

Cabinet Meeting		Agenda Item: 5
Meeting Date	7 December 2016	
Report Title	Medium Term Financial Plan and 2017/18 Budget	
Cabinet Member	Cllr Dewar-Whalley, Cabinet Member for Finance & Performance	
SMT Lead	Abdool Kara, Chief Executive	
Head of Service	Nick Vickers, Head of Finance	
Lead Officer	Nick Vickers, Head of Finance	
Key Decision	Yes	
Classification	Open	
Forward Plan	Reference number: 12	
Recommendations	<ol style="list-style-type: none"> 1. To endorse the Medium Term Financial Plan 2. To endorse the draft 2017/18 budget proposals. 	

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Medium Term Financial Plan (MTFP) and the draft 2017/18 budget.
- 1.2 The Council has established a strong track record for its financial management. In their 2016/17 audit letter Grant Thornton LLP, the Council's external auditors, concluded that "The Council has a history of sound financial management" and that "The Council is taking a pro-active approach to address these pressures, with action to deliver efficiencies and increase the focus on income generation as part of a wide-ranging transformation agenda".
- 1.3 This report sets out how the Council intends to balance the 2017/18 budget, and how it will approach achieving financial self-sufficiency over the longer term. In this regard, the next few years represent a watershed for local authority financing. The approach will be based on further development of new income sources locally, continued growth in business rates from business expansion in the Borough, and transformation of services, led by an internal team which will review all the Council's services over an eighteen month period.
- 1.4 This report will form the basis for the formal Scrutiny Committee review of the proposals on 26 January. Following Scrutiny, and the receipt of further data from Government, an updated report will be submitted to Cabinet on 1 February, and then Council on 15 February.

2 Background

Local Government Finance

- 2.1 The Local Government Finance Settlement for 2016/17 received on 17 December 2015, set out Revenue Support Grant (RSG) figures for three years, and introduced the concept of Four Year Efficiency Plan where, in return for submitting such a plan, the Government would guarantee certain minimum funding levels, primarily for RSG. Cabinet agreed the Council's Efficiency Plan on 7 September and the acceptance of the plan has been confirmed.
- 2.2 As a result, the Council has greater certainty over what has traditionally been a major funding source, although the reductions made in recent years has significantly reduced how much RSG the Council receives. The position for the period of the MTFP is set out below, showing that the Council will see an £848,000 (41%) reduction in RSG for 2017/18.

Revenue Support Grant

2016/17	2017/18	2018/19	2019/20
£'000	£'000	£'000	£'000
2,086	1,238	707	113

- 2.3 The Chancellor of the Exchequer's Autumn Budget Statement was on 23 November. There were no major issues which will impact on the Council but we will examine the detail further for issues such as the increase in minimum wage, increases to employers National Insurance and Insurance Premium Tax and the changes to business rate relief.

Business Rates

- 2.4 From 1 April 2013 Business Rates were part localised. Whilst the rate in the pound is still set nationally, local authorities retain 50% of the growth in income collected since 2013, though there is also a 'top-up' and 'tariff' regime to protect significant losers, and cap significant winners.
- 2.5 In two-tier areas the income is then split between different tiers of Council. As a district, Swale BC currently keeps 40% of growth above the 1 April 2013 baseline. Swale is the billing authority and collects business rates on behalf of the Government and the preceptors. The overall effect as this works through the system of tariffs and top ups, is that Swale currently keeps around £6m of the £50m it collects.
- 2.6 As the table below shows, the Council has seen a significant growth in business rates in recent years:

Business Rates Income

Year	Total Business Rate Income	Business Rate Income Retained by Swale
2013/14 Outturn	£41,509,000	£4,260,000
2014/15 Outturn	£44,122,000	£4,961,000
2015/16 Outturn	£45,081,000	£5,482,000
2016/17 Budget	£46,422,000	£5,682,000
2016/17 NNDR1 Forecast	£47,542,000	£5,868,000

