalley / A. Christou	244,000
	Total Unavoidable Cost Pressures		758,860

Budget Proposals

Loss of Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Tipping Away payment - Kent County Council rechargeable works	Cllr D. Simmons / D. Thomas	10,500
2	The scheme whereby SBC receive a payment from Amicus for arranging local clear ups has now ended	Cllr D. Simmons / D. Thomas	10,000
	Property Services		
3	Net loss of rental income from miscellaneous properties due to properties to be transferred for town centre regeneration	Cllr D. Dewar-Whalley / A. Adams	12,600
4	Anticipated reduction in income from external printing	Cllr D. Dewar-Whalley / A. Adams	2,000
	Total Loss of Income		35,100

Budget Proposals

Service Savings			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Hygiene services revised contract	Cllr D. Simmons / D. Thomas	(11,000)
2	Teynham public convenience electricity costs - facility closed	Cllr D. Simmons / D. Thomas	(840)
3	Marine Parade public convenience electricity costs - facility closed	Cllr D. Simmons / D. Thomas	(1,470)
4	Litter bins - reduced replacement programme	Cllr D. Simmons / D. Thomas	(10,000)
5	Waste contract - fewer variation orders required as result of new contracts and more effective monitoring	Cllr D. Simmons / D. Thomas	(45,000)
6	Waste contract - reduction in base figure for negative indexation 2015/16	Cllr D. Simmons / D. Thomas	(61,670)
7	Street Cleaning contract - reduction in base figure for negative indexation 2015/16	Cllr D. Simmons / D. Thomas	(20,900)
8	Swale Community Leisure Executive Officer Post – end of grant	Cllr D. Simmons / D. Thomas	(50,000)
	Director of Corporate Services		
9	Reduction in external audit fee	Cllr D. Dewar-Whalley / M. Radford	(18,810)
	Economic & Community Services		
10	Savings from asset transfer for Kemsley Hall - Grant to Kemsley Trust	Cllr M. Whiting / E. Wiggins	(6,010)
	Finance		
11	Savings on interest element of leases	Cllr D. Dewar-Whalley / N. Vickers	(6,070)
	Resident Services		
12	Channel Shift/ behaviour change to Housing Benefits Customer process. Offsets an unavoidable cost pressure.	Cllr D. Dewar-Whalley / A. Christou	(244,000)
13	Use of Council owned Housing in Teynham reducing temporary accommodation costs.	Cllr J. Wright/ A. Christou	(10,000)

Budget Proposals

Service Savings			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Planning		
14	Miscellaneous savings from unused fees & services budgets	Cllr G. Lewin / J. Freeman	(4,800)
15	Reduction in advertising budget	Cllr G. Lewin / J. Freeman	(4,000)
16	South Thames Gateway Building Control Partnership savings	Cllr G. Lewin / J. Freeman	(3,500)
	Mid Kent Improvement Partnership (MKIP) Services		
17	Essential car users allowance reduction in cost	Cllr T. Wilcox / D. Smart	(18,990)
	Total Service Savings		(517,060)

Budget Proposals

Additional Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Replacement of KCC enabling payment with supporting payments, following new waste contract	Cllr D. Simmons / D. Thomas	(53,900)
2	Bulky waste collections - increase in demand for service	Cllr D. Simmons / D. Thomas	(5,000)
3	Wheeled bins sales to developers - increase in demand in line with new property builds	Cllr D. Simmons / D. Thomas	(5,000)
4	Garden waste collections - increased subscription levels	Cllr D. Simmons / D. Thomas	(106,500)
5	Litter picking works on the A249	Cllr D. Simmons / D. Thomas	(25,000)
	Finance		
6	Increase in investment income	Cllr D. Dewar-Whalley / N. Vickers	(15,000)
	Mid Kent Legal Services (MKLS)		
7	Additional income from heightened budgeted income from s.106 legal drafting fees	Cllr D. Dewar-Whalley / J. Scarborough	(9,000)
8	Additional income from Maidstone and Tunbridge Wells councils for their share of increase of MKLS Growth item	Cllr D. Dewar-Whalley / J. Scarborough	(155,260)
	Planning		
9	Increased planning fee income	Cllr G. Lewin/ J. Freeman	(30,000)
	Resident Services		
10	Utilities charge for households in bed and breakfast accommodation	Cllr J. Wright/ A. Christou	(5,000)
11	Two Council Tax Posts funded from the preceptors	Cllr D. Dewar-Whalley / A. Christou	(65,640)
	Total Additional Income		(475,300)

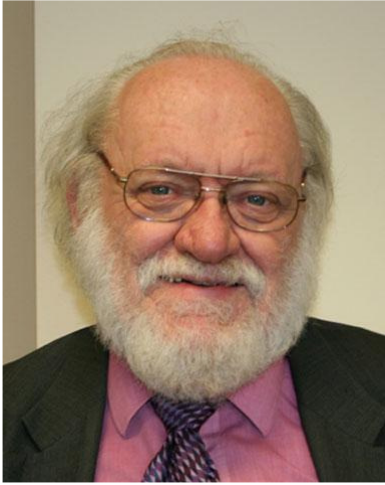
Revenue Budget and Capital Programme 2016/17



CONTENTS

	Page
Report of the Cabinet Member for Finance & the Head of Finance	2
Council Tax 2016/17	3 - 4
Medium Term Financial Plan	5 - 12
Parish Council Precepts 2016/17	13
Revenue Budget :	
Summary by Service	14 - 15
The Chief Executive	16
Economy and Communities	16 - 18
Communications	18
Housing	18 - 19
Legal	19
Planning	20
Commissioning & Customer Contact	21 - 23
Information Technology	23
Property	24
Finance	24
Democratic	25
Director of Corporate Services & Director of Regeneration	25
Environmental Health	26
Human Resources	26
Audit	27
Reserves 2016/17	28

**REPORT OF THE CABINET MEMBER FOR FINANCE
AND THE HEAD OF FINANCE**



Duncan Dewar-Whalley
Cabinet Member for Finance



Nick Vickers
Head of Finance

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COUNCIL TAX 2016/17

Swale's Council Tax requirement is as follows:

	2015/16 £000	2016/17 £000
Swale Budget Requirement	15,015,294	14,814,250
Less Revenue Support Grant	(2,929,549)	(2,011,250)
Less Business Rates	(5,053,444)	(5,621,460)
Less Collection Fund surplus	(176,183)	(222,580)
Council Tax Requirement	6,856,118	6,958,960
Band D Council Tax	159.93	159.93
Tax Base	42,869.49	43,512.53

As well as our own Council Tax, we collect on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent and Medway Towns Fire & Rescue Authority and the Kent Police and Crime Commissioner. Where applicable there will be an additional sum collected on behalf of the Parish Councils which have chosen to levy a local precept.

