

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

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MAIDSTONE BOROUGH COUNCIL

CORPORATE REVENUE AND CAPITAL BUDGETS 2015/16

**STATEMENT OF ROBUSTNESS OF ESTIMATES
AND ADEQUACY OF RESERVES**

DIRECTOR OF REGENERATION & COMMUNITIES

1 Introduction

- 1.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to the Council when setting its council tax on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides.
- 1.2 This statement is given in respect of the 2015/16 budget setting process for Maidstone Borough Council. I acknowledge my responsibility for ensuring the robustness of the estimates and the adequacy of the reserves as part of this process.
- 1.3 The Council has adopted two medium term financial strategies covering both capital and revenue budgets, including a 5 year strategic revenue projection for the period 2015/16 to 2019/20. It is these strategies that will underpin the budget setting process over the coming five-year period.
- 1.4 These strategies set out the high level financial objectives the Council wishes to achieve over the agreed time period. The constraints include achieving a reasonable level of council tax increase over the period that avoids the threat from excessive increases in future years; maintaining balances at, or above, £2m which is 10.5% of net revenue spend due to the current financial climate; accommodating government grant reductions and budget growth; and identifying efficiencies throughout the period of the Council's strategic plan. The strategy also sets out the budgets for the period and the levels of savings that are projected to be required to maintain the Council's spending plans within budget.

2 Robustness of Estimates

- 2.1 The aim of the medium term financial strategies is to give the Council a realistic and sustainable plan that reflects the Council's priorities and the policy of reasonable council tax increases.
- 2.2 Detailed estimates formulated in conjunction with services underpin the strategy, taking into account past outturn, current spending plans, likely future demand levels and pressures from the economic climate.

2.3 Factors taken into account for the 2015/16 budget setting process and in developing the strategy are:

<p>The Council's Aims and Priorities</p>	<p>The estimates reflect the level of resources required to achieve the key outcomes from the Council's priorities within the strategic plan. The estimates also include resources to deliver the outcomes of other key strategies including partnership working.</p>
<p>Consultation with Council Taxpayers</p>	<p>The results of the budget consultation undertaken between October 2014 and December 2014 and the views expressed in prior year consultations have all been taken into account when developing the medium term financial strategy for the revenue budget.</p>
<p>Consultation with Non-Domestic Ratepayers</p>	<p>The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate. No such representations have been received.</p>
<p>Consultation with Overview and Scrutiny Committee</p>	<p>The Cabinet has consulted, on a voluntary basis, Overview and Scrutiny Committee on its initial strategy and later, in accordance with the Constitution, on its Budget Strategy as at December 2014. The Committee works through a task and finish group known as the budget working group and used this group to actively engage with the medium term financial strategies' development and to obtain other members views.</p>
<p>The level of funding likely from Central Government towards the costs of local services</p>	<p>The level of Revenue Support Grant has reduced by 31% between 2014/15 and 2015/16. The medium term financial strategy for the revenue budget assumes that Revenue Support Grant will have reduced to zero over the period of the strategy. Other government grants are normally service specific and the amount and future risk is considered as part of the service budget and service risk assessment.</p>
<p>Retained element of business rates</p>	<p>Since 1st April 2013 the amount of business rates retained by the Council has been separated from the Revenue Support Grant. Growth in retained business rates is 2% between 2014/15 and 2015/16. During the year the Council renewed its membership of the Kent business rates pool with Kent County Council from 1st April 2015. Membership of the pool increases the amount of business rates growth that can be retained by the Council but increases the risk of loss should business rate levels drop significantly.</p>

Council Tax Base	The recommended council tax base for 2015/16 is 56974.3 and represents a 2.3% increase in the tax base over the 2014/15 tax base.
Power of the Secretary of State to require a local referendum in respect of rising Council Tax levels	The Localism Act 2011 contained requirements for the Council to hold a referendum in circumstances where it plans an increase in council tax that is considered excessive. Due regard has been paid to this requirement, which replaces the council tax capping powers of the Secretary of State. This is consistent with the objective of the medium term financial strategy for the revenue budget to achieve a balanced budget whilst maintaining a reasonable level of council tax increase.
The Prudential Code and its impact on Capital Planning	The Council uses capital receipts, capital grants, revenue support and new homes bonus to fund the capital programme. Current proposals to enhance the commercial activity of the Council has begun to require capital expenditure. This is expected to continue in the medium term and is subject to the proven viability of individual schemes. The use of other resources including the possible use of borrowing to fund capital expenditure may therefore be likely in the foreseeable future. One key objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of a local authority are affordable, prudent and sustainable. These principles are set out in the medium term financial strategy for capital expenditure and financing with specific details contained in the Council's Treasury Management Strategy.
The Council's Capital Programme	The Council's capital programme is based on the principles of prioritisation, affordability and deliverability. The programme is carefully monitored and, due to the potential need for prudential borrowing, contains no assumptions about expenditure slippage. The Council has adopted a medium term financial strategy for capital which sets out the planning process and priorities for capital.
Interest Rates	Interest returns have been assumed at a range of 0.4% to 0.9% in 2015/16 based on the advice of the Council's treasury management advisors. In subsequent years a gradual increase in interest rates is assumed but countered in the main by reducing levels of resources available for investment.

