

<b>Executive Meeting</b>	<b>Agenda Item: XX</b>
<b>Meeting Date</b>	1 July 2010
<b>Report Title</b>	Medium Term Financial Strategy (MTFS) Refresh 2011/12 to 2015/16
<b>Portfolio Holder</b>	Executive Member for Finance & Budget Management
<b>SMT Lead</b>	Mark Radford
<b>Head of Service</b>	Eric Fisher
<b>Lead Officer</b>	Eric Fisher/ Phil Wilson
<b>Key Decision</b>	<b>No</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:394</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. Reaffirm the high priority to ensure a balanced budget for 2010/11;</li> <li>2. To note that it is proposed at this stage whilst uncertainties on future funding remain, to keep to the projected funding gap given in the Medium Term Financial Strategy approved in February 2010, but to keep the position under review;</li> <li>3. To endorse the approach for the Council not to make any further contractual commitments on any activities funded by external special and specific grants for the time being;</li> <li>4. To consider making representations to the Local Government Association and government concerning future funding particularly on regeneration priority areas;</li> <li>5. To note the proposed work streams to take the Medium Term Financial Strategy forward and for a further report to be presented to the August meeting of Executive covering: <ul style="list-style-type: none"> <li>- Consultation arrangements</li> <li>- External Funding</li> <li>- Voluntary and Community Sector</li> <li>- Fees &amp; Charges</li> <li>- VFM savings</li> </ul> </li> </ol>

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

- 1.1 The Budget and MTFs report to Council on 24 February 2010 emphasised the “significant reductions anticipated in the level of funding from Central Government through Revenue Support Grant and other external funding streams, and it is important that the Council takes proactive steps to begin to reduce budget levels in anticipation of these reductions at an early stage.”
- 1.2 This reports builds on the lessons learnt from the 2010/11 budget process and makes an early start to addressing the anticipated funding gap for 2011/12 of around £1.5m as well as updating assumptions on key risks on external funding, deliverability of 2010/11 budget savings and additional budget pressures. Additionally, this report sets out the outline programme for improved consultation and a more structured review of fees and charges.

## **2. Background**

### **2009/10 financial performance**

- 2.1 For 2009/10, there was an under spend overall approximately amounting to £434,000 (1.49% of the Council’s gross budget excluding benefit payments). However, budget pressure areas were identified particularly in the areas of Finance, Car Parking, and Economic Development and Cultural Services.
- 2.2 Following Executive in November 2009, there was a presumption against rollovers of under-spending (except where there was a plan in place to meet a Council high priority that this was signed off by the Portfolio Holder and there was not an over spend within the Service or the Council as a whole). This under-spending was available to help fund priority one-off items and cover possible continuing budget pressures into 2010/11. A fully balanced budget for 2009/10 had therefore been assumed for setting the 2010/11 Council Tax.
- 2.3 There is a continued need to ensure that that the Council has the processes in place to ensure that it does not overspend its revenue budgets, by reinforcing disciplines to control pressures e.g. vacancy/agency control, growth/ investment approvals, and accountability at Head of Service level on progress on savings approved. This will help to address the risks associated with the deliverability of the 2010/11 budget, whilst still planning to meet the targets and deliver the priorities set out in the Corporate Plan.

### **2010/11 Financial performance**

- 2.4 For 2010/11, a key risk has been identified on the delivery of £1.6m of budget savings whilst maintaining performance and service levels as far as possible. In accordance with Council resolution on 24 February 2010, Budget Task Force at its last meeting on 6 April 2010 agreed to a Framework being used by Strategic Management Team (SMT) in its monthly Financial Management Reporting to identify any proposed budget

savings not deliverable and progress for the remaining budget saving proposals. A programme of reporting has been agreed with Scrutiny Committee and quarterly reports are made to Executive.

- 2.5 It should also be borne in mind that a number of budget pressures are emerging with a projected overspend of £612,000 overall in 2010/11, at this stage. Heads of Service have been asked to identify remedial actions to bring them in line with budget and Strategic Management Team is fully committed to take the steps necessary to address the projected overspend.
- 2.6 This £612,000 projected overspend includes the proposed withdrawal of Housing and Planning Delivery Grant monies currently assumed as £325,000 in the approved budget. It may be possible to cover this through the under spends carried forward from 2009/10, but it is not recommended that this action is taken until later in the year once the announcements from Government on spending reductions has been properly analysed. Other budget pressures not funded at this stage include the following:
- Local Land Charges loss of income;
  - Car park charges;
  - Loss in external funding;
  - Forum Car rental;
  - Continuing pressures on bank contract, Treasury Management/short term borrowing, District Audit fees;
  - Cost of lost two planning appeals; and
  - 3% vacancy provision
- 2.7 Work is under way to check each of the revenue and capital grant monies received to assess the risk of it being withdrawn and this is more fully considered in the next section.

