



## AGENDA

### CABINET MEETING

Date: Wednesday, 26 September 2018

Time: 7.00pm

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

Membership:

Councillors Sarah Aldridge, Bowles (Chairman), Mike Cosgrove, Duncan Dewar-Whalley, Alan Horton, Gerry Lewin (Vice-Chairman) and David Simmons.

Quorum = 3

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1. Emergency Evacuation Procedure

Pages

The Chairman will advise the meeting of the evacuation procedures to follow in the event of an emergency. This is particularly important for visitors and members of the public who will be unfamiliar with the building and procedures.

The Chairman will inform the meeting whether there is a planned evacuation drill due to take place, what the alarm sounds like (i.e. ringing bells), where the closest emergency exit route is, and where the second closest emergency exit route is, in the event that the closest exit or route is blocked.

The Chairman will inform the meeting that:

(a) in the event of the alarm sounding, everybody must leave the building via the nearest safe available exit and gather at the Assembly points at the far side of the Car Park. Nobody must leave the assembly point until everybody can be accounted for and nobody must return to the building until the Chairman has informed them that it is safe to do so; and

(b) the lifts must not be used in the event of an evacuation.

Any officers present at the meeting will aid with the evacuation.

It is important that the Chairman is informed of any person attending who is disabled or unable to use the stairs, so that suitable arrangements may be made in the event of an emergency.

## 2. Apologies for Absence

## 3. Minutes

To approve the Minutes of the Meeting held on 11 July 2018 (Minute Nos. 104 - 117) as a correct record. [Link to Minutes](#)

## 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.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the room while that item is considered.

**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 Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as

early as possible, and in advance of the Meeting.

### **Part B Reports for Decision by Cabinet**

- |    |   |        |
|----|---|--------|
| 5. | CCTV Future Service Delivery Options  | 1 - 6  |
| 6. | Financial Management Report: April - June 2018  | 7 - 24 |
| 7. | Recommendations of the Swale Joint Transportation Board Meeting held on 10 September 2018 - to follow |        |
| 8. | Recommendations of the Local Plan Panel held on 20 September 2018 - to follow                         |        |

### **Issued on Monday, 17 September 2018**

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 Cabinet, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

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

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<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	Wednesday 26 September 2018
<b>Report Title</b>	CCTV Future Service Delivery Options
<b>Cabinet Member</b>	Cllr Alan Horton, Deputy Leader and Cabinet Member for Housing and Safer Communities
<b>SMT Lead</b>	Emma Wiggins
<b>Head of Service</b>	Charlotte Hudson
<b>Lead Officer</b>	Stephanie Curtis
<b>Key Decision</b>	Yes
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That a Public Space CCTV Strategy is created to ensure the service remains fit for purpose in the future.</li><li>2. That Cabinet agrees to the extension of the existing CCTV Partnership Memorandum of Agreement for 1 year to the 31 March 2020.</li></ol>

## **1 Purpose of Report and Executive Summary**

- 1.1 This report provides an overview of the history of the existing CCTV service and findings from the review of the service to date.

## **2 Background**

### **History of Public Space CCTV**

- 2.1 Public Space CCTV was installed in Swale in 1994/1995, following the receipt of funding from the Home Office to 'prevent and detect crime and anti-social behaviour (ASB)'. This was part of a wider, national, roll out of CCTV in public spaces for crime prevention purposes as technology had advanced to enable more than one camera to be monitored/record at once, in colour. Cameras were remotely monitored to detect and prevent crime, with their footage being used by the Police as evidence in criminal proceedings.
- 2.2 Funding was also provided over the following years by Parish Councils and other groups of private individuals and businesses (e.g. Neighbourhood Watch and South Eastern Trains) to install systems to meet their needs, monitored by the Council as part of the wider public space CCTV service. This led to a large system, covering various parts of the borough – both town centres and residential areas.
- 2.3 The CCTV Control Room has been linked closely through radio systems to Kent Police and the local Business Crime Reduction Partnership, Swale Safe. This

increased the detection of incidents from both the Police and local retailers, whilst enabling the sharing of information.

- 2.4 Such an increase in public space surveillance nationally, along with wider technological advances, led to pressure groups campaigning to protect civil liberties, privacy and freedom. Their campaigns and general concern from communities, in part led to the introduction of the Surveillance Code of Practice in 2015. The purpose of the code was to ensure that individuals and wider communities have confidence that surveillance cameras are deployed to protect and support them, rather than spy on them. The code introduced 12 principles to ensure all public space CCTV is in pursuit of a legitimate aim; necessary to meet a pressing need; proportionate; effective, and compliant with any relevant legal obligations.
- 2.5 In order to meet our obligations under this Code of Practice, Swale conducted a review of all its CCTV locations in 2015/16 which resulted in 16 cameras being decommissioned. In 2018 a similar review was completed and resulted in a further 16 being decommissioned. This process highlighted the lack of public understanding regarding the role of CCTV and the difficulties in demonstrating that it's a visible deterrent. It did also affirm that CCTV is most effective in town centre locations, when used as a tool as part of a package of measures to affect crime and ASB.
- 2.6 During the period within which public space CCTV has been operated by councils, there has been a large increase in the technology available to the public – with a large number of residential properties and businesses hosting their own CCTV system; along with almost every member of the community owning their own mobile device with increasingly sophisticated recording capabilities. This has increased the amount of evidence available to Police forces for their investigations, along with all officers being equipped with Body Worn Cameras.
- 2.7 This increase in private systems has in part led to some Councils switching off their public space CCTV. With many councils facing increasing funding pressures and limited national research to fully justify its effectiveness some have moved to no system or reduced monitoring hours/recording only. In Swale we do not have the understanding of the private system coverage that Westminster felt to be in place, although they are under increasing pressure from stakeholders such as the Police to reinstate the system.
- 2.8 CCTV technology has continued to advance since the Swale system was originally installed. Technology will now allow for a fully digitised system, with better recorded images and the increasing use of analytics (such as facial recognition), working towards more automated systems with limited to no operators.

