

| Environment, Health and Wellbeing Cabinet Advisory Committee | |
|---|---|
| Meeting Date | 25 January 2022 |
| Report Title | Budget 2022/23 and Medium-Term Financial Plan |
| Cabinet Member | Cllr Truelove, Leader and Cabinet Member for Finance |
| SMT Lead | Lisa Fillery, Director of Resources |
| Head of Service | Phil Wilson, Head of Finance and Procurement |
| Lead Officer | Phil Wilson, Head of Finance and Procurement |
| Key Decision | Yes |
| Classification | Open |
| Forward Plan | Reference Number: |
| Recommendations | <ol style="list-style-type: none"> 1. To note the draft 2022/23 revenue and capital budgets. 2. To note the Medium-Term Financial Plan. |

1. Purpose of Report and Executive Summary

- 1.1 This report sets out draft 2022/23 revenue and capital budgets and the draft Medium Term Financial Plan (MTFP).
- 1.2 The Council is still in the midst of a highly complex situation arising from the Covid pandemic; very significant additional costs, significant loss of income and additional Government funding (both general and specific grants). The Council weathered the Covid financial pressures well, but in a way the significant amount of additional funding received should not detract from the very serious underlying financial issues.
- 1.3 The Government announced a Spending Review on 27 November. At time of writing the report, the target date for the provisional settlement is 5 December.
- 1.4 The contents of this report will form the basis of the formal scrutiny of the budget proposals on 26 January.

2. Background

Local Government Finance

- 2.1 Fundamental changes planned to the funding basis of councils have been deferred. No announcement has been made about the baseline reset or any of the other business rates reforms. Given that business rate pilots will be continuing until 2024/25, this suggests that the baseline reset will also be delayed. There was no announcement on the Fair Funding Review and the growing sense that it too will be delayed until 2025/26.
- 2.2 However, during an appearance before the Housing, Communities and Local Government Select Committee on 8 November, the Secretary of State for Levelling Up stated that the Government was to proceed with caution regarding the move to local government retaining 75% of business rates from the current 50%.
- 2.3 On 27 November, the Chancellor of the Exchequer announced the Spending Review 2021 that will cover the next three years (2022/23 to 2024/25). Details of the funding allocations will not be announced until the provisional settlement in December 2021. There are a number of settlement issues that will affect Swale:
- New Homes Bonus (NHB). There was no announcement on the future of NHB (there was a consultation paper earlier this year). Officials have not given any indication about whether NHB will disappear in 2022/23 or 2023/24, or whether it will continue in some form for the rest of the spending review period.
 - Ongoing COVID pressures. No new funding has been announced for any additional pressures in local government.
 - The threshold for “core” council tax increases remained at 2% We also anticipate the £5 per annum maximum increase will be permitted. There is no indication that there will be greater flexibility for districts
 - Public sector bodies will receive compensation for any additional contributions paid from the 1.25% increase from April 2022 onwards in National Insurance Contributions. The Treasury has set aside £1.7bn to £1.8bn every year to pay compensation, however, indications are that the compensation for local authorities will be included within overall grant allocations.
 - Business Rates: There will be a 50% discount for retail, hospitality and leisure sectors (up to a maximum of £110,000) in 2022/23. Local authorities will be fully funded for the additional costs of the discount.

Coalition Priorities

- 2.4 The administration's approach to managing the Council's finances and achieving priorities are:
- Revenue budget is highly constrained.
 - Use one-off monies to fund administration priorities.
 - Approach using one-off monies has been successful - Special Projects Fund/Improvement and Resilience Funds/ Town Centre funds.
- 2.5 The Council in May 2019 had revenue reserves of £22.2m and this had remained at £22.2m at 31 March 2021 (excluding reserves committed for supporting the collection fund). The approach has been to use one-off monies to support key Coalition priorities. So, the Business Rates Volatility Reserve and shared Business Rates funds have been committed to Coalition priorities. The projects supported from the Special Project Fund show the extent of support provided across the borough to deliver specific projects.

Covid

- 2.6 The Financial Management Report for 2021/22 which is also on the agenda for this Cabinet meeting, forecasts a budget variance of £359k due to the ongoing effect of the coronavirus pandemic, notably in the loss of income from car parking which is a result of the change in working patterns and there is a consequent significant reduction in the budget for car parking income for 2022/23.

