

Cabinet Meeting	
Meeting Date	12 February 2020
Report Title	2020/21 Revenue Budget/ Medium Term Financial Plan and Capital Strategy
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager
Key Decision	Yes
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To approve the 2020/21 Revenue Budget proposals. 2. To approve the proposed Council Tax Band D increase for 2020/21 to £179.37. 3. To note the Medium Term Financial Plan. 4. To approve the Capital Strategy. 5. To approve the Capital Programme proposals. 6. To note the additional amount of Council Tax for Parish Precepts. 7. To consider the recommendation of Scrutiny Committee. 8. To approve the Minimum Revenue Provision Statement as set out in Appendix VIII

1. Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Revenue and Capital budget proposals for 2020/21, the Medium Term Financial Plan (MTFP) and the Capital Strategy.
- 1.2 Cabinet received a budget report on 18 December prior to the Provisional Local Authority Grant Settlement announced on 20 December. This report reflects the implications of the settlement.
- 1.3 At its meeting on 22 January 2020, Scrutiny Committee recommended "that the Cabinet considers providing increased staff resource for the climate and environment emergency when it considers the budget".
- 1.4 This report, if agreed by Cabinet, will then go forward to Council on 26 February.

2. Background

Provisional Local Government Finance Settlement 2020/21

- 2.1 As we have previously reported, the whole system of local government finance was due to change from 1 April 2020. This was put back because of the impact of Brexit on the legislative process last year. At the time of the December budget report we were anticipating a one year settlement and this is what was announced on 20 December.
- 2.2 The main issues to highlight from the settlement are:
- The Council can increase Council Tax by up to £5 per annum,
 - Revenue Support Grant as forecast at £115k (with no element for Parish or Town Councils), and
 - New Homes Bonus £28k higher than forecast.
- 2.3 There is no clarity whatsoever about the funding regime which will apply from 1 April 2021. The Medium Term Financial Plan therefore assumes that major funding streams from 1 April 2021 continue as they are now. We have no other basis of forecasting at this point. At a Kent Finance Officers' meeting on 16 January 2020, the Local Government Association Finance Lead suggested that there would be a housing incentivisation grant to replace the New Homes Bonus. We will use the quarterly Finance reports to update as we get more information about Government intentions. There is a high probability that we will have very little hard information before the next Settlement in December 2020.

Flexible homelessness support grant and homelessness reduction grant

- 2.4 A major theme of the December 2019 budget report was the cost pressure from homelessness and rough sleeping. In the budget presented we were assuming that the Council funded additional base budget of £468k and that Specific Government Grants increased by £100k. Early in the new year the grant allocations were announced, and the grants have increased by £174k over this year. This frees up £74k of the base funding increase.

Lower Medway Internal Drainage Board Precept

- 2.5 The Lower Medway Internal Drainage Board (LMIDB) have increased their precept by 3.6%, 1.6% above the assumption that we had made. This gives an additional £14k cost pressure.

Capital Strategy

- 2.6 The 2019/20 financial year was the first where there was a requirement for councils to set out a Capital Strategy. The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The proposed Treasury Management Strategy is reported separately to this meeting. The proposed Capital Programme and its funding are detailed in Appendix VI to this report.
- 2.7 Councils are required to balance their revenue budget annually and cannot borrow to achieve a balanced position. However, they have very far reaching powers to borrow to fund capital expenditure. This has historically been funded from borrowing from the Public Works Loan Board, which is part of the Debt Management Office which is part of the Treasury. Borrowing can be for up to 50 years at rates which are below commercial rates.
- 2.8 Council borrowing has traditionally been to fund long term assets such as roads and schools. The cuts to Council funding since 2010 have led to councils increasing their borrowing for capital for two main purposes for:
- Regeneration or social benefits. This could be funding leisure or industrial assets, or housing related, and
 - Generating new revenue streams to address revenue funding reductions. Government has generally looked unfavourably on Council borrowing solely to buy commercial property assets, often outside their geographical area.

To reinforce just how unhappy Government is with borrowing to buy commercial assets the Chartered Institute of Public Finance and Accountancy (CIPFA) has recently published a guidance document on Prudential Property Investment.

- 2.9 The International Financial Reporting Standard 16 will come into effect for 2020/21, which will change the accounting treatment of leases. This may result in the Council having to recognise assets on its balance sheet which are currently being leased. Preparation work on the implementation of this accounting standard has begun and will be reported on in the 2020/21 annual accounts.
- 2.10 This Council has historically been debt free and had a very limited Capital Programme, restricted largely to the use of Disabled Facilities Grants for home improvements with these grants being provided 100% by Government.

- 2.11 In March 2016, Council agreed to a borrowing facility of up to £30 million subject to individual business case and in November and December 2016 Cabinet agreed a business case for borrowing up to £28 million for Sittingbourne Town Centre (STC) regeneration. This facility was extended to £60 million in February 2017 with any additional borrowing being subject to business cases to Cabinet. The only business cases which have been agreed are for STC and the Leisure Centre refurbishment. At time of this report, the Council has five loans for periods of between 12 to 18 months from other councils which total £25 million. The details of any project funded from borrowing will be provided in future Cabinet reports.
- 2.12 The borrowing decisions set out above are historic. In future rather than announcing a borrowing facility with no linkage to a particular project the specific project agreed by Cabinet will have a borrowing limit associated with it. This limit can be varied by Cabinet. In the December 2019 budget report Cabinet agreed that an additional £10 million could be borrowed to fund housing projects.
- 2.13 This administration takes the view that the Capital Strategy should reflect the following principles:
- Investing in sustainable, affordable and social housing to increase overall supply,
 - Using the ability to borrow at low rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value, and
 - Ensuring that the costs of borrowing are manageable long term within the Revenue budget.
- 2.14 The Council has not made and will not make any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents.
- 2.15 In January it was announced that the Development Agreement with Spirit of Sittingbourne had been terminated. One of the implications of this is that the Council regains control of the Swale House site. It has long been acknowledged that the current Swale House (a 1980's build) is not fit for purpose. The Cabinet Member for Economy and Property will bring forward a report to the March Cabinet setting out the options for a refurbishment which will create a carbon neutral building with much lower running costs, a modern fit for purpose work space which will allow for significantly more space to be let out on a commercial basis. The business case is being prepared.

- 2.16 Debt is only a temporary source of finance, since loans must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). MRP is a charge to the revenue budget which then accrues on the Balance Sheet; it is not an external payment. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.
- 2.17 All organisations need to manage their cash flow. For most councils their cash flow level is much larger than their reserves as they take in funds through sources such as Business Rates and Council Tax which they hold before making payments to other bodies such as Kent County Council (KCC). The Council's daily cash balances are typically £31 million. With short-term deposit rates continuing to be very low, where a Council is investing in a capital project it can fund this capital investment from cash flow and this is known as internal borrowing. Internal borrowing defers the financial commitment to external borrowing. MRP still has to be made. The Council to date has been using internal borrowing to fund expenditure on STC, the Multi-Storey Car Park, the purchase of land adjoining Swale House and the Leisure Centre refurbishment. The Chief Financial Officer closely monitors cash flow to ensure that there is no adverse impact.
- 2.18 For any significant investment the Council will supplement the expertise of Members and Officers with appropriate external specialist expertise to ensure that proposals are fully tested and risks considered.
- 2.19 The Chief Financial Officer believes that the Capital Strategy and Capital Programme proposed are sustainable.