Calculation of Band D Council Tax 2016/17: (to be updated in later version)

2015/16		Authority	2016/17	
Precept £	Band D Council Tax £		Precept £	Band D Council Tax £
46,727,315	1,089.99	Kent County Council		
6,308,245	147.15	Kent Police and Crime Commissioner		
3,028,729	70.65	Kent and Medway Towns Fire & Rescue Authority		
6,856,118	159.93	Swale Borough Council		
62,920,407	1,467.72	BASIC COUNCIL TAX		
917,305	21.40	Parish Council Precepts *		
63,837,712	1,489.12	Council Tax inc. Parish		

*The Band D Council Tax is the average tax in respect of Parish Council Precepts for the whole Borough.

COUNCIL TAX 2016/17

Allocation of Council Tax: (to be updated in later version)

Council Tax Bandings (to be updated in later version)

	Swale Borough Council	Kent Police & Crime Commissioner	Kent County Council	Kent and Medway Towns Fire and Rescue Authority	Total
	£	£	£	£	£
Band A	106.62				
Band B	124.39				
Band C	142.16				
Band D	159.93				
Band E	195.47				
Band F	231.01				
Band G	266.55				
Band H	319.86				

MEDIUM TERM FINANCIAL PLAN

The Medium Term Financial Plan (MTFP) funding position is set out in the table on page 6. The MTFP is a forecast of the financial position over the next three years to aid the Council in meeting its objectives as set out in the Corporate Plan.

This is a simple financial forecast but it does give clarity on prudent management of its expenditure by the Council when planning for the future. The MTFP is underpinned by the following principles:

- achieving a balanced budget position with the base budget requirement being met from core income;
- maintaining a prudent level of reserves to allow the Council to deal with unexpected one-off events;
- reserves being used to fund one-off items of expenditure against the Council's priorities as determined by Members; and
- a prudent forecast for business rates.

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MEDIUM TERM FINANCIAL PLAN

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Base Budget	17,609	17,609	17,609	17,609
Growth Items	0	469	459	451
Unavoidable cost pressures	0	759	691	697
Loss of income	0	35	35	35
Additional income	0	(475)	(429)	(465)
Committed price increases	0	66	93	136
Salary Related:				
Increments	0	57	79	101
Pay Award	0	109	240	371
Contribution to/(from) reserves	317	257	317	317
Revenue Support Grant	(2,929)	(2,011)	(1,368)	(918)
Business Rates	(5,053)	(5,621)	(5,772)	(6,357)
Council Tax	(6,856)	(6,959)	(7,029)	(7,099)
Additional Council Tax Freeze 2014/15	(79)	(79)	(79)	(79)
Additional Council Tax Freeze 2015/16	(80)	(80)	(80)	(80)
New Homes Bonus	(2,811)	(3,110)	(3,110)	(3,183)
Collection Fund Surplus/Deficit Council Tax	(176)	(223)	0	0
Savings Required	(58)	803	1,656	1,536
<i>Additional savings over previous year</i>		861	853	(120)
Service savings	0	(517)	(378)	(384)
Requirement for balanced position	0	(286)	(1,278)	(1,152)
Committed savings	0	(803)	(1,656)	(1,536)
Contribution (to) from General Fund	(58)	0	0	0

MEDIUM TERM FINANCIAL PLAN

Growth items			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Chief Executive		
1	Swale Borough Council share of the cost of a MKIP Director and support	Cllr A. Bowles / A. Kara	60,000
	Commissioning & Customer Contact		
2	Parking – funding communication links for car park machines	Cllr D. Simmons / D. Thomas	8,500
3	Parking - repairs and renewals to car parks and equipment	Cllr D. Simmons / D. Thomas	7,500
4	Leisure Development Officer	Cllr M. Whiting / D. Thomas	34,240
	Director of Corporate Services		
5	Licensing salaries change to establishment to provide a fit for purpose service following review of processes and resources	Cllr D. Dewar-Whalley / M. Radford	60,000
	Economic & Community Services		
6	Increase the Safeguarding Officer post to full time	Cllr K. Pugh / E. Wiggins	20,000
	Environmental Health		
7	Reallocation of MKIP resources for Food Safety service	Cllr D. Simmons / M. Radford	28,000
	Mid Kent Legal Services (MKLS)		
8	Gross cost increase in Mid Kent Legal Services pooled budget for additional staff. See also Additional Income.	Cllr D. Dewar-Whalley / J. Scarborough	176,770
	Property Services		
9	For the provision of software to support lone workers.	Cllr D. Dewar-Whalley / A. Adams	8,000
	Resident Services		
10	Two Council Tax Posts – to be funded from the Council Tax Support reserve	Cllr D. Dewar-Whalley / A. Christou	65,640
	Total Growth Items		468,650

