

Financial Outturn Report 2014/15

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Table 1 - Underspend by Service

	Service Manager	Working Budget	Outturn 2014/15	Variance
		£	£	£
Chief Executive	A. Kara	252,700	228,827	(23,873)
Policy	D. Clifford	204,700	157,583	(47,117)
Economy & Communities	E. Wiggins	2,105,420	1,929,970	(175,450)
Communications	S. Toal	251,320	202,801	(48,519)
Resident Services	A. Christou	1,450,970	1,405,434	(45,536)
Planning	J. Freeman	926,900	703,981	(222,919)
Commissioning & Customer Contact	D. Thomas	6,010,110	5,129,819	(880,291)
Director of Corporate Services & Director of Regeneration	M. Radford / P. Raine	285,160	282,404	(2,756)
Information Technology	A. Cole	1,048,920	1,032,446	(16,474)
Audit	R. Clarke	150,760	154,435	3,675
Environmental Health	T. Beattie	471,530	397,722	(73,808)
Finance	N. Vickers	743,130	743,130	0
Human Resources	D. Smart	385,720	370,418	(15,302)
Legal	J. Scarborough	330,010	347,049	17,039
Democratic Services	K. Bescoby	806,170	751,432	(54,738)
Property	A. Adams	559,670	439,653	(120,017)
Variances to be met from underspend		25,310	88,720	63,410
KCC Second Homes Discount		(46,000)	(73,530)	(27,530)
Corporate Provision for Bad Debt		(434,930)	(478,083)	(43,153)
Other Variances		(125,000)	(361,997)	(236,997)
Corporate Items		2,650,430	2,627,386	(23,044)
SERVICE EXPENDITURE		18,053,000	16,079,600	(1,973,400)
Rollover Specific Grants (See Table 3)		0	174,842	174,842
Rollover Other Grants (See Table 3)		0	102,650	102,650
Rollover Commuted Sums accounting adjustment		0	259,500	259,500
SERVICE EXPENDITURE AFTER ROLL FORWARDS		18,053,000	16,616,592	(1,436,408)
Financed by:				
Revenue Support Grant		(4,296,000)	(4,296,000)	0
Business Rates		(4,684,830)	(4,875,064)	(190,234)
New Homes Bonus		(2,269,000)	(2,269,000)	0
Council Tax Freeze Grant		(79,000)	(79,000)	0
Council Tax Requirement		(6,787,170)	(6,787,170)	0
NET EXPENDITURE		(63,000)	(1,689,642)	(1,626,642)
Put Business Rates Underspend to Resilience Reserve		0	190,234	190,234
TOTAL CONTRIBUTION TO GENERAL FUND		(63,000)	(1,499,408)	(1,436,408)

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
CHIEF EXECUTIVE - Cllr A. Bowles (Abdool Kara)		
Chief Executive	(7)	Various minor underspends.
Corporate Costs	(17)	Reduced Consultancy/ Specialist Advice expenditure.
Policy	(47)	£43k salary costs underspend as result of vacant posts and staff secondment, offset by spend on Agency staff £15k. Underspend on a number of Sustainable Sheppey project strands of £15k. Minor underspends of £4k.
TOTAL	(71)	(£22k is requested to rollover into 2015/16 of unspent ring fenced grants – refer to Table 3).
ECONOMY AND COMMUNITIES – Cllrs M. Cosgrove, M. Whiting & K. Pugh (Emma Wiggins)		
CCTV	15	Reduced income for CCTV re previous customers cancelling use of the service.
Community Safety	(61)	£17k unspent KCC contribution, offset by £2k other costs. £57k will be requested to rollover into 2015/16 of unspent ring fenced grants.
Community Halls/Centres	(12)	Quinton Hall additional costs (rates £1.5k and estimated utility costs £1.5k); £2k additional income King George Pavilion.
Economic Development	(7)	Underspend on salaries and other running costs.
Economy & Community Services	(7)	Underspend on rates and other running costs.
Environmental	(13)	Overspend on salaries £4k, offset by underspends on contract costs and kennelling costs.
High Street Innovation Fund	(12)	£12k will be requested to rollover into 2015/16.
Markets	(17)	Underspend against rates.
Members Localism Grants	(24)	£24k will be requested to rollover into 2015/16. This will be divided equally between all councillors.
Sports Development	(30)	Underspend on salaries and other employee costs. £3k will be requested to rollover forward into 2015/16 - this is a KCC grant for the Satellite Club to create links between schools and community clubs. £3k will also be requested to forward into 2015/16 of unspent ring fenced grant.
Various	(7)	Various minor underspends.
TOTAL	(175)	(£60k is requested to rollover into 2015/16 of unspent ring fenced grants - refer to Table 3).