CIPFA Financial Management Code

- 2.20 After 10 years of severe funding reductions it is noteworthy that to date only one local authority, Northamptonshire County Council, has failed financially. But clearly Government are concerned that other councils will fail. It is against this backdrop that CIPFA have issued this new code in October 2019. The Code is designed to support good practice in financial management and to assist councils in demonstrating their financial sustainability. It intended to have the same force as the Prudential Code, it is advisory not statutory, but Councils will have to show how they comply. Compliance is the responsibility of members, the Chief Financial Officer and the senior leadership team.
- 2.21 The guidance suggests that 2020/21 should be a shadow year and full compliance will be from 1 April 2021.
- 2.22 The Chief Financial Officer's view is that the Council performs well against the 17 financial management standards. A report will be brought to Cabinet late in 2020.

3. Proposals

Medium Term Financial Plan

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

Balanced Budget Proposals

3.2 The 18 December Cabinet report showed a gap in the revenue budget of £375,000 which the additional Lower Medway Internal Drainage Board pressure increases to £389,000.

3.3 The Balanced Budget proposals are set out below:

Budget Heading	Saving £	Description
Staff Salaries	200,000	Full and part year effect savings from Planning, Economy and Community Services, Leisure, Policy and Resources.
Delete Planning Admin pressure	22,000	Pressure and budget clarified.
Additional licensing income	20,000	Pressure and budget clarified.
Additional homelessness grant	74,000	Additional grant income over that forecast releases £74,000 of the base budget increase
Mid Kent Services (MKS)	56,000	The MKS Director has proposed the deletion of a long term vacant post in IT and a number of small efficiency savings.
Additional New Homes Bonus	28,000	As reported above.
Additional income from the Council Tax Base.	4,000	Small change in the Council Tax Base from earlier report.
Total	404,000	

3.4 Detailed revenue budget proposals are attached in Appendix II.

Council Tax

3.5 The budget proposals assume an increase of £4.95 in the Band D Council Tax to £179.37.

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

3.7 The Council Tax base was set at 48,072.67 by the Chief Financial Officer.

3.8 The calculation of the Budget Requirement and Council Tax Requirement is shown in Appendix IV.

3.9 Parish precepts are shown in Appendix V.

Capital Programme

3.10 The Capital Budget is attached in Appendix VI.

Reserves

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

(1) Maintain a prudent level of reserves to allow the Council to deal with unexpected one-off events;

(2) Funding the Council's strategic priorities; and,

(3) Fund one-off items of expenditure to support service delivery.

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

3.13 The Council seeks to maintain a minimum of £1.5m as its General Fund balance and there is no reason to change this - the balance at 1 April 2019 was £4.358 million. The Council holds earmarked reserves for specific purposes. The remaining unallocated funds form the General Reserve. The Chief Financial Officer's view is that the level of reserves and balances held by the Council are at a reasonable level. Reserves and balances are set out in Appendix VII.

3.14 The Council's Section 151 Officer (Chief Financial Officer), in accordance with the Local Government Act 2003, has hereby confirmed his opinion that the 2020/21 budget is robust, and the reserves are reasonable given the risks faced by the Council.

4. Alternative Options

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

4.2 The December report upon which this report builds has been considered by Scrutiny Committee and any of their recommendations will be brought to this meeting of Cabinet.

5. Consultation Undertaken or Proposed

- 5.1 The budget proposals were reported to Cabinet on 18 December 2019 and were examined by Scrutiny Committee on 22 January.
- 5.2 Consultation with the business community has taken place.

6. Implications

Issue	Implications
Corporate Plan	The budget proposals for 2020/21 support the emerging Corporate Plan objectives.
Financial, Resource and Property	The report sets out the approach to the 2020/21 budget and the medium term financial plan.
Legal, Statutory and Procurement	The report reflects the legal requirement for the Council to set a balanced budget.
Crime and Disorder	Any potential impact has been assessed by service managers.
Environmental Sustainability	Any potential impact has been assessed by service managers.
Health and Wellbeing	No issues identified.
Risk Management and Health and Safety	The financial risks are reflected in the Council's Risk Register.
Equality and Diversity	Any potential impact has been assessed by service managers.
Privacy and Data Protection	No issues identified.

7. Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Medium Term Financial Plan
 - Appendix II: Detailed Revenue Budget Proposals
 - Appendix III: Collection Fund and Council Tax Base
 - Appendix IV: Budget Requirement and Council Tax Requirement
 - Appendix V: Parish Precepts
 - Appendix VI: Capital Programme and Funding
 - Appendix VII: Reserves
 - Appendix VIII Minimum Revenue Provision Statement

8. Background Papers

[Cabinet budget report 18 December 2019](#)

Medium Term Financial Plan

	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Base Budget	18,613	18,664	18,534	18,564
Growth items	0	1,237	1,307	1,387
Unavoidable cost pressures	0	2,694	2,593	2,681
Loss of income	0	391	391	391
Additional income	0	(1,992)	(2,201)	(2,405)
Committed price increases	0	273	481	686
Lower Medway Internal Drainage Board	817	847	878	910
<u>Salary Related:</u>				
Pay Award (2%)	0	257	520	787
Other Pay Increases	0	78	125	150
Contribution to/(from) reserves	(740)	(613)	(483)	(513)
Revenue Support Grant	(113)	(115)	0	0
Business Rates	(7,768)	(8,750)	(8,845)	(9,010)
<i>This does not reflect the changes from Fair Funding Review, Baseline Reset and New Approach to Business Rates which are due to be implemented in 2021/22</i>				
Contribution from Business Rates Reserves	(250)	(250)	0	0
Levy account surplus	(65)	(173)		
Council Tax	(8,258)	(8,623)	(8,994)	(9,374)
New Homes Bonus	(1,875)	(1,633)	(752)	(371)
Savings Required	361	2,292	3,554	3,883
Service savings	0	(2,307)	(2,261)	(2,205)
Requirement for balanced position	0	0	(1,293)	(1,678)
Committed savings	0	(2,307)	(3,554)	(3,883)
Contribution from/ (to) from General Fund	361	(15)	0	0