Adequacy of Balances	At the start of 2015/16 it is anticipated that the uncommitted general fund balance will be £4.52m with a plan to reduce to £4.47m by 31 st March 2016. The adequacy of reserves is discussed in more detail in Section 3 below.
Earmarked Reserves	For 2015/16 the Council has created a series of Earmarked Reserves to manage more effectively the resources set aside for specific activities. In prior years these resources have formed part of general fund balances.
Pay and Price Inflation	The medium term financial strategy for the revenue budget assesses the need for indexation of costs for inflation. Included within the budget is suitable provision for these increases. On occasion the Council specifically uses a rate lower than the agreed index or even zero to ensure that for some costs a suitable allowance for efficiency is made.
Fees and Charges	As has been the practice for a number of years now, and in line with the feedback from council tax consultation exercises, the strategy is to maximise income, subject to market conditions, opportunities, comparable charges elsewhere and the impact of charges on the delivery of key objectives. The Council has approved a policy on the use of fees and charges and following that policy a comprehensive review of the market for each service has been undertaken. Increased levels of fees and charges are incorporated in the 2015/16 budget.
Growth Pressures	The Budget for 2015/16 and the projections within the medium term financial strategy for the revenue budget include all known and quantified key priorities and growth pressures that the Council is aware of at the present time. New priorities and growth pressures are anticipated to emerge over the period and in consequence, the strategy will be updated at least annually. There is an expectation that expenditure on expanding and improving services should be accommodated by reductions elsewhere within the Council's budget from efficiencies and low priority services through a prioritisation process.
Financial Management	The Council's financial information, management and reporting arrangements are sound and its procedures in relation to budget under / overspend clear. Collection rates for council tax and business rates remain high despite the recession. The Council's external auditor has found the Council's budgetary control procedures to be sound and is satisfied with the overall internal

	financial control arrangements, the Council's arrangements for ensuring the legality of transactions and have given an unqualified opinion on the 2013/14 Accounts. It is anticipated that a similar position will be reported for future years.
Insurance Arrangements and Business Continuity	Risks identified via the preparation of Service Risk Registers have wherever possible been mitigated to an acceptable level. Any remaining risks have been transferred to an external insurance provider where possible. In addition, specific arrangements are in place to ensure the continuity of business in the event of both major and minor disruptions to services. As insurance premiums are reactive to the external perception of the risks faced by local authorities and to market pressures, both risks and excess levels are kept under constant review. The Council has a well established Business Continuity Plan for key services.
Commercial Activities	The budget reflects the Council's Commercialisation Strategy which sets a target of £1m in income contributions to Council services within five years. The budget assumes £0.2m in income contributions in 2015/16 and, due to the assessed risks, this is mitigated by additional income from new property acquisitions.
Corporate Governance and Risk Management	<p>The Council has adopted a local Code of Corporate Governance based upon the requirements of the CIPFA/SOLACE Corporate Governance framework. This incorporates risk management and the Council has committed itself to a risk management strategy involving the preparation of risk registers for each Service area at operational and strategic levels. The Corporate Risk Register was first agreed in 2004 and updated regularly. A review of risk management arrangements is scheduled for 2015/16.</p> <p>The Council has had an established and effective Audit Committee since 2007.</p>

These assumptions and changing circumstances will require the Strategy to be reviewed in each financial year.

3 Adequacy of Reserves

- 3.1 The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unseen or other circumstances. The minimum level cannot be judged merely against the current risks facing the Council as these can and will change over time. The target for the minimum General Fund balance has been

set at £2m over the last few years. The Council's External Auditor has identified the Council's level of reserves as within the lower quartile for its 'nearest neighbour' reference group. This issue has been considered by Audit Committee, Cabinet, Strategic Leadership and Corporate Services Overview and Scrutiny Committee and Officers. It has been concluded that, while balances are lower than the Council would wish, proper risk management ensures their adequacy. In addition the Council's External Auditor has confirmed that holding high levels of reserves is not necessarily the right course of action to ensure productive use of resources.