Use of Reserves

- 2.7 Reserves are central both to achieving the Coalition priorities and to achieving a balanced budget position.
- 2.8 As at 31 March 2021 the revenue reserves were £22.2m (not including those reserves earmarked for use against the collection fund deficit). However, they are earmarked for particular functions:
- Reserves which are for an accounting adjustment between the value of income received and the value in the council's accounts for rental income (£0.5m);
 - Reserves earmarked for a particular project. Heads of Service have reviewed their reserves to determine whether the entire reserve is still required (£17.2m); and,
 - The General Fund (£3.1m after rollovers £294k plus transfer to Covid Recovery Fund of £1,043k).

- 2.9 Reserves can be used to balance the budget but as this is the use of one-off money it still leaves an underlying issue. Nonetheless Government will expect reserves to be utilised and have been critical of the level of reserves held by councils. Reserves will be an essential part of balancing the Swale budget for 2022/23.
- 2.10 Budget costs previously earmarked as being funded from reserves have been put back into the base budget notably Minimum Revenue Provision (MRP) (£302k) and pension increases (£182k).
- 2.11 We are proposing to end the special project fund with 2021/22 being the last year it is topped up by £1m from the Business Rates Volatility Reserve. This will mean a total of £3m will have been spent on the delivering projects across the borough.

Capital Strategy

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

Council Tax

- 2.13 The 2022/23 budget and the MTFP assume an increase of £4.95 per annum subject to confirmation in the Local Government Finance Settlement of the parameters for District Councils.

Contractual Price Inflation

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

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

Staff Pay

- 2.15 The budget currently reflects the fact that the staff pay increase, to which members' allowances increases are linked, is subject to negotiation with trade unions locally. The current budget provision is for a 2% increase plus further salary costs including increments where applicable. However this will need to be considered with the increase of the Real Living Wage to £2.90 announced on 15 November.

3. Proposals

- 3.1 Given the timing of this report this is an interim step in the development of fully balanced budget proposals.
- 3.2 The updated Medium Term Financial Plan is attached in Appendix I. It currently shows a gap to be closed for a balanced position of £2.3m.
- 3.3 To close this gap, it is proposed to use £1m for the Business Rates Volatility Reserve originally earmarked for the Special Projects Fund and a further £1.3m from reserves.
- 3.4 Variations from the 2021/22 base budget are set out in Appendix II. For convenience they are shown by Head of Service with the standard categories of Growth, Unavoidable Cost Pressures, Loss of Income, Service Savings and Additional Income.
- 3.5 The draft capital budget is attached in Appendix III.

4. Alternative Options

- 4.1 Do nothing – This is not recommended as the Council is legally required to set a balanced budget. The Constitution also requires the Scrutiny Committee to have budget proposals one month in advance of their January meeting. Further budget report will be submitted to Cabinet and Council in February 2022.

5. Consultation Undertaken or Proposed

- 5.1 Formal consultation with the business community will be undertaken. The Budget proposals contained in this report will be made available for comment on the Council's website from 9 December to 13 January.

6. Implications

| Issue | Implications |
|--|---|
| Corporate Plan | The budget proposals support the achievement of the Council's corporate priorities. |
| Financial, Resource and Property | The report sets out the Council's resourcing position. |
| Legal, Statutory and Procurement | The Council is required to set a Council tax and a balanced budget. |
| Crime and Disorder | Any potential implications will be addressed by service managers in their budget proposals. |
| Environment and Climate/Ecological Emergency | The proposals support the Climate Change and Ecological motion agreed by Cabinet. |

| Issue | Implications |
|--|---|
| Health and Wellbeing | Any potential implications will be addressed by service managers in their budget proposals. |
| Safeguarding of Children, Young People and Vulnerable Adults | Any potential implications will be addressed by service managers in their budget proposals. |
| Risk Management and Health and Safety | Any potential implications will be addressed by service managers in their budget proposals. |
| Equality and Diversity | Any potential implications will be addressed by service managers in their budget proposals. |
| Privacy and Data Protection | Any potential implications will be addressed by service managers in their budget proposals. |

7. Appendices

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

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

8. Background Papers

None

2022/23 Medium Term Financial Plan (MTFP)