### **Current Public Space CCTV Service**

- 2.9 The Swale Public Space CCTV Service was moved to Medway Council in 2010, to increase its effectiveness following failures with the private contract in place for

its monitoring from the Swale House Control Room. This new Partnership was to provide a more cost effective service from its control room in Strood. In 2012, this Partnership was widened to include Maidstone and Gravesham Councils. In 2015, Medway Council sub contracted its responsibilities for this Partnership to Medway Commercial Group (MCG), which is still responsible currently for the monitoring of Swale's 49 CCTV Cameras, 24/7/365.

- 2.10 The current public space CCTV service also encompasses delivery of the out of hours emergency planning and housing responses for the Authority.
- 2.11 A review of the Public Space CCTV began during 2016/17 and it was agreed to extend the Partnership Agreement for the CCTV Service, which is now currently due to end on the 31 March 2019.
- 2.12 This review has assessed the future monitoring options and technology requirements for the CCTV service. Global MSC was commissioned to provide technical advice as part of this review. The review has highlighted the importance of the service to partners such as Kent Police and Swale Safe. However, the key findings from this review have highlighted a number of difficulties as below:
  - Lack of clarity regarding the ongoing purpose of the CCTV service – its use can extend beyond the detection of crime/ASB – this could include to protect the vulnerable members of the community; and the use of CCTV technology to create 'wi-fi' towns;
  - The existing equipment (both field cameras and control room) is an aged analogue system, which in large part has reached the end of its useable life with parts becoming harder to source. Any upgrade programme could take a minimum of 9 months to implement;
  - The quality of the footage recorded is not always of evidential standard in low lighting areas or when the recording has been retrospectively interrogated i.e. zooming required as part of investigation on a recording.
  - The data/footage from the cameras is fed back to the control room through BT Fibre Lines. These are expensive and inflexible to move.
  - The operating model used for monitoring by MCG means the operator does not always have the local knowledge of the borough to effectively detect incidents;
  - Lack of ability to prove the deterrent effect of the system, from either the statistics collated by MCG, Kent Police or from national research;
  - Lack of evidence to demonstrate the cost effectiveness of the existing system;
  - There are changes to the existing CCTV Partnership with the possible withdrawal of one partner. The implications of this need to be understood.

### **3 Proposals**

- 3.1 Based upon the review findings discussed in 2.12, there is a requirement to drastically change the way in which the service operates in order to meet both the current and future service needs. There is a need to agree what the Council

wants from its Public Space CCTV Service in the future to then determine the most appropriate monitoring method and equipment requirements.

- 3.2 The aims and objectives of the Public Space CCTV Service need to be more clearly defined and expanded. CCTV is most effective in town centre locations; and could also be used to support vulnerable members of the community). An upgraded system could also enable town centre 'wi-fi' which in turn could be utilised for improvements in parking management; and markets through use of card machines.
- 3.3 Technology is moving at such a pace that within a few years could allow for un-manned automated control rooms, utilising the equipment's analytic capability.
- 3.4 A CCTV Strategy would incorporate our long term vision for the public space CCTV service. It would allow for the decisions required in the short and long term regarding equipment in order to achieve this vision. The proposed CCTV Strategy would be created by Spring 2019 covering a ten year period to ensure that the initial required investment is suitable to meet all future needs.

**Recommendation 1:** That a Public Space CCTV Strategy is created to ensure the service remains fit for purpose in the future.

**Recommendation 2:** That Cabinet agrees to the extension of the existing CCTV Partnership Memorandum of Agreement for 1 year to the 31 March 2020.

## **4 Alternative Options**

- 4.1 To cease operating a public space CCTV service: This option is not currently recommended at this time as it would result in the loss of both the prevention/detection element of the service, along with the loss of recorded footage that the Police require as part of retrospective investigations. The Council would also need to consider whether it can meet its Section 17 Legal Obligations under the Crime and Disorder Act, as highlighted in the implications table in Section 6, without this service.
- 4.2 Extend the existing Partnership Agreement for a longer period i.e. 5 years: This option is not currently recommended as there are concerns regarding the overall effectiveness of the existing monitoring model utilised by MCG along with concerns regarding the strategic management of the CCTV Partnership that are yet to be resolved. Time needs to be taken to confirm the overall future objectives of the service to then agree the most suitable delivery model to achieve this.