Given below are the major areas of operational and financial risk (not exhaustive) considered in determining the appropriate minimum level.

- Interest Rate volatility
- Income volatility
- Localisation of Business Rates
- Emergencies/Business Continuity
- Economic and world recession
- Future potential pension costs
- Bankruptcy / liquidation of a major service partner
- Problems with computer systems causing shortfall or halt in collection performance
- Government Legislation
- Ability to take advantage of opportunities
- Uninsured risks
- Unplanned additional costs

3.2 The Council has previously operated with relatively low levels of balances for a number of years and its budgetary control arrangements have developed effectively to manage the risk associated with this.

3.3 The uncommitted general fund balance as at 31 March 2015 is estimated to be £4.52m. Other earmarked balances total £7.9m. At the 31 March 2015 the general fund balance is estimated to be £4.47m with earmarked balances remaining at £5.1m. This is significantly above the minimum level of balances set by Council previously. The Council uses balances proactively and ensures that, whilst being used to deliver priorities, the resources are not used to support general fund base budget levels.

4 **Opinion**

- 4.1 I am of the opinion that the approach taken in developing the 2015/16 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of reserves.

Zena Cooke
Director of Regeneration & Communities

Date: 25 February 2015

THE MAIDSTONE BOROUGH COUNCIL

STATEMENT OF COUNCIL TAX REQUIREMENT - 2015/16

	£	£	BAND D £
MAIDSTONE BOROUGH COUNCIL NET SPEND		20,133,460	353.38
ADD:			
Parish Precepts		1,393,958	24.47
DEDUCT:			
Revenue Support Grant	-2,266,690		
Retained Business Rates	-2,958,685		
Retained Business Rates Growth	-1,176,467		
Collection Fund Surplus	<u>-302,209</u>	-6,704,051	-117.67
TOTAL COUNCIL TAX REQUIREMENT		<u>14,823,367</u>	<u> </u>
ADD PRECEPTS			
Kent County Council Precept		62,101,417	1,089.99
Kent Police & Crime Commissioner Precept		8,383,768	147.15
Kent & Medway Fire & Rescue Authority Precept		<u>4,025,234</u>	<u>70.65</u>
TOTAL COUNCIL TAX REQUIREMENT		<u><u>89,333,786</u></u>	<u><u>1,567.97</u></u>
MAIDSTONE BOROUGH COUNCIL (EXCLUDING PARISH PRECEPTS)			235.71
TOTAL COUNCIL TAX (EXCLUDING PARISH PRECEPTS)			1,543.50
TAX BASE			56974.3

MAIDSTONE BOROUGH COUNCIL

COUNCIL TAX 2015/2016

Schedule of Council Tax Base and Additional Basic Amounts of

Council Tax in parts of the area with Parish Precepts

PARISH	TAX BASE	PRECEPT £	BAND 'D' TAX £
Parish	Tax Base	Precept	Band 'D' Tax
Barming	719.9	24,175	33.58
Bearsted	3,572.3	96,800	27.10
Boughton Malherbe	213.8	5,131	24.00
Boughton Monchelsea	1,241.6	51,600	41.56
Boxley	3,822.0	98,481	25.77
Bredhurst	173.2	8,808	50.85
Broomfield & Kingswood	697.0	55,500	79.63
Chart Sutton	409.3	20,500	50.09
Collier Street	346.2	13,163	38.02
Coxheath	1,480.0	60,350	40.78
Detling	367.0	20,603	56.14
Downswood	814.3	26,500	32.54
East Sutton	141.2	6,300	44.62
Farleigh East	646.5	31,514	48.75
Farleigh West	213.6	16,000	74.91
Harrietsham	925.3	50,892	55.00
Headcorn	1,471.5	119,028	80.89
Hollingbourne	431.9	22,600	52.33
Hunton	307.5	20,000	65.04
Langley	483.4	16,958	35.08
Leeds	318.4	28,851	90.61
Lenham	1,363.8	55,765	40.89
Linton	242.9	11,658	48.00
Loose	1,080.8	62,324	57.66
Marden	1,492.3	94,015	63.00
Nettlestead	299.8	13,769	45.93
Otham	213.4	9,180	43.02
Staplehurst	2,247.1	123,552	54.98
Stockbury	313.1	13,342	42.61
Sutton Valence	640.6	42,542	66.41
Teston	311.6	21,425	68.76
Thurnham	540.3	16,692	30.89
Tovil	1,209.0	64,000	52.94
Ulcombe	374.2	19,217	51.35
Yalding	904.1	52,723	58.32