| Service | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| Chief Executive | 263 | 240 | 240 | 240 |
| Director of Neighbourhoods & Regeneration | 224 | 225 | 225 | 225 |
| Environment & Leisure | 6,258 | 6,535 | 7,256 | 8,047 |
| Planning | 865 | 765 | 739 | 740 |
| Housing & Community Services | 3,472 | 3,440 | 3,440 | 3,440 |
| Regeneration & Economic Development | (129) | (247) | (332) | (400) |
| Policy, Governance & Customer Services | 2,273 | 2,253 | 2,253 | 2,253 |
| Finance & Procurement | 816 | 782 | 788 | 794 |
| Corporate Overheads/Capital Financing | 2,344 | 2,857 | 2,854 | 2,818 |
| Revenues & Benefits | 392 | 441 | 398 | 354 |
| Environmental Health | 522 | 521 | 521 | 521 |
| MKS Legal | 486 | 476 | 476 | 476 |
| MKS Audit | 182 | 182 | 182 | 182 |
| MKS Human Resources | 431 | 450 | 450 | 450 |
| MKS Information Technology | 1,362 | 1,362 | 1,362 | 1,362 |
| Collection Fund Surplus | (50) | 0 | 0 | 0 |
| Pay and inflation | 0 | 314 | 606 | 898 |
| Sub Total Base Budget | 19,711 | 20,596 | 21,458 | 22,400 |
| Drainage Board | 876 | 906 | 937 | 969 |
| Historic contribution to reserves | 93 | 93 | 93 | 93 |
| Contribution to/ (from) reserve | (662) | 52 | 106 | 106 |
| Savings required | 0 | (2,316) | (2,683) | (3,127) |
| Grants | | | | |
| Revenue Support Grant | (116) | (117) | (117) | 0 |
| Business Rates - Gross | (8,733) | (9,163) | (9,413) | (9,667) |
| Less NNDR share of homelessness funding | 91 | 91 | 91 | 91 |
| Local Council Tax Scheme Grant | (198) | 0 | 0 | 0 |
| Lower Tier Services Grant | (183) | 0 | 0 | 0 |
| Covid grant allocation | (996) | 0 | 0 | 0 |
| New Homes Bonus (assuming not just legacy payments) | (1,028) | (913) | (860) | (860) |
| Council Tax requirement | 8,855 | 9,229 | 9,612 | 10,005 |
| Annual savings required | | (2,316) | (367) | (444) |
| Tax Base | 48,040.12 | 48,760.72 | 49,492.13 | 50,234.51 |
| Council Tax | 184.32 | 189.26 | 194.21 | 199.16 |
| Council Tax increase % | | 2.68% | 2.61% | 2.55% |
| Council Tax increase £ | | 4.95 | 4.95 | 4.95 |
| Tax Base increase % | | 1.50% | 1.50% | 1.50% |

Please note that in all appendices, figures in brackets represent income or reductions in the net cost of services.

2022/23 Medium Term Financial Plan (MTFP)

| Service | 2021/22 | Growth | Unavoidable Pressure | Loss of Income | Increased Income | Price Increases | Savings | Operational | 2022/23 |
|---|---------------|------------|----------------------|----------------|------------------|-----------------|--------------|-------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Chief Executive | 263 | | | | | | (23) | | 240 |
| Director of Neighbourhoods & Regeneration | 224 | | | | | | | 1 | 225 |
| Environment & Leisure | 6,258 | 281 | 93 | 373 | (596) | 198 | (84) | 12 | 6,535 |
| Planning | 865 | | | | (36) | | (65) | 1 | 765 |
| Housing & Community Services | 3,472 | 16 | | | | | (49) | 1 | 3,440 |
| Regeneration & Economic Development | (129) | 0 | | | (101) | 15 | (47) | 15 | (247) |
| Policy, Governance & Customer Services | 2,273 | | | | | 8 | (25) | (3) | 2,253 |
| Finance & Procurement | 816 | | | | | | (36) | 2 | 782 |
| Corporate Overheads/Capital Financing | 2,344 | | 570 | | | 11 | (70) | 2 | 2,857 |
| Revenues & Benefits | 392 | | | 87 | | | (29) | (9) | 441 |
| Environmental Health | 522 | 0 | | | | | | (1) | 521 |
| MKS Legal | 486 | | | | (10) | | | | 476 |
| MKS Audit | 182 | | | | | | | | 182 |
| MKS Human Resources | 431 | 19 | | | | | | | 450 |
| MKS Information Technology | 1,362 | | | | | | | | 1,362 |
| Collection Fund Surplus | (50) | | 50 | | | | | | 0 |
| Pay and inflation | 0 | 314 | | | | | | | 314 |
| Sub Total Base Budget | 19,711 | 630 | 713 | 460 | (743) | 232 | (428) | 21 | 20,596 |