## **External Funding**

- 2.8 The new Government is committed to reducing the public sector deficit in 2010/11 by £6bn. As part of this,

*“the Government has announced that it would be re-examining all spending approvals made since 1 January 2010 and all pilot schemes..... The Government has indicated that only projects that represent good value for money, and are consistent with the Government’s priorities, may go ahead” (Director General, Local Government & Regeneration, 21 May 2010).*

- 2.9 As part of the overall total, £1.166 billion of savings will be made by reducing grants to local authorities. The Director for Local Government Finance issued further details of the reductions on 10 June 2010. News of some decisions on Government funding reductions for this year was announced earlier this month. We are still clarifying the details of these reductions of these reductions and how they may impact on Swale.
- 2.10 The main areas of concern currently are:

- The proposed replacement of the Housing and Delivery Grant which currently we have assumed £325,000 in the approved budget;
  - The cessation of the one off Anti Social Behaviour Improvement Fund (£20,000);
  - Direct in-year cuts of £30,000 to Cohesion Funding which will affect the Community Safety Unit;
  - The cessation of the Local Authority Business Growth Incentive (LABGI) Scheme which was not included in the approved budget but which we had been indicated to receive £64,000; and
  - Reduced funding to Thames Gateway which will hit the Rushenden Retrofit bid.
- 2.11 There is also uncertainty for the future of projects that have received a range of short term funding from a range of sources.
- 2.12 We understand existing contracts on Homes Communities Agency will be honoured as will the important Disabled Facilities Grant, Safer Stronger Communities Fund and Sure Start
- 2.13 We should be aware, that the Coalition agreement aims to replace Housing & Planning Delivery grant and LABGI to support councils such as Swale in its economic development and housing programmes
- 2.14 For future years, we do not expect to see the full impact on Swale until the Comprehensive Spending Review has taken been completed – perhaps in December 2010.
- 2.15 Alongside this, the Government will remove the ring-fence around over £1.7 billion of grants in local authorities in 2010/11 to provide greater flexibility to re- shape budgets. The Government has confirmed that there will be no reduction in the Council’s Revenue Support Grant (Formula Funding) in the current year)
- 2.16 .Appendix III breaks down the main revenue items funded externally. Details of which grants are to be reduced is still awaited, and a work stream is recommended to make an assessment of the risk on each external funded item, the staff implications and the impact on the Council’s priorities. At this point, no further contractual commitments are made until the external funding is confirmed

## **Economic Recession and regeneration**

- 2.17 Audit Committee meeting on 26 May 2010 was concerned that in particular the Council’s regeneration priority may be at risk from any reduction in external funding.
- 2.18 The economic recession has particularly impacted on:
- the levels of unemployment, most notably among the young aged between 18 and 25 years;
  - an increase in the level of benefit claimants (but supported by increased administration grant funding from Central Government);
  - significantly lower interest rates thus reducing investment income for the Council;

- significantly reduced collection rates for business rates; and
- reduced car park income for the Council

- 2.19 Swale Borough Council received £78,000 in 2009 for LABGI and this was ring fenced by the Council following Council resolution on 24 February 2010 to support economic development and tourism initiatives. A comprehensive programme is being brought together which seeks to use the monies that are available and will be augmented by the approved investment of £50,000 in 2010/11 and £75000 per annum thereafter as well as the Learning & Skills budget. However, approximately £500 million nationally will be re-invested in initiatives designed to promote economic growth, including £50 million for action to tackle backdated business rates bills, including a freeze on payments in 2010/11.
- 2.20 Following this, regulations were issued to introduce a moratorium/freeze until 31 March 2011 for certain 'unexpected and significant' outstanding backdated business rate liabilities, including the ports revaluation particularly affecting Swale.
- 2.21 Since the report to the Executive in August 2009 that provided an update on local economic conditions, the Economic Development Team has maintained monthly statistical updates against a range of local, external economic indicators and internal performance measures that may be affected by prevailing economic conditions.
- 2.22 This data will be reported quarterly to the Executive Member and six monthly to the Executive and Scrutiny Committee, and to move to this information being made available through the Covalent system in due course.

### **3. Proposals**

#### **Council Tax**

- 3.1 On 25th May, the Communities Secretary, Eric Pickles, re-affirmed the Government's commitment to working with local authorities to deliver a council tax freeze "for at least one year and seek to freeze it for a further year". No further details are currently available on whether this will be supported by additional grant aid as previously suggested.
- 3.2 For Swale a 1% change in Council Tax is equivalent to additional/reduced expenditure by the Council of £72,000. The current MTFs assumes a 2.5% increase which is equivalent to £180,000 per annum (rising cumulatively).