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
COMMUNICATIONS, PRINTING, ADVERTISING & PROMOTION –		Cllrs M. Cosgrove, M. Whiting & K. Pugh (Susan Toal)
Communications	(49)	Underspends on advertising and promotion, external printing and signage £23k. Underspend on salaries, offset by agency staff £39k. Minor overspend of £13k on fees and services.
TOTAL	(49)	
RESIDENT SERVICES – Cllr J. Wright (Amber Christou)		
Housing Benefit and Council Tax	15	This is an extremely volatile budget on a gross budget of £50m. Minor net overspend.
Housing Development and Strategy	(32)	Staff costs savings £35k, offset by minor overspends of £3k.
Private Sector Housing	(38)	Staff costs savings £24k, mileage and lump sum savings £8k, plus other minor underspends £6k.
Stay Put Scheme	(38)	Salary costs savings £12k; reduction in Disabled Facilities Grant income £8k, offset by additional grants received and not spent in year. £43k is requested to rollover unspent ring fenced grants. The underspend is as a result of the lack of referrals from health services.
Housing Options	47	Overspend of £60k on bed & breakfast payments; Home Office grant received for Afghan project £18k; other minor overspends £5k. (£18k will be requested to rollover of unspent ring fenced grants).
TOTAL	(46)	(£60k is requested to rollover into 2015/16 of unspent ring fenced grants – refer to Table 3).
PLANNING – Cllr G. Lewin (James Freeman)		
Building Control	(3)	Underspend on dangerous structures.
Development Control	(429)	Additional planning fees £451k; net IT Development costs £6k; other fee overspends £10k; £5k underspend for enforcement salaries and £8k underspend on enforcement fees £8k underspend on appeals; £3k minor underspends offset by £30k under achieved S106 monitoring fees. We expect this shortfall to be balanced out in future years.
Development Services	100	£88k net additional staffing costs to meet the high workloads the Swale Development Teams are now experiencing; £4k office move and redecoration costs; £3k recruitment costs; and £5k other.

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Local Land Charges	33	£34k compensation and redundancy costs; £18k additional MKIP charges; £5k overspend on salaries; and £10k overspend on fees and services. Offset by £12k additional Land Charges income, and £22k contributions from other local authorities.
Local Planning & Conservation	(11)	Reduced fees and services in the conservation & design team £5k; unspent Neighbourhood Planning grant £7k.
Mid Kent Planning Service (MKPS)	87	The additional cost of implementing the Mid Kent Planning Service is £105k, this includes redundancy costs of £25k. However, £18k can be met from reserves.
TOTAL	(223)	(£7k is requested to rollover into 2015/16 of unspent ring fenced grant – refer to Table 3).
COMMISSIONING AND CUSTOMER CONTACT – Cllrs D. Simmons & M. Whiting (Dave Thomas)		
Cemeteries and Closed Churchyards	(10)	£10k is requested to rollover to 2015/16 – refer to Table 4.
Grounds Maintenance Contract	(77)	£43k is requested to rollover to 2015/16 – refer to Table 4.
Service Delivery	(31)	Salary underspend on Head of Service Delivery post.
Leisure and Sports Centres	73	£50k contribution towards Executive Office of Swale Community Leisure Ltd, £4k additional contract variation costs (utility/dilapidation costs etc.).
Cleansing	(30)	Staff costs savings.
Commissioning & Customer Contact	(29)	Underspend on contract costs.
Countryside & Country Parks	(12)	Underspend on salaries and fees and services.
Parking & Highways	(136)	Net additional parking income.
Parks & Open Spaces	18	Net overspend on play equipment, maintenance and purchase.
Public Conveniences	(38)	Net underspend on contract costs, energy costs and rates.
Recycling & Waste Minimisation	(117)	£102k net additional income from Garden Waste Scheme, and £28k savings on Recycling Credits. £20k will be requested to rollover into 2015/16 (refer to Table 4).
Refuse Collection / Street Cleansing	(471)	Net contract and contract variation savings – related to implementation of new contract. £11k will be requested to rollover into 2015/16 of unspent ring fenced grants (refer to Table 3).

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Minor net variances	(20)	Minor overspends on Sports Pitches re energy costs and rates offset by underspends on procurement and commissioning etc.
TOTAL	(880)	(£11k is requested to rollover into 2015/16 of unspent ring fenced grants - refer to Table 3).
DIRECTOR OF CORPORATE SERVICES – Cllrs D. Dewar-Whalley & T. Wilcox (Mark Radford)		
Corporate Costs	0	Nil variance.
TOTAL	0	
EMERGENCY PLANNING – Cllr A. Bowles (Della Fackrell)		
Emergency Planning	(5)	Minor underspend on supplies and services.
TOTAL	(5)	
DIRECTOR OF REGENERATION (Pete Raine)		
Strategic Director	3	Minor overspend – vacancy allowance.
TOTAL	3	
IT SERVICES – Cllr D. Dewar-Whalley (Andy Cole)		
IT MKIP	(16)	Lower than expected MKIP charges £9k, New Burdens Grant £7k.
TOTAL	(16)	
ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)		
Environmental Services	(22)	Lower than expected MKIP implementation charges due to underspend across the Mid Kent Environmental Health service.
Pollution Control	(46)	£27k unspent Air Quality DEFRA Grant will be requested to rollover into 2015/16; £10k Contaminated Land underspends; £12k Air Pollution underspends offset by £3k overspend on Environment Protection Act.
Other (Food Safety, cemeteries, health & safety and noise control)	(6)	Minor underspends.
TOTAL	(74)	(£27k is requested to rollover into 2015/16 of unspent ring fenced grants - refer to Table 3).
INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)		
Audit Services	4	£4k overspend on the recharge for the MKIP Audit service.