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PARISH COUNCIL FUNDING FOR LOCAL COUNCIL TAX SUPPORT FUNDING

Name	LCTS in Tax		Loss of CT due to LCTS	Proposed Grant	Grant	
	Base	Band D			2014/15	Difference
Barming	27.4	32.94	903	724	902	- 178
Bearsted	155.3	27.12	4,212	3,376	4,463	- 1,087
Boughton Malherbe	12.8	23.56	302	242	305	- 63
Boughton Monchelsea	77.7	40.74	3,165	2,537	2,899	- 362
Boxley	125.6	24.34	3,057	2,450	3,425	- 975
Bredhurst	12.3	51.83	638	511	735	- 224
Broomfield & Kingswood	37.7	80.1	3,020	2,420	2,587	- 167
Chart Sutton	29	50.8	1,473	1,181	1,695	- 514
Collier Street	13.7	37.82	518	415	377	38
Coxheath	146.5	41.08	6,018	4,823	5,895	- 1,072
Detling	33.9	56.56	1,917	1,537	1,905	- 368
Downswood	55	30.04	1,652	1,324	1,629	- 305
East Sutton	3.5	43.86	154	123	101	22
Farleigh East	54.6	47.45	2,591	2,076	2,570	- 494
Farleigh West	18.8	65.35	1,229	985	1,032	- 47
Harrietsham	70.1	51.65	3,621	2,902	2,820	82
Headcorn	133.8	64.92	8,686	6,962	7,308	- 346
Hollingbourne	34.5	36.15	1,247	999	1,302	- 303
Hunton	18.4	57.1	1,051	842	1,061	- 219
Langley	54.8	35.08	1,922	1,541	2,085	- 544
Leeds	42.2	84.09	3,549	2,844	3,255	- 411
Lenham	118.2	40.89	4,833	3,873	5,148	- 1,275
Linton	20.6	44.12	909	728	736	- 8
Loose	66.8	55.02	3,675	2,945	3,328	- 383
Marden	162.3	52.74	8,560	6,860	8,854	- 1,994
Nettlestead	52.4	45.36	2,377	1,905	2,117	- 212
Otham	16.9	39.88	674	540	721	- 181
Staplehurst	156.3	54.93	8,586	6,880	6,846	34
Stockbury	32.6	39.5	1,288	1,032	1,260	- 228
Sutton Valence	47.1	47.45	2,235	1,791	1,960	- 169
Teston	19.6	67.41	1,321	1,059	1,223	- 164
Thurnham	9.4	30.08	283	227	337	- 110
Tovil	163.3	57.9	9,455	7,576	9,417	- 1,841
Ulcombe	24	47.5	1,140	914	901	13
Yalding	107.8	56.48	6,089	4,880	5,603	- 723
	2154.9	£1,662	£102,350	£82,024	£96,802	-£14,778

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

ESTIMATE OF GENERAL FUND BALANCES TO 31 MARCH 2016

	Unallocated General Fund	Asset Replacement	Planning Management	Commercialisation	Invest to Save	Grand Total
	£,000	£,000	£,000	£,000	£,000	£,000
Estimated Balance as at 31st March 2014	13,508	167	0	500	542	14,717
2013/14 Carry Forwards Used in 2014/15	-7,619					-7,619
Business Rates Deficit	-829					-829
Pensions	-52					-52
Use of 2012/13 Underspend	-288					-288
Annual Transactions	-200		200		20	20
Estimated Balance as at 31st March 2015	4,520	167	200	500	562	5,949
Pensions	-50					-50
Annual Transactions					20	20
Estimated Balance as at 31st March 2016	4,470	167	200	500	582	5,919

ESTIMATE OF EARMARKED RESERVES TO 31 MARCH 2016

	31/03/2014	Movement in 2014/15	31/03/2015	Movement in 2015/16	31/03/2016
	£,000	£,000	£,000	£,000	£,000
Capital Support	10,256	-2,483	7,773	-3,926	3,847
Local Plan	540	-540	0	320	320
Business Rates Reserve	0		0	868	868
Trading Accounts	179	0	179	0	179