MEDIUM TERM FINANCIAL PLAN

Unavoidable Cost Pressures			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Business rates for Faversham District office	Cllr D. Dewar-Whalley / D. Thomas	1,700
2	Rent and service charges for Faversham District office - new charges to apply from 2016/17	Cllr D. Dewar-Whalley / D. Thomas	6,700
3	Closed churchyards maintenance	Cllr D. Simmons / D. Thomas	18,000
4	Parking shared service reapportionment	Cllr D. Simmons / D. Thomas	15,000
5	Beach Huts - unachievable income	Cllr D. Simmons / D. Thomas	20,000
6	The effect on grounds maintenance and leisure contract budgets of the introduction of the minimum living wage	Cllr D. Simmons / D. Thomas	46,000
7	Increase in cemeteries' rates	Cllr D. Simmons / D. Thomas	1,500
8	Cost of Bartons Point cesspit emptying	Cllr D. Simmons / D. Thomas	2,000
9	Cost of metered water at seafront	Cllr D. Simmons / D. Thomas	2,000
	Democratic Services		
10	Individual Electoral Registration additional staff resources	Cllr A. Bowles / M. Radford	22,000
	Finance		
11	Increase cost of credit and debit cards for Council Tax collection	Cllr D. Dewar-Whalley / N. Vickers	40,000
12	Increase in precept from Lower Medway Internal Drainage Board 2.2%	Cllr D. Dewar-Whalley / N. Vickers	3,850
13	Insurance increase from annual renewal. The projection reflects a 4.4% increase	Cllr D. Dewar-Whalley / N. Vickers	17,760
14	From 2016/17 KCC has announced it will be ending the grant to district councils relating to the number of second homes in their area	Cllr D. Dewar-Whalley / N. Vickers	46,000
	Mid Kent Improvement Partnership (MKIP)		

MEDIUM TERM FINANCIAL PLAN

Unavoidable Cost Pressures			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
15	Unachieved saving from 2015/16. Extension of HR shared service to TWBC is no longer a possibility	Cllr T. Wilcox / D. Smart	19,690
16	National Insurance cost increase	Cllr T. Wilcox / D. Smart	182,000
	Planning		
17	Increased Local Plan costs - to be funded from reserves	Cllr G. Lewin / J. Freeman	60,000
	Property Services		
18	Increase in business rates for Swale House	Cllr D. Dewar- Whalley / A. Adams	6,000
19	Business rates for miscellaneous properties due to the necessary delay between vacating them and transferring them to Spirit of Sittingbourne	Cllr D. Dewar- Whalley / A. Adams	4,660
	Resident Services		
20	Reduction in Housing Benefits Admin subsidy. This pressure will be offset by Housing Benefits salary savings. The remaining grant pressure will then be met from the housing benefits reserve	Cllr D. Dewar- Whalley / A. Christou	244,000
	Total Unavoidable Cost Pressures		758,860

Loss of Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Tipping Away payment - Kent County Council rechargeable works	Cllr D. Simmons / D. Thomas	10,500
2	The scheme whereby SBC receive a payment from Amicus for arranging local clear ups has now ended	Cllr D. Simmons / D. Thomas	10,000
	Property Services		
3	Net loss of rental income from miscellaneous properties due to properties to be transferred for town centre regeneration	Cllr D. Dewar- Whalley / A. Adams	12,600

MEDIUM TERM FINANCIAL PLAN

Loss of Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
4	Anticipated reduction in income from external printing	Cllr D. Dewar-Whalley / A. Adams	2,000
Total Loss of Income			35,100

Service Savings			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
Commissioning & Customer Contact			
1	Hygiene services revised contract	Cllr D. Simmons / D. Thomas	(11,000)
2	Teynham public convenience electricity costs - facility closed	Cllr D. Simmons / D. Thomas	(840)
3	Marine Parade public convenience electricity costs - facility closed	Cllr D. Simmons / D. Thomas	(1,470)
4	Litter bins - reduced replacement programme	Cllr D. Simmons / D. Thomas	(10,000)
5	Waste contract - fewer variation orders required as result of new contracts and more effective monitoring	Cllr D. Simmons / D. Thomas	(45,000)
6	Waste contract - reduction in base figure for negative indexation 2015/16	Cllr D. Simmons / D. Thomas	(61,670)
7	Street Cleaning contract - reduction in base figure for negative indexation 2015/16	Cllr D. Simmons / D. Thomas	(20,900)
8	Swale Community Leisure Executive Officer Post – end of grant	Cllr D. Simmons / D. Thomas	(50,000)
Director of Corporate Services			
9	Reduction in external audit fee	Cllr D. Dewar-Whalley / M. Radford	(18,810)
Economic & Community Services			
10	Savings from asset transfer for Kemsley Hall - Grant to Kemsley Trust	Cllr M. Whiting / E. Wiggins	(6,010)

MEDIUM TERM FINANCIAL PLAN

Service Savings			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Finance		
11	Savings on interest element of leases	Cllr D. Dewar-Whalley / N. Vickers	(6,070)
	Resident Services		
12	Channel Shift/ behaviour change to Housing Benefits Customer process. Offsets an unavoidable cost pressure.	Cllr D. Dewar-Whalley / A. Christou	(244,000)
13	Use of Council owned Housing in Teynham reducing temporary accommodation costs.	Cllr J. Wright/ A. Christou	(10,000)
	Planning		
14	Miscellaneous savings from unused fees & services budgets	Cllr G. Lewin / J. Freeman	(4,800)
15	Reduction in advertising budget	Cllr G. Lewin / J. Freeman	(4,000)
16	South Thames Gateway Building Control Partnership savings	Cllr G. Lewin / J. Freeman	(3,500)
	Mid Kent Improvement Partnership (MKIP) Services		
17	Essential car users allowance reduction in cost	Cllr T. Wilcox / D. Smart	(18,990)
	Total Service Savings		(517,060)

Additional Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
	Commissioning & Customer Contact		
1	Replacement of KCC enabling payment with supporting payments, following new waste contract	Cllr D. Simmons / D. Thomas	(53,900)
2	Bulky waste collections - increase in demand for service	Cllr D. Simmons / D. Thomas	(5,000)
3	Wheeled bins sales to developers - increase in demand in line with new property builds	Cllr D. Simmons / D. Thomas	(5,000)
4	Garden waste collections - increased subscription levels	Cllr D. Simmons / D. Thomas	(106,500)