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
TOTAL	4	
FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)		
Financial Services	0	Nil Variance.
TOTAL	0	
HUMAN RESOURCES – Cllr T. Wilcox (Dena Smart)		
Organisational Development	(15)	£8k underspend on corporate training will be requested to rollover into 2015/16; £4k underspend on health screening costs will be requested to rollover into 2015/16; additional net savings of £3k.
TOTAL	(15)	
LEGAL – Cllr D. Dewar-Whalley (John Scarborough)		
Legal MKLS	(2)	Minor underspend.
External Legal Fees	19	Additional external legal advice.
TOTAL	17	
DEMOCRATIC SERVICES – Cllr A. Bowles (Katherine Bescoby)		
Democratic Process	(23)	Savings on general democratic costs including training.
Administration	9	Net staff costs overspend.
Elections & Electoral Registration	(41)	£41k additional income received to fund individual electoral registration. (This is requested to rollover to 2015/16 – refer to Table 3).
TOTAL	(55)	(£41k will be requested to rollover into 2015/16 of unspent ring fenced grants - refer to Table 3)
PROPERTY – Cllr D. Dewar-Whalley (Anne Adams)		
Health & Safety	(4)	Saving on books and journals.
Property Services	(30)	Underspend on salaries £14k; underspend on paper £4k; underspend on mileage £3k; other small underspends £9k.
Administrative Buildings	(33)	Net utility costs savings £15k; Sheerness office savings £15k; and £3k extra income achieved on service fees.
Property Management	(53)	Net additional property rental income.
TOTAL	(120)	
OTHER VARIANCES (TO BE MET FROM TOTAL UNDERSPEND)		

Table 2 - Main Variations by Service

Net (Under)/Overspend / Income Shortfall as at end of March 2015		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Sittingbourne Town Centre Development	60	Variance to be funded out of general year-end corporate underspend.
Arts Events & Activities	3	Additional spend to support the WW1 community grant scheme.
TOTAL	63	
NON-SERVICE BUDGETS		
KCC 2 nd Homes Discount	(27)	Additional KCC Second Homes discount grant.
Corporate Provision for bad debt	(43)	Improvement in outstanding debt,
Other Variations:		
Revenue Funding of Capital Expenditure	23	Underspends reported in service budgets which are to be used to fund capital expenditure.
Play areas commuted sums	(260)	Accounting entry to meet Grant Thornton's requirements.
TOTAL OTHER VARIATIONS	(237)	
Corporate Items	(23)	Interest savings on finance leases, unspent earmarked reserves £46k; grant received £17k; and external interest offset by pensions adjustment.
	(1,973)	TOTAL BEFORE ROLLOVER REQUESTS
	175	Ring Fenced Grant Rollover Requests
	102	Other Grant Requests
	277	TOTAL GRANT ROLLOVER REQUESTS
	259	Commuted Sum – Play Equipment
	(1,437)	TOTAL UNDERSPEND AFTER PROPOSED ROLLOVER OF GRANTS

Table 3 - Revenue Rollover Requests – Specific and Other Grants

Head of Service	Description	Rollover Request £'000	Purpose of Rollover
Tracey Beattie	Air Quality Grant	26,594	The grant was awarded to carry out a ring fenced project for the air quality transport work over three years up to 2016.
Amber Christou	Stay Put Scheme – PCT Grant	40,288	Some work in still in the pipeline, grant funding to be carried over to promote the Stay Put schemes in 2015/16. We are also looking at carrying out larger projects, and this rollover will help fund the increased costs.
Amber Christou	Warm Homes Healthy People Grant	2,941	Ring-fenced grant to cover the cost of an evaluation later in the year.
Amber Christou	Home Office Grant	17,624	The Home Office Afghan Locally Engaged Staff ex-gratia scheme grant has been made available to provide accommodation, financial assistance pending access to welfare benefits or securing employment and integration support. Two Afghan recipients arrived in January 2015 and are continuing to receive full integration support from the Housing Services Team.
David Clifford	Sustainable Sheppey Grant	15,778	Big Lottery Funding which is ring-fenced for use in 2015/16.
Dave Thomas	WEEE Local Project fund	11,296	Budget is intended for recycling promotion campaign which will be implemented June 2015.
Emma Wiggins	Kent County Council Grant	3,200	Grant money for the Satellite Club as part of the Sport England proposal to create links between schools and community clubs during 2015/16.
Emma Wiggins	Emerging communities Project Fund	10,000	To continue working in Swale with Medway and Gravesham on the amended proposal as agreed with Kent Police.
Emma Wiggins	Restorative Justice Grant	3,920	Received from the Kent Police to continue to run training with other councils.
Emma Wiggins	Troubled Families Grant	43,201	This is due to an underspend within the Family Support Team in relation to both contracts and having not used the contingency put aside. Additionally, there was an underspend