- 2.7 All businesses can appeal their business rate assessment to the Rating and Valuations Office. Appeals can be protracted exercises, with businesses having a strong incentive to appeal. The Council therefore has to set aside a financial provision for appeals; based on the level of appeals and the likelihood of them being successful, the total provision currently is £8m.
- 2.8 Business Rates are collected by the Council, and the resulting Collection Fund is then distributed to Kent CC, Kent Fire and Rescue, the Government, and the Council itself. In 2015/16 there was an increase in the provision for business rate appeals which resulted in a significant deficit on this Fund, of which the Council's share is £1.3m. This is being paid in 2016/17 from the Business Rates Volatility Reserve set up by the Council since the localisation of Business Rates, and therefore does not impact on this budget.
- 2.9 In estimating business rate income across the period of the MTFP we have taken into account the likely level of annual uplift (linked to the Retail Price Index in September each year), and a headline estimate for major new developments of which we are aware, the most significant being the new Aldi warehouse at Neatscourt expected to open in 2018. We do not try to estimate the more normal level of business turnover which there will be across the Borough.
- 2.10 In the Local Government Finance Settlement 2016/17 the Government also announced an intention to fully localise all business rates from 2019 or 2020. This is a huge change to local government finance, and poses some very significant challenges, including:
- (i) distribution issues - even with the full localisation of business rates there will still have to be mechanisms for redistributing income raised between authorities to reflect need. This is likely to be achieved by retaining the top up and tariff regime in some form;
 - (ii) additional responsibilities - as the global amount of business rates exceeds the current amount of RSG, the Government needs to find additional services which will be transferred to local authorities. The provisional ideas about which services these are relate primarily in two-tier areas to county council functions, where there is an understandable nervousness around the delegation of responsibility for people-related services (such as Attendance Allowance) but based on a funding stream linked related to the business cycle; and

- (iii) resetting - there is a debate about whether there should be a full, partial, or possibly no reset from the 1 April 2013 base position. Councils such as Swale which have seen significant business rate growth since 2013 will argue, as we did, against a reset, whilst those who have lost funding will argue in favour of a reset.
- 2.11 There is nothing new in there being uncertainty about local government finance, and our moves to self-sufficiency will remove this over time. But the scale of the change that fully localised business rates will bring does mean that there are caveats about any forecasts which go beyond 2020 for this very significant revenue stream.
- 2.12 In addition, from 1 April 2017 there is a revaluation of all non-domestic properties in England and Wales. The headline figure is an increase in the national average of 9.1%, largely driven by London where the increase was 22.3%. In Swale the net increase is 5.1%. To reflect this, the multiplier has been reduced and top ups and tariffs adjusted to reflect the changes, so the overall impact on the Council should be nil.
- 2.13 However, revaluation means that there is probably an even greater incentive for companies that have seen an increase to appeal, which may then put an added pressure on the appeals provision.
- 2.14 On 5 October Cabinet agreed once again is to participate in the Business Rate Pool with Kent CC and all Kent borough councils except Sevenoaks and Dover.

New Homes Bonus

- 2.15 Also in the Local Government Finance Settlement 2016/17 the Government announced a major review of the New Homes Bonus system. On the positive side they said it would become a permanent part of the system of local government finance. But they also indicated that in aggregate it would be reduced by £1.5bn and that this would be used from 2017/18 onwards to fund the Better Care Fund, so effectively moving money away from lower-tier councils who actually have the direct impact on house building numbers. The Council responded to the consultation paper in February, and the Government has still not made any announcements on how it intends to proceed.
- 2.16 The estimate we are using for 2017/18 is consistent with the previous calculation basis where we lose the year 1 figure and add the latest year of housing completions. The net effect sees the total amount reduce from £3,482,000 in the current financial year to a forecast of £3,097,000. But in the current financial year we only took £2,860,000 into the base, and we propose the same for 2017/18.
- 2.17 The 2018/19 and 2019/20 figures are estimates based upon the previously indicated but unconfirmed reductions. These see the loss of a further £824,000 from the total for 2017/18, and a £587,000 reduction from the amount we budget. However, we have had no confirmation that the

Government does intend to proceed with the further reductions, or if they do, the actual basis of any new distribution formula that will be used.