2022/23 Medium Term Financial Plan (MTFP)

| Service | 2021/22 | Growth | Unavoidable Pressure | Loss of Income | Increased Income | Price Increases | Savings | Operational | 2022/23 |
|---|--------------|--------------|----------------------|----------------|------------------|-----------------|----------------|-------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Drainage Board | 876 | 30 | | | | | | | 906 |
| Historic contribution to reserves | 93 | | | | | | | | 93 |
| Contribution from reserve | (662) | 714 | | | | | | | 52 |
| Savings required | 0 | | | | | | (2,316) | | (2,316) |
| Grants | | | | | | | | | |
| Revenue Support Grant | (116) | | | | (1) | | | | (117) |
| Business Rates - Gross | (8,733) | | | | (430) | | | | (9,163) |
| Less NNDR share of homelessness funding | 91 | | | | | | | | 91 |
| Local Council Tax Scheme Grant | (198) | | | 198 | | | | | 0 |
| Lower Tier Services Grant | (183) | | | 183 | | | | | 0 |
| Covid grant allocation | (996) | | | 996 | | | | | 0 |
| New Homes Bonus | (1,028) | | | 115 | | | | | (913) |
| Council Tax requirement | 8,855 | 1,374 | 713 | 1,952 | (1,174) | 232 | (2,744) | 21 | 9,229 |

Budget Variations

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

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|-----------------------|---------------------|--|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 10 | CASELL | Environment & Leisure | Wheeled Bins | Grants & Contributions-no supply goods or services | Additional income | New bins for new estates | (30,000) | 0 | 0 |
| 11 | CASELL | Environment & Leisure | Wheeled Bins | Domestic/Residential Wheelie Bin Charge (lost/damaged/stolen bins) | Additional income | Income from proposed new charge for replacement bin | (85,000) | 0 | 0 |
| 12 | | | | | Additional income Total | | (596,339) | (63,051) | (29,690) |
| 13 | CASELL | Environment & Leisure | various | various | Committed price increases | Inflation increases | 31,110 | 14,605 | 14,975 |
| 14 | CASELL | Environment & Leisure | Refuse & Recycling | Private Contractors | Committed price increases | Indexation on current contract up plus estimate for cost of new contract | 90,831 | 364,944 | 384,245 |
| 15 | CASELL | Environment & Leisure | Street Cleansing | Private Contractors | Committed price increases | Indexation on current contract up plus estimate for cost of new contract | 76,705 | 317,065 | 335,004 |
| 16 | | | | | Committed price increases Total | | 198,646 | 696,614 | 734,224 |
| 17 | CASELL | Environment & Leisure | Grounds Maintenance | Maintenance - Grounds Contract | Growth items | This is based on the new contract | 148,733 | 37,189 | 38,118 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|-----------------------|--------------------------|------------------------------------|---------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 18 | CASELL | Environment & Leisure | Open Spaces - Swale | Arboriculture (tree) contract | Growth items | Based on new Trees contract | 31,000 | 980 | 1,000 |
| 19 | CASELL | Environment & Leisure | Swale Car Parks | MKS charge for car park service | Growth items | Increase in cost for car parks partnership | 15,000 | 0 | 0 |
| 20 | CASELL | Environment & Leisure | Public Conveniences | Private Contractors | Growth items | Cost of new facilities | 86,828 | 10,314 | 28,861 |
| 21 | | | | | Growth items Total | | 281,561 | 48,483 | 67,979 |
| 22 | CASELL | Environment & Leisure | Coast Protection | Contribution to SBC costs from KCC | Loss of income | Coast protection agreement ending | 12,750 | 1,500 | 640 |
| 23 | CASELL | Environment & Leisure | Open Spaces - Swale | Commuted Sums - Contracts | Loss of income | End of commuted sums provision | 25,385 | 19,308 | 1,746 |
| 24 | CASELL | Environment & Leisure | Beach Huts | Beach Huts - plot and hut | Loss of income | Income variations | 8,000 | (5,000) | (2,000) |
| 25 | CASELL | Environment & Leisure | S/B Multistorey Car Park | Fees & Chgs Vatable | Loss of income | Covid impact on parking expected to become permanent | 20,000 | 0 | 0 |
| 26 | CASELL | Environment & Leisure | Swale Car Parks | Fees & Chgs Vatable | Loss of income | Continued impact of Covid-19. Overall impact offset slightly by increased fees and charges | 275,000 | 0 | 0 |
| 27 | CASELL | Environment & Leisure | Swale Car Parks | Season Tickets | Loss of income | Continued impact of Covid-19 | 25,000 | 0 | 0 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|--|---------------------|-----------------------|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 28 | CASSELL | Environment & Leisure | Special Collections | Fees & Chgs Vatable | Loss of income | A249 litter picking. This reduction is because SBC is not doing all of road. | 6,450 | 0 | 0 |
| 29 | | | | | Loss of income Total | | 372,585 | 15,808 | 386 |
| 30 | CASSELL | Environment & Leisure | Salaries | Salaries | Salary Savings | Net salary savings | (67,025) | 0 | 0 |
| 31 | | | | | Salary Savings Total | | (67,025) | 0 | 0 |
| 32 | CASSELL | Environment & Leisure | Public Conveniences | Business Rates | Service savings | A recent legislative change means that public conveniences no longer pay business rates. | (16,900) | 0 | 0 |
| 33 | | | | | Service savings Total | | (16,900) | 0 | 0 |
| 34 | CASSELL | Environment & Leisure | Wheeled Bins | Equipment Purchase | Unavoidable cost pressures | Increased cost of replacement bins | 93,000 | 0 | 0 |
| 35 | | | | | Unavoidable cost pressures Total | | 93,000 | 0 | 0 |
| 36 | | Environment & Leisure Total | | | | | 265,528 | 697,854 | 772,899 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|--------------------------------------|------------------------------------|--|---|--|--|---|---|
| 37 | WILSON | Collection Fund Surplus | Non-Specific Grants | Surplus/Deficit CTax Income (Budget) | Unavoidable cost pressures | No surplus is anticipated on the collection fund due to the after effects of covid and the reduction in C tax income | 50,000 | 0 | 0 |
| 38 | | | | | Unavoidable cost pressures Total | | 50,000 | 0 | 0 |
| 39 | | Collection Fund Surplus Total | | | | | 50,000 | 0 | 0 |
| 40 | WILSON | Corporate Costs | Financial Services | Supply of Insurance Cover | Committed price increases | Increase in cost of insurance cover | 11,210 | 11,490 | 11,780 |
| 41 | | | | | Committed price increases Total | | 11,210 | 11,490 | 11,780 |
| 42 | WILSON | Corporate Costs | Interest Payable | Interest Payable | Service savings | Fewer loans This does not include Rainbow loan which will be reported separately | (38,900) | 0 | 0 |
| 43 | WILSON | Corporate Costs | Parish Councils (Footway Lighting) | Grants & Subscriptions | Service savings | Propose to end support to Parishes as they are able to increase their precept without restrictions | (19,855) | (19,855) | 0 |