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
1	ADAMS	Swale House	Fees and Services	271	0	Growth items	Cost of security service	30,000	30,000	30,000
2	ADAMS	Central House	Electricity	6,260	6,260	Service savings	Management to be transferred to Swale Community Leisure	-6,260	-6,260	-6,260
3	ADAMS	Central House	Service Charge	-9,443	-6,300	Loss of income	Management to be transferred to Swale Community Leisure	6,300	6,300	6,300
4	ADAMS	Central House	Recharge of Utility costs	-10,941	-9,200	Loss of income	Management to be transferred to Swale Community Leisure	9,200	9,200	9,200
5	ADAMS	Miscellaneous General Fund Properties	Rents - Properties	-361,213	-360,500	Loss of income	No income from Fountain Street properties	10,500	10,500	10,500
6	ADAMS	Sub Total						49,740	49,740	49,740
7	BEATTIE	Environmental Health Administration	MKS Charges Environmental Services	38,812	43,860	Service savings	Reduction in shared service recharge.	-3,290	-2,480	-1,650
8	BEATTIE	Food & Safety	MKS Charges Environmental Services	247,001	283,900	Service savings	Reduction in shared service recharge.	-25,710	-20,550	-15,280
9	BEATTIE	Environmental Protection	MKS Charges Environmental Services	179,448	181,170	Growth items	Shared service recharge not including Air Quality Officer	6,430	10,180	14,010

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10	BEATTIE	Environmental Protection	MKS Charges Environmental Services	0	50,000	Growth items	Air Quality Project Officer added to 2019/20 Budget for 2 years only funded from reserves.	-11,000	-50,000	-50,000
11	BEATTIE	Contributions from funds	Expenditure funded from reserves	0	-50,000	Growth items	Air Quality Project Officer added to 2019/20 Budget for 2 years only funded from reserves.	11,000	50,000	50,000
12	BEATTIE	Shellfish Classification	Sampling / Monitoring	17,375	25,000	Service savings	Savings in cost of contract	-6,250	-6,000	-5,500
13	BEATTIE	Pollution Prevention Control	Environmental Protection Act Fees	-17,209	-30,500	Loss of income	To reflect actual reduction in income	12,500	12,500	12,500
14	BEATTIE	Kent & Medway Air Quality Data Management Network	Private Contractors	17,479	0	Growth items	The Kent & Medway Contract ends 20-21.	17,480	0	0
15	BEATTIE	Kent & Medway Air Quality Data Management Network	Fees and charges	-18,741	0	Additional income	Offset of growth item above.	-17,480	0	0
16	BEATTIE	Sub Total						-16,320	-6,350	4,080
17	CLIFFORD	Democratic Services	Salaries	216,490	186,690	Growth items	Additional resource for providing Election and Democratic Service	10,000	10,000	10,000
18	CLIFFORD	General Democratic Costs	Members Travel	0	6,990	Service savings	Budget not required due to mileage rate being set at 45p	-6,990	-6,990	-6,990
19	CLIFFORD	General Democratic Costs	MKS Accounts	0	38,720	Service savings	Savings to fund Information Governance Assistant	-25,000	-25,000	-25,000

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20	CLIFFORD	General Democratic Costs	MKS Accounts	0	See no. 19	Service savings	Deletion of MKS support officer post	-13,720	-13,720	-13,720
21	CLIFFORD	General Democratic Costs	MKS Director	39,809	36,840	Unavoidable cost pressures	Council's share of costs	5,190	6,030	6,890
22	CLIFFORD	Contributions from funds	Expenditure funded from reserves	0	-120,000	Growth items	Removal of 19/20 Budget to fund 19/20 elections from reserves	120,000	120,000	120,000
23	CLIFFORD	Borough & Parish Elections	Elections	0	120,000	Growth items	Removal of 19/20 Budget to fund 19/20 elections from reserves	-120,000	-120,000	-120,000
24	CLIFFORD	Borough & Parish Elections	Contribution from Other Local Authorities	-1,820	-15,000	Loss of income	Budget originally to cover parish and town elections in May 2019. Council will only recharge parish councils if there are by-elections	15,000	15,000	15,000
25	CLIFFORD	Electoral Registration	Postage	21,204	31,100	Service savings	Canvass reform result in reduced postage	-5,100	-5,100	-5,100
26	CLIFFORD	Sub Total						-20,620	-19,780	-18,920
27	CASSELL	Environment Wardens	Hire & Leases	15,549	15,750	Growth items	Hire 6 electric vehicles (or hybrid if suitable electric vehicles are not available).	26,250	26,250	26,250
28	CASSELL	Head of Commissioning, Environment & Leisure	Staffing	0	0	Service savings	Restructure savings	-60,000	-60,000	-60,000

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29	CASELL	Environment and Leisure Finance Lease	Contracts	223,980	223,980	Service savings	Repayments for Finance Lease now completed - full savings on interest and principal for this finance lease is shown under Finance 117 & 118	-223,980	-223,980	-223,980
30	CASELL	Environment and Leisure Finance Lease	Contracts	-223,980	-223,980	Unavoidable cost pressures	Repayments for Finance Lease now completed - full savings on interest and principal for this finance lease is shown under Finance 117 & 118	223,980	223,980	223,980
31	CASELL	Client & Amenity Services Staff	Salaries	0	0	Growth items	Recruitment of full time Project Support Surveyor. Currently funded via a performance fund which is due expire in Jan 2020. Therefore, a Special Projects Fund has been approved.	45,000	0	0
32	CASELL	Contributions from Funds	Expenditure funded from reserves	0	0	Growth items	Recruitment of full time Project Support Surveyor. Currently funded via a performance fund which is due expire in January 2020. Therefore, a Special Projects Fund has been approved.	-45,000	0	0

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33	CASELL	Car Park Staff	MKS Charges for Car Parking	111,604	102,990	Unavoidable cost pressures	Increase for cost of service from Maidstone Council	11,010	13,010	15,010
34	CASELL	Car Park Staff	Staff Costs Recovery - MKS	-20,576	-18,170	Additional income	Income from recovery staff costs for car park staff	-350	-700	-1,060
35	CASELL	Swale Car Parks	Fees and charges	0	0	Growth items	To reinstate free car parking at the Swallow Leisure Centre and Beachfields.	90,000	90,000	90,000
36	CASELL	Disabled Parking Bays	Private Contractors	8,510	3,560	Growth items	Previously funded from reserves. To be made a permanent increase.	5,000	5,000	5,000
37	CASELL	Seafront	Grants & Contributions	-2,887	-29,000	Loss of income	One-off grant not continued into future years	29,000	29,000	29,000
38	CASELL	Seafront	Equipment	809	29,800	Service savings	One-off grant not continued into future years.	-29,000	-29,000	-29,000
39	CASELL	Public Conveniences	Water	40,010	36,140	Growth items	Addition of four public conveniences	11,120	11,120	11,120
40	CASELL	Public Conveniences	Private Contractors	216,641	224,610	Growth items	New toilets at Minster Leas beach huts and Milton Creek Country Park and potential re- opening of Milton High Street. Addition of The Retreat Kiosk for 7 months	26,110	33,630	41,380