Council Tax

- 2.18 The Council has not increased the Council Tax since 2010/11, and at £159.93 for Band D is now the second lowest in the County. The Council has been able to hold Council Tax in recent years in part because of Council Tax freeze grant from Government in the early years of the freeze, and then more recently because we have been able to continue to balance the budget without reducing spend on frontline services.
- 2.19 Once again the Local Government Finance Settlement 2016/17 made fundamental changes to the role that Council Tax plays in the Government's financial modelling of local authority spending. Forecast Council Tax income now forms part of the Government's 'Core Spending Power' assessment. They also announced that there would be no more Council Tax freeze grants, and those previously granted would be rolled into RSG.
- 2.20 For 2016/17 the Government allowed those lower-tier Councils to increase their Council tax by either 2% or up to £5 per year. For Swale 2% equates to £140,000, and £5 per year to £220,000.

Pay and Allowances

- 2.21 It is proposed that there will be a 1.2% staff pay increase in 2017/18, and the same increase will be applied to all member allowances. The budget will also allow for staff increments where applicable.
- 2.22 There are also two pension related issues impacting on the budget:
- (i) actuarial valuation - every three years the Kent Pension Fund has an actuarial valuation, where the actuary reviews employer contribution rates. The Council currently pays a Future Service rate of 12.6%, and pays an annual contribution of £1.56m for the Past Service Deficit. The contribution rate set by the actuary for 2017/18 is 14.7%, whilst the Past Service Deficit contribution has reduced to £1.36m. Given that the current base budget is short of the required sum by £136,000, the net result is an increase of £60,000 in 2017/18; and
 - (ii) auto enrolment - the Council has to comply with the legislative requirement to auto enrol all staff in the Local Government Pension Scheme (LGPS) as at 1 October 2017. Currently all staff are eligible to join the LGPS but some decide not to. Under the new system all staff will have to be enrolled, and they may then decide to opt out. Provision is made in the budget for an opt-out rate based on the experience of Maidstone BC, who opted to enrol in an earlier year.

Contractual Price Inflation

- 2.23 The Council's major contracts include price inflation (or deflation) 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	Retail Price Index excluding mortgage interest payments (RPIX)
Leisure	Retail Price Index
Public Conveniences	RPIX currently; but new contract proposed weighting of AWE 55%, CPI 35%, and Diesel fuel index 10%.

Lower Medway Internal Drainage Board (LMIDB)

- 2.24 The LMIDB has a statutory responsibility for the management of specified water courses and flood protection for the lower portion of the River Medway, including parts of the Borough. The LMIDB levies a precept on the Council, and in 2016/17 this totalled £333,921. The LMIDB is not capped, and therefore any increases are wholly at the discretion of the LMIDB Board.
- 2.25 In May the Council was informed via the Council representatives on the Board that the Board had not been properly rating parts of the Isle of Sheppey. In a letter in 1987 the Council asked for the Board to defer the changes to the rating due to the introduction of the Community Charge, and the Board then overlooked applying the rerating. The rerating applies to Sheerness and Queenborough have only paid $\frac{1}{4}$ of the full rate, and Minster and Eastchurch area $\frac{1}{8}$ of the full rate. The final approval of such a request was required from DEFRA, and we did not know when this would be received. The estimated impact was an increase in the precept of £180,000. We have now been notified that the additional sum to be requested is £442,000, an increase of 133% payable from 1 April 2017, though we are awaiting the Board decision on the precept.
- 2.26 Whilst the Council has benefitted from this oversight over a number of years, the scale of this increase is too great to absorb in one year. We are in the process of challenging this proposal through the Secretary of State, but we must plan on the basis that it will be implemented. It is therefore intended that the increase charged to the base will be phased in over two years, with the balance being met from reserves.