Table 3 - Revenue Rollover Requests – Specific and Other Grants

Head of Service	Description	Rollover Request £'000	Purpose of Rollover
Total Ring-fenced Grants			
Katherine Bescoby	Individual Electoral Registration Grant	41,000	We have been given grant money for Electoral Registration Transformation, as a result of the change to Individual Electoral Registration. This is not to replace current expenditure, but to be used for additional work associated with IER.
David Clifford	Data Matching & New Burdens	6,588	New burdens funding received in respect of new transparency requirements. We want to roll the grants over to fund future software licences.
James Freeman	Neighbourhood Planning Front Runners Grant	6,725	Unspent neighbourhood planning grant following designation of Neighbourhood Plan areas for Faversham Creek and Dunkirk & Boughton.
Dave Thomas	Highways Grants	18,199	Leysdown Rose Tinted contribution for ongoing maintenance of signing and the lighting installation. Arts Council grant to be used for street furniture and street nameplate maintenance in 2015/16. Funding from Faversham Enterprise Partnership for Heritage Nameplates in Faversham.
Nick Vickers	Community Right to Challenge & Community Right to Bid Grants	16,402	New burdens funding requested to rollover into 2015/16 to top up the Localism reserve, as in previous years.
Nick Vickers	Council Tax Flood Grant	1,736	Received from Central Government to help with any flood damage that has been incurred during the severe weather in the period December 2013 – March 2014. To be put to reserves earmarked for flood damage.
Emma Wiggins	High Street Innovation fund	12,000	We request the roll of the final payment from the High Street Innovation Fund to the Sheerness Town Team.
Total Non Ring-fenced Grants		102,650	
Total		277,492	

Table 4 - Revenue Rollover Requests - Operational

Head of Service	Funded from	Rollover Request £'000	Purpose of Rollover
Anne Adams	Property services budget underspend	25,000	To fund the landholdings review. It was decided to re-tender the contract to achieve a better outcome and this has delayed the work.
Tracey Beattie	Unspent food hygiene budget	2,800	To provide resources for the team whilst dealing with a number of potential prosecutions, this will enable the team to prepare the evidence and deliver the regulatory service during this transition period.
Tracey Beattie	Contaminated Land unspent budget	6,680	The contaminated land software purchase by Mid Kent ICT for the shared service, to cover the cost of the licence, cost of transfer data and implement training for the officers in Swale.
James Freeman	Planning Income	20,000	To fund S106/Community Infrastructure Levy monitoring software in 2015/16.
John Scarborough	Mid Kent Legal services (MKLS) budget underspend	2,200	MKLS planned to commence post-entry training of our new Legal Assistant grades in late 2014/15. However, late recruitment forced us to postpone this. This funding will go towards the training expenditure when Chartered Institute of Legal Executives' (CILEX) courses start in Autumn 2015.
Dena Smart	Health & Welfare budget underspend	4,474	In December 2015 we will need to pay for the Investors in People (IIP) assessment and there is no budget allocated for this as the expense is only every three years. The carry forward would pay for the majority of this one-off cost.
Dena Smart	Corporate Training budget underspend	7,600	The spend is linked directly to how many cases have to be referred for Independent Medical Assessments (IMAs) and additional sessions of counselling, and in some years the budget is overspent. This year, although sickness has increased, the nature of the long term illnesses have been more straightforward, and therefore the IMAs and additional counselling has not been required. We would like to use this for pro-active health initiatives e.g. physio-therapy, to promote well-being at work as we currently have no budget for this.
Dave Thomas	Swale Allotments budget underspend	1,971	Delayed work awaiting decision/outcome of proposed allotment transfer.

Table 4 - Revenue Rollover Requests - Operational

Head of Service	Funded from	Rollover Request £'000	Purpose of Rollover
Dave Thomas	Laysdown Coastal park budget underspend	1,364	Wet ground conditions delayed works.
Dave Thomas	Cemeteries budget underspend	10,000	Higher than anticipated income was achieved in 2014/15. Extra works to improve and update signage in all cemeteries has been identified. The boundary fence in Love Lane Cemetery is in need of refurbishment/repair as soon as possible to prevent further deterioration.
Dave Thomas	Litter picking budget underspend	15,000	Contribution towards the refurbishment of the footbridge within the Stonebridge Pond site, in partnership with Faversham Town Council.
Dave Thomas	Open Spaces budget underspend	20,000	Refurbishment of Vincent Gardens and Kemsley Recreation play areas.
Dave Thomas	Sports facilities budget underspend	10,000	Partnership contribution towards remedial works at New Road prior to completing transfer to New Rd Football Club.
Dave Thomas	Seafront budget underspend	5,000	Contribution to safety works required to block of an unused space under the main stairwell at Beachfields.
Dave Thomas	Public conveniences	20,000	Public conveniences maintenance. Underspend to be added to property services repair and renewals budgets for public conveniences.
Emma Wiggins	Members Localism Grants - Budget underspend	23,947	47 awards have already been approved, but we await their final completed paperwork from the community groups to make the final payments. We request the carry forward to be divided equally between all councillors.
Emma Wiggins	Sports Development underspend	2,630	Outstanding Sports and Physical activity payments which have been approved but we are just waiting for their final paperwork. We also request the roll of £250 for the Swale Youth Development Fund as an outstanding award has yet to be claimed.