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41	CASELL	Recycling Campaign	Garden Waste Scheme - Brown Bins	-505,375	-520,000	Additional income	Predicted growth in Garden Waste subscriptions	-10,000	-10,000	-10,000
42	CASELL	Special Collections	Fees & Charges	-29,744	-25,000	Service savings	Rezone A249 laybys to zone 1	-9,450	-10,480	-11,550
43	CASELL	Wheeled Bins	Equipment	214,345	137,000	Unavoidable cost pressures	Wheeled bins continue to need replacing due to coming to end of life - using existing reserve for 20-21 and 21-22, additional required for 22-23. Reserve £181k at 1/4/2019 & reserve increased by £35k pa.	0	0	63,000
44	CASELL	Sub Total						89,690	97,830	169,150
45	CLARKE	Internal Audit	MKS Charges for Audit Services	189,735	180,080	Service savings	Audit team restructure in April.	-2,440	-2,440	-2,440
46	CLARKE	Internal Audit	MKS Charges for Audit Services	0	0	Service savings	Removal of budget contingency for specialist audit services	-9,000	-9,000	-9,000
47	CLARKE	Sub Total						-11,440	-11,440	-11,440
48	CLIFFORD	Head of Policy	Staffing	0	0	Service savings	Restructure savings	-20,000	-30,000	-30,000
49	CLIFFORD	Sheerness Gateway	Fees and Services	0	6,330	Service savings	Budget no longer required as fees and services included in Contracts	-6,330	-6,330	-6,330

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50	CLIFFORD	Customer Service Centre Staff	Computer Equipment & Materials	0	0	Growth items	For the annual cost of My Council services (MCS) platform. This will form part of the MKS ICT IT equipment budget but is shown here under the service responsible for the software	38,440	38,440	38,440
51	CLIFFORD	Data Protection Resource	Salaries	50,681	61,970	Service savings	Information Governance (IG) officer post for two years fixed term ending at end of May 2020	-4,410	-61,970	-61,970
52	CLIFFORD	Contributions from funds	Expenditure funded from reserves	0	0	Service savings	IG officer post funded for nine months from reserves (Performance Fund)	-43,170	0	0
53	CLIFFORD	Data Protection Resource	Salaries	0	0	Growth items	IG Assistant post permanent and funded from savings shown against Democratic Services and Chief Executive 19 & 91	37,690	38,450	39,210
54	CLIFFORD	Data Protection Resource	Salaries	0	0	Growth items	IG Support Officer post as permanent in Council's staffing establishment	28,360	30,090	31,920
55	CLIFFORD	Communication Services	Signage	0	6,010	Service savings	Reduction in cost of signage for Communication Services	-6,010	-6,010	-6,010
56	CLIFFORD	Sub Total						24,570	2,670	5,260

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57	HUDSON	Closed Circuit Television - (CCTV)	CCTV Line Rental	26,209	41,900	Service savings	New contract detailed in December Cabinet report.	-14,900	-14,900	-14,900
58	HUDSON	Closed Circuit Television - (CCTV)	CCTV Monitoring Service	230,467	227,000	Service savings	New contract detailed in December Cabinet report.	-50,000	-50,000	-50,000
59	HUDSON	Head of Housing, Economy and Community Services	Staffing	0	0	Service savings	Restructure savings	-30,000	-40,000	-40,000
60	HUDSON	Members Localism Grants	Grants & Subscriptions	111,342	59,000	Growth items	Additional budget has been funded from the Regeneration Fund since 2012/13. As the Regeneration Fund is no longer available, this increase of £53,800 to provide each Councillor with £2,400.	53,800	53,800	53,800
61	HUDSON	Contributions from Funds	Expenditure funded from reserves	0	0	Growth items	Members Localism Grants to be funded from the Special Projects Fund	-53,800	-53,800	-53,800
62	HUDSON	Culture Grants	Grants & Subscriptions	37,651	0	Growth items	Culture Grants originally funded from Localism Fund.	10,000	10,000	10,000
63	HUDSON	Contributions from Funds	Expenditure funded from reserves	0	0	Growth items	Culture Grants to be funded from the Communities Fund if required for 2020/21	-10,000	0	0

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
64	HUDSON	Remembrance and Commemoration	Grants & Subscriptions	14,353	25,000	Service savings	WW1 scheme has ended - budget no longer required.	-25,000	-25,000	-25,000
65	HUDSON	Sports Development	Fees and Services	8,819	15,860	Service savings	Allocated overspend for grants for potential overspend but no longer required	-7,860	-7,860	-7,860
66	HUDSON	Housing Private Sector	Rechargeable Environ Works	7,011	5,000	Growth items	Increase in enforcement activity will result in potentially more works in default but this is recoverable and can be placed as a charge on a property.	5,000	5,000	5,000
67	HUDSON	Housing Private Sector	Recharge Works Environmental Services	-7,011	-5,000	Additional income	Increase in enforcement activity will result in potentially more works in default but this is recoverable and can be placed as a charge on a property.	-5,000	-5,000	-5,000
68	HUDSON	Housing Strategy & Development	Grant of Community Housing Fund monies	33,000	0	Growth items	Remaining community housing fund grant to be provided to Action for Communities in Rural Kent (ACRK)	93,740	93,740	93,740
69	HUDSON	Housing Strategy & Development	MHCLG Community Housing Grant	-33,000	0	Additional income	Remaining community housing fund grant to be paid as per current agreement to ACRK to continue project.	-93,740	-93,740	-93,740

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
70	HUDSON	Public Health	Salaries	0	0	Growth items	Public Health post	40,990	41,810	42,650
71	HUDSON	Temporary Accommodation (Homelessness)	Salaries	0	100,000	Growth items	Housing, Homelessness and Rough Sleepers Strategy approved in 2019/20 Budget to fund the fixed term posts as funding as a one-off but spread over a two-year period.	-100,000	-100,000	-100,000
72	HUDSON	Contributions from Funds	Salaries	0	-100,000	Growth items	Housing, Homelessness and Rough Sleepers Strategy approved in 2019/20 Budget to fund the fixed term posts as funding as a one-off but spread over a two-year period was funded from reserves	100,000	100,000	100,000
73	HUDSON	Temporary Accommodation (Homelessness)	Homeless Balance of Additional Budget	0	39,460	Service savings	This Budget only available for 2019/20	-39,460	0	0
74	HUDSON	Temporary Accommodation (Homelessness)	Salaries	0	0	Growth items	Housing Review staffing costs permanent increase to the establishment	65,000	66,300	67,630