MEDIUM TERM FINANCIAL PLAN

Additional Income			
No.	Description	Cabinet Member / Head of Service	2016/17 over 2015/16 £
5	Litter picking works on the A249	Cllr D. Simmons / D. Thomas	(25,000)
	Finance		
6	Increase in investment income	Cllr D. Dewar-Whalley / N. Vickers	(15,000)
	Mid Kent Legal Services (MKLS)		
7	Additional income from heightened budgeted income from s.106 legal drafting fees	Cllr D. Dewar-Whalley / J. Scarborough	(9,000)
8	Additional income from Maidstone and Tunbridge Wells councils for their share of increase of MKLS Growth item	Cllr D. Dewar-Whalley / J. Scarborough	(155,260)
	Planning		
9	Increased planning fee income	Cllr G. Lewin/ J. Freeman	(30,000)
	Resident Services		
10	Utilities charge for households in bed and breakfast accommodation	Cllr J. Wright/ A. Christou	(5,000)
11	Two Council Tax Posts funded from the preceptors	Cllr D. Dewar-Whalley / A. Christou	(65,640)
	Total Additional Income		(475,300)

PARISH COUNCIL PRECEPTS 2016/17

(to be updated in later version)

Parish/Town Council	Tax Base 2016/17	Parish Precept (rounded) 2016/17 £	Additional Council Tax for Band D 2016/17 £	Parish Precept 2016/17 % change
BAPCHILD BOBBING BORDEN BOUGHTON-UNDER-BLEAN BREDGAR DODDINGTON DUNKIRK EASTCHURCH EASTLING FAVERSHAM TOWN COUNCIL GRAVENEY & GOODNESTONE HARTLIP HERNHILL IWADE LEYSDOWN LOWER HALSTOW LUDDENHAM LYNSTED MILSTEAD MINSTER NEWINGTON NEWNHAM NORTON & BUCKLAND OARE OSPRINGE QUEENBOROUGH TOWN COUNCIL RODMERSHAM SELLING SHELDWICH/LEAVELAND/ BADLESMERE STALISFIELD TEYNHAM THROWLEY TONGE TUNSTALL UPCHURCH WARDEN				
TOTAL		0		

REVENUE BUDGET – SUMMARY – BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £
The Chief Executive	461,779	465,330	469,870	477,100
Economy & Communities	2,287,745	2,107,590	2,389,890	2,148,670
Communications	225,619	253,740	255,640	259,290
Resident Services	1,689,116	1,189,440	1,287,290	1,360,440
Planning	929,432	940,430	979,800	999,460
Commissioning & Customer Contact	2,534,695	5,340,250	5,463,340	5,535,640
Environmental Health	477,361	471,030	489,590	512,480
The Director of Corporate Services & The Director of Regeneration	330,126	332,390	337,760	400,190
Information Technology	740,424	654,270	654,270	662,080
Audit	155,554	158,840	158,840	160,410
Finance	1,476,776	1,398,940	1,404,520	1,452,480
Legal	417,218	307,660	321,960	355,390
Property	318,162	425,690	455,200	479,150
Human Resources	390,279	345,290	357,360	349,880
Democratic	829,988	832,090	857,680	926,790
NET EXPENDITURE BEFORE NET RECHARGES	13,264,274	15,222,980	15,883,010	16,079,450
Contribution (from) / to General Fund	503,398	58,000	58,000	0
Net Recharges	(2,740)	0	0	0
NET EXPENDITURE	13,764,932	15,280,980	15,941,010	16,079,450
Net below the line items (see page 15)	1,153,359	(266,980)	(927,010)	(979,450)
Less Revenue Support Grant	(4,296,804)	(2,929,000)	(2,929,000)	(2,011,000)
Less Business Rates Retained Income	(3,920,272)	(5,053,000)	(5,053,000)	(5,621,000)
Less Collection Fund Surplus		(176,200)	(176,200)	(223,000)
Less Council Tax Requirement	(6,701,215)	(6,855,800)	(6,855,800)	(6,959,000)
NET EXPENDITURE	0	0	0	286,000

REVENUE BUDGET – SUMMARY – BY SERVICE

Net Expenditure by Service – 2016/17 (expenditure less income and before recharges):

(To be updated in a later version)

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £
BELOW THE LINE ITEMS:				
Net Capital Charges etc	3,490,490	1,797,950	1,683,740	1,845,300
Contributions to Funds	2,718,469	364,100	364,100	364,100
Contributions from Funds	(1,568,974)	(101,800)	(647,620)	(227,440)
Interest on Balances	(121,230)	(78,000)	(78,000)	(93,000)
Interest Payable	64,477	101,610	101,610	72,570
Disposal Costs - Fixed Assets		5,000	5,000	5,000
Sale of Council House Mortgages	2,224	4,980	4,980	4,980
Minimum Revenue Provision	368,665	655,180	655,180	318,040
Non-Specific Grants:-				
New Homes Bonus	(2,268,687)	(2,811,000)	(2,811,000)	(3,110,000)
Council Tax Freeze Grant	(78,752)	(159,000)	(159,000)	(159,000)
Other Grants	(1,453,323)	(46,000)	(46,000)	0
Total Below the Line Items	1,153,359	(266,980)	(927,010)	(979,450)

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Chief Executive Cllr A. Bowles (A. Kara)					
Chief Executive	239,391	231,590	233,800	238,850	The Chief Executive is the senior officer who leads and takes responsibility for the work of the staff of the Council.
Climate Change	29,224	23,220	23,760	27,050	To mitigate the causes of climate change and fulfil the Council's commitments set out in Climate Local Swale and to facilitate adaptation to a changing climate among the borough's residents and businesses.
Corporate Costs	8,030	27,030	27,030	22,720	Costs relating to various corporate development activities.
Policy & Performance	185,134	183,490	185,280	188,480	To provide policy support; overview and scrutiny; performance management; data transparency; strategic partnerships; equalities; demographic and customer insight.
NET DIRECT EXPENDITURE	461,779	465,330	469,870	477,100	
Net Recharges	(371,658)	(363,150)			
NET EXPENDITURE	90,121	102,180			
	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Economy & Communities Cllrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)					
Animal Welfare	(7,543)	(8,000)	(8,000)	(8000)	This service involves the licensing of various business premises including pet shops, boarding establishments, riding establishments, and dog breeders. We are also responsible for licensing of 'dangerous wild animals'.
Arts Events & Activities	28,736	25,000	25,000	25,000	The Council does not directly deliver arts events or activities but works in partnership to enable arts activities in the Borough. The budgets include funding to commemorate the centenary of the First World War.
Closed Circuit Television (CCTV)	276,780	249,250	254,250	254,250	Our CCTV service is carried out through a partnership agreement with Medway Council.
Community Halls/Centres	77,482	63,910	73,910	55,940	The Council currently operates one community hall. The Council has successfully transferred its other halls to local trusts via asset transfer. The budget also includes funding for the transferred Alexander Centre and Kemsley Community Centre.
Community Safety	215,691	207,270	223,890	226,910	The Community Safety Unit exists to tackle crime and antisocial behaviour in the Borough.
Community Services	160,375	372,240	372,870	372,980	This budget includes the funds allocated to voluntary organisations and an officer providing the delivery of community services across the Borough.