#### **Funding Gap and Budget savings**

- 3.3 Currently the funding gap identified in the approved MTFs is £1.5m in 2011/12 (including an assumed additional £400,000 full year effect from the £1.6m savings) and this rises thereafter by approximately £200,000 per annum assuming any budget pressure/investment bid is funded within the existing budget envelope. (See Appendix I).

- 3.4 This funding gap will need to be kept under review in the light of changes in assumptions especially on external funding, budget pressures and the delivery of budget savings.
- 3.5 The Budget Task Force considered a Value for Money (VFM) Strategy at its 6 April 2010 meeting and this will be signed off by the Executive Member for Finance & Budget Management following further consideration and this Executive. This has identified the approaches under way to secure savings to meet this funding gap as follows:
- Mid-Kent Improvement Partnership (MKIP) existing and proposed;
  - Other partnerships;
  - Invest to Save to date and potential (including ICT business transformation and Asset Management on utility usage);
  - Procurement Savings – long term contracts and category spend - guided once we get the analysis from the Improvement and Efficiency South East Partnership;
  - Fees & Charges (in excess of the 1% increase assumed; each 1% increase is equivalent to say £60,000 cumulatively, but we need some intelligent analysis of what is nationally determined and which is local); and
  - Reducing spans & layers.
- 3.6 Should there be an outstanding funding gap, then this will either have to be covered by stopping doing something (not a priority) or by reducing performance or more “salami slicing”. However, for 2011/11, this will be kept to a minimum as far as possible. It is proposed at this stage whilst uncertainties on future funding remain, to keep to the projected funding gap given in the MTFs approved in February 2010, keep monitoring the position and review the situation in December 2010 once the results of the Comprehensive Spending Review have been announced.
- 3.7 The VFM Group felt that this needed more work to identify realistic targets and ensure that there is not any double counting. These will be clear work streams as part of the budget guideline to be worked up over the “summer recess” in July and August. This will enable the Executive to fully understand the impact of the 22 June Emergency Budget and any emerging themes for the 2011/12 Comprehensive Spending Review.
- 3.8 It should be noted that the Council has a target VFM saving for 2010/11 of £1m set by the previous Government, a figure to be exceeded by this Council’s plans.

### **Reserves review**

- 3.9 There is no statutory minimum level for reserves – instead the appropriate level of reserves is dependent upon the specific circumstances of each authority and the risks it faces.
- 3.10 It is the responsibility of the Council’s S151 Officer (Head of Finance) to advise the Council about the level of reserves that are held. These have been reviewed in line with latest guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA, 2008).

- 3.11 This will be reviewed by the end of December 2010 and is expected to produce further economies.

### **Staffing (including pensions)**

- 3.12 Work is under way in the production of a Workforce Development Strategy by the end of the calendar year to plan for possible reduced numbers of staff over time as resources are reduced and as partnerships are entered into. It is important that we have retention and recruitment policies to ensure that we have well trained and supported staff in facing up to the challenges ahead. Good work on continuing to reduce absence through sickness remains a high priority using best practice management processes.
- 3.13 The underlying assumption of the MTFS is for annual “inflation” increases of 0.5% per annum and a similar sum for increments and other adjustment. This will be kept under review. 1% equates to approximately £120,000
- 3.14 The next actuarial review takes effect from 2011/12 and the pressure is on for the current employers’ contribution to remain at present levels (for Swale Borough Council 32%, for those participating, 28% overall). There is little an individual council can do to change this other than to make representations to the national employers, as well as the Kent Pension Authority who represent the councils. The approved MTFS model has taken a more cautious position in the light of such concerns, assuming a 1% increase in employer’s contribution cumulatively each year. However, Kent Pension Fund has appointed new actuaries who will be conducting a review of the individual employer’s contribution rates to take effect from 2011/12. They are also proposing to produce a model to enable districts in particular to forecast future contribution rates, which are inherently complex as they depend upon the age structure of the individual council’s establishment and other local factors. Following recent volatility in global markets and the changing age profile of the employees in the pension scheme it is difficult at this stage to predict whether such prudence will be sufficient. Results of the revaluation are expected by the end of this calendar year.

### **Voluntary and Community Sector strategy**

- 3.15 The Council has adopted an Asset Transfer Strategy transferring community buildings to the community where appropriate and in 2010 took part in an Improvement & Development Agency (IDeA) Peer Review on Community Empowerment.
- 3.16 This is even more important in the current financial climate to find sustainable ways to deliver services, encourage communities to take responsibility for local services as part of the localism agenda. A draft Voluntary and Community Sector Strategy is currently out for consultation with the view to bring proposals back to the 25 August meeting of Executive

### **Capital Programme 2010/11 to 2014/15**

- 3.17 The capital programme is constrained by the lack of capital receipts, and the limited scope for securing significant receipts through sale of the Council’s asset base, particularly at a time of poor external economic

conditions. Similarly, the scope for revenue funding through the unallocated element of the General Reserve is also severely limited.