## **5 Consultation Undertaken or Proposed**

It is proposed that consultation would be undertaken in the formation of a CCTV Strategy, with key stakeholders including Kent Police, Swale Safe and local businesses.

It is also proposed that the strategy is created in conjunction with Policy Development and Review Committee.



## 6 Implications

Issue	Implications
Corporate Plan	The proposals in this report delivers against the Corporate Priority 'A Community to be proud of'.
Financial, Resource and Property	<p>The proposal to create a CCTV Strategy and its resultant actions are likely to have a financial implication to implement. The strategy is likely to be developed using in-house resource, but a performance fund bid would be submitted if required.</p> <p>If the strategy does identify a need for equipment upgrades, a bid to the capital programme would need to be made, which could be repaid through an invest to save approach.</p> <p>Costings would be drawn up as part of the development of an action plan, in line with the budget planning cycle.</p>
Legal, Statutory and Procurement	<p>There is no Statutory Duty to deliver CCTV. However Section 17 of the Crime and Disorder Act 1998 places an obligation on local authorities to consider the crime, disorder and environmental issues affecting the local area and ensure their activities do all they reasonably can to prevent them. The implementation and monitoring of CCTV is one such activity delivered by Swale Borough Council that ensures this obligation is met.</p> <p>The Surveillance Camera Code of Practice provides guidance on how all public space CCTV services should be managed. This needs to be borne in mind along with the Data Protection Act and Freedom of Information Act. Adherence to our legal requirements is currently led through the CCTV Partnership.</p> <p>Within the current CCTV Partnership Memorandum of Agreement, clause 3.19.1 states that at least 12 months notice of withdrawal should be given, to expire on the 31 March in any year (unless the councils and Partnership Board agree to a different notice period). This notice period can therefore be negotiated with the other partners should the decision be made to withdraw.</p>
Crime and Disorder	The current objective of the CCTV service is to prevent and detect crime and Anti-Social Behaviour (ASB).
Environment and Sustainability	If within the proposed CCTV Strategy a need to upgrade the system was agreed, there would also be a need to for an ongoing renewals fund. This would ensure that the system could be replaced at regular intervals without the need for a further modernisation programme.

Health and Wellbeing	No health and wellbeing implications have been identified at this stage.
Risk Management and Health and Safety	Following the completion of the proposed CCTV Strategy, risk assessments would need to be compiled for any changes to the service and equipment upgrades.
Equality and Diversity	An equality impact assessment would need to be drafted based upon any proposals within the CCTV strategy.
Privacy and Data Protection	The proposal to create a CCTV Strategy and its resultant actions would need to consider the privacy and data protection implications under GDPR.

## **7 Appendices**

There are no appendices.

## **8 Background Papers**

There are no background papers.

<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	26 September 2018
<b>Report Title</b>	<b>Financial Management Report – April – June 2018</b>
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Phil Wilson, Financial Services Manager / Caroline Frampton, Principal Accountant
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Note the projected revenue underspend on services of £54,000 (Table 1 refers).</li> <li>2. Note the capital expenditure of £3,275,438 to end of June 2018 (Paragraph 3.13 and Table 4 Appendix I refers).</li> <li>3. Approve the participation of the Council in an application to be a business rate pilot in 2019/20, subject to confirmation of the scheme with a delegation to the Leader and Cabinet Member for Finance and Performance in consultation with the Chief Financial Officer to agree the application.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report shows the revenue and capital projected outturn activity for 2018/19 as at the end of June 2018. The report is based on service activity up to the end of June 2018 and is collated from monitoring returns from budget managers.
- 1.2 The headline figures are:
  - Total forecast revenue underspend of £54,000;
  - Capital expenditure of £3,275,438.

## 2. Background

- 2.1 The Council operates a monthly budget monitoring process for budget managers, with regular reports to the Cabinet Member for Finance & Performance and the Strategic Management Team.
- 2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

## 3. Proposals

### Revenue Outturn

- 3.1 As at the end of June the forecast revenue underspend projected to 31 March 2019 is £54,000.