Capital Programme

- 2.27 The Council has been operating a very limited capital programme in recent years, primarily consisting of the Disabled Facilities Grant funded from specific external grants, and some small capital projects funded from specific grants or from reserves.
- 2.28 After the budget was agreed the Council was notified of a significantly higher allocation for 2016/17 for Disabled Facilities Grant which in total will be £1.6m. This is very welcome and we expect this higher allocation to apply in 2017/18 also, although at this stage no final figures have been received.

- 2.29 In March 2016 the Council agreed to allow borrowing of up to £30m for capital projects, and in November Cabinet agreed to use a substantial part of this facility to fund and acquire the leisure, hotel and retail elements of the Sittingbourne Town Centre regeneration project, though this is subject to a Scrutiny Call in at the time of writing.
- 2.30 Cabinet has made clear that it will borrow for strategic projects where there is a business case and the budget report to Council will make the case for increasing the overall borrowing limit to support further major capital projects across the Borough.
- 2.31 The Council has around £18m of reserves and through year on year underspends and additional business rates income these reserves have been building up in recent years. The main purposes of the reserves are:
- (i) to allow the Council to deal with unforeseen events and costs e.g. Spade lane legal costs;
 - (ii) to fund one off initiatives. Though the different reserve funds the use of which is publicly reported on a quarterly basis the Council can fund individual projects or initiatives which it is not able to through the reducing base budget e.g. website redesign to increase digital access to services; and
 - (iii) to allow the Council to play a strategic role in supporting a major initiative with the confidence that the underlying financial strength of the Council will not be compromised e.g. funding the construction of the Sittingbourne multi storey car park.

3 Proposals

Medium Term Financial Plan

- 3.1 The Council has been successful in dealing with the financial implications of deficit reduction without impacting on frontline services, but there does come a point where efficiency savings will no longer be enough to close the gap, and so there needs to be another way of securing the financial viability of the Council.
- 3.2 To achieve this our high level strategy is to:
- (i) drive transformation - the Transformation Team is undertaking reviews of all services to drive digital access to services and other efficiencies to reduce costs;
 - (ii) drive up income - this is income in total, including Council Tax via growth in the Council Tax base, Business Rates, New Homes Bonus, existing Fees & Charges, and new sources of income such as proposed from the Sittingbourne Town centre investment;
 - (iii) review major contracts - the single largest contributor to savings in recent years has been the re-let Waste and Street Cleansing Contract. With the imminent renewal of the Grounds Maintenance Contract and then the

Leisure Services Contract in 2019 the Council needs to look afresh at the configuration of service delivery and the options for savings; and

- (iv) deliver regeneration - delivery of regeneration projects will directly benefit the Council via additional Council Tax, Business rates and New Homes Bonus, and higher levels of income for residents will reduce demand for services.

3.3 The Medium Term Financial Plan is our forecast of the financial position of the Council over the next three years, and the main variables in the Plan have been examined in Section 2 above. The Medium Financial Plan is set out in Appendix I. We have also included in Appendix II an indicative ten-year plan, though please note the caveats related to Business rates retention and New Homes Bonus set out in the commentary in Section 2.

3.4 Variations proposed from the 2016/17 base budget are set out in Appendix III. These use the following Budget Variation Headings:

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

3.5 The Local Government Finance Settlement 2017/18 will be received in December and the Budget report will be updated for Scrutiny in January and Cabinet in February.

Council Tax

3.6 The Council meeting on 15 February 2017 will determine the level of the Council Tax.

4 Alternative Options

4.1 These are the Cabinet's budget proposals as at 7 December 2016. They will be subject to review by Scrutiny Committee, and will be resubmitted to Cabinet prior to seeking Council agreement.