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
75	HUDSON	Temporary Accommodation (Homelessness)	NL (Nightly Lets) - Homelessness Landlord Payments	1,006,378	0	Unavoidable cost pressures	Expected expenditure based on monthly monitoring	1,700,000	1,700,000	1,700,000
76	HUDSON	Temporary Accommodation (Homelessness)	B & B - Homelessness Landlord Payments	190,719	1,201,800	Service savings	Reduction in Bed and Breakfast costs for homelessness	-961,800	-961,800	-961,800
77	HUDSON	Temporary Accommodation (Homelessness)	Housing Benefit received	-502,177	-377,910	Additional income	Additional benefit income due to increase in homelessness costs.	-350,000	-350,000	-350,000
78	HUDSON	Temporary Accommodation (Homelessness)	Government grants	0	0	Additional income	Additional specific Government grant for homelessness.	-174,000	-174,000	-174,000
79	HUDSON	Temporary Accommodation (Homelessness)	Optivo - Homelessness Landlord Payments	156,863	0	Unavoidable cost pressures	Expected expenditure based on monthly monitoring.	180,000	180,000	180,000
80	HUDSON	Housing - Housing Options Team	Rent Deposit Scheme Debt Recovery	6,000	0	Growth items	Finance charge for Rent Deposit Scheme Debt Recovery (See 109).	6,000	6,000	6,000
81	HUDSON	Sub Total						338,970	380,550	382,720
82	FREEMAN	Head of Development Services	Staffing	0	0	Service savings	Restructure savings	-60,000	-60,000	-60,000
83	FREEMAN	Local land charges	MKS charges for land charges	65,555	79,060	Service savings	MKS recharges	-4,000	-2,500	-970
84	FREEMAN	Development Management	Planning - Advertisements	2,209	8,000	Service savings	Reduction in cost of planning advertisements	-5,000	-5,000	-5,000

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
85	FREEMAN	Sub Total						-69,000	-67,500	-65,970
86	NAREBOR	Legal (Clientside Costs)	Legal Fees - Planning/S106	-78,805	-72,600	Loss of income	S106 income has been weaker this year and this is expected to continue. The wider uncertainty in the property market makes a conservative income estimate based on current income for future MKLS income the most realistic approach.	40,600	40,600	40,600
87	NAREBOR	Legal (Clientside Costs)	Various	0	0	Service savings	The s106 income supports the base budget, if income reduces then costs will have to be reduced.	-40,600	-40,600	-40,600
88	NAREBOR	MKLS - Legal Services	Salaries	918,257	1,153,580	Growth items	The Legal staffing budget will be increased to complete funding for a full time corporate governance lawyer.	6,000	6,000	6,000
89	NAREBOR	MKLS - Legal Services	MKLS running costs	-1,223,768	-1,107,120	Service savings	Contributions from partner authorities to the increase for corporate governance lawyer	-4,400	-4,400	-4,400
90	NAREBOR	Sub Total						1,600	1,600	1,600
91	RADFORD	Corporate Costs	Salaries	0	243,520	Service savings	Savings to meet cost of Information Governance assistant	-11,000	-11,000	-11,000
92	RADFORD	Sub Total						-11,000	-11,000	-11,000

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
93	SANDHER	Human Resources	Salaries			Growth items	To implement the Real Living Wage for SBC staff	68,000	68,000	68,000
94	SANDHER	Human Resources	MKS charges for HR service	222,080	262,080	Unavoidable cost pressures	MKS recharges	0	5,240	10,590
95	SANDHER	Human Resources	MKS charges for HR service	0	0	Service savings	Reduction in contingency held for iTrent consultancy	-4,000	-4,000	-4,000
96	SANDHER	Human Resources	Fees and Services	11,476	0	Growth items	To fund bHeard survey	12,000	0	12,000
97	SANDHER	Contributions from Funds	Expenditure funded from reserves	0	0	Growth items	bHeard survey to be funded from reserves	-12,000	0	-12,000
98	SANDHER	Sub Total						64,000	69,240	74,590
99	VICKERS	Licences (Legal)	Licence Fees (Gambling)	-21,548	-41,280	Loss of income	To align the budget with the forecast income	20,280	20,280	20,280
100	VICKERS	Licences (Legal)	Licence Fees	-121,982	-100,000	Service savings	To align the budget with the forecast income	-20,280	-20,280	-20,280
101	VICKERS	Chief Finance Officer	Salaries	0	49,930	Growth items	Increase in hours for Chief Financial Officer	21,840	23,280	24,740
102	VICKERS	Various	Various	0	0	Growth items	Increase in hours for Chief Financial Officer to be spread across other teams within Resources Directorate	-21,840	-23,280	-24,740
103	VICKERS	Chief Finance Officer	Salaries	0	0	Growth items	Restructure savings	-30,000	-40,000	-40,000

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
104	VICKERS	Benefit and Council Tax Support Administration	Benefit Subsidy	-451,413	-432,110	Unavoidable cost pressures	Reduction in benefit administration grant from government.	52,280	71,280	89,320
105	VICKERS	Contributions from Funds	Expenditure funded from reserves	0	0	Unavoidable cost pressures	Reduction in benefit administration grant from government to be funded from Revenues and Benefits Reserve	-52,280	-71,280	-89,320
106	VICKERS	Benefit and Council Tax Support Administration	Council Tax Support Grant	-174,170	-162,780	Unavoidable cost pressures	Reduction in council tax support grant from government.	8,140	15,870	23,220
107	VICKERS	MKS Enforcement Service Council Tax	MKS Debt Recovery Service Income	-133,147	-125,000	Additional income	Additional income from this shared service for Council Tax debt recovery	-34,000	0	0
108	VICKERS	Non Specific Grants	Surplus/Deficit Council Tax Income	-178,000	-25,340	Unavoidable cost pressures	Forecast of the Council's share of surplus on Collection Fund	0	25,340	25,340
109	VICKERS	Exchequer & Banking	Recovery - Rent Deposit Scheme Debt Work	-6,000	0	Additional income	Income from Housing for debtors' work	-6,000	-6,000	-6,000
110	VICKERS	Interest Payable	Interest Payable on external loans	16,862	0	Unavoidable cost pressures	Cost of interest on existing external loans	188,260	19,010	0
111	VICKERS	Interest on balances	External interest	-292,326	-110,480	Additional income	Interest from investments	-98,290	0	0
112	VICKERS	Adjustments between accounting/funding basis	Salaries	0	-52,710	Growth items	18/19 staff savings not identified out of total £250k required savings in previous budgets	52,710	52,710	52,710