3.18 Appendix II shows the overall capital programme incorporating approved roll overs from 2009/10 and the proposed funding.

3.19 Following changes in external funding, the capital programme will need to be kept under review.

## Conclusions

3.20 The currently approved Medium Term Financial Strategy for the five years to 2014/15, including the capital programme, takes a prudent approach having regard to the assessment of risks, to help achieve our ambitions and ensure the sustainability of services to the community.

3.21 The pressures on budgets and changes in external funding will put enormous pressure on service provision, but the 5-year MTFS has provided a strong framework to address such challenges and enable the Council to take the difficult decisions needed.

## 4. Alternative Proposals

4.1 To wait and see and not take action risks the aim to ensure the Council retains the headroom to make the difficult decisions to protect services and deliver its corporate plan priorities.

## 5. Consultation Undertaken or Proposed

5.1 In 2009/10, we used a range of methodologies to try to encourage residents, local employers and key stakeholders to give their views around the theme “Your money your choice”. This helped inform the prioritisation of budget savings and investments in the 2010/11 budget. Scrutiny Committee has highlighted this as one area to be strengthened for the 2011/12 Budget, something endorsed by Executive and is being encouraged by the new Coalition Government

5.2 It is intended that this is taken up as a work stream to be reported to the August meeting of Executive. Different options are being examined.

## 6. Implications

Issue	Implications
Corporate Plan	The MTFS is the financial expression of the Corporate Plan. The impact of the proposals on the Council's priorities has been taken into account.
Financial, Resource and Property	These are detailed in the report and attached appendices.

<b>Issue</b>	<b>Implications</b>
Legal and Statutory	The statutory implications of any reductions and growth requirements have taken into account. The Local Government Act 2003 requires the Statutory Finance Officer (Interim Head of Finance) to give Members an opinion on the robustness of the budget estimates and the adequacy of reserves
Crime and Disorder	The sustainability implications have been taken into account in the proposals.
Risk Management and Health and Safety	The key risk areas and potential gains which need to be taken into account in scenario planning and to feed into the legal requirement to justify the level of balances and reserves held were assessed as part of the 2010/11 Budget and MTFs report to Council in February 2010. These will kept under review and reported fully at the next meeting.  The health and safety implications have been taken into account in the proposals.
Equality and Diversity	The equality and diversity duty is to have due regard to what is appropriate in all the circumstances and must be performed with vigour and an open mind. In light of this equality and diversity implications have been taken into account in the proposals, and a detailed equality impact assessment will be completed prior to implementation.
Sustainability	The sustainability implications have been taken into account in the proposals.

## 7. Appendices

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

- I. MTFs model approved 24 February 2010
- II. Updated Capital programme 2010/11 to 2014/15 and its funding
- III. Major schemes funded externally – Revenue

## 8. Background Papers

- I. LG Futures Local Government Finance Monthly Update, May 2010
- II. Director General Local Government & Regeneration, Irene Lucas, Communities & Local Government, Public Expenditure and Review of Spending approvals, Letter to local Authority Chief Executives 21 May 2010
- III. Director General Crime & Policing Group, Home Office, letter to CSP Chairs in England, Stephen Rimmer, 7 June 2010

- IV. Director for Local Government Finance, Reduction in grants to Local government, Simon Ridley at CLG, letter to Local Authority Chief Executives 10 June 2010
- V. Swale Borough Council Corporate Plan 2010-2015
- VI. Swale Borough Council strategies on Workforce, Procurement, VFM, Housing; ICT (e-governance); Risk Management; Climate Change, asset Management and Asset Transfer Policy and the draft Third Sector and Data Quality; and Partnership Protocol
- VII. Business Rates Information Letter 7/2010 issued on 27th May 2010 on freezing of business rates