Table 4 - Revenue Rollover Requests - Operational

Head of Service	Funded from	Rollover Request £'000	Purpose of Rollover
Emma Wiggins	Environmental Wardens Budget underspend	2,000	The Environmental Wardens will need to replace their handsets during 2015/16. The budget for these has now been centralised leaving a gap in funding for the new ones in the next financial year.
Total	Other Rollovers	180,666	

Head of Service	Description	Rollover Request £'000	Purpose of Rollover
Nick Vickers	Play Areas Commuted Sums	259,497	Accounting adjustment to meet Grant Thornton recommendations.
Total		259,497	

Table 5 - Revenue Rollover Requests - Bids

Head of Service	Rollover Request £'000	Purpose of Rollover
Anne Adams	91,303	To top up the building maintenance reserve by the underspend on property services. This includes the underspend on salaries, running expenses etc.
Amber Christou	38,000	This will be used to extend the contract of a member of the Housing Options and Benefits Team for one year.
James Freeman	58,800	To provide additional funding to resource an additional planning officer to deal with the increased planning workload, and to deal with backlog issues arising from implementation on new IT systems and shared service.
Pete Raine	60,000	Regeneration project management costs.
Dave Thomas	30,000	Eastchurch Road assistance - contribution to a community group to enable them to undertake remedial works to avoid further deterioration of the cliff edge.
Dave Thomas	60,000	Contribution towards refurbishing the causeway at Queenborough prior to handing responsibility for the facility to Queenborough Fishery Trust and Queenborough Harbour Trust.
Dave Thomas	20,000	Facilities strategy costs. Costs are to fund work being undertaken through a consultant to develop a Sports Facility Strategy for Swale as discussed at Informal Cabinet.
Nick Vickers	30,000	SBC potential contributions to flood defence project in Faversham, topping up Environment Agency.
Emma Wiggins	14,000	Payment to Coombs for abortive work on the Meads village hall.
Total	402,103	

Table 6 - Allocations from the Improvement and Regeneration Funds 2014/15

	Amount £
Performance Fund	
Communications Service Interim Support	10,027
Grove toilets, Leysdown	4,995
Local Area Perception Survey 2014/15	12,000
Annual Contribution to MKIP 2014/15	34,425
Softphone Licences for Remote Working	1,908
Analytical reviews of income from Business Rates	6,600
Safeguarding post - 0.5 FTE	20,000
Total Approved 2014/15	89,955
Regeneration Fund	
Members Regeneration Grants	47,000
Trademarks - Faversham Hop Festival	1,520
Magna Carta 800 Celebrations, Faversham 2015	9,950
Small Business Saturday 2014	5,590
Christmas Car Parking Concession 2014	26,000
Regeneration Officer Town Centres 2015/16	46,788
Economic Development Support Officer 2015/16	36,555
Beach Huts - Phase 2	43,450
Thames Gateway Innovation, Growth & enterprise Loan Fund	20,790
Faversham Creek Feasibility Works	23,000
Further Education for Sittingbourne, Scoping Study	10,000
Total Approved 2014/15	270,643
Localism Fund	
Volunteer Week Campaign	1,186
Funding Fair	1,050
Heritage Projects	10,000
Volunteer Swale Awards 2014/15	2,670
Swale Trustee Network Event	1,027
Neptune Terrace Materials	1,250
The Salt Giveaway 2014/15	1,400
Culture Grants	5,000
Volunteers' Week – Billboards	1,170

Table 6 - Allocations from the Improvement and Regeneration Funds 2014/15

Event management workshop	1,208
Total Approved 2014/15	25,961
Transformation Fund	
Redundancy Costs	59,081
Total Approved 2014/15	59,081
Swale Local Loan Fund	
Queenborough Harbour Trust	50,000
Total Approved 2014/15	50,000
TOTAL APPROVED 2014/15	495,640

Table 7 - Revenue Reserves (prior to 2014/15 rollovers)

	Balance 31 March 2014 £'000	Transfers out 2014/15 £'000	Transfers in 2014/15 £'000	Balance 31 March 2015 £'000	Note
General Reserve	(3,291)	204	0	(3,087)	(a)
Performance	(905)	158	0	(747)	(b)
Regeneration	(355)	299	(254)	(310)	(c)
Localism	(47)	27	(29)	(49)	(d)
Transformation	(252)	111	(52)	(193)	(e)
Swale Local Loan Fund	(250)	0	0	(250)	(f)
Repairs & Renewals	(225)	46	(98)	(277)	(g)
Building Maintenance	(519)	4	(112)	(627)	(h)
Housing	(238)	57	0	(181)	(i)
Stay Put Grants	(146)	0	(12)	(158)	(j)
Empty Property Initiative	(150)	150	0	0	(k)
Local Development Framework	(171)	0	(62)	(233)	(l)
Council Tax and Housing Benefits Reserve	(428)	93	(53)	(388)	(m)
Development Control Reserve	(72)	39	(89)	(122)	(n)
Business Rates Resilience Reserve	0	49	(1,108)	(1,059)	(o)
Preceptors Council Tax Support Reserve	0	0	(125)	(125)	(p)
Miscellaneous	(515)	332	(551)	(734)	(q)
Total	(7,564)	1,569	(2,545)	(8,540)	

Notes

Ref	Reserve	Description
(a)	General Reserve	To fund revenue expenditure, its use is subject to the approval of Members. The General Reserve has been topped up in 2013/14 by £250,000 received for the Queenborough sea wall.
(b)	Performance	To improve overall performance. Officers are invited to submit bids for individual proposals.
(c)	Regeneration	To fund Regeneration Projects in the Borough. Topped up by £100,000 in 2013/14 as per the Budget.