DRAFT MEDIUM TERM FINANCIAL STRATEGY REVENUE 2015/16 ONWARDS

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1. INTRODUCTION

- 1.1 This financial strategy form one of two strategies that aim to support the Council's corporate objectives as identified in the strategic plan 2015 - 2020. Whilst achieving this, major issues relating to resources and facing the Council in the medium term are considered where they relate to the day to day revenue activities of the Council. For issues relating to the capital programme see the strategy regarding capital.
- 1.2 Set out in the document is the revenue spending plan of the Council at a high level. The success of this plan will depend upon the resources available to the Council and the approach taken to ensure that those resources are aligned with corporate objectives and are being controlled in a way that ensures long-term stability. This is achieved through the development of the plan over a five year period.
- 1.3 Recent years have seen significant change in resources and responsibilities in the public sector. This has had a major impact on the Council's strategy that includes plans to develop ways to mitigate the risks relating to the retention of business rates. In addition the Council has developed a strategy that will focus on the opportunities available to the Council to act more commercially and generate income from appropriate assets.
- 1.4 Although this document is developed for the medium term with an outlook of five years, the Council reviews the strategy on an annual basis for the following period in order to reflect changes in circumstances which impact upon the strategy. The review is completed to coincide with the annual review of the strategic plan to enable Members and Officers to ensure changes are appropriately reflected in both documents through links to the strategic plan key outcomes.
- 1.5 This year the Council has amended its budget documentation to better link with the strategic plan by summarising the budget by the priorities listed in the strategic plan. In addition, production of this strategy, the revised budget statement and the balanced budget it facilitates support the key outcomes of the strategic plan in their own right.
- 1.6 The Council consults with a wide range of stakeholders and partners during the development period and give serious consideration to their views and responses.

2. EXPENDITURE

- 2.1 This financial strategy adopts a high-level review of the corporate objectives and budget pressures over the five-year period. This approach ensures a focus on factors that may influence the Council's stated aim to maintain working balances and ensure that they are used for specific and special activities and not to balance the budget. The strategic revenue projection assumes that the level of balances will be maintained, over the five year period, at or above the working level set annually by Cabinet.
- 2.2 Detailed proposals for dealing with financial pressures and service demand are set out in the priority based budgets in the full revenue estimate. The major pressures assumed in the strategy are set out below:

2.2.1 Pay and price inflation:

The strategic revenue projection considers the allocation for pay inflation on an annual basis. The increase must allow for any staff pay award, incremental increases earned through competence appraisal and increases in employer contributions such as national insurance or current pension costs.

Other costs are increased by a suitable inflation index balanced with the objectives of the strategy. Large elements of this cost will be tied to conditions of contracts which will specify the annual increase necessary, other costs will increase by the annual increase in an inflation index such as the consumer price index. The strategy may intentionally use levels of increase lower than these indices to enhance general efficiencies.

Table 1 below details the factors used for each year of the current strategy.

Inflation Indices	2015/16	2016/17	2017/18	2018/19	2019/20
	%	%	%	%	%
Pay Inflation	1.5	1.5	2.0	2.0	2.0
Energy (Average)	2.1	2.1	2.1	2.1	2.1
Business Rates	2.0	2.0	2.0	2.0	2.0
Contractual Commitments	3.0	3.0	3.0	3.0	3.0
Other Cost Increases	0.0	0.0	0.0	0.0	0.0
Growth £,000	471.0	476.0	435.0	527.0	456.0

[Table 1: Pay & price Indices]

2.2.2 Corporate objectives and key priorities:

In addition to these inflationary pressures the Council will develop and implement improvements to the corporate objectives identified in the strategic plan and, where significant, any local objectives identified in service plans. This may place additional pressure on the revenue budget.

The financial projection will also provide, where necessary, resources for national statutory responsibilities where these are to be provided locally.

Table 2 below identifies the links between the financial projection and key objectives.

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Single Tier Pension Arrangements		275			
Economic Development Staffing	30	30			
Economic Development Strategy	266				
Business Support Provision	868				
Housing Temporary Accommodation	160				
Future Pressures				50	50

[Table 2: Strategic Issues, links to other documents]

3. **FUNDING**

3.1 During the period since the spending review in 2010 the Government has completed a review of local Government finance and revised the system of formula grant and national non-domestic rates. From 1 April 2013 a system that enables the retention of part of the business rates collected by the Council brought significant risk to the level of funding available to the Council from revenue support grant and business rates.

3.2 The SRP assumes that the Council will make every effort to maximise resources this includes retained business rates, council tax yields and locally derived income.

- In order to maximise potential income from business rates growth the Council has developed a business rates pool in partnership with Kent County Council. The pool will enter its second year in 2015/16 increasing to cover the majority of Kent Councils and the strategy estimates significant income from this source;
- In order to maximise yield from council tax the council has increased its fraud work and is involved in the development of Kent wide fraud arrangements;
- In order to maximise its locally derived income the Council has introduced some commercial activities and is developing more.