Budget Variations

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|-----|-----------------|------------------------------|---|---------------------------|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 44 | WILSON | Corporate Costs | Adjustments between accounting/funding basis - GF | Pension Enhancements | Service savings | Reductions in pension payments | (11,680) | 0 | 0 |
| 45 | | | | | Service savings Total | | (70,435) | (19,855) | 0 |
| 46 | WILSON | Corporate Costs | Corporate Costs | External Audit Fee | Unavoidable cost pressures | Increase in audit fee | 11,010 | 1,790 | 1,840 |
| 47 | WILSON | Corporate Costs | Treasury Mgt & Bank Charges | Broker Fees | Unavoidable cost pressures | Increase in broker fees | 9,900 | 0 | 0 |
| 48 | WILSON | Corporate Costs | Pension no longer funded from Reserves | Pension | Unavoidable cost pressures | Pension no longer funded from reserves | 181,640 | 0 | 0 |
| 49 | WILSON | Corporate Costs | Adjustments between accounting/funding basis - GF | Minimum Revenue Provision | Unavoidable cost pressures | Borrowing cost of STC | 335,000 | 3,000 | (51,000) |
| 50 | WILSON | Corporate Costs | Adjustments between accounting/funding basis - GF | Payroll - Gross Pay | Unavoidable cost pressures | Net salary adjustments | 33,130 | 0 | 0 |
| 51 | | | | | Unavoidable cost pressures Total | | 570,680 | 4,790 | (49,160) |
| 52 | | Corporate Costs Total | | | | | 511,455 | (3,575) | (37,380) |
| 53 | WILSON | Finance & Procurement | Financial Services | Salaries | Salary Savings | Salary savings | (36,640) | 4,908 | 5,106 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|---|--------------------------|---|--------------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 54 | | | | | Salary Savings Total | | (36,640) | 4,908 | 5,106 |
| 55 | | Finance & Procurement Total | | | | | (36,640) | 4,908 | 5,106 |
| 56 | HUDSON | Housing & Community Services | Housing Private Sector | Salaries | Growth items | New approved increase in establishment to deal with Empty Homes and Caravan work and Energy | 16,100 | 0 | 0 |
| 57 | | | | | Growth items Total | | 16,100 | 0 | 0 |
| 58 | HUDSON | Housing & Community Services | Salaries | Salaries | Salary Savings | Salary savings | (49,210) | 0 | 0 |
| 59 | | | | | Salary Savings Total | | (49,210) | 0 | 0 |
| 60 | | Housing & Community Services Total | | | | | (33,110) | 0 | 0 |
| 61 | SANDHER | MKS Human Resources | Apprenticeships | Payroll - Gross Pay | Growth items | Real living wage for apprentices | 18,710 | 0 | 0 |
| 62 | | | | | Growth items Total | | 18,710 | 0 | 0 |
| 63 | | MKS Human Resources Total | | | | | 18,710 | 0 | 0 |
| 64 | VALMOND | MKS Legal | Legal (Clientside Costs) | Legal Fees - Planning/S106 (Non-Business) | Additional income | Additional s106 income | (10,000) | 0 | 0 |
| 65 | | | | | Additional income Total | | (10,000) | 0 | 0 |
| 66 | | MKS Legal Total | | | | | (10,000) | 0 | 0 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|--|-----------------------------|--------------------------------------|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 67 | FREEMAN | Planning | Development Management | PPA - Planning Performance Agreement | Additional income | New item | (25,500) | 0 | 0 |
| 68 | FREEMAN | Planning | Development Management | S106 Monitoring Fees | Additional income | Additional income from s106 fees anticipated | (10,000) | 0 | 0 |
| 69 | | | | | Additional income Total | | (35,500) | 0 | 0 |
| 70 | FREEMAN | Planning | Development Management | Salaries | Salary Savings | Salary savings | (58,839) | (27,300) | 0 |
| 71 | | | | | Salary Savings Total | | (58,839) | (27,300) | 0 |