**Table 1: Projected Variance by Service**

		<b>Working Budget</b> £	<b>Projected Outturn</b> £	<b>Projected Variance</b> £
Chief Executive	M. Radford	408,050	398,050	(10,000)
Policy	D. Clifford	223,320	210,320	(13,000)
Economy & Communities	C. Hudson	2,072,740	2,041,740	(31,000)
Communications	P. Sutcliffe	270,060	270,060	0
Resident Services	A. Christou	1,349,660	1,401,660	52,000
Planning	J. Freeman	875,190	846,190	(29,000)
Commissioning & Customer Contact	M. Cassell	5,450,390	5,386,390	(64,000)
Director of Regeneration/ Emergency Planning	E. Wiggins	261,130	261,130	0
Information Technology	C. Woodward	1,161,070	1,161,070	0
Audit	R. Clarke	176,160	176,160	0
Environmental Health	T. Beattie	531,090	523,090	(8,000)
Finance (incl Data Protection)	N. Vickers	3,190,070	3,208,070	18,000
Human Resources	B. Sandher	364,050	364,050	0
Legal	P. Narebor	434,280	434,280	0
Democratic Services	K. Bescoby	991,750	959,750	(32,000)
Property	A. Adams	564,060	572,060	8,000
Corporate Items		254,930	309,930	55,000
<b>NET REVENUE SERVICE EXPENDITURE</b>		<b>18,578,000</b>	<b>18,524,000</b>	<b>(54,000)</b>
<b>Financed by:</b>				
Revenue Support Grant		0	0	0
Business Rates		(8,441,000)	(8,441,000)	0
New Homes Bonus		(2,046,000)	(2,046,000)	0
Collection Fund Surplus		(178,000)	(178,000)	0
Council Tax		(7,913,000)	(7,913,000)	0
<b>TOTAL FINANCING</b>		<b>(18,578,000)</b>	<b>(18,578,000)</b>	<b>0</b>
<b>NET EXPENDITURE</b>		<b>0</b>	<b>(54,000)</b>	<b>(54,000)</b>

**Table 2: Projected Variance by Directorate**

		<b>Working Budget</b> £	<b>Projected Outturn</b> £	<b>Projected Variance</b> £
Chief Executive		408,050	398,050	(10,000)
Mid Kent Services		2,666,650	2,658,650	(8,000)
Commissioning & Customer Contact		5,450,390	5,386,390	(64,000)
Policy & Performance		223,320	210,320	(13,000)
Corporate Services		4,790,290	4,784,290	(6,000)
Regeneration		4,784,370	4,776,370	(8,000)
Corporate Items		254,930	309,930	55,000
<b>NET REVENUE SERVICE EXPENDITURE</b>		<b>18,578,000</b>	<b>18,524,000</b>	<b>(54,000)</b>

3.2 Table 1 in Appendix I details the significant service movements by type of variance.

3.3 Table 2 in Appendix I details the line-by-line service variations.

## Business Rates

- 3.4 The Council is due to collect £48m of business rates in 2018/19. After the complicated system of levies and tariffs has been accounted for, the Council is forecast to receive £8.4m.
- 3.5 Council has previously agreed to the establishment of a Business Rates Volatility Reserve, in order to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. There are a number of causes of this volatility, such as new businesses opening, existing business growing or closing, rating appeals, and collection rates. The balance on the reserve is currently £3.5m.
- 3.6 The Council has set aside £8.5m for business rate appeals. This indicates how business rate income can vary greatly as a result of a decision made on business rate appeals.
- 3.7 The Council is participating in the pilot full localisation of business rates as one of 11 pilots being run nationally. As previously reported in the budget report, Swale will benefit significantly from this and in the budget we allowed for an additional £250,000 of income. Initial monitoring suggests that this figure will be exceeded. Work has already started on a bid for pilot status in 2019/20. The Government recently announced that the 2019/20 pilots will be based upon 75% rather than 100% of local business rate retention. Nonetheless, the initial discussions between Kent Councils still indicate support across the board for another application.

## Improvement and Regeneration Funds

- 3.8 Table 3 below details the position on a number of reserve funds. Total budget not committed is £1,215k.
- 3.9 Cabinet in July approved the topping up of funds as detailed in the table below.
- 3.10 Table 3 in Appendix I details the approvals from the Improvement and Regeneration Funds during 2018/19. These total £69k.

**Table 3: Improvement and Regeneration Funds**

<b>Funds</b>	<b>Balance as at 1 April 2018</b>	<b>Topping up of funds in 2018/19</b>	<b>Budget Committed as at 1 April 2018</b>	<b>Budget Committed (refer to Appendix I) 2018/19</b>	<b>Budget Not Committed</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Performance	316	300	(277)	(22)	317
Pension & Redundancy	205	0	0	0	205
Regeneration	350	300	(251)	(47)	352
Communities	111	75	(45)	0	141
Local Loan Fund	200	0	0	0	200
<b>TOTAL</b>	<b>1,182</b>	<b>675</b>	<b>(573)</b>	<b>(69)</b>	<b>1,215</b>

## Capital Expenditure

3.11 This section of the report details actual capital expenditure and highlights any variations between the revised 2018/19 capital budget and the projected outturn.

3.12 A reconciliation between the original and revised capital budgets is set out below:

**Table 4: Reconciliation of Original to Revised Capital Budget**

	£
<b>Original Budget</b>	<b>33,717,120</b>
2017/18 rollovers (Minute 112/07/2018)	1,935,872
Leisure Centres (Minute 40/05/2018)	1,000,000
Queenborough Causeway (Minute 104/07/2015)	60,000
Former Bus Depot, East Street (Minute 198/09/2017)	1,111,194
<b>Revised Budget</b>	<b>37,824,186</b>

3.13 Actual expenditure to end of June 2018 is £3,275,438 (Table 5 below refers). This represents 9% of the revised budget. An overspend of £112k is forecast for the year. Further details by Head of Service are set out in Table 4 in Appendix I.