3.3 Other grants and funding from government and public sector organisations is reducing and the Council does not place long term reliance on this source of income. Where the financial projection includes the use of fixed term grant or other time limited income sources the relevant Cabinet Member and senior officer are responsible for preparing and acting on suitable exit strategies at the end of the fixed term.

3.4 Government Grant:

Under the current system the finance settlement for 2015/16 is rolled forward from the previous year's settlement after adjustments only for new government initiatives and policy. The Government has confirmed the level of revenue support grant and the business rates baseline need for 2015/16 and indicative figures have been provided for 2015/16, these are given in Table 3 below. The grant continues to reduce from the levels received in prior years.

The Chancellor of the Exchequer confirmed in his Autumn Statement 2014 that reductions in Government funding will continue for the forthcoming parliament following the 2015 election. Reductions, greater than those experienced by local Government since 2010, are currently predicted during the next parliament.

Other grants received from the Government are similarly under threat

from the effects of the Government's strategy to reduce public sector expenditure. The strategy will assume future grant aid is likely to be at risk and will assume cash frozen values where no information to the contrary is available.

3.5 Retained Business Rates

As a result of the local government finance review which commenced in 2010, the Council now retains a part of the business rates it collects locally. In providing for the retention in this way the Government has passed on to the Council the risk related to the overall levels of business rates collected. Using a system of baseline funding levels, support for significant reductions and sharing of any increase the system ensures gains and losses that are experienced by the Council are limited but not negated.

The baseline funding level for this Council is £2.9m in 2015/16, which is a 2% increase over the previous year. Expected levels of income would provide the Council with significantly more income than that at £4.1m. This is a consequence of growth within the business rates system and the protective benefits of being a member of the Kent Business Rates Pool.

There remain significant risks to the Council:

- a) The business rates figure is estimated, based on the known factors and current records as at 31 December 2014. The prediction of the events that will occur between April 2015 and March 2016 is difficult and the system has only operated one year nine months providing little historic knowledge or trends on which to base future projections.
- b) The system requires the Council to reimburse successful rating appeals including backdated refunds to before the current system existed.

The strategy recommends that business rates growth is not utilised within year. This enables final confirmation after the values have been confirmed at the year end. The strategy also assumes resources to maintain a provision against loss will be retained from the overall business rates income.

3.6 Council Tax

The Council has a responsive approach to the level of Council Tax and will set this at an appropriate level commensurate with the needs of the strategic plan. In recent years it has set a small increase below CPI inflation levels and remains flexible on the level of increase for future years. The increase is set by the Council's ability to otherwise set a balanced budget.

The Council must consider the need to set a balanced budget that enables it to provide the services required by its customers. The significant risks facing the future financial stability of the Council have been considered along with the strategic revenue projection's assessment of the future reductions in resource levels that have been predicted to follow the next spending review. The strategy assumes an annual Council Tax increase of 1.99% in order to improve resource stability over the period.

In addition the Council has considered the levels of exemptions from Council Tax, for which it has flexibility, with the intention of improving the yield from Council Tax other than through the increase in the charge. This has meant local reductions in the period or level of some exemptions available in the borough.

3.7 Fees & Charges

The Council has a policy on the development of fees and charges that fall within its control. This policy ensures that an evaluation of market forces and links to either the strategic plan or service plans are drivers of change in price. This means that any increases in this funding source will be identified through each portfolio's detailed budget preparation work.

For 2014/15 all fees and charges collected by the Council were considered by Cabinet and a range of increases were set in line with the policy statement. Although the increase in each charge was considered and set appropriately for its individual circumstance, the overall position created a 1% increase in expected income.

The tables 3 and 4 below show the expected level of resources for each year of the strategy and any pressures that will affect the level income or its collection.

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Revenue Support Grant	2,267	1,463	922	420	-
Retained Business Rates	2,959	3,018	3,078	3,140	3,203
Business Rates Growth	1,176	1,186	1,196	1,206	1,216
Council Tax	13,731	13,765	14,109	14,462	14,824
Other Income (incl. Fees & Charges)	14,214	14,414	14,614	14,814	15,014

[Table 3: Resource and income levels]

Strategic Issue	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Loss Of Administration Grant	150		100		

[Table 4: Strategic Issues, links to other documents]