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
113	VICKERS	Adjustments between accounting/funding basis	Pension Enhancements	229,669	240,000	Service savings	Reduction in pension enhancement costs for retired staff	-11,000	-12,000	-13,000
114	VICKERS	All staff costs	Superannuation Future Funding	1,152,270	1,258,350	Unavoidable cost pressures	Pension increase from triennial revaluation for Future Funding	202,595	231,814	261,617
115	VICKERS	Adjustments between accounting & funding basis	Superannuation Back Funding	1,414,000	1,448,430	Service savings	Pension reduction from triennial revaluation for Back Funding	-248,430	-208,430	-158,430
116	VICKERS	Contributions from Funds	Expenditure funded from reserves	0	-74,050	Unavoidable cost pressures	Use of 2018/19 underspend to support 2019/20 Budget removed	74,050	74,050	74,050
117	VICKERS	Interest Payable	Interest Payable	40,639	18,740	Service savings	End of Finance lease interest element.	-18,740	-18,740	-18,740
118	VICKERS	Adjustments between accounting & funding basis	Minimum Revenue Provision (MRP)	183,000	140,000	Service savings	End of Finance lease principal element.	-140,000	-140,000	-140,000
119	VICKERS	Adjustments between accounting & funding basis	Minimum Revenue Provision	254,753	451,000	Growth items	Minimum Revenue Provision for capital items funded from internal borrowing	302,835	369,000	427,000

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
120	VICKERS	STC Princes Street Retail Park	Fees and Services	22,322	10,000	Unavoidable cost pressures	Property Management fee and unrecoverable service charges for the STC Retail Park	13,600	13,600	13,600
121	VICKERS	STC Princes Street Retail Park	Rents	-438,610	0	Additional income	Rental income from STC Retail Park	-495,000	-495,000	-495,000
122	VICKERS	STC Princes Street Retail Park	Rents	0	-240,000	Loss of income	Removal of previous budget for rental income from STC Retail Park	240,000	240,000	240,000
123	VICKERS	STC Bourne Place	Rents	0	0	Additional income	STC Bourne Place rental income for cinema, hotel and restaurants.	-584,290	-937,700	-1,137,690
124	VICKERS	STC Bourne Place	Fees & charges	0	0	Growth items	Operational costs	10,000	10,000	10,000
125	VICKERS	STC Multi-storey Car Park	Fees & charges	0	0	Growth items	Costs of managing the Multi-Storey Car Park	183,610	187,280	191,020
126	VICKERS	STC Multi-storey Car Park	Fees & charges	0	0	Additional income	Multi Storey Car Park - increased income	-100,000	-100,000	-100,000
127	VICKERS	STC Multi-storey Car Park	Rates	0	0	Growth items	New Multi Storey Car park - business rates	86,000	87,720	89,470
128	VICKERS	Sub Total						-403,950	-631,476	-700,833
129	WOODWARD	ICT Development, Network & Support	MKS Charges for ICT	381,190	418,800	Unavoidable cost pressures	Increase in shared services recharge as agreed at Shared Services Board	49,200	49,200	49,200
130	WOODWARD	ICT Development, Network & Support	MKS Charges for ICT	0	0	Service savings	Review of software licences and restructure savings	-30,000	-30,000	-30,000

Detailed Revenue Budget Proposals

No.	Head of Service	Description	Type of Spend/ Income	Previous Year Actual 2018/19 £	Original Budget 2019/20 £	MTFP Category	Explanation of Budget Change	2020-21 increase over and above 19/20 £	2021-22 increase over and above 19/20 £	2022-23 increase over and above 19/20 £
131	WOODWARD	GIS	MKS Charges for ICT	72,064	67,630	Unavoidable cost pressures	Increase in shared services recharge as agreed at Shared Services Board	5,370	5,370	5,370
132	WOODWARD	Sub Total						24,570	24,570	24,570
133	Committed Price Increases							272,920	480,610	685,900
134	Minor Items							-38,210	-49,220	-53,620
135	Grand Total							295,520	310,044	535,827

Collection Fund and Council Tax Base

Tax Base

The tax base for 2020/21 is 48,072.67.

Collection Fund

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Collection Fund for Council Tax and Business Rates in January 2020, notifying Kent County Council, the Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions. The declared surplus of £401,620 is shared as follows:

	£'000
Central Government	355
Kent County Council	(597)
The Police and Crime Commissioner for Kent	(3)
Kent & Medway Towns Fire & Rescue Authority	(5)
Swale Borough Council	(152)
Total	(402)

These amounts are not added to precepts or budgets but must be taken into account by each Authority when setting their basic Council Tax.

Other Preceptors

Kent County Council, the Kent & Medway Fire Authority and the Kent Police and Crime Commissioner will set their own precepting for all valuation bands. These tax levels will form part of the overall Council Tax to be set by full Council on 26 February 2020.

Parish Council Precepts

Parish Council precept demands have been submitted during January 2020 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

Budget Requirement and Council Tax Requirement

	2020/21 £'000
2020/21 Swale Operating Expenditure Budget Before Savings and Growth Items	19,338
Growth items	1,237
Unavoidable cost pressures	2,694
Loss of income	391
Additional income	(1,992)
Committed price increases	273
Pay increases	78
Pay award	257
Contribution to/ (from) reserves	(848)
Service savings	(2,307)
Sub total	19,121
New Homes Bonus	(1,633)
Swale Budget Requirement (to be agreed)	17,488
Revenue Support Grant	(115)
Business Rates	(8,750)
Council Tax Requirement (to be agreed)	8,623
Council Tax Income (assuming £179.37 for Band D)	(8,623)

Parish Precepts

Parish / Town Council	Additional Council Tax for Band D 2019/20 £	Tax Base 2020/21	Parish Precept (rounded) 2020/21 £	Additional Council Tax for Band D 2020/21 £	Additional Council Tax for Band D 2020/21 % Change
Bapchild	26.40	460.15	12,489.00	27.14	2.80%
Bobbing	19.95	1,004.80	20,046.00	19.95	0%
Borden	54.42	1,085.28	59,542.00	54.86	0.81%
Boughton-under-Blean	81.65	699.83	59,897.00	85.59	4.83%
Bredgar	35.70	286.02	10,273.00	35.92	0.62%
Doddington	38.04	228.60	8,732.00	38.20	0.42%
Dunkirk	24.26	518.27	14,907.00	28.76	18.55%
Eastchurch	41.93	827.07	39,125.00	47.31	12.83%
Eastling	35.00	150.27	5,259.00	35.00	0%
Faversham Town Council	57.99	6,363.72	496,710.00	78.05	34.59%
Graveney & Goodnestone	59.33	189.28	11,230.00	59.33	0%
Hartlip	22.08	369.11	8,000.00	21.67	-1.86%
Hernhill	34.76	288.91	10,500.00	36.34	4.55%
Iwade	35.43	1,452.95	51,478.00	35.43	0%
Leysdown	21.04	1,150.39	35,890.00	31.20	48.29%
Lower Halstow	81.87	460.80	37,740.00	81.90	0.04%
Luddenham	0	43.81	0	0	0%
Lynsted	35.70	473.79	17,049.00	35.98	0.78%
Milstead	63.83	88.73	5,500.00	61.99	-2.88%
Minster	27.61	5,642.03	197,471.00	35.00	26.77%
Newington	52.69	939.69	51,542.00	54.85	4.10%
Newnham	34.29	159.34	5,464.00	34.29	0%
Norton & Buckland	34.24	187.57	6,696.00	35.70	4.26%
Oare	51.32	173.40	9,000.00	51.90	1.13%
Ospringe	26.42	284.62	7,500.00	26.35	-0.26%
Queenborough Town Council	75.65	901.75	68,500.00	75.96	0.41%
Rodmersham	42.96	246.97	10,500.00	42.52	-1.02%
Selling	54.80	369.87	13,000.00	35.15	-35.86%
Sheerness Town Council	50.00	2,831.98	139,962.00	49.42	-1.16%
Sheldwich, Leaveland & Badlesmere	24.39	346.34	8,600.00	24.83	1.80%
Stalisfield	29.13	100.53	2,929.00	29.14	0.03%
Teynham	54.78	907.45	49,480.00	54.53	-0.46%
Throwley	21.49	140.89	3,408.00	24.19	12.56%
Tonge	5.58	439.07	2,200.00	5.01	-10.22%
Tunstall	28.70	707.92	22,021.00	31.11	8.40%
Upchurch	50.00	1,025.96	55,915.00	54.50	9.00%
Warden	29.65	508.30	15,000.00	29.51	-0.47%
TOTAL			1,573,555.00		