**Table 5: Capital Programme Expenditure**

	Revised Budget 2018/19	Actual to end of June 2018	Projected Full Year Variance 2018/19
	£'000	£'000	£'000
Commissioning & Customer Contact	2,384	102	38
Economy & Communities	32,537	2,851	0
Property	0	49	74
Environmental Services MKS	57	7	0
ICT MKS	103	0	0
Residents Services	2,743	266	0
<b>Total Swale Borough Council funded</b>	<b>34,691</b>	<b>2,967</b>	<b>74</b>
<b>Total Partnership funded</b>	<b>3,133</b>	<b>308</b>	<b>38</b>
<b>Total Capital Programme</b>	<b>37,824</b>	<b>3,275</b>	<b>112</b>
% spent to date compared to Revised Budget		9%	

3.14 The 2018/19 capital programme expenditure of £3,275,438 is funded as set out in Table 6 below. As yet the Council has not undertaken any external borrowing.

**Table 6: Capital Programme Funding**

Source of funding	Revised Budget 2018/19	Actual to end of June 2018	Projected Full Year Variance 2018/19
	£'000	£'000	£'000
Internal Borrowing	32,834	1,740	0
Partnership funding (including S106 Grants)	3,133	308	38
Earmarked Reserves	1,400	1,220	74
Capital Receipts	457	7	0
<b>Total Funded</b>	<b>37,824</b>	<b>3,275</b>	<b>112</b>

**Payment of Creditors**

3.15 The payment of creditors to end of June 2018 is 99.5% paid in 30 days against the target of 97%.

**Debtors**

3.16 Tables 5 and 6 in Appendix I analyse the sundry debt outstanding.

**4. Alternative Options**

4.1 None identified – this report is 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, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environment & 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.
Privacy and Data Protection	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: Financial Monitoring as at the end of June 2018;

## **8. Background Papers**

8.1 [Budget 2018/19 and Medium Term Financial Plan 2018/19 to 2020/21](#)



## Financial Monitoring Report – April – June 2018 (Quarter 1)

**Table 1: Service Movements by Type**

Service/Contract	Reason for Variance	Projected Variance (June 2018) £'000
<b>Additional Income: (brackets in variance mean additional income)</b>		
Parking Management	Additional parking income	(84)
Parking Management	Net income street parking	(66)
Planning	Additional planning income	(100)
Leisure	Central House utility costs	(11)
Refuse Collection/Street Cleansing/Public Conveniences	Additional income from sale of wheeled bins	(30)
<b>Loss of Income:</b>		
Temporary Accommodation	Benefit income recovery	261
Recycling & Waste Minimisation	Additional income brown bins	24
Development Control	S106 monitoring fees	20
Development Control	Pre-Application Planning Advice	13
Stay Put Scheme	Reduced income from Disabled Facilities Grants (DFG) fees	35
<b>Total Net Income</b>		<b>62</b>
<b>Procurement /Shared Service Savings/Costs: (brackets in variance mean underspend)</b>		
Refuse Collection/Street Cleansing/Public Conveniences	Contracts	(83)
Parking Management	Shared service	31
Building Control	Contract	(10)
<b>Total Procurement/Shared Service Savings/Costs</b>		<b>(62)</b>
<b>Additional Costs:</b>		
Leisure Centres	Consultancy costs	30
Sittingbourne Master Plan	Consultancy costs	55

<b>Service/Contract</b>	<b>Reason for Variance</b>	<b>Projected Variance (June 2018) £'000</b>
Parking Management	Car Parks – business rates	26
Parking Management	Car Parks – cash security and RingGo fees	48
Refuse Collection/Street Cleansing/Public Conveniences	Purchase of wheeled bins	50
Homelessness	Homeless housing	21
<b>Total Additional Costs</b>		<b>230</b>
<b>Underspends: (brackets in variance mean additional underspend)</b>		
Salaries		(106)
Temporary Accommodation	Landlord payments	(116)
Chief Executive	Corporate projects	(10)
Democratic Services	Members' allowances & travel	(27)
Markets	Business rates	(16)
<b>Total Underspends</b>		<b>(275)</b>
<b>Total Variance</b>		<b>(45)</b>
<b>Other Net Underspends</b>		<b>(9)</b>
<b>Total Variance</b>		<b>(54)</b>

**Table 2: Projected Net (Under)/Overspend / Income Shortfall  
as at end of June 2018 by Service**

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
<b>CHIEF EXECUTIVE – Cllr A. Bowles (Mark Radford)</b>		
Chief Executive & Corporate Costs	(56)	(£39k) Underspend – net staff costs (£10k) Underspend – special project costs (£7k) Net Underspend
Transformation Project	46	£46k Additional costs – net staff costs due to extension of Project Team. This is offset by underspends in Revenues and Customer Service Centre
<b>TOTAL</b>	<b>(10)</b>	
<b>POLICY – Cllr A. Bowles (David Clifford)</b>		
Policy	(13)	(£14k) Underspend – net staff costs £1k Net additional costs