4. **BALANCES & EARMARKED RESERVES**

- 4.1 The Council holds a series of balances and reserves in order to provide financial stability and protection from unforeseen circumstances or events. In setting the level of these balances and reserves an assessment is made of the potential risks and opportunities that could reduce or enhance those balances.
- 4.2 Revenue balances at 1 April 2014 totalled £13.51m and it is estimated that this balance will be £4.52m by 31 March 2015.
- 4.3 The major items reducing the balance are approved budget carry forwards of £7.62m from 2013/14 resources into 2014/15 for prior agreed purposes and a reserve of £0.83m set aside to resource the known deficit on the business rates at 31 March 2014.
- 4.4 The Government's intention is to continue to reduce resources available to local Government and the Council will continue to set a balanced budget by identifying savings and efficiencies. As far as possible this will be completed as need arises but it may continue to be successfully completed in advance. While the Council does not expect underspends as significant as those seen in 2011/12 it will plan for the potential to underspend from savings delivered in advance of identified need.
- 4.5 During the development of this strategy Cabinet considered a recommendation from the Council's external auditor regarding the maintenance of earmarked reserves and agreed that in four circumstances this would be appropriate. The estimated value of earmarked reserves for each year end is set out below.

Reserve	31/03/2014 £,000	31/03/2015 £,000	31/03/2016 £,000
Capital Support	10256	7773	3847
Local Plan	540	0	320
Business Rates Reserve	0	0	868
Trading Accounts	179	179	179

[Table 5: Earmarked Reserves]

- 4.6 Excluding these earmarked reserves general balances are estimated to be at £4.5m by 31 March 2016 and allocations also exist of a further £1.4m identified by purpose.

	31/03/2014	31/03/2015	30/03/2016
Balances	£,000	£,000	£,000
Unallocated General Fund	13,508	4,520	4,470
Asset Replacement	167	167	167
Planning Management	-	200	200
Commercialisation	500	500	500
Invest to Save	542	582	582
Grand Totals	14,717	5,969	5,919

[Table 6: General Balances]

5. Efficiency

- 5.1 The Council's strategic plan recognises value for money as underpinning the delivery of its priorities. This theme runs through service plans and by this the Council's approach to efficiency is integrated in to all decision making.
- 5.2 The Council uses a number of measures to identify locations to achieve efficiency and gauge success. These include:
- Peer review and peer challenge.
 - Benchmarking to measure unit cost and performance, comparing these over time and across similar councils throughout the country.
 - Other benchmarking exercises undertaken by local managers to challenge service delivery in their own area.
 - The identification of efficiency targets that match the Council's need over the period of this medium term financial strategy.
- 5.3 Efficiency proposals are carefully measured for effect upon capacity, acceptable levels of service, quality standards, and the potential of shared service provision. All efficiency proposals consider the effect of fixed costs and the effect on the base financial standing of the Council and the opportunity for reinvestment of gains into priority services or toward achievement of corporate objectives.
- 5.4 The adoption of efficiency and VFM as part of this strategy helps to ensure that the strategic revenue projection will remain within available resources.
- 5.5 The strategic revenue projection identifies the need for savings to make a balanced budget, which must be considered in line with the development of efficiency savings. Table 7 below details the required saving for each year, based on the factors used in the financial projection, and the percentage of net revenue spend the given saving represents.

Strategic Projection	2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
Annual Savings Target	652	1282	462	454	291
Percentage of Net Revenue Expenditure	3.1%	6.2%	2.3%	2.3%	1.5%

[Table 7: Annual savings requirement]

- 5.6 The Council has required the savings target to be met in the medium term and at this time proposals are in place to provide efficiency and savings to support the requirement through to 2016/17. The Council is continuing to develop long term proposals to ensure the future risk is mitigated at the earliest time.

6. **CONSULTATION**

- 6.1 The Council has a co-ordinated approach to consultation on the budget process. To this end a programme has been proposed that ensures the focus of annual consultations avoids the review of similar themes and builds a body of opinion.
- 6.2 The Council consults annually on this strategy and the proposed budget for the forthcoming year. The intention of the consultation is to both inform and be informed by local residents, businesses and stakeholders.
- 6.3 In recent years the consultation has considered the level of Council tax increase acceptable and the service areas where reductions should occur, the elasticity of demand for services provided by the Council with a related fee and for this strategy the consultation focused on the long term factors faced by the Council due to the current economic climate and the relative importance residents place on a range of discretionary services provided by the Council.
- 6.4 For 2015/16 the Council produced a new strategic plan and consultation matched the budget to the strategic priorities.

7. **RISK MANAGEMENT**

- 7.1 In outlining the resources available to the Council and the focus of those resources on the strategic priorities, this strategy must consider the barriers to achieving the resource levels assumed by the budget.
- 7.2 A full risk assessment of the strategy has been completed and forms part of the operational risk assessment of the services provided by the Head of Finance and Customer services.
- 7.3 Twelve major risk areas have been identified and action plans have been developed for each. The twelve areas are as follows:
- 1) The level of balances;
 - 2) Inflation allowances;
 - 3) National strategy;
 - 4) Limitations on Council Tax increases;
 - 5) Fees and charges;
 - 6) Commercial Activity;
 - 7) Capital financing;
 - 8) Horizon scanning;
 - 9) Delivery of efficiency;
 - 10) Collection Fund, collection rates;
 - 11) Business Rates pooling;
 - 12) Medium Term Strategy.