Capital Programme and Funding

	Funding SBC/ Partner- ship	2019/20 Original Budget	2019/20 Revised Budget	2020/21 Original Budget	2021/22 Original Budget	Budget Later Years
		£	£	£	£	£
<u>Housing, Economy & Community Services - C. Hudson</u>						
CCTV – Reserves	SBC	15,000	30,000	0	0	0
CCTV Monitoring Control Centre – Reserves	SBC	0	250,000	0	0	0
The Mill Project, Sittingbourne Skate Park – S106	P	0	1,350	0	0	0
The Mill Project, Sittingbourne Skate Park – Capital Grant	P	15,000	15,000	0	0	0
The Mill Project, Sittingbourne Skate Park – Capital Receipts	SBC	150,000	200,000	0	0	0
Faversham Creek Basin Regeneration Project (Swing Bridge) – Capital Receipts	SBC	200,000	200,000	0	0	0
Sittingbourne Town Centre – Internal/External Borrowing	SBC	14,212,758	15,250,640	44,250	0	0
Disabled Facilities Grant – External Grant	P	2,062,800	3,676,730	2,062,800	2,062,800	2,062,800
Total Housing, Economy & Community Services		16,655,558	19,623,720	2,107,050	2,062,800	2,062,800
<u>Commissioning, Environment & Leisure - M. Cassell</u>						
Barton's Point Coastal Park - replacement bridge - Capital Receipts	SBC	0	120,000	0	0	0
Car Park Improvements/Enhancements – Beach Street	SBC	0	21,570	0	0	0
Faversham Recreation Ground Improvements – External Grants	P	1,103,000	1,103,000	104,080	104,080	156,210
Faversham Recreation Ground Improvements – Reserves	SBC	0	50,000	0	0	0
Faversham Recreation Ground Improvements – S106	P	225,920	225,920	21,320	21,320	21,320
Gunpowder Works Oare Faversham – S106	P	0	9,000	0	0	0
Leisure Centres – Internal /External Borrowing	SBC	0	1,079,000	0	0	0
Milton Creek Access Road – Reserves	SBC	40,000	40,000	0	0	0
Modular Toilet Kiosks – Reserves	SBC	30,000	0	0	0	0
New Play Area – Iwade Schemes – S106	P	45,000	45,000	0	0	0
Hugh Price Close Play Area Improvements – External Grants	P	0	30,000	0	0	0
Open Spaces Play Equipment – S106	P	226,000	226,000	130,000	100,000	0
Play Improvements – Reserves	SBC	150,000	0	150,000	100,000	0
Play Improvements – Rectory Road Playing Field - Reserves	SBC	0	51,510	0	0	0
Play Improvements – Balas Drive – External Grant	P	0	1,000	0	0	0
Play Improvements – Balas Drive – Reserves	SBC	0	10,000	0	0	0

Capital Programme and Funding

	Funding SBC/ Partner- ship	2019/20 Original Budget	2019/20 Revised Budget	2020/21 Original Budget	2021/22 Original Budget	Budget Later Years
		£	£	£	£	£
Play Improvements – Diligent Drive – Reserves	SBC	0	18,000	0	0	0
Play Improvements – Minster Leas – Reserves	SBC	0	22,000	0	0	0
Play Improvements – Minster Leas – External Grant	P	0	9,000	0	0	0
Play Improvements – Milton Creek County Park – Reserves	SBC	0	27,200	0	0	0
Play Improvements – Shellness Road – Reserves	SBC	0	30,000	0	0	0
Play Improvements – Shellness Road – External Grant	P	0	15,000	0	0	0
Play Improvements – Shellness Road – S106 Grant	P	0	11,750	0	0	0
Play Improvements – Rectory Play Area (Fitness) – S106 Grant	P	0	20,000	0	0	0
Public Toilets - Forum Sittingbourne - Capital Receipts	SBC	0	50,000	0	0	0
Public Toilets - Central Car Park Faversham - Capital Receipts	SBC	0	40,000	0	0	0
Public Toilets - Milton Creek Country Park – Capital Receipts	SBC	0	150,000	0	0	0
Public Toilets - Barton Point – Capital Receipts	SBC	0	100,000	0	0	0
Public Toilets - Spinney Leysdown - Capital Receipts	SBC	0	40,000	0	0	0
Public Toilets - Minster Leas – Reserves	SBC	0	30,000	0	0	0
Public Toilets - Minster Leas - Capital Receipts	SBC	0	80,000	0	0	0
Resurfacing Promenade, The Leas – External Grant	P	84,970	84,970	0	0	0
Wheeled Bins - Reserves	SBC	0	94,000	157,000	35,000	63,000
Beach Huts - Capital Receipts	SBC	0	0	60,000	0	0
Total Commissioning, Environment & Leisure		1,904,890	3,833,920	622,400	360,400	240,530
Environmental Health - T. Beattie						
Replacement of Air Pollution Monitoring Station – Capital Receipts	SBC	0	49,050	0	0	0
Total Environmental Health		0	49,050	0	0	0
Property - A. Adams						
Folder Inserter Machine – Capital Receipts	SBC	0	20,110	0	0	0
Total Property		0	20,110	0	0	0

Capital Programme and Funding

	Funding SBC/ Partner- ship	2019/20 Original Budget	2019/20 Revised Budget	2020/21 Original Budget	2021/22 Original Budget	Budget Later Years
		£	£	£	£	£
Finance - N. Vickers						
Finance System Upgrade – Reserves	SBC	0	5,210	0	0	0
Total Finance		0	5,210	0	0	0
ICT - C. Woodward						
ICT Infrastructure & Equipment Replacement - Reserves	SBC	91,200	92,500	76,200	274,000	0
Total ICT		91,200	92,500	76,200	274,000	0
Planning – J. Freeman						
Land Charges Shared Service – Online Submission Module – Capital Receipts	SBC	0	0	6,400	0	0
Total Planning		0	0	6,400	0	0
Total Capital Programme Funded by SBC	SBC	14,888,958	18,150,790	493,850	409,000	63,000
Total Capital Programme Funded by Partners	P	3,762,690	5,473,720	2,318,200	2,288,200	2,240,330
Total Capital Programme		18,651,648	23,624,510	2,812,050	2,697,200	2,303,330