**MEDIUM TERM FINANCIAL STRATEGY PREFERRED OPTION 15% REDUCTION IN GOVERNMENT GRANT (I)**

No.		2009-10 Original £000s A	2010-11 £000s B	2011-12 £000s C	2012-13 £000s D	2013-14 £000s E	2014-15 £000s F	Comments
1	Council Tax Income	(7,303)	(7,561)	(7,826)	(8,103)	(8,390)	(8,687)	Assumed 2.5% increase in Council Tax
2	Revenue Support Grant	(2,251)	(1,538)	(1,307)	(1,307)	(1,307)	(1,307)	15% reduction in 2011-12.
3	National Non Domestic Rate	(9,751)	(10,596)	(9,007)	(9,007)	(9,007)	(9,007)	2010-11 confirmed by CLG 20-1-10
4	Collection fund (surplus)/ deficit	(48)	(72)	0	0	0	0	
5	External Funding	(3,799)	(3,799)	(3,799)	(3,424)	(3,424)	(3,424)	Loss of Homes and Communities Agency in 2012-13
6	Fees and Charges	(6,064)	(6,064)	(6,125)	(6,186)	(6,248)	(6,310)	Assumed annual increase of 1%
7	Funds Available	(29,216)	(29,630)	(28,064)	(28,027)	(28,376)	(28,735)	
8	Base Budget Requirement	28,485	28,294	28,294	28,294	28,294	28,294	
9	Increases already committed	0	541	709	668	814	969	See appendix V(i)
10	Pay and related matters	543	1,069	1,461	1,861	2,270	2,589	Including 1% increase on NI from 1 April 2011 and 1% increase per annum for 3 years on superannuation from 1 April 2011
11	Proposed savings programme	0	(1,590)	(2,000)	(2,000)	(2,000)	(2,000)	See appendix VI
12	Cost of additional investment in future years that can be afforded	0	227	678	688	678	669	See appendix IX
13	Revenue One off items	0	530	183	0	0	0	See appendix V (ii)
14	Capital Items funded from revenue	0	742	0	0	0	0	See appendix VIII
15	Less funding of capital items from General Reserve	0	0	0	0	0	0	See appendix XI
16	Replenishment of Partnership, Performance and Invest to Save Reserves		900	0	0	0	0	See appendix XI
17	Less funding of reserves from General Reserve		(900)	0	0	0	0	See appendix XI
18	Additional Savings required to maintain £1.5 m General Fund balance			(1,100)	(1,400)	(1,600)	(1,800)	
19	Budget Requirement	29,028	29,813	28,225	28,111	28,456	28,721	
20	<b>Net (surplus)/ deficit</b>	<b>(188)</b>	<b>183</b>	<b>161</b>	<b>84</b>	<b>80</b>	<b>(14)</b>	
21	Cumulative effect of (surpluses)/ deficits	(188)	(5)	156	240	320	306	
22	General Fund Balance (surplus)/ deficit as at 31 March	(2,009)	(1,826)	(1,665)	(1,581)	(1,501)	(1,515)	Ensures that the minimum General Fund balance is £1.5m
23	General Reserve Balance (surplus)/ deficit as at 31 March	(3,001)	(2,041)	(2,066)	(2,066)	(2,066)	(2,066)	Appendix XI

## CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b>SUMMARY</b>									
<b><u>PARTNERSHIP FUNDING SCHEMES</u></b>									
Safer and Stronger Communities Portfolio			P	20,000	50,800	0	70,800	0	0
Environment (including rural issues) Portfolio			P	0	282,800	0	282,800	0	0
Housing Portfolio			P	2,300,000	387,000	0	2,687,000	1,200,000	1,200,000
Finance and Budget Management			P	0	0	0	0	0	0
Performance & Place			P	229,000	10,500	0	239,500	835,000	0
Regeneration			P	1,250,000	0	-150,000	1,100,000	0	0
Sustainable Planning			P	0	0	0	0	0	0
Culture			P	0	0	0	0	0	0
<b>TOTAL PARTNERSHIP FUNDING SCHEMES</b>			<b>P</b>	<b>3,799,000</b>	<b>731,100</b>	<b>-150,000</b>	<b>4,380,100</b>	<b>2,035,000</b>	<b>1,200,000</b>
<b><u>SWALE BOROUGH COUNCIL FUNDING SCHEMES</u></b>									
Safer and Stronger Communities Portfolio				0	52,200	0	52,200	0	0
Environment (including rural issues) Portfolio				122,000	97,500	0	219,500	35,000	35,000
Housing Portfolio				500,000	177,614	0	677,614	0	0
Finance and Budget Management				127,000	20,000	0	147,000	0	0
Performance & Place				215,000	169,000	150,000	534,000	0	0
Regeneration				0	0	0	0	0	0
Sustainable Planning				0	0	0	0	0	0
Culture				130,000	22,800	0	152,800	0	0
<b>TOTAL SBC FUNDING SCHEMES</b>			<b>SBC</b>	<b>1,094,000</b>	<b>539,114</b>	<b>150,000</b>	<b>1,783,114</b>	<b>35,000</b>	<b>35,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>				<b>4,893,000</b>	<b>1,270,214</b>	<b>0</b>	<b>6,163,214</b>	<b>2,070,000</b>	<b>1,235,000</b>

CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>SAFER AND STRONGER COMMUNITIES PORTFOLIO</u></b>									
Community Safety & Development Initiatives	9081	C. Hudson	SBC	0	52,200	0	52,200	0	0
<i>Community Safety &amp; Development Initiatives</i>	<i>9070</i>	<i>C. Hudson</i>	<i>P</i>	<i>0</i>	<i>1,600</i>	<i>0</i>	<i>1,600</i>	<i>0</i>	<i>0</i>
<i>Community Safety</i>	<i>9070</i>	<i>C. Hudson</i>	<i>P</i>	<i>20,000</i>	<i>40,700</i>	<i>0</i>	<i>60,700</i>	<i>0</i>	<i>0</i>
Crime Disorder Reduction Partnership	9162	C. Hudson	P	0	8,500	0	8,500	0	0
<b>TOTAL SAFER AND STRONGER COMMUNITIES PORTFOLIO</b>				<b>20,000</b>	<b>103,000</b>	<b>0</b>	<b>123,000</b>	<b>0</b>	<b>0</b>

CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>ENVIRONMENT PORTFOLIO</u></b>									
<b><u>Cemeteries &amp; Closed Churchyards</u></b>									
Cemeteries - future burial provision in the borough (Reserves)	9093	S. Smith	SBC	60,000	29,400	0	89,400	0	0
Cemetery Lodge - Toilets (Halfway Cemetery) (Disposal of)	9079	A.Adams	SBC	0	4,100	0	4,100	0	0
<b>Total Cemeteries &amp; Closed Churchyards</b>				<b>60,000</b>	<b>33,500</b>	<b>0</b>	<b>93,500</b>	<b>0</b>	<b>0</b>
<b><u>Parks &amp; Open Spaces</u></b>									
<i>Thistle Hill Community Woodland - Trim Trail</i>	9155	G. Tuff	P	0	35,000	0	35,000	0	0

## CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>New Play Areas - Partnership Funding</u></b>									
<i>New Play Area - Iwade Schemes</i>	9090	G. Tuff	P	0	92,200	0	92,200	0	0
<i>Big Lottery Play - Natural BP Coastal</i>	9160	G. Tuff	P	0	75,600	0	75,600	0	0
<i>Big Lottery Play - Hugh Price Close, Murston</i>	9164	G. Tuff	P	0	80,000	0	80,000	0	0
<b>Total New Play Areas, Parks &amp; Open Spaces</b>				<b>0</b>	<b>282,800</b>	<b>0</b>	<b>282,800</b>	<b>0</b>	<b>0</b>
<b><u>Refuse Collection</u></b>									
Waste Collection and Recycling (Wheelie bins) (R&R)	9111	A. Turner	SBC	35,000	0	0	35,000	35,000	35,000
Waste Collection and Recycling - Brown Bins (Green Waste) (Invest to Save Bid)	NEW	A. Turner	SBC	27,000	64,000	0	91,000	0	0
<b>Total Refuse Collection</b>				<b>62,000</b>	<b>64,000</b>	<b>0</b>	<b>126,000</b>	<b>35,000</b>	<b>35,000</b>
<b>TOTAL ENVIRONMENT PORTFOLIO</b>				<b>122,000</b>	<b>380,300</b>	<b>0</b>	<b>502,300</b>	<b>35,000</b>	<b>35,000</b>

## CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>HOUSING PORTFOLIO</u></b>									
<b><u>Disabled Facilities Grants (DFG)</u></b>									
DFG Mandatory Grants	9100	P. Garland	SBC	500,000	177,614	0	677,614	0	0
<i>DFG Mandatory Grants</i>	<i>9100</i>	<i>P. Garland</i>	<i>P</i>	1,200,000	0	0	1,200,000	1,200,000	1,200,000
<b>Total Disabled Facilities Grants</b>				<b>1,700,000</b>	<b>177,614</b>	<b>0</b>	<b>1,877,614</b>	<b>1,200,000</b>	<b>1,200,000</b>
<b><u>Regional Housing Board Grant (RHB) Schemes</u></b>									
<i>Private Sector Renewal - 2010-11 (RHB 2)</i>	<i>New</i>	<i>P. Garland</i>	<i>P</i>	<i>700,000</i>	<i>0</i>	<i>0</i>	<i>700,000</i>	<i>0</i>	<i>0</i>
<i>RHB - Rushenden Façade Grants</i>	<i>New</i>	<i>P. Garland</i>	<i>P</i>	<i>400,000</i>	<i>0</i>	<i>0</i>	<i>400,000</i>	<i>0</i>	<i>0</i>
<i>RHB2 - Decent Home Loans Owner Occupier</i>	<i>9209</i>	<i>P. Garland</i>	<i>P</i>	<i>0</i>	<i>284,200</i>	<i>0</i>	<i>284,200</i>	<i>0</i>	<i>0</i>
<i>RHB2 - Decent Home Loans Landlord</i>	<i>9210</i>	<i>P. Garland</i>	<i>P</i>	<i>0</i>	<i>102,800</i>	<i>0</i>	<i>102,800</i>	<i>0</i>	<i>0</i>
<b>Total Regional Housing Board Grant Schemes</b>				<b>1,100,000</b>	<b>387,000</b>	<b>0</b>	<b>1,487,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL HOUSING PORTFOLIO</b>				<b>2,800,000</b>	<b>564,614</b>	<b>0</b>	<b>3,364,614</b>	<b>1,200,000</b>	<b>1,200,000</b>

CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>FINANCE AND BUDGET MANAGEMENT PORTFOLIO</u></b>									
ICT System replacement - Environmental Services	9120	V. Hewson	SBC	0	20,000	0	20,000	0	0
Agresso Upgrade (Revenue Funded)	New	E. Fisher	SBC	97,000	0	0	97,000	0	0
Cash Receipting System - Replacement (Rev Funded)	New	E. Fisher	SBC	30,000	0	0	30,000	0	0
<b>TOTAL FINANCE AND BUDGET MANAGEMENT PORTFOLIO</b>				<b>127,000</b>	<b>20,000</b>	<b>0</b>	<b>147,000</b>	<b>0</b>	<b>0</b>
<b><u>PERFORMANCE AND PLACE PORTFOLIO</u></b>									
Swale House Window Rep & Blding Refurbishment	9099	A.Adams	SBC	0	111,000	0	111,000	0	0
Swale House Refurb incl boilers & consultants study	9097	A.Adams	SBC	0	4,800	0	4,800	0	0
New Building Feasibility Study	9165	A.Adams	SBC	0	7,300	0	7,300	0	0
Sheerness Gateway (30K Blding Mtc/£170k Partnership)	NEW	A.Adams	SBC	150,000	0	150,000	300,000	0	0
Swale House standby/generator /Full uninterrupted power supply project (Rev Funded)	NEW	A.Adams	SBC	65,000	0		65,000	0	0
Disability Discrimination Act Works	9028	A.Adams	SBC	0	3,000	0	3,000	0	0
Faversham District Office/ Alexander Centre Roof & Gutter Modifications	9131	A.Adams	SBC	0	11,800	0	11,800	0	0
Faversham District Office/Alexander Centre Repairs & Refurb.	9132	A.Adams	SBC	0	31,100	0	31,100	0	0
<i>Meads Community Centre</i>	<i>9151</i>	<i>P. Speakman</i>	<i>P</i>	<i>229,000</i>	<i>10,500</i>	<i>0</i>	<i>239,500</i>	<i>835,000</i>	<i>0</i>
<b>TOTAL PERFORMANCE AND PLACE PORTFOLIO</b>				<b>444,000</b>	<b>179,500</b>	<b>150,000</b>	<b>773,500</b>	<b>835,000</b>	<b>0</b>

## CAPITAL PROGRAMME 2010-11

	CC	Officer	Funding SBC/P	2010 - 11 Original Budget £	Rollovers £	Other Variations (approved / unapproved) £	2010-11 Working Budget £	2011-12 Original Budget £	2012-13 Original Budget £
<b><u>REGENERATION PORTFOLIO</u></b>									
<i>Milton Creek Gateway Landscaping</i>	9154	T.Grubb	<i>P</i>	1,250,000	0	-150,000	1,100,000	0	0
<b>TOTAL REGENERATION PORTFOLIO</b>				<b>1,250,000</b>	<b>0</b>	<b>-150,000</b>	<b>1,100,000</b>	<b>0</b>	<b>0</b>
<b><u>CULTURE PORTFOLIO</u></b>									
SERCO Leisure Centre	9157	L Mayatt	SBC	0	12,500	0	12,500	0	0
Replacement Lift at Swallows (Rev Funded)	NEW	A.Adams	SBC	50,000	0	0	50,000	0	0
Sheppey Leisure Centre - Boiler (Blding Mtn)	NEW	A.Adams	SBC	80,000	0	0	80,000	0	0
Swallows Leisure Centre - Air Conditioning Unit	9138	L Mayatt	SBC	0	10,300	0	10,300	0	0
<b>TOTAL CULTURE PORTFOLIO</b>				<b>130,000</b>	<b>22,800</b>	<b>0</b>	<b>152,800</b>	<b>0</b>	<b>0</b>