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Economy & Communities					
CLLrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)					
Culture & Liveability	116,034	106,660	107,660	109,300	Staff and other costs for departmental management for tourism and cultural services.
Culture & Economic Development	503,979	348,220	425,730	356,480	Staff costs for departmental economic development services including Head of Service. Includes costs associated with promoting economic activity within the Borough.
Dog Warden Service	51,984	49,470	49,720	50,180	This service relates to enforcement and practical activities involving stray dogs, dangerous dogs, dog fouling and nuisance from barking dogs.
Emergency Planning	20,793	0	0	0	Grant money provided by the Department for Communities and Local Government to support businesses and households impacted by flooding in 2013/14.
Environmental Initiatives	(260)	(1,100)	(1,100)	(1,100)	This service undertakes a number of environmental initiatives to address litter, graffiti, etc. funded through income from fixed penalties and third party contributions.
Environmental Response	468,318	442,270	447,580	451,970	Staff costs for the Environmental Wardens and Environmental Response Team.
Gypsy Site Illegal	2,535	3,150	3,150	3,150	This service relates to the liaison with itinerant gypsies and the steps taken to remove them when necessary. A policy of using the powers within the Criminal Justice Act 1994 has been employed to achieve eviction.
Heritage	10,000	10,000	10,000	10,000	Cost of grants allocated to heritage projects
Learning & Skills	59,801	68,390	68,390	68,390	Funding and staff costs to deliver actions in the Economic Development Strategy so that Swale is open for business.
Local Heritage Centres	7,574	14,170	14,170	15,510	The service relates to the provision and maintenance of the museum buildings owned by the Council.
Members' Grants	100,063	59,000	129,950	59,000	Cost of grants allocated by members.
Markets	(30,614)	(13,850)	(13,850)	(13,850)	Markets are operated under contract in Faversham, Sheerness and Sittingbourne – monitoring of contracts and market programmes for specialist markets.
Pest Control	(8,300)	(2,000)	(2,000)	(2,000)	This function is now carried out under contract in partnership with Maidstone and Ashford Borough Councils, this income is a rebate from the pest control contractors.
Regeneration	24,658	0	12,000	0	Regeneration is currently being funded from the regeneration reserve.
Sittingbourne Town Centre Development	88,945	0	60,000	0	Leads and co-ordinates major regeneration projects for the Council, such as Sittingbourne Town Centre redevelopment and major road issues and schemes e.g. Junction 5 M2, Sittingbourne Northern Relief and Rushenden Relief roads.
Sports Development	87,092	93,440	116,470	94,460	Funding and staff costs to enable the delivery of sport and physical activities in partnership that will increase participation and improve health.

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Economy & Communities					
Cllrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)					
Tourism	27,347	14,670	14,670	14,670	This service maintains focus on development of the local industry through partnership working including the Faversham Society and Green Grid.
Youth	6,275	5,430	5,430	5,430	This represents expenditure on Youth Forum.
NET DIRECT EXPENDITURE	2,287,745	2,107,590	2,389,890	2,148,670	
Net Recharges	313,785	389,840			
NET EXPENDITURE	2,601,530	2,497,430			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Communications					
Cllr A. Bowles (E. Wiggins)					
Communications	225,619	253,740	255,640	259,290	To communicate information to the public about Council services in order to raise awareness of what the Council delivers.
NET DIRECT EXPENDITURE	225,619	253,740	255,640	259,290	
Net Recharges	(181,237)	(200,990)			
NET EXPENDITURE	44,382	52,750			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Resident Services					
Cllr J. Wright (A. Christou)					
Benefit	(294,981)	(262,780)	(262,780)	(262,780)	This shows the cost of benefit payments offset by grant received plus the level of debt raised for the recovery of overpaid benefits.
Benefit Administration	546,606	291,160	294,950	324,640	This account shows the cost of administering Benefit. Staffing is the major element of the overall cost together with the cost of I.T. systems and services, interviewing facilities at district offices and recharges from other cost centres. The cost of administration is offset by Government grants.
Council Tax and Business Rates Collection	(64,933)	66,560	80,090	192,760	This is the net cost of collecting and administering Council Tax and National Non Domestic Rates (NNDR) income received. This includes the collection of NNDR and the recovery of court costs in relation to the issue of summonses and liability orders which are anticipated as being collected in addition to the Council Tax itself.