5 Consultation Undertaken or Proposed

5.1 Formal consultation will take place between the December Cabinet meeting, and the final budget setting Council meeting on 15 February 2017. In the absence of proposals to reduce or cease service provision, the consultation

will focus upon Scrutiny Committee on 26 January, and statutory consultation with representatives of local business groups.

6 Implications

Issue	Implications
Corporate Plan	The budget proposals support the delivery of all of the Council's corporate objectives, and in particular 'A Council to be proud of'.
Financial, Resource and Property	This report sets out the Council's Medium Term Financial Plan and the draft 2017/18 budget.
Legal and Statutory	The Council legally has to set a Council Tax and agree a balanced budget.
Crime and Disorder	Any potential impact will be addressed by service managers in their budget proposals.
Sustainability	The sustainability implications of budget decisions will be fully investigated by service managers in drawing up their detailed proposals.
Health and Wellbeing	Any potential impact will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Risks will be reviewed as part of the risk update process. Specific H&S risks will be addressed by service managers in their budget proposals.
Equality and Diversity	Where appropriate there will be Community/Equality Impact Assessments undertaken by service managers in relation to specific proposals.

7 Appendices

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

- Appendix I: Medium Term Financial Plan
- Appendix II: 10 Year Plan
- Appendix III: Budget Variations

8 Background Papers

8.1 No background papers

Medium Term Financial Plan

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Base Budget	18,146	18,146	18,146	18,146
Growth items	0	78	82	94
Unavoidable cost pressures	0	364	470	525
Loss of income	0	213	213	214
Additional income	0	(259)	(273)	(308)
Committed price increases	0	144	250	305
Lower Medway Internal Drainage Board (LMIDB)	0	456	472	488
Contribution from reserves for LMIDB		(220)	0	0
<u>Salary Related:</u>				
Pay Award (1.2%)	0	109	201	294
Other Pay Increases	0	78	125	150
Contribution to/(from) reserves (Regen Fund contribution ended 17/18)	395	240	42	42
Revenue Support Grant	(2,086)	(1,238)	(707)	(113)
Business Rates	(5,682)	(6,506)	(7,040)	(7,120)
Contribution from Business Rates Reserve	0	(255)	0	0
Council Tax (£164.88 17/18; £169.83 18/19; no increase 19/20)	(7,030)	(7,411)	(7,831)	(8,030)
New Homes Bonus	(3,482)	(3,097)	(2,273)	(2,272)
Collection Fund Surplus/Deficit C Tax	(261)	(136)	(158)	0
Savings Required	0	706	1,719	2,415
Service savings	0	(645)	(572)	(629)
Requirement for balanced position	0	(61)	(1,147)	(1,786)
Committed savings	0	(706)	(1,719)	(2,415)
Contribution (to) from General Fund	0	0	0	0