Capital Programme and Funding

Funding Analysis		2019/20 Original Budget £	2019/20 Revised Budget £	2020/21 Original Budget £	2021/22 Original Budget £	Budget Later Years £
Total Capital Expenditure		18,651,648	23,624,510	2,812,050	2,697,200	2,303,330
Partnership Funding		3,762,690	5,473,720	2,318,200	2,288,200	2,240,330
Revenue Contributions						
(a) Repairs & Renewals Reserves						
- CCTV		15,000	30,000	0	0	0
- CCTV Monitoring Control Centre		0	0	50,500	50,500	50,500
- Wheeled bins		0	94,000	157,000	35,000	63,000
Sub Total		15,000	124,000	207,500	85,500	113,500
(b) General Reserve						
- Play Improvements		150,000	0	150,000	100,000	0
- Play Improvements (roll forward)		0	0	0	0	0
- Play Improvements - Faversham Recreation Ground		0	50,000	0	0	0
- Play Improvements - Balas Drive		0	10,000	0	0	0
- Play Improvements - Diligent Drive		0	18,000	0	0	0
- Play Improvements - Minster Leas		0	22,000	0	0	0
- Play Improvements - Shellness Road		0	30,000	0	0	0
- Play Improvements - Milton Creek Country Park		0	27,200	0	0	0
- Milton Creek Access Road		40,000	40,000	0	0	0
- Play Improvements - Rectory Road Playing Field		0	40,300	0	0	0
- Public toilets - Minster Leas		30,000	30,000	0	0	0
- Adelante Upgrade		0	5,210	0	0	0
- ICT Infrastructure & Equipment Replacement		91,200	92,500	76,200	274,000	0
Sub Total		311,200	365,210	226,200	374,000	0
(c) Special Projects Fund						
- Play Improvements - Rectory Road Playing Field		0	11,210	0	0	0
Sub Total		0	11,210	0	0	0

Capital Programme and Funding

Funding Analysis		2019/20 Original Budget £	2019/20 Revised Budget £	2020/21 Original Budget £	2021/22 Original Budget £	Budget Later Years £
(d) Civil Parking Enforcement Reserve						
- Play Improvements - Rectory Road Playing Field		0	21,570	0	0	0
Sub Total		0	21,570	0	0	0
Total Revenue Contributions		326,200	521,990	433,700	459,500	113,500
Capital Receipts						
- Beach Huts		0	0	60,000	0	0
- Bartons Point Coastal Park - Replacement Bridge		0	120,000	0	0	0
- Faversham Creek Basin Regeneration Project (swing bridge)		200,000	200,000	0	0	0
- Folder Inserter Machine		0	20,110	0	0	0
- Land Charges Shared Service		0	0	6,400	0	0
- Replacement of Air Quality Stations		0	49,050	0	0	0
- The Mill Project, Sittingbourne Skate Park		150,000	200,000	0	0	0
- Public toilets - Forum Sittingbourne		0	100,000	0	0	0
- Public toilets - Barton Point		0	50,000	0	0	0
- Public toilets - Central Car Park Faversham		0	40,000	0	0	0
- Public toilets - Milton Creek Country Park		0	150,000	0	0	0
- Public toilets - Spinney Leysdown		0	40,000	0	0	0
- Public toilets - Minster Leas		0	80,000	0	0	0
Total Capital Receipts		350,000	1,049,160	66,400	0	0
Internal / External Borrowing		14,212,758	16,329,640	44,250	0	0
Total SBC Funding		14,888,958	17,900,790	544,350	459,500	113,500
Funding Less Capital Spend (CCTV Centre funded from revenue savings)		0	-250,000	50,500	50,500	50,500

Reserves

	Balance as at 31/03/19	Movements in Year	Balance as at 31/03/20	Movements in Year	Balance as at 31/03/21
	£'000	£'000	£'000	£'000	£'000
Special Projects	0	(420)	(420)	420	0
Communities	(122)	(292)	(414)	214	(200)
Performance	(494)	257	(237)	225	(12)
Pension & Redundancy	(86)	0	(86)	0	(86)
Regeneration	(437)	437	0	0	0
Local Loans Fund	(175)	0	(175)	0	(175)
General Reserve	(2,186)	1,466	(720)	716	(4)
Business Rates Volatility	(4,935)	1,300	(3,635)	1,155	(2,480)
Kent Pool Economic Development Reserve	(2,065)	250	(1,815)	1,815	0
Housing & Commercial Growth Business Rates	(846)	(860)	(1,706)	846	(860)
Other Earmarked Reserves	(6,485)	(534)	(7,019)	126	(6,893)
Sub Total Earmarked Reserves	(17,831)	1,604	(16,227)	5,517	(10,710)
Capital Receipts Reserve	(517)	445	(72)	66	(6)
Capital Grants Unapplied Account	(329)	0	(329)	0	(329)
General Fund	(4,358)	1,133	(3,225)	(40)	(3,265)
Total Reserves	(23,035)	3,182	(19,853)	5,543	(14,310)

Note: This shows the Budget position, but all in-year changes will be reflected in closedown and in the Council's financial accounts.

Minimum Revenue Provision Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.

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

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

For 2020/21 it is recommended that:

- for supported expenditure, and for all capital expenditure incurred prior to 1 April 2008, MRP will, under delegated authority, be calculated under the Annuity Method over 50 years;
- MRP for all self-financed capital expenditure incurred after 1 April 2008 will, under delegated authority, be calculated under the Asset Life (Equal Instalment) Method;
- MRP in respect of leases and Public Finance Initiative (PFI) schemes brought on Balance Sheet under the International Financial Reporting Standards based Accounting Code of Practice will match the principal repayment for the associated deferred liability, to ensure that the impact on the revenue account is neutral; and
- where loans are made to other bodies for their capital expenditure, no MRP will be charged but the Council would apply the capital receipt arising from the principal repayments to reduce the CFR instead.

For 2019/20 to 2021/22 it is recommended that MRP charges can be varied between years from those calculated on the above bases, providing they equal the total due within the three year period in order to provide some flexibility between years with a minimum charge of £591,000 in each year.

Capital expenditure incurred during 2020/21 will not be subject to a MRP charge until 2021/22. MRP on property is not required until the asset is operational.

The budget implications of MRP are detailed elsewhere in this report and the estimated Capital Financing Requirement is detailed in the Annual Treasury Management Report for 2020/21.