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
<b>TOTAL</b>	<b>(13)</b>	
<b>ECONOMY AND COMMUNITIES – Cllrs - All (Charlotte Hudson)</b>		
Environmental	(1)	(£1k) Net savings salary costs
CCTV	0	Nil variance reported
Community Halls and Centres	0	Nil variance reported
Community Safety	(7)	(£7k) Net savings salary costs
Economy & Community Services, Cultural & Economic	(9)	(£9k) Net savings salary costs
Members' Grants	0	Nil variance reported
Economic Development	3	£3k Net salary overspend
Learning, Business & Skills	3	£3k Additional Licence cost
Tourism	2	£2k Net salary overspend
Arts Events & Activities	0	Nil variance reported
Markets	(16)	(£5k) Business rates saving Sittingbourne market (£11k) Business rates saving Faversham market
Sports Development	(6)	(£6k) Net savings salary costs
<b>TOTAL</b>	<b>(31)</b>	
<b>COMMUNICATIONS, PRINTING, ADVERTISING &amp; PROMOTION – Cllr A. Bowles (Philip Sutcliffe)</b>		
Communications	0	Nil variance reported
<b>TOTAL</b>	<b>0</b>	
<b>RESIDENT SERVICES – Cllrs A. Horton and D. Dewar-Whalley (Amber Christou)</b>		
Homelessness Temporary Accommodation	141	(£116k) Landlord payments less than originally forecast (£4k) Additional income - contribution to rent by clients £261k Benefit income under recovery
Homelessness Temporary Houses	21	£17k Reduced income - rent received (reduced occupancy rate re ongoing refurbishments) £2k Additional costs - building maintenance – reactive costs £2k net other additional costs
Housing Advice / Options	0	Nil variance reported

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
Housing Development and Strategy	0	Nil variance reported
Private Sector Housing	(4)	(£4k) Additional income
Stay Put Scheme	35	£35k Reduced income - DFG fees income
Council Tax and Business Rates Collection	(73)	(£54k) net salaries savings (£19k) net other costs savings incl. £(25)k re postage <b>N.B. Any underspend/overspend on salaries within Council Tax and Revenue Administration will be transferred to the ring fenced reserve to be used solely to offset lower grant received</b>
Housing Benefit	0	Nil variance reported
Revenue Administration	(68)	(£51k) net salaries savings (£40k) net salary savings – to offset Transformation Team variance £23k Additional costs (vacancy allowance)
<b>TOTAL</b>	<b>52</b>	
<b>PLANNING – Cllr G. Lewin (James Freeman)</b>		
Building Control/ Dangerous Structures	(9)	(£9k) Underspend – contract costs
Development Control	2	(£100k) Additional income – planning fees £69k Additional costs - agency fees £20k Reduced income – S106 monitoring fees £13k Reduced income – Pre-Application Planning Advice
Development Services	(22)	(£22k) Net underspend on staff
Local Land Charges	0	Nil variance reported
Local Planning & Conservation	0	<b>N.B. Any underspend on the local plan will be transferred to the ring fenced reserve to be used solely to fund Local Development Framework (LDF) associated work</b>
Mid Kent Planning Service (MKPS)	0	Nil variance reported
<b>TOTAL</b>	<b>(29)</b>	
<b>COMMISSIONING &amp; CUSTOMER CONTACT – Cllr Horton &amp; Cllr Simmons (Martyn Cassell)</b>		
Highways SBC	0	Nil variance reported

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
Commissioning & Customer Contact, Client & Amenity Services, Customer Service Centre and Technical Services	(64)	(£53k) net saving staff and agency staff costs to offset Transformation Team variance (£11k) net savings
Seafront and Harbour & Quays	8	£8k Additional costs - building maintenance – reactive
Cemeteries and Closed Churchyards	22	£22k Additional costs - maintenance of grounds (not contract)
Leisure, Sports, Open Spaces, Parks, Countryside and Allotments	38	£10k additional tree maintenance costs £9k additional cesspool clearance costs £30k additional leisure centres consultancy costs (£11k) additional income - energy recharge
Parking Management	(44)	£31k Additional costs - MKS recharge £27k Additional costs – business rates £16k Additional costs - cash security costs for cash in transit £32k Additional costs - fees for cashless parking solutions (£84k) Additional income from swale car parks (net) (£66k) Net surplus on-street parking (see note below) <b>N.B. Any surplus on street parking will be transferred to the ring fenced on-street parking account under Section 55 of the Road Traffic Act 1984</b>
Grounds Maintenance	0	Nil variance reported
Contracts and Procurement	6	£7k Additional salary costs (£1k) Savings officers' subscriptions
Recycling & Waste Minimisation	24	£24k Reduced income - subscriptions to Brown Bin service
Refuse Collection / Street Cleansing/ Public Conveniences	(54)	(£83k) savings contract costs (£30k) additional income S106 contribution re: wheeled bins £6k additional promotion costs £50k additional wheeled bins costs 3k net other costs
<b>TOTAL</b>	<b>(64)</b>	