Ten Year Plan

Swale Council 10 Year MTFP	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000
Expenditure										
Net Service Expenditure c/f (based on 16/17 budget)	17,914	18,146	18,684	19,114	19,049	19,011	18,975	18,940	18,908	18,878
Net forecast cost/ (savings) (approved in previous years)	66	(105)	275	31	56	57	58	59	60	61
Lower Medway Internal Drainage Board	0	456	16	16	17	17	17	18	18	19
Pay Award	109	109	92	93	94	95	95	96	97	98
Non Pay Award Salary Increases	57	78	47	25	25	25	25	25	25	25
Efficiency savings				(230)	(230)	(230)	(230)	(230)	(230)	(230)
Net Service Expenditure b/f	18,146	18,684	19,114	19,049	19,011	18,975	18,940	18,908	18,878	18,851
Financing Sources										
<u>Government Support</u>										
Revenue Support Grant	(2,086)	(1,238)	(707)	(113)	0	0	0	0	0	0
New Homes Bonus	(3,482)	(3,097)	(2,273)	(2,272)	(2,272)	(2,272)	(2,272)	(2,272)	(2,272)	(2,272)
Council Tax	(7,030)	(7,411)	(7,831)	(8,264)	(8,583)	(8,907)	(9,238)	(9,574)	(9,915)	(10,263)
Business Rates	(5,682)	(6,506)	(7,040)	(7,120)	(7,191)	(7,263)	(7,336)	(7,409)	(7,483)	(7,558)
Collection Fund Surplus C Tax	(261)	(136)	(158)	0	0	0	0	0	0	0
Contribution to/(from) reserves	395	(235)	42	42	42	42	42	42	42	42
Sittingbourne Town Centre rental income	0	0	0	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Total Financing	(18,146)	(18,623)	(17,967)	(18,227)	(18,504)	(18,900)	(19,304)	(19,713)	(20,128)	(20,551)
Budget Gap (surplus)/ deficit	0	61	1,147	822	507	75	(364)	(805)	(1,250)	(1,700)
Cumulative Budget Gap (surplus)/ deficit	0	61	1,208	2,030	2,537	2,612	2,248	1,443	193	(1,507)

Budget Variations

Growth items			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
	Economic & Community Services		
1	Swale Contribution to Kent Integrated Domestic Abuse Commissioning Contract	Cllr A. Horton / C. Hudson	21,040
2	Communications - Squiz CMS licence and support costs	Cllr A. Bowles / E. Wiggins	8,250
	Mid Kent Improvement Partnership (MKIP) Services		
3	Essential Users Car Allowance	Cllr D. Dewar-Whalley / D. Smart	4,130
	Democratic Services		
4	Members' Allowances	Cllr A. Bowles / M. Radford	38,840
	Environmental Health		
5	Single Employing Proposal for the Mid Kent Environmental Health Service	Cllr D. Simmons / T. Beattie	5,800
		Total Growth Items	78,060

Budget Variations

Unavoidable Cost Pressures			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
	Mid Kent ICT		
1	Increase in licence fees due to Microsoft realigning prices in British pounds to be close to Euro levels	Cllr D. Dewar-Whalley / A. Cole	3,600
	Resident Services		
2	Increase in homelessness costs	Cllr K. Pugh / A. Christou	170,000
	Economic & Community Services		
3	Potential increase in costs of dog kennelling and re-homing service - currently out to tender, so increase is based upon maximum predicted costs for the service	Cllrs M. Cosgrove & A. Horton / C. Hudson	20,000
	Mid Kent Improvement Partnership (MKIP) Services		
4	Auto enrolment in the LGPS for those that currently opt out - estimate based on 90% take up	Cllr D. Dewar-Whalley / D. Smart	51,990
5	Apprenticeship levy	Cllr D. Dewar-Whalley / D. Smart	29,230
	Mid Kent Legal Services (MKLS)		
6	Swale BC is increasing its use of MKLS resources - so the Council will have to increase its contribution by approximately 3%, though possibly more in 2017/18	Cllr D. Dewar-Whalley / E. Culligan	20,000
	Director Of Corporate Services		
7	Duty officer charge not previously budgeted for	Cllr D. Dewar-Whalley / M. Radford	2,000
	Finance		
8	Increase in Pension Costs to KCC as a result of triennial revaluation	Cllr D. Dewar-Whalley / N. Vickers	60,000
	Environmental Health		
9	Shellfish Sampling - Port of London passing on sampling costs to SBC for monthly monitoring.	Cllr D. Simmons / T. Beattie	7,500
	Total Unavoidable Cost Pressures		364,320