| 72 | FREEMAN | Planning | Spatial Policy | Fees and Services | Service savings | Reduction in fees required | (6,000) | 0 | 0 |
| 73 | | | | | Service savings Total | | (6,000) | 0 | 0 |
| 74 | | Planning Total | | | | | (100,339) | (27,300) | 0 |
| 75 | CLIFFORD | Policy, Governance & Customer Services | General Democratic Costs | Allowances | Committed price increases | Increase in NI costs for members | 7,257 | 0 | 0 |
| 76 | | | | | Committed price increases Total | | 7,257 | 0 | 0 |
| 77 | CLIFFORD | Policy, Governance & Customer Services | Operational service savings | Operational service savings | Service savings | Operational service savings | (9,000) | 0 | 0 |
| 78 | CLIFFORD | Policy, Governance & Customer Services | Swale BC Publications | Developing & Printing | Service savings | Decrease in costs for Inside Swale | (7,500) | 0 | 0 |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|---|-----------------------|-----------------------|--------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 79 | CLIFFORD | Policy, Governance & Customer Services | Swale BC Publications | Postage | Service savings | Decrease in costs for Inside Swale | (8,000) | 0 | 0 |
| 80 | | | | | Service Savings Total | | (24,500) | 0 | 0 |
| 81 | | Policy, Governance & Customer Services Total | | | | | (17,243) | 0 | 0 |
| 82 | JOHNSON | Regeneration & Economic Development | Rental income | rental income | Additional income | Rental income increases | (100,977) | (52,223) | (78,353) |
| 83 | | | | | Additional Income Total | | (100,977) | (52,223) | (78,353) |
| 84 | JOHNSON | Regeneration & Economic Development | | | Committed price increases | Utility costs | 15,342 | 0 | 0 |
| 85 | | | | | Committed Prices Total | | 15,342 | 0 | 0 |
| 86 | JOHNSON | Regeneration & Economic Development | Salaries | Salaries | Salary savings | Salary savings | (35,515) | 0 | 0 |
| 87 | | | | | Salary Savings Total | | (35,515) | 0 | 0 |
| 88 | JOHNSON | Regeneration & Economic Development | Business & Skills | Fees and Services | Service savings | Deletion of the learning & skills operational budget | (11,780) | 0 | 0 |
| 89 | | | | | Service savings Total | | (11,780) | 0 | 0 |
| 90 | | Regeneration & Economic Development Total | | | | | (132,930) | (52,223) | (78,353) |

Budget Variations

| No. | Head of Service | Service | Service Description | Type of Spend/ Income | MTFP Category | Explanation of Budget Change | 22/23 Increase Over & Above 21/22 £ | 23/24 Increase Over & Above 22/23 £ | 24/25 Increase Over & Above 23/24 £ |
|-----|-----------------|--------------------------------------|--|----------------------------------|------------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|
| 91 | KENT | Revenues & Benefits | MKS Enforcement Service - Council Tax | MKS Debt Recovery Service Income | Loss of income | Reduction in income due to revised forecast of proportion of debt that can be recovered | 87,000 | (43,500) | (43,500) |
| 92 | | | | | Loss of income Total | | 87,000 | (43,500) | (43,500) |
| 93 | KENT | Revenues & Benefits | Housing Benefit & C Tax Support - Administration | H.B Admin Subsidy | Service savings | Admin grant | (8,726) | 0 | 0 |
| 94 | KENT | Revenues & Benefits | Council Tax Collection | Postage | Service savings | Postage savings | (20,000) | 0 | 0 |
| 95 | | | | | Service savings Total | | (28,726) | 0 | 0 |
| 96 | | Revenues & Benefits Total | | | | | 58,274 | (43,500) | (43,500) |
| 97 | | Service Total | | | | | 550,705 | 576,164 | 618,772 |
| 98 | | Operational Items Total | | | | | 20,983 | (7,151) | 30,835 |
| 99 | | Grand Total | | | | | 571,688 | 569,013 | 649,607 |