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
<b>DIRECTOR OF CORPORATE SERVICES/REGENERATION – Cllrs D. Dewar-Whalley, A. Bowles and M. Cosgrove.</b>		
Director of Regeneration	0	Nil variance reported
Emergency Planning	0	Nil variance reported
Licensing	0	Nil variance reported <b>N.B. Any surplus on Hackney Carriage Licensing will be transferred to the ring fenced reserve to be used solely to fund Hackney Carriage related work</b>
<b>TOTAL</b>	<b>0</b>	
<b>IT SERVICES – Cllr D. Dewar-Whalley (Chris Woodward)</b>		
IT MKS	0	<b>N.B. Any variance at year-end on IT maintenance &amp; software will be transferred to the ring fenced reserve to be used solely to fund IT related expenditure in future years</b>
<b>TOTAL</b>	<b>0</b>	
<b>INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)</b>		
Audit Services MKS	0	Nil variance reported
<b>TOTAL</b>	<b>0</b>	
<b>ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)</b>		
Environmental Health MKS	(8)	(£8k) net underspends
<b>TOTAL</b>	<b>(8)</b>	
<b>FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)</b>		
Financial Services	(1)	(£1k) Net savings
Data Protection	19	£19k Overspend – net salaries
<b>TOTAL</b>	<b>18</b>	
<b>HUMAN RESOURCES – Cllr D. Dewar-Whalley (Bal Sandher)</b>		
Human Resources	0	Nil variance reported
<b>TOTAL</b>	<b>0</b>	
<b>LEGAL – Cllr D. Dewar-Whalley (Patricia Narebor)</b>		
Legal MKLS	0	Nil variance reported
External Legal Fees	0	Nil variance reported
S106 Income	0	Nil variance reported
<b>TOTAL</b>	<b>0</b>	

<b>Service – Cabinet Member (Budget Manager)</b>	<b>£'000</b>	<b>Explanation</b>
<b>DEMOCRATIC SERVICES – Cllr A. Bowles (Katherine Bescoby)</b>		
Democratic Process	(26)	(£20k) Underspend – members' allowances (£7k) Underspend – members' travel £1k Net additional costs
Elections & Electoral Registration	(6)	(£6k) Underspend – net salaries
<b>TOTAL</b>	<b>(32)</b>	
<b>PROPERTY SERVICES – Cllr D. Dewar-Whalley (Anne Adams)</b>		
Administrative Buildings	3	£3k Net additional costs
Property Management	5	£5k Net additional costs
Building Maintenance	0	<b>Any variance at year-end will be transferred to the Buildings Maintenance Fund for future years</b>
<b>TOTAL</b>	<b>8</b>	
<b>NON-SERVICE BUDGETS</b>		
Sittingbourne Town Centre	55	£55k Anticipated additional fees and other costs
Corporate Items	0	Nil variance reported
<b>TOTAL</b>	<b>55</b>	
<b>TOTAL NET REVENUE SERVICE EXPENDITURE</b>	<b>(54)</b>	

**Table 3: Improvement & Regeneration Fund Allocations 2018/19  
as at the end of June 2018**

<b>Performance Fund</b>	<b>Amount £</b>
Housing Register Apprentice	9,895
Best Companies b-Heard Survey 2018/19	12,000
<b>Total Performance Fund Approved as at June 2018</b>	<b>21,895</b>
<b>Regeneration Fund</b>	<b>Amount £</b>
Member Grants	47,000
<b>Total Regeneration Fund Approved as at June 2018</b>	<b>47,000</b>
<b>Communities Fund</b>	<b>Amount £</b>
Nil approvals to date	0
<b>Total Communities Fund Approved as at June 2018</b>	<b>0</b>
<b>Total All Funds</b>	<b>Amount £</b>
<b>Total All Funds Approved as at June 2018</b>	<b>68,895</b>



Table 4: Capital Programme 2018/19

	Original Budget 2018/19	Revised Budget 2018/19	Actual to June 2018	Projected Full Year Variance 2018/19	Notes
	£	£	£	£	
<b><u>Commissioning &amp; Customer Contact - M. Cassell</u></b>					
New Play Area - Thistle Hill - S106	0	2,533	5,405	2,872	(a)
Play Area Refurbishment - Milton Recreation Ground - S106	0	0	35,190	35,190	(a)
Faversham Recreation Ground Improvements - External Grant	0	16,679	1,365	0	
Resurfacing Promenade, The Leas - External Grant	0	85,000	34	0	
Cemeteries - Bell Road - Reserves	0	41,000	0	0	
Milton Creek Access Road - Reserves	0	40,000	0	0	
Modular Toilet Kiosks - Reserves	0	30,000	0	0	
Gunpowder Works Oare Faversham - S106	0	9,000	0	0	
Nursery Close/Queenborough Lines Bridge Replacement - Reserves	0	0	400	400	(b)
Queenborough Causeway	0	60,000	60,000	0	
Leisure Centres – Internal Borrowing	1,000,000	2,000,000	0	0	
Open Spaces Play Equipment – S106	100,000	100,000	0	0	
<b>Total Commissioning &amp; Customer Contact</b>	<b>1,100,000</b>	<b>2,384,212</b>	<b>102,394</b>	<b>38,462</b>	