Table 7 - Revenue Reserves (prior to 2014/15 rollovers)

Ref	Reserve	Description
(d)	Localism	To support the Council's Localism Agenda.
(e)	Transformation	To meet the cost of releasing the Pension Fund benefits to staff who have taken early retirement, and to fund all other redundancy costs.
(f)	Swale Local Loan Fund	Set up in April 2012, its purpose is to support voluntary, community, or not-for-profit organisations and town and parish councils in Swale to enable management and delivery of local services and facilities. So far two loans have been approved.
(g)	Repairs and Renewals	Regular contributions are made to this fund from the General Fund. Large items of expenditure are then charged to the service and funded from this reserve.
(h)	Building Maintenance	To meet items of backlog building maintenance as identified in the Council's medium term maintenance plan, as well as urgent or unexpected items.
(i)	Housing	This is made up of a number of housing reserves, including Rent Deposit Scheme Bond Reserve, Recession Funding reserve, and the Supporting People Reserve. All these reserves will help to fund the homelessness service in future years.
(j)	Staying Put Grants	Ring-fenced external funding for health grants and supporting people grants.
(k)	Empty Property Initiative	Funds to be used to assist with initiatives to restore long-term empty homes back into use.
(l)	Local Development Framework	Under the Planning and Compulsory Purchase Act 2004, district Local Plans were replaced with Local Development Documents (LDDs). Together, the LDDs will comprise a Local Development Framework (LDF) for the district authority area. Any underspend or overspend on this service on the General Fund will be transferred to this fund, and used solely to fund LDF associated work.
(m)	Council Tax and Housing Benefits Reserve	Savings made in staffing costs in Council Tax Benefits achieved in 2011/12 were transferred to this reserve as agreed by Cabinet on 4 July 2012. This also includes unspent grants in 2012/13. This will be used to cover the shortfall in grant in 2014/15 onwards.
(n)	Development Control Reserve	To cover any potential fluctuations in planning fees and other related income. £72,000 was transferred to the reserve from the 2011/12 underspend as agreed by Cabinet on 4 July 2012 to cover the loss of planning fees in future years.
(o)	Business Rates Resilience Reserve	To assist the Council in managing the volatility of business rate income as a result of business rate localisation.
(p)	Preceptors Council Tax Support Reserve	£125k paid by KCC, Police and Fire to reflect the costs of council base support localisation.
(q)	Miscellaneous	This is made up of the earmarked reserves that are less than £50,000. This is available upon request.

Table 8 – General Fund Balances 2014/15

	Working Budget £	2014/15 Outturn £	Variance £
Net Service Expenditure	18,053,000	16,079,600	(1,973,400)
Revenue rollover specific and other grants	-	277,492	277,492
Rollover Commuted Sums accounting adjustment	-	259,500	259,500
Net Service Expenditure after Specific Grant and other Grant Rollovers	18,053,000	16,616,592	(1,436,408)
Business rates variance	-	(190,234)	(190,234)
Transfer Business rates Underspend to Resilience Reserve	-	190,234	190,234
Contribution to General Fund Balance	63,000	1,499,408	1,436,408
Net Revenue Expenditure	18,116,000	18,116,000	-
Net Service Expenditure			
	18,053,000	16,079,600	(1,973,400)
Rollovers of specific, other grants and commuted sums	-	536,992	536,992
Less:			
Council Tax Requirement	(6,787,170)	(6,787,170)	-
Business Rates	(4,684,830)	(4,875,064)	(190,234)
Formula Grant	(4,296,000)	(4,296,000)	-
Council Tax Freeze Grant	(79,000)	(79,000)	-
New Homes Bonus	(2,269,000)	(2,269,000)	-
Business rates underspend to resilience reserve	-	190,234	190,234
Net (Surplus) / Deficit on General Fund	(63,000)	(1,499,408)	(1,436,408)