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Resident Services					
Cllr J. Wright (A. Christou)					
Housing Options	817,928	572,130	646,490	582,790	To deliver the housing advice function, homelessness prevention, mortgage repossession support, illegal eviction, court cases, temporary accommodation, affordable housing allocation and housing register.
Housing Development and Strategy	237,189	240,030	242,300	244,080	This work includes the assessment, direction and monitoring of affordable housing provision to meet the Borough's identified housing needs. This is carried out in liaison with the Council's Housing Association and Thames Gateway partners.
Private Sector Housing	449,911	300,600	303,250	301,620	This service works to ensure homes are safe and healthy as possible. Its primary functions are tackling poor conditions within the private rented sector including houses in multiple occupation, returning long-term empty homes back into use, encouraging landlord accreditation and promoting home energy saving initiatives. It also provides grants to allow adaptations to the homes of disabled persons and repair loans where serious hazards are present in the home.
Stay Put Scheme Grants	(2,604)	(18,260)	(17,010)	(22,670)	This service assists elderly and disabled people to secure essential home improvements and repairs so that they can remain within the community in their own homes. This includes a Handyperson service for minor works, funded by Swale Primary Care Trust (PCT).
NET DIRECT EXPENDITURE	1,689,116	1,189,440	1,287,290	1,360,440	
Net Recharges	1,356,779	1,182,770			
NET EXPENDITURE	3,045,895	2,372,210			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Legal					
Cllr D. Dewar-Whalley (J. Scarborough)					
Mid Kent Legal Services	407,218	307,660	321,960	355,390	Provision of legal services to support the delivery of Council priorities and front line services. This is carried out in a shared service with Tunbridge Wells and Maidstone Borough Council.
NET DIRECT EXPENDITURE	417,218	307,660	321,960	355,390	
Net Recharges	(407,218)	(307,660)			
NET EXPENDITURE	0	0			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Planning					
Cllr G. Lewin (J. Freeman)					
Building Control	82,510	85,990	85,990	81,450	Building Control is defined as the administrative and technical process involved in the enforcement of statutory building standards, including plan examination and a series of site inspections. This service is provided by a partnership between Medway, Swale and Gravesham Councils.
Development Control	(890,196)	(529,440)	(548,530)	(560,790)	This service incorporates the processing and determination of planning applications, the provision of advice and guidance to potential applicants and others, planning appeals and enforcement. The primary source of income is from planning fees which are paid by applicants when submitting applications.
Local Land Charges	(29,674)	(147,090)	(147,090)	(146,480)	This is a statutory service providing local land charge searches on properties and land in the Borough. This is a shared service between Maidstone and Tunbridge Wells Borough Council.
Local Planning & Conservation	80,064	148,400	155,130	208,620	This service incorporates Local Plan preparation and review, strategic planning matters and conservation.
Development Services	1,335,233	1,132,850	1,184,580	1,164,550	Staff costs for the department.
Mid Kent Planning Support	351,495	249,720	249,720	252,110	Planning Admin and Planning Technical support, carried out in a shared service with Maidstone and Tunbridge Wells Borough Council.
NET DIRECT EXPENDITURE	929,432	940,430	979,800	999,460	
Net Recharges	591,878	619,250			
NET EXPENDITURE	1,531,310	1,559,680			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Commissioning & Customer Contact					
Cllrs D. Simmons and M. Whiting (D.Thomas)					
Allotments	2,346	3,810	5,780	3,890	Swale Borough Council has 14 allotment sites across the Borough.
Car Park Staff	125,249	121,380	138,280	152,590	Staff costs for the delivery of car parking.
Cemeteries And Closed Churchyards	137,310	139,130	145,800	181,580	This service covers the management of 5 cemeteries, including administration of the burial service, the keeping of public cemetery records and maps and the maintenance of the cemetery grounds. The service supports the requirement to maintain 17 churchyards in the Borough which are closed for further new burials and maintained by the Council at the request of the local Parochial Church Council. The service is also responsible for the maintenance of 7 war memorials and 1 Aviation memorial.
Client & Amenity Services	305,645	290,560	306,590	322,000	Staff costs for the Client & Amenity services.
Coast Protection	(18,183)	(13,470)	(13,470)	(13,470)	This service involves the maintenance and monitoring of the coastal defences that are the responsibility of the Council under the Coast Protection Act and the monitoring of the unprotected cliffs to ensure public safety.
Contracts and Procurement	260,217	324,520	327,400	342,710	Staff costs for contracts and procurement.
Countryside & Country Parks	217,991	242,880	244,540	216,520	The Council manages and maintains a number of Council owned informal country and coastal parks.
Customer Service Centre – Sheerness Gateway	21,761	63,040	63,090	63,090	Running costs for the Sheerness Gateway.
Customer Service Centre Staff	558,650	480,770	542,060	509,680	The Customer Service Centre delivers over 100 services at first point of contact via telephone, face to face, website and email. Services are delivered from Swale House and also at the Sheerness Gateway.
Hackney Carriages	(44,847)	(41,170)	(41,040)	(40,820)	This service provides for the licensing of Hackney Carriages and Private Hire vehicles and drivers to ensure the safety, convenience and comfort of passengers as well as the safety of other road users. The licence fees and fare schedules are reviewed annually.
Harbour & Quays	2,064	(370)	(310)	(730)	Following the transfer of the management of Queenborough Harbour to a Trust in April 2012, this service covers the residual Council management of the Faversham Town Quay and fishing berth at Queenborough.
Head of Commissioning & Support	112,746	92,920	95,380	96,210	Cost of Head of Service and support for the Department.

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Commissioning & Customer Contact Cllrs D. Simmons and M. Whiting (D.Thomas)					
Highways	22,227	10,420	29,500	11,900	This service covers the expenditure on highways and highway related works including Borough Council lighting, street naming and nameplates, bus shelters, cycling and traffic issues. These are Borough Council functions and although closely related to the work of Kent Highways they do not form part of County Council responsibilities. This also shows the cost of accommodation within Swale House for KCC staff principally engaged in dealing with highway aspects of planning applications.
Leisure & Sports Centres	(1,649,999)	571,110	571,110	513,710	This service area covers the costs incurred in providing built leisure facilities throughout Swale i.e. Sheppey Leisure Complex and the Swallows Leisure Centre. The service is operated through Swale Community Leisure Trust with Serco being their managing agents at the centres.
Parking Management	(1,314,309)	(1,179,960)	(1,192,090)	(1,174,730)	This function is carried out in partnership with Maidstone Borough Council. The service includes the enforcement of on-street parking restrictions under decriminalised parking enforcement powers and also the management of the Council's off-street car parks. The operational costs of these two areas of service are separated so that any operational surplus for on-street enforcement can be identified as this must be used to support parking related functions.
Parks & Open Spaces	497,302	796,710	803,940	882,380	This service involves the provision, development and maintenance of free urban parks, informal open spaces and play equipment totalling approximately 130 hectares of open space and the maintenance of 72 equipped play areas across the Borough.
Procurement & Commissioning	0	10,000	10,000	10,000	This service will manage the procurement and commissioning of goods and services across the Council. The specialisation provided by this service will promote improvements in procurement activity and facilities.
Public Conveniences	293,954	340,190	340,190	332,760	The cleaning and supervision of conveniences is managed under contract.
Refuse Collection	2,332,264	2,320,260	2,310,260	2,437,210	See Recycling and Waste Minimisation.
Seafront	195,130	174,970	181,820	204,350	The service focuses on providing high quality beaches for both residents and visitors alike. The service also provides a reactive service to beach cleaning issues on more remote rural beaches.