Budget Variations

Loss Of Income			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
Property Services			
1	Net loss of income due to vacant site at Gas Road and other rent increases	Cllr D. Dewar-Whalley / A. Adams	15,000
2	Faversham Dry Sports - no recharge from tenant for insurance premium, but offset by reduction in amount recharged from insurance budget	Cllr D. Dewar-Whalley / A. Adams	1,510
Economic & Community Services			
3	Reduced income from ending of CCTV monitoring contract by third party	Cllr A. Horton / C. Hudson	6,210
Commissioning & Customer Contact			
4	The Council will no longer be undertaking the Kent Highways Service Maintenance work with the consequent reduction in income from KCC, offset by a saving to the ground maintenance budget (see no. 19 service savings sheet)	Cllr D. Simmons / D. Thomas	138,660
5	No longer operating Queenborough Harbour moorings	Cllr D. Simmons / D. Thomas	2,000
Mid Kent Legal Services (MKLS)			
6	Staff savings in MKLS. This saving will be offset by the resulting lower contributions from the other Legal shared service authorities (see no. 1 service savings sheet)	Cllr D. Dewar-Whalley / E. Culligan	49,500
Total Loss Of Income			212,880

Budget Variations

Additional Income			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
Resident Services			
1	Debt Recovery Service	Cllr D. Dewar-Whalley / A. Christou	(50,000)
Property Services			
2	Guildhall - additional rental income	Cllr D. Dewar-Whalley / A. Adams	(1,100)
3	Miscellaneous properties - additional rental income	Cllr D. Dewar-Whalley / A. Adams	(1,500)
4	Miscellaneous properties - additional rental income	Cllr D. Dewar-Whalley / A. Adams	(1,500)
5	Rental/Service charge income from Sateda	Cllr D. Dewar-Whalley / A. Adams	(6,200)
Economic & Community Services			
6	Major event licencing	Cllr A. Horton / C. Hudson	(500)
7	Environmental Response Team - Fixed Penalty Notices	Cllr D. Simmons / C. Hudson	(3,000)
Commissioning & Customer Contact			
8	Increase in season ticket charges to bring these closer in line with the current Pay & Display tariff	Cllr A. Horton / D. Thomas	(8,500)
9	Increase in resident and visitor parking permit charges	Cllr A. Horton / D. Thomas	(13,000)
10	Garden Waste collections - increased subscriber base	Cllr D. Simmons / D. Thomas	(17,500)
11	Refuse collection contract	Cllr D. Simmons / D. Thomas	(20,000)

Budget Variations

Additional Income			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
12	Current pay and display income remains stable and significantly above expectation following the uplift in parking tariffs last year. This will enable the budget expectation to be increased	Cllr A. Horton / D. Thomas	(100,000)
Mid Kent Legal Services (MKLS)			
13	Proposal to charge a flat rate of £210 per hour for all legal work may see a slight rise in legal income	Cllr D. Dewar-Whalley / E. Culligan	(1,400)
14	Significant increase in S106 receipts in 2016/17 is expected to be continued in 2017/18	Cllr D. Dewar-Whalley / E. Culligan	(20,000)
Environmental Health			
15	Management of the new Kent & Medway Air Quality monitoring contract	Cllr D. Simmons / T. Beattie	(5,000)
Finance			
16	Increased income from external interest of investments	Cllr D. Dewar-Whalley / N. Vickers	(10,000)
Total Additional Income			(259,200)