Table 9 – Capital Programme 2014/15 Outturn

	Funding SBC/P	2014/15 Original Budget £	2014/15 Revised Budget £	2014/15 Outturn £	2014/15 Variance £	Rollover Request £	Note
I.T. M.K.I.P. Capital	SBC	0	0	12,473	12,473	0	(a)
Electoral Services Scanners	P	0	6,200	6,216	16	0	
Total Corporate Services		0	6,200	18,689	12,489	0	
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Ground Floor Reception Area	SBC	0	45,000	89,206	44,206	0	(b)
Cemeteries – Future Burial Provision	SBC	0	32,590	10,550	(22,040)	22,040	(c)
Waste Collection – Wheelie Bins	SBC	35,000	35,000	0	(35,000)	0	(d)
Beach Huts – Minster Leas, Sheppey	SBC	0	32,170	32,175	5	0	
Cemetery Chapel, Love Lane Faversham	SBC	0	25,300	22,862	(2,438)	0	
Milton Creek Footpath	SBC	0	30,000	24,813	(5,187)	5,187	(e)
High Risk Tree Works in 3 Cemeteries	SBC	0	45,000	30,975	(14,025)	7,691	(f)
Medium Risk Tree Works in 3 Cemeteries	SBC	0	10,000	16,333	6,333	0	(f)
Customer Service Centre telephony system	SBC	0	40,000	0	(40,000)	40,000	(g)
The Glen Play Area	SBC	0	5,050	5,049	(1)	0	
Swallow Leisure Centre, Replacement Pumps	SBC	0	20,000	20,000	0	0	
Steel Gantry, School Lane	SBC	0	18,000	18,000	0	0	
Kemsley West Play Area	SBC	0	6,200	6,200	0	0	
Kemsley West Play Area	P	0	56,000	55,999	(1)	0	
New Play Area – Iwade Scheme	P	0	92,200	0	(92,200)	92,200	(h)
Thistle Hill Community Woodland – Trim Trail	P	0	35,000	0	(35,000)	35,000	(i)
The Glen Play Area	P	0	30,950	30,950	0	0	
Kemsley East Play Area	P	0	50,000	50,400	400	0	
Off Site open space Oak Close, Maidstone Road	P	0	2,250	2,243	(7)	0	
Faversham Recreation Ground Improvements	P	0	26,000	23,389	(2,611)	2,611	(j)
Total Commissioning & Customer Contact		35,000	636,710	439,144	(197,566)	204,729	
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34 High Street, Sittingbourne	SBC	0	118,000	118,000	0	0	
Total Regeneration		0	118,000	118,000	0	0	
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Emergency Accommodation – House Purchase	SBC	0	165,000	164,070	(930)	0	
Housing Repair Grants over 60	SBC	0	0	20,639	20,639	0	(k)

Table 9 – Capital Programme 2014/15 Outturn

	Funding SBC/P	2014/15 Original Budget £	2014/15 Revised Budget £	2014/15 Outturn £	2014/15 Variance £	Rollover Request £	Note
Decent Home Loans Owner Occupation	SBC	0	0	62,986	62,986	0	(k)
Disabled Facilities Grants Remedial	SBC	0	0	2,717	2,717	0	(k)
Disabled Facilities Mandatory Grants	SBC	100,000	252,150	160,090	(92,060)	92,060	(l)
Disabled Facilities Mandatory Grants	P	926,740	926,740	926,740	0	0	
Total Housing		1,026,740	1,343,890	1,337,242	(6,648)	92,060	
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Cash Receipting System	SBC	30,000	56,570	33,806	(22,764)	22,764	(m)
Total Finance		30,000	56,570	33,806	(22,764)	22,764	
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Swale House Window Replacement & Building Refurbishment	SBC	0	26,470	0	(26,470)	0	(n)
Council Chamber digital system	SBC	0	52,000	52,617	617	0	
Committee Room, New Equipment	SBC	0	18,770	18,632	(138)	0	
Central Plaza Sittingbourne	SBC	0	27,560	27,288	(272)	0	
Central Plaza Sittingbourne	P	0	2,960	2,960	0	0	
Folder Inserter Machine	SBC	0	17,520	17,524	4	0	
Folder Inserter Machine	P	0	3,000	3,000	0	0	
Total Property		0	148,280	122,021	(26,259)	0	
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CCTV Repairs & Renewals	SBC	15,000	15,000	0	(15,000)	0	(o)
Queenborough Harbour Trust Loan	SBC	0	50,000	50,000	0	0	
Sittingbourne War Memorial	SBC	0	8,100	15,569	7,469	0	(p)
Capital Expansion of CCTV service	P	0	38,800	38,387	(413)	0	
Meads Community Centre	P	0	30,760	30,756	(4)	0	
Easthall Farm Community Centre	P	0	6,830	6,825	(5)	0	
Oare Village Hall	P	0	8,550	8,549	(1)	0	
Total economy & Communities		15,000	158,040	150,086	(7,954)	0	
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TOTAL CAPITAL PROGRAMME	SBC	180,000	1,151,450	1,032,574	(118,876)	189,742	
TOTAL CAPITAL PROGRAMME	P	926,740	1,316,240	1,186,414	(129,819)	129,811	
TOTAL CAPITAL PROGRAMME		1,106,740	2,467,690	2,218,988	(248,694)	319,553	