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Commissioning & Customer Contact Cllrs D. Simmons and M. Whiting (D.Thomas)					
Sports Pitches & Pavilions	77,353	90,130	91,480	97,340	This service provides well-maintained pitches and courts throughout the Borough for a range of the most popular outdoor sports. Sports facilities are let for self-management on the understanding that public use will be both available and encouraged.
Street Cleansing	819,102	845,490	845,490	879,120	Operated as part of the Mid Kent Joint Waste contract.
Recycling & Waste Minimisation	(627,963)	(503,000)	(503,000)	(663,400)	Refuse is collected largely in wheeled bins on behalf of the Council from 58,000 properties on an alternate weekly basis. Other areas are collected via communal bins. Those premises not suitable for wheeled bins are provided with sacks. All households are permitted to dispose of garden waste within the purchased service which provides brown-wheeled bins. In addition, the contract makes provision for the collection of clinical waste and for special collection of bulky household items, which includes some white goods. Operated as part of the Mid Kent Joint contract.
Technical Services	208,685	159,930	160,540	171,750	Staff costs for delivering technical services.
NET DIRECT EXPENDITURE	2,534,695	5,340,250	5,463,340	5,535,640	
Net Recharges	1,607,222	2,064,625			
NET EXPENDITURE	4,141,917	7,404,875			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Information Technology Cllr D. Dewar-Whalley (A. Cole)					
Administrative Buildings	60,896	56,630	56,630	56,630	Swale House telephone costs.
Information Technology	679,528	597,640	597,640	605,450	To promote IT development, channel shift and maintain effective IT systems for service delivery. This service is provided in Partnership with Maidstone and Tunbridge Wells Borough Councils.
NET DIRECT EXPENDITURE	740,424	654,270	654,270	662,080	
Net Recharges	(740,424)	(654,270)			
NET EXPENDITURE	0	0			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Property					
Cllr D. Dewar-Whalley (A. Adams)					
Administrative Buildings	268,352	300,250	300,250	345,640	Administrative Buildings shows the running and operational cost of Swale House.
Health & Safety	787	4,580	4,580	12,580	To carry out the Council's corporate Health and Safety function.
Leisure & Sports Centres	(2,787)	(3,520)	(3,520)	(3,520)	Rental income associated with the long-term lease of Faversham Community Gym and Activity Centre.
Property Services	548,816	530,880	560,180	547,330	Staff and other costs for this department including print room, cleaning and caretaking.
Property Management	(497,006)	(406,500)	(406,290)	(422,880)	Management of Council properties.
NET DIRECT EXPENDITURE	318,162	425,690	455,200	479,150	
Net Recharges	(605,458)	(603,700)			
NET EXPENDITURE	(287,296)	(178,010)			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Finance					
Cllr D. Dewar-Whalley (N. Vickers)					
Treasury Management & Bank Charges	31,551	37,720	37,720	37,780	Treasury Management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
Financial Services	747,926	659,660	665,240	691,530	Staff and other costs for this department.
Insurance	335,404	332,400	332,400	350,160	The total Insurance cost for all Council activities.
Parish Councils (Footway Lighting)	41,680	46,170	46,170	46,170	The Council decided to cap Parish Councils' Footway Lighting at the level of 2007-08 grant, with the result that any increase above this level would be paid for by the relevant Parish Council responsible.
Lower Medway Internal Drainage Board	320,215	322,990	322,990	326,840	Statutory Levy.
NET DIRECT EXPENDITURE	1,476,776	1,398,940	1,404,520	1,452,480	
Net Recharges	(2,310,198)	(2,774,080)			
NET EXPENDITURE	(833,422)	(1,375,140)			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Democratic Services					
Cllr A. Bowles (K. Bescoby)					
Democratic & Electoral	274,820	225,330	249,560	253,470	Staff and other costs for this department.
Democratic Process	146,379	134,520	134,330	195,450	The Service arranges the Council's meetings which includes agenda preparation, production of minutes, and follow up action. The section also provides a support for scrutiny, member development and training and other aspects of the democratic service.
Elections & Electoral Registration	28,663	87,240	87,240	87,680	The Service carries out an annual audit of the electoral register (annual canvass) and updates it throughout the year (rolling registration), encouraging as many eligible people to register as possible.
Members Allowances	380,126	385,000	386,550	390,190	The cost of members allowances. This includes the basic allowance, the special responsibility allowance, the IT allowance and Members Travel.
NET DIRECT EXPENDITURE	829,988	832,090	857,680	926,790	
Net Recharges	517,149	469,150			
NET EXPENDITURE	1,347,137	1,301,240			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Director of Corporate Services & Director of Regeneration					
Cllrs D. Dewar-Whalley and T. Wilcox (M. Radford & K. Carr)					
Corporate Costs	90,732	81,700	81,700	62,890	These costs relate to the Council as a whole rather than one service. They are mainly external Audit Fees.
Licences	(127,822)	(133,840)	(133,840)	(133,780)	Swale Borough Council deals with applications for the following Licences: New Premises or New Club Premises Licence, Variation or transfer of a Premises/Club Premises Licence, Personal Licences, Temporary Events, Gambling Licences and for Sex Establishments.
Licencing	75,413	59,150	59,700	118,790	Staff costs for licencing.
Strategic Directors	228,507	259,630	264,170	285,800	Staff and other costs for Corporate Services and Director of Regeneration.
Emergency Planning	63,296	65,750	66,030	66,490	This service has been operating at a minimum level, with support from Kent County Council under a Service Level Agreement. The Civil Contingencies Act has increased the responsibilities of the Borough Council and emergency plans have been reviewed to address these requirements.
NET DIRECT EXPENDITURE	330,126	332,390	337,760	400,190	
Net Recharges	629,395	530,765			
NET EXPENDITURE	929,521	863,155			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Human Resources Cllr T. Wilcox (D. Smart)					
Human Resources	253,832	239,860	247,460	244,450	Providing payroll, employee relations, training and organisational development in a shared service with Maidstone Borough Council.
Salaries Overheads	136,447	105,430	109,900	105,430	This shows the salary related costs which are not allocated directly to other budgets, for example health and safety and employers liability insurance.
NET DIRECT EXPENDITURE	390,279	345,290	357,360	349,880	
Net Recharges	(390,279)	(345,290)			
NET EXPENDITURE	0	0			