Table 4: Capital Programme 2018/19

	Original Budget 2018/19	Revised Budget 2018/19	Actual to June 2018	Projected Full Year Variance 2018/19	Notes
	£	£	£	£	
<b><u>Economy &amp; Community Services – C. Hudson</u></b>					
Sittingbourne Town Centre - Retail Properties - Internal Borrowing	720,130	720,130	731,858	11,728	(c)
Sittingbourne Town Centre - Other Assets - Internal Borrowing	59,740	59,740	180,976	0	
Sittingbourne Town Centre - Multi Storey Car Park - Internal Borrowing	3,532,220	3,532,220	184,104	0	
Sittingbourne Town Centre - Regeneration - Internal Borrowing	26,521,830	26,521,830	642,718	(11,728)	(c)
Former Bus Depot, East Street	0	1,111,194	1,111,194	0	
CCTV - Reserves - Repairs & Renewals	15,000	15,000	0	0	
Easthall Farm Community Centre - S106	0	158,165	0	0	
The Mill Project, Sittingbourne Skate Park - Capital Receipts	0	200,000	0	0	
The Mill Project, Sittingbourne Skate Park - S106	0	19,017	0	0	
Faversham Creek Basin Regeneration Project (swing bridge) - Capital Receipts	0	200,000	0	0	
<b>Total Economy &amp; Community Services</b>	<b>30,848,920</b>	<b>32,537,296</b>	<b>2,850,850</b>	<b>0</b>	
<b><u>Property - A. Adams</u></b>					
Swale House - Lifts Refurbishment - Reserves	0	0	48,793	74,000	(d)
<b>Total Property</b>	<b>0</b>	<b>0</b>	<b>48,793</b>	<b>74,000</b>	

Table 4: Capital Programme 2018/19

	Original Budget 2018/19	Revised Budget 2018/19	Actual to June 2018	Projected Full Year Variance 2018/19	Notes
	£	£	£	£	
<b>Environmental Services MKS – T. Beattie</b>					
Replacement of Air Pollution Monitoring Station – Capital Receipts	0	56,638	7,595	0	
<b>Total Environmental Health</b>	<b>0</b>	<b>56,638</b>	<b>7,595</b>	<b>0</b>	
<b>ICT MKS - C. Woodward</b>					
ICT infrastructure and equipment replacement – Reserves	103,400	103,400	0	0	
<b>Total ICT</b>	<b>103,400</b>	<b>103,400</b>	<b>0</b>	<b>0</b>	
<b>Residents Services - A. Christou</b>					
Disabled Facilities Grants - External Grant	1,664,800	2,742,640	258,796	0	
Home Repair Grants - Over 60	0	0	85	0	
Home Repair Grants - Winter Warmth Grants	0	0	1,925	0	
RHB2 Decent Home Loans Owner Occupier	0	0	5,000	0	
<b>Total Residents Services</b>	<b>1,664,800</b>	<b>2,742,640</b>	<b>265,806</b>	<b>0</b>	
Total Capital Programme Funded by Swale Borough Council	31,952,320	34,691,152	2,967,638	74,400	
Total Capital Programme Funded by Partners	1,764,800	3,133,034	307,800	38,062	
<b>Total Capital Programme</b>	<b>33,717,120</b>	<b>37,824,186</b>	<b>3,275,438</b>	<b>112,462</b>	

## Notes

- (a) These revised costs will be funded from s106 grants
- (b) This is the balance left on an accrual from 2017/18
- (c) The Sittingbourne Town Centre Project is not forecast to vary to the overall budget for this project
- (d) This scheme is fully funded from the Building Maintenance reserve

**Table 5: Debt Outstanding by Due Date**

	<b>June 2018 £'000</b>	<b>June 2017 £'000</b>
Not Due (less than 1 Month)	222	94
1 – 2 Months	287	62
2 – 6 Months	73	44
6 – 12 Months	75	41
1 – 2 Years	24	24
2 – 3 Years	22	31
3 – 4 Years	25	34
4 – 5 Years	10	4
5 – 6 Years	0	3
> 6 Years	36	38
<b>Total</b>	<b>774</b>	<b>375</b>
<b>Total Due</b>	<b>552</b>	<b>281</b>
<b>% Total Due</b>	<b>71%</b>	<b>75%</b>

Note - Debt due 1 – 2 months includes £235k debt relating to S106 income. Excluding this debt, the total due is £317k.

**Table 6: Total Debt (Including Not Due) by Head of Service**

	<b>June 2018 £'000</b>	<b>June 2017 £'000</b>
Property	190	168
Residents Services	128	150
Commissioning & Customer Contact	68	21
Economy & Communities	51	11
Environmental Health	15	1
Planning	2	1
Legal MKLS	0	1
Finance	0	6
Other	320	16
<b>Total</b>	<b>774</b>	<b>375</b>

Note – Other debt includes £229k relating to S106 income. Property includes £114k relating to one company. Economy & Communities includes £37k income from Kent Policy & Crime Commissioner, where the debt has been raised but is not yet due.