| | | | | | | | | | |
|--|--|-----------------------------|--|--|--|--|---------------|---------------|---------------|
| | | To Match Appendix I: | | | | | £'000 | £'000 | £'000 |
| | | Grand Total (above) | | | | | 571 | 570 | 650 |
| | | Base Budget | | | | | 19,711 | 20,596 | 21,458 |
| | | Pay and Inflation | | | | | 314 | 292 | 292 |
| | | Base Budget Total | | | | | 20,596 | 21,458 | 22,400 |

Capital Programme

| | Detail | 2021/22 Original Budget | 2021/22 Revised Budget | 2022/23 Original Budget | 2023/24 Original Budget | Budget Later Years |
|---|-------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------|
| | | £ | £ | £ | £ | £ |
| Environment & Leisure - M. Cassell | | | | | | |
| Gunpowder Works Oare Faversham – S106 | S106 | 0 | 9,000 | 0 | 0 | 0 |
| New Play Area – Iwade Schemes – S106 | S106 | 0 | 45,000 | 0 | 0 | 0 |
| Resurfacing Promenade, The Leas – External Grant | External Grant | 0 | 79,970 | 0 | 0 | 0 |
| Modular Toilet Kiosk - Minster Leas - Special Project | Special Project SPF 22 | 0 | 24,360 | 0 | 0 | 0 |
| Milton Creek Access Road – Reserves | Reserves | 0 | 40,000 | 0 | 0 | 0 |
| Barton's Point Coastal Park - replacement bridge - Capital Receipts | Capital Receipts | 0 | 148,400 | 0 | 0 | 0 |
| Beach Huts – Capital Receipts | Capital Receipts | 0 | 60,000 | 0 | 0 | 0 |
| Sheppey Improvement Fund – Capital Receipts | Capital Receipts | 250,000 | 250,000 | 0 | 0 | 0 |
| Sheppey Improvement Fund - Loan | Loan | 0 | 16,000 | 0 | 0 | 0 |
| Faversham Recreation Ground Outdoor Gym equipment - S106 | S106 | | 4,940 | | | |
| Faversham Recreation Ground Improvements – External Grants/S106 | External Grant | 0 | 15,800 | 0 | 0 | 0 |
| Open Spaces Play Equipment – S106 | S106 | 100,000 | 456,000 | 0 | 0 | 0 |
| Leisure Centres – Internal / External Borrowing | Internal/External | 0 | 293,850 | 0 | 0 | 0 |
| Swallows Leisure Centre - Capital Works | Covid Recovery Fund | 0 | 81,740 | 0 | 0 | 0 |
| Play Improvements – Reserves | Special Projects | 0 | 150,000 | 0 | 0 | 0 |
| Play Improvements – Capital Receipts | Capital Receipts | 50,000 | 50,000 | 0 | 0 | 0 |
| Play Improvements – Diligent Drive – Reserves | Special Projects | 0 | 18,000 | 0 | 0 | 0 |
| Public Toilets for Queenborough All Tide Landing | Improvement & Resilience Fund | 0 | 6,900 | 0 | 0 | 0 |
| Public Toilets - Forum Sittingbourne - Special Project | Special Project SPF 24 | 0 | 42,080 | 0 | 0 | 0 |
| Toilet Block & Shower Block - Barton Point – Special Projects | Special Project SPF 23 | 0 | 184,280 | 0 | 0 | 0 |
| Wheeled Bins - Reserves | R & R | 35,000 | 286,000 | 35,000 | 35,000 | 35,000 |
| St Anne's Footbridge Lighting - Reserves | SPF 16 | 0 | 41,250 | | | |
| Total Environment & Leisure | | 435,000 | 2,303,570 | 35,000 | 35,000 | 35,000 |