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Environmental Health (MKIP) Cllr D. Simmons (T. Beattie)					
Environmental Services	434,224	430,490	440,450	472,820	Staff costs for the Food Safety and Pollution.
Food Safety	32,773	17,500	20,300	17,500	This budget relates to the promotion of food safety and includes activities such as the inspection of food premises, food sampling and surveillance, investigation of food complaints and food safety educational initiatives.
Noise Control	414	2,360	2,360	2,360	This budget includes the investigation of noise nuisance from industrial, commercial and residential premises. The time spent by officers from the Environmental Services Pollution, the Environmental Response and the Out of Hours Teams in delivering this service is included under the Environmental Services budget line.
Pollution Control	13,424	19,250	25,930	19,250	This budget relates to all pollution issues other than noise. Contractual support is employed to undertake inspections and authorisation for the purposes of the Environmental Protection Act 1990.
Public Health Burials	(84)	1,820	1,820	1,820	Swale Borough Council is responsible for arranging the funeral of any person who has died other than in hospital and where it appears that no other agency or persons are making suitable arrangements for the disposal of the body.
Public Health	(3,390)	(390)	(1,270)	(1,270)	Fee income from various establishments that could have an impact on Public Health.
NET DIRECT EXPENDITURE	477,361	471,030	489,590	512,480	
Net Recharges	143,078	137,250			
NET EXPENDITURE	620,439	608,280			

REVENUE BUDGET BY SERVICE

	Actual 2014/15 £	Original Budget 2015/16 £	Working Budget 2015/16 £	Original Budget 2016/17 £	Purpose of Service
Audit					
Cllr D. Dewar-Whalley (R. Clarke)					
Audit Services	155,554	158,840	158,840	160,410	The Internal Audit Partnership provides an independent appraisal of the Council's system of internal controls. It is a statutory requirement for Councils to have an Internal Audit function in accordance with the Local Government Act 1972. This service is provided in partnership with Tunbridge Wells, Maidstone and Ashford Borough Council.
NET DIRECT EXPENDITURE	155,554	158,840	158,840	160,410	
Net Recharges	(155,554)	(158,840)			
NET EXPENDITURE	0	0			

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RESERVES 2016/17

Note: This shows the Base position, but in-year expenditure will be reflected in closedown and in the Council's financial accounts

Description	Balance as at 31/03/15 (after approved rollovers) £'000	Forecast Contributions to / from Reserves 2015/16 £'000	Balance as at 31/03/16 £'000	Forecast Contributions to / from Reserves 2016/17 £'000	Balance as at 31/03/17 £'000
General Reserve	(3,087)		(3,087)		(3,087)
Performance Fund	(747)		(747)		(747)
Transformation Fund	(293)		(293)		(293)
Regeneration Fund	(311)	(250)	(561)	(250)	(811)
Swale Local Loan Fund	(250)		(250)		(250)
Building Maintenance Fund	(738)		(738)		(738)
Housing Reserves	(181)		(181)		(181)
Repairs and Renewals Funds	(277)	(78)	(355)	(78)	(433)
Local Development Framework Fund	(234)		(234)		(234)
Stay Put Grants Reserve	(158)		(158)		(158)
Revenues Main Reserve	(387)		(387)		(387)
Business Rates Resilience Reserve	(1,233)	(1,140)	(2,373)	1,348	(1,025)
Development Control Reserve	(208)		(208)		(208)
Preceptors Council Tax Support Reserve	(125)		(125)		(125)
Homeless Property in Sheerness	(250)		(250)		(250)
Commutated Sums	(259)		(259)		(259)
Other Reserves	(1,661)	11	(1,650)	71	(1,579)
Total Earmarked Reserves	(10,399)	(1,457)	(11,856)	1,091	(10,765)
Usable Capital Receipts Reserve	(911)	564	(347)		(347)
Capital Grants Unapplied Account	(269)		(269)		(269)
General Fund	(3,438)	(58)	(3,496)		(3,496)

Contacting Swale Borough Council

The Customer Service Centre deals with all enquiries across the Council; it should be your first stop when contacting us.

Copies of this Revenue Budget and Capital Programme are available on the council website www.swale.gov.uk.

If you would like further hard copies or alternative versions (i.e. large print, audio, different language) we will do our best to accommodate your request. Please contact the council at:

Swale Borough Council
Swale House, East Street
Sittingbourne
Kent, ME10 3HT

Customer Service Centre ☎ **01795 417850**

Scrutiny Committee – 28 January 2016

Budget Update

On 28 January Scrutiny Committee will be considering the budget report which Cabinet agreed on 2 December. This note is to update the Committee on relevant changes to the budget following the Settlement. There will be a further report to Cabinet on 3 February.

The Local Government Finance Settlement published on 17 December included some significant announcements about the future of Local Government funding for the remainder of this decade and beyond. These are set out in the Cabinet report for 3 February.

As far as the 2016/17 budget is concerned there are only two issues which impacted upon the Council:

- Revenue Support Grant - we were assuming a 30% reduction and the actual figure was £56,000 worse than our assumption; and
- Council Tax Freeze Grant - £80,000 lost as funding was notionally shifted into RSG and business rates.

This and other subsequent adjustments are summarised in the table below:

2016/17 funding gap as per Cabinet report		£286,000
Add		
Reduction in RSG	£56,000	
CT freeze grant included in RSG/Business rates	£80,000	£422,000
Less		
Higher Council Tax base	£71,000	
Business rate adjustment	£23,000	
Council Tax Collection Fund surplus	£38,000	
Additional Fees & Charges	£120,000	
2015/16 Underspend	£170,000	£422,000
Net Position		0

Nick Vickers
 Head of Finance
 19 January 2016

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