## Capital Programme Funding 2010/11 - 2012/13

	Original Estimate 10/11 £	Working Estimate 10/11 £	Original Estimate 11/12 £	Original Estimate 12/13 £	Future Years £	Total £
<b>TOTAL CAPITAL EXPENDITURE</b>	<u>4,893,000</u>	<u>6,163,214</u>	<u>2,070,000</u>	<u>1,235,000</u>	<u>1,235,000</u>	<u>15,596,214</u>
<b>FUNDING ANALYSIS</b>						
<b>PARTNERSHIP FUND</b>	3,799,000	4,380,100	2,035,000	1,200,000	1,200,000	12,614,100
<b>REVENUE CONTRIBUTIONS:-</b>						
<b>(a) Repairs &amp; Renewals Reserves</b>						
- Parking (Parking Management)	0	0	0	0	0	0
- Recycling Bins (Wheeled Bins)	35,000	35,000	35,000	35,000	35,000	175,000
<b>(b) Building Maintenance Reserve</b>						
- Swale House	0	0	0	0	0	0
- Sheppey Leisure Centre - Boiler	80,000	80,000	0	0	0	160,000
- Sheerness Gateway	30,000	30,000	0	0	0	60,000
<b>(c) Invest to Save Reserve</b>						
- Brown Bins	27,000	91,000	0	0	0	118,000
<b>(d) Partnership Reserve</b>						
- Sheerness Gateway	120,000	270,000	0	0	0	390,000
<b>(e) Housing Reserve</b>						
- Housing Grants Over 60s	0	0	0	0	0	0
<b>(f) General Fund Contribution (see appendix</b>						
- Agresso Upgrade	97,000	97,000	0	0	0	194,000
- New Cash Module	30,000	30,000	0	0	0	60,000
- Replacement Lift at Swallows	50,000	50,000	0	0	0	100,000
- Swale Housing Standby Generator	65,000	65,000	0	0	0	130,000
- DFG	500,000	500,000	0	0	0	1,000,000
	<u>742,000</u>	<u>742,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,484,000</u>

	Capital Programme Funding 2010/11 - 2012/13					Total
	Original Estimate	Working Estimate	Original Estimate	Original Estimate	Future Years	
	10/11	10/11	11/12	12/13		
	£	£	£	£	£	
<b>(g) General Reserve</b>						
- Cemeteries - future burial provision	60,000	89,400	0	0	0	149,400
<b>CAPITAL RECEIPTS:-</b>						
- General Fund Receipts	0	445,714	0	0	0	445,714
- Housing Receipts	0	0	0	0	0	0
<b>TOTAL FUNDS UTILISED</b>	<b>4,893,000</b>	<b>6,163,214</b>	<b>2,070,000</b>	<b>1,235,000</b>	<b>1,235,000</b>	<b>17,080,214</b>
<b>Variance (unfunded)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Closed Circuit Television (CCTV) - Medway (As agreed by Executive 7 October 2009 to be funded internally with repayment of £50k over 3 years)	0	0	50,000	50,000	50,000	150,000
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- a) partnership schemes are fully funded so no impact on SBC funds.
- b) Revenue contributions are funding 100% of capitalised expenditure via the reserves.
- c) Assumes no further overspends on SBC funded schemes as there will be insufficient receipts to match reserves.
- d) Assumes Cemeteries 2010/11 and CCTV Medway are 'internal borrowing' - using reserves and paid back on an annual basis
- e) DFG is unfunded in future years
- f) all capital receipts have been fully allocated

## Major Schemes Funded Externally

	2009/10
	£'000
Contributions from other bodies re: borough and council elections	15
Contribution from KCC towards Cleansing/recycling	15
Street Cleansing - Dogs	21
Climate Change Assessment	23
Sports Development	30
The Bus Club	30
Homelessness	45
KCC 2nd Homes Discount	50
Department Work & Pensions Grant - Disc Hsg Payments	60
Recycling Campaign - sale of paper	60
QueenBorough & Rushenden Community Development	64
Sittingbourne Master Plan	85
Contribution from KCC towards SBC costs	85
Community Cohesion	91
Grants from PCTs	100
Thames Gateway	119
Commuted Sums	145
Cdrp - Gose Grant	163
Council Tax Collection	170
Ground Maintenance - Recovery from external organisations	234
Concessionary Bus Fares	305
Planning Delivery Grants	325
Swale Forward	375
Other - Grants/Income	131
KCC Recycling Credits	480
Sure Start	579
	3,799

NB

Previously External Funding reported to Executive 9 December 2009 of £3.3m did not include the smaller grant aided schemes.

Additionally the above grants do not include Housing Benefit as follows:

Housing Benefit Admin Subsidy	1,175
Housing/Council Tax Benefit Grant	46,924