Table 9 – Capital Programme 2014/15 Outturn

Notes

- (a) The Cabinet on 16 April 2013 agreed an ICT capital fund of £300,000 is created to support the strategy for MKIP ICT, with each authority providing £100,000 capital in 2012/13 and with future capital funding approved as part of the formal capital bidding process in each authority. This expenditure is funded from the general reserve.
- (b) Variance due to a combination of design changes, change in furniture specification, electrical works under-specified in tender, and issues discovered during strip-out due to age of building and previous modifications. The underspend on the Swale House Window replacement (m) will offset some of this overspend, with the balance being met from underspends on revenue.
- (c) We have needed time to progress the asset transfer of the barn prior to completion of the outstanding landscaping works on this site. A rollover request has been submitted for this underspend.
- (d) Recent years' spend on wheeled bins has been treated as revenue, part-funded by the revenue budget and also the repairs and renewals reserve. Further on-going expenditure for replacement bins is expected to continue as revenue expenditure.
- (e) The original budget forecast included a contingency; the project came in on target and we are requesting a rollover of the unspent budget to offset extra capital costs due to be carried out at Milton Creek.
- (f) The estimate provided was more than necessary for high risk tree works, which has been offset by an overspend on the medium risk tree works. A rollover request has been submitted for the underspend to fund further work in 2015/16.
- (g) The project has been delayed because of procurement complications. This is a joint procurement with Maidstone BC and Tunbridge Wells BC, and the procurement is being led by MBC. The works are expected to be completed by September 2015.
- (h) The land is in the process of being transferred; the master plan has been achieved, and the consultation with the Parish Council started, with negotiations on spend ongoing.
- (i) Developer has just built dwellings, but staffing vacancy reduced priority to implement in second half of year.
- (j) Awaiting approval of masterplan before being able to progress second part of consultants work, bidding to HLF.
- (k) Housing Repair Grants Over 60 / Decent Home Loans Owner Occupier.
- (l) These grants are all committed, but the payments will be made early 2015/16.
- (m) The Implementation of the Income Manager module began in January and has been temporarily suspended so staff can complete tasks for the closing of the old financial year and opening of the new. The project will recommence in July and be completed in 2015/16.
- (n) This underspend will partly fund the overspend on the Ground Floor Reception Area (b).
- (o) CCTV equipment has been treated as revenue expenditure in 2014/15.
- (p) Tender documentation prepared based on estimates from trusted contractors familiar with this specialist work, who subsequently chose not to tender. Interest in the tender opportunity was limited, and only one company was considered suitable based on proven track record and cost. Despite negotiating a 2.5% reduction, the projects costs were still £7,470 over original estimated budget.

Table 10 – Capital Rollover Requests 2014/15

Service/Portfolio	Service Manager	Description	£	Notes
Commissioning & Customer Contact	Dave Thomas	Customer Service Centre Telephony system	40,000	The project has been delayed because of procurement complications. This is a joint procurement with Maidstone Borough Council (MBC) and Tunbridge Wells Borough Council, and the procurement is being led by MBC. The works are expected to be completed by September 2015.
Commissioning & Customer Contact	Dave Thomas	Faversham Recreation Ground	2,611	Awaiting approval of masterplan before being able to progress second part of consultants work; bidding to Heritage Lottery Fund.
Commissioning & Customer Contact	Dave Thomas	Cemeteries	22,040	Maximising burial space at Sittingbourne Cemetery and awaiting transfer of barn to Parish Council, before making final landscaping and equipment purchase.
Commissioning & Customer Contact	Dave Thomas	Thistle Hill Community Centre	35,000	Developer has just built dwellings, but staffing vacancy reduced priority to implement in second half of year.
Commissioning & Customer Contact	Dave Thomas	New play area Iwade	92,200	Land in process of transfer, masterplan achieved, and consultation with Parish Council started, with negotiations on spend ongoing.
Commissioning & Customer Contact	Dave Thomas	High Risk Tree Works	7,691	The high risk tree works came in under the budget estimate but the remainder is required to help fund the rest of the works outstanding from the tree survey for the medium and low risk trees. The works are to be carried out in 2015/16.
Commissioning & Customer Contact	Dave Thomas	Milton Creek Footpath	5,187	Rollover required to contribute towards the cost of rebuilding the viewing platform adjacent to the reed beds at Milton Creek.
Housing	Amber Christou	Disabled Facilities Grant	92,060	The carry over relates to grants committed but the work has either not yet commenced or has not yet been completed. Once a grant is approved, the applicant has 12 months to carry out the work and can choose when to start the work. The Council has no power to vary this date, it is set by statute. £100K of the budget for the year was not awarded until February 2015, which gave insufficient time to allow the process of approval of grant and execution of the work to be undertaken in the financial year. The carry forward amount is expected to be expended in the early part of the financial year.
Financial Services	Nick Vickers	Cash receipting system	22,764	The implementation of the Income Manager module began in January and has been temporarily suspended so staff can complete tasks for the closing of the old financial year and opening of the new. The project will recommence in July and be completed in 2015/16.
		TOTAL	319,553	

Table 11 – Authorised Limit and Operational Boundary for External Debt

The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances, and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved Treasury Management Policy Statement and practices.

The **Authorised Limit** is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2015/16	2015/16	2016/17	2017/18
	Original Limit	Proposed New Limit	Estimate	Estimate
	£'000	£'000	£'000	£'000
Borrowing	5,000	7,000	7,000	7,000
Other Long-term Liabilities	2,000	2,000	2,000	2,000
Total	7,000	9,000	9,000	9,000

The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case, scenario but without the additional headroom included within the Authorised Limit.

Operational Boundary for External Debt	2015/16	2015/16	2016/17	2017/18
	Original Limit	Proposed New Limit	Estimate	Estimate
	£'000	£'000	£'000	£'000
Borrowing	2,000	6,000	6,000	6,000
Other Long-term Liabilities	774	774	623	376
Total	2,774	6,774	6,623	6,376