Capital Programme

| | Detail | 2021/22 Original Budget | 2021/22 Revised Budget | 2022/23 Original Budget | 2023/24 Original Budget | Budget Later Years |
|--|----------------------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------|
| | | £ | £ | £ | £ | £ |
| <u>Housing & Community Services - C. Hudson</u> | | | | | | |
| CCTV – Reserves | R & R Reserve | 15,000 | 45,000 | 15,000 | 15,000 | 15,000 |
| CCTV Monitoring Control Centre – Reserves | R & R Reserve | 0 | 4,960 | 0 | 0 | 0 |
| Disabled Facilities Grant Mandatory – External Grant | External Grant | 2,062,800 | 3,301,260 | 2,062,800 | 2,062,800 | 2,062,800 |
| Disabled Facilities Grant – External Grant | External Grant | 0 | 1,927,530 | 0 | 0 | 0 |
| Winter Warmth Grants | External Grant | 0 | 6,780 | 0 | | |
| Rainbow Homes | Internal/External | 11,500,000 | 11,500,000 | 11,500,000 | 0 | 0 |
| Rainbow Homes - Business Planning Work | Internal/External | 250,000 | 250,000 | 0 | 0 | 0 |
| Murston Old Church | Community Fund CFB 62 | 0 | 20,000 | 0 | 0 | 0 |
| Sheppey Hall Improvement | Special Project SPF 11 | 40,000 | 0 | 0 | 0 | 0 |
| Thistle Hill Community Centre - Solar PV installation | Special Project SPF 30 | 20,000 | 20,000 | 0 | 0 | 0 |
| Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark | Special Project SPF 18 | 37,920 | 37,920 | 0 | 0 | 0 |
| Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark | Capital Receipts | 14,140 | 14,140 | 0 | 0 | 0 |
| Total Housing & Community Services | | 13,939,860 | 17,127,590 | 13,577,800 | 2,077,800 | 2,077,800 |
| <u>Regeneration & Economic Development - J. Johnson</u> | | | | | | |
| High Streets - Various | High Street Fund | 0 | 780,430 | 0 | 0 | 0 |
| High Streets - Various | S106 | 0 | 100,000 | 0 | 0 | 0 |
| High Streets - Various | Improvement & Resilience Fund | 0 | 106,920 | 0 | 0 | 0 |
| Sittingbourne Town Centre –Internal/External Borrowing | Internal/External | 0 | 1,079,700 | 0 | 0 | 0 |
| Footpath Contribution – High Street Sittingbourne – S106 | S106 | 0 | 5,660 | 0 | 0 | 0 |

Capital Programme

| | Detail | 2021/22 Original Budget | 2021/22 Revised Budget | 2022/23 Original Budget | 2023/24 Original Budget | Budget Later Years |
|--|--|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------|
| | | £ | £ | £ | £ | £ |
| Faversham Creek Basin Regeneration Project (Swing Bridge) – Capital Receipts | Capital Receipts | 0 | 200,000 | 0 | 0 | 0 |
| Queenborough & Rushenden Klondyke Land Improvement | External Grant - Housing Infrastructure Fund (HIF) | 0 | 1,103,490 | 0 | 0 | 0 |
| Swale House Refurbishment - Internal/External | Internal/External | 3,000,000 | 50,000 | 1,912,400 | 0 | 0 |
| Coronation Clock Tower Sheerness - Reserves | Reserves/ s106 | 0 | 185,000 | 0 | 0 | 0 |
| Redevelopment of Master's House, Sheerness | Capital Receipts/ external grant/ reserves | 0 | 1,550,000 | 0 | 0 | 0 |
| Sheppey Capital Investments | Capital Receipts | 850,000 | 0 | 0 | 0 | 0 |
| Total Regeneration & Economic Development | | 3,850,000 | 5,161,200 | 1,912,400 | 0 | 0 |
| Policy | | | | | | |
| Council Chamber IT equipment | Capital Receipts | 0 | 0 | 50,000 | 0 | 0 |
| Total Policy | | 0 | 0 | 50,000 | 0 | 0 |
| Planning – J. Freeman | | | | | | |
| Faversham Reach Public Footpath ZF43 | Faversham Creek Footpath Reserve | 0 | 60,000 | 0 | 0 | 0 |
| Total Planning | | 0 | 60,000 | 0 | 0 | 0 |
| ICT - C. Woodward | | | | | | |
| ICT Infrastructure & Equipment Replacement - Reserves | R & R | 299,300 | 349,700 | 0 | 0 | 0 |
| Total ICT | | 299,300 | 349,700 | 0 | 0 | 0 |
| Total Capital Programme | | 18,524,160 | 25,002,060 | 15,575,200 | 2,112,800 | 2,112,800 |

Capital Programme