Budget Variations

Service Savings			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
Mid Kent Legal Services (MKLS)			
1	Staff savings in MKLS - this saving will be offset by the loss of income from the resulting lower contributions from the other Legal shared service authorities (see no. 6 loss of income sheet)	Cllr D. Dewar-Whalley / E. Culligan	(66,000)
Resident Services			
2	£3,000 paid to Kent Rural Housing Enabler to develop their rural housing policy and carry out housing needs surveys. There is little demand for the surveys and there is little to no funding available to build rural affordable housing at present. Continuing to make the full contribution to fund the agency does not represent value for money	Cllr K. Pugh/ A. Christou	(2,000)
3	Mileage, no longer needed to send staff to other offices on such a regular basis. There are also no longer Visiting Officers; we therefore have fewer mileage claims going through	Cllr K. Pugh/ A. Christou	(7,000)
4	Staff restructuring in Housing	Cllr K. Pugh/ A. Christou	(15,000)
5	Homeless hostel budget - new agreement with AmicusHorizon to use Housing Benefit Subsidy to cover management costs of this accommodation mean a reduction in this expenditure	Cllr K. Pugh/ A. Christou	(20,000)
6	Saving in Fraud Partnership	Cllr K.Pugh / A. Christou	(74,000)
Property Services			
7	Guildhall - budget not required	Cllr D. Dewar-Whalley / A. Adams	(330)
8	Health & Safety budget - budget reduction possible as Technical Index cancelled	Cllr D. Dewar-Whalley / A. Adams	(2,000)

Budget Variations

Service Savings			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
9	Print Room - reduction in hours of Print Room operator	Cllr D. Dewar-Whalley / A. Adams	(9,000)
Economic & Community Services			
10	Rates - budget no longer required	Cllr A.Horton / C. Hudson	(3,460)
11	Cancellation of fibre optic lines - following decommissioning of cameras from CCTV effectiveness review	Cllr A.Horton / C. Hudson	(6,180)
Commissioning & Customer Contact			
12	A249 litter picking - reduced cost	Cllr D. Simmons / D. Thomas	(800)
13	Wheeled bins - reduced need	Cllr D. Simmons / D. Thomas	(1,000)
14	Procurement reduction	Cllr D. Simmons / D. Thomas	(2,000)
15	Reduction in bin purchases	Cllr D. Simmons / D. Thomas	(2,000)
16	Activity programme at Milton Creek Country Park	Cllr D. Simmons / D. Thomas	(2,440)
17	Cancelled subscription to Cleaner Kent	Cllr D. Simmons / D. Thomas	(3,000)
18	Grounds Maintenance Contract	Cllr D. Simmons / D. Thomas	(50,000)
19	The Council will no longer be undertaking the Kent Highways Service Maintenance work, with the consequent reduction in income from KCC, offset by a saving to the ground maintenance budget (see no. 4 loss of income sheet)	Cllr D. Simmons / D. Thomas	(135,430)
Planning			
20	Dangerous Structures - reflects recent underspends	Cllr G. Lewin / J. Freeman	(2,000)

Budget Variations

Service Savings			
No.	Description	Cabinet Member / Head of Service	2017/18 over 2016/17 £
21	Mid Kent Planning Support and Local Land Charges - SBC contribution revision	Cllr G. Lewin / J. Freeman	(87,080)
Director Of Corporate Services			
22	Savings on newspapers and periodicals, officer subscriptions, mobile phone, and Warning and Informing budgets	Cllr D. Dewar-Whalley / M. Radford	(1,390)
Finance			
23	Reduction in interest rates results in lower cost of adding interest to selected funds	Cllr D. Dewar-Whalley / N. Vickers	(1,000)
24	Reduction on interest element of a finance lease	Cllr D. Dewar-Whalley / N. Vickers	(3,910)
25	Contributions to risk management reserve originally agreed from 2009 insurance tender no longer required as a result of the 2016 insurance tender	Cllr D. Dewar-Whalley / N. Vickers	(15,000)
26	Due to recent increases in costs, Finance Department went out to tender for the cost of processing debit and credit card transactions. The result has been a reduction in costs	Cllr D. Dewar-Whalley / N. Vickers	(30,000)
27	Finance proposal to change the basis of the calculation of the Minimum Revenue Provision	Cllr D. Dewar-Whalley / N. Vickers	(100,000)
Environmental Health			
28	Renewal of Air Quality station data monitoring contract with Kent & Medway Air Quality Monitoring Network contract. In addition, a review of the number of continuous monitoring stations down from four to three	Cllr D. Simmons / T. Beattie	(2,500)
Total Service Savings			(644,520)