**BUDGET STRATEGY 2015/16 ONWARDS
STRATEGIC REVENUE PROJECTION**

2014/15 £,000		2015/16 £,000	2016/17 £,000	2017/18 £,000	2018/19 £,000	2019/20 £,000
AVAILABLE FINANCE						
3,274	REVENUE SUPPORT GRANT	2,267	1,463	922	420	0
2,903	RETAINED BUSINESS RATES	2,959	3,018	3,078	3,140	3,203
	BUSINESS RATES GROWTH AND POOL	1,176	1,186	1,196	1,206	1,216
6,177		6,402	5,667	5,196	4,766	4,419
71	COLLECTION FUND ADJUSTMENT	302				
12,868	COUNCIL TAX	13,429	13,765	14,109	14,462	14,824
19,116	BUDGET REQUIREMENT	20,133	19,432	19,305	19,228	19,243
13,938	OTHER INCOME	14,214	14,414	14,614	14,814	15,014
33,054	TOTAL RESOURCES AVAILABLE	34,347	33,846	33,919	34,042	34,257

EXPECTED SERVICE SPEND						
33,487	CURRENT SPEND	33,054	34,347	33,846	33,919	34,042
INFLATION INCREASES						
455	PAY AND INFLATION INCREASES	471	476	435	527	456
NATIONAL INITIATIVES						
25	LOSS OF ADMINISTRATION GRANT	150		100		
50	PENSION DEFICIT FUNDING					
	SINGLE TIER PENSION ARRANGMENTS		275			
LOCAL PRIORITIES						
80	ELECTIONS					
50	LOCAL PLAN					
30	MARKET INCOME					
21	ADVERTISING SPONSORSHIP					
30	ECONOMIC DEVELOPMENT STAFFING	30	30			
	ECONOMIC DEVELOPMENT STRATEGY	266				
	BUSINESS SUPPORT PROVISION	868				
	HOUSING TEMPORARY ACCOMMODATION	160				
80	SERVICE ARRANGEMENTS WITH PARISHES					
MINOR INITIATIVES						
	GROWTH PROVISION				50	50
34,308	TOTAL PREDICTED REQUIREMENT	34,999	35,128	34,381	34,496	34,548

1,254	ANNUAL SAVINGS TARGET	652	1,282	462	454	291
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MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

SUMMARY

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
4,107,030	Providing A Clean & Safe Environment	3,818,810	3,826,430	3,858,740
1,311,026	Encouraging Good Health & Wellbeing	1,038,390	1,583,510	1,446,910
997,738	Respecting the Character of Our Borough	806,500	892,380	757,130
1,095,284	Ensuring there are Good Leisure & Cultural Attractions	1,289,430	1,620,120	1,498,540
15,000	Enhancing the Appeal of the Town Centre for Everyone	15,000	15,000	15,000
614,580	Securing Improvements to the Transport Infrastructure of our Borough	606,980	615,920	635,600
368,676	Promoting a Range of Employment Opportunities & Skills Required across our Borough	403,370	402,765	251,620
592,415	Planning For Sufficient Homes To Meet Our Borough's Needs	935,350	1,270,790	791,240
- 3,397,949	Trading Accounts	- 3,487,625	- 3,333,460	- 3,551,960
10,851,165	Central & Democratic Services	9,862,935	10,363,825	9,274,890
16,554,965	Total Service Spending	15,289,140	17,257,280	14,977,710
	Allowance For General Under Spend	- 140,000	- 97,440	- 250,000
16,554,965	Net Service Spending	15,149,140	17,159,840	14,727,710
1,990,700	Transfers to/from Balances	40,000	- 1,970,700	- 30,000
	Transfers to/from Earmarked Reserves	3,927,610	3,927,610	5,435,750
18,545,665	Budget Requirement	19,116,750	19,116,750	20,133,460

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROVIDING A CLEAN SAFE ENVIRONMENT

1. Under this priority we mean:

People feel safe in the Borough and they live in a clean environment of high quality.

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

Garden Bin hire - Increased income

**£
50,000**

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

There are no issue of note for this priority

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROVIDING A CLEAN SAFE ENVIRONMENT

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
23,078	Community Safety	63,140	67,640	46,440
19,653	Building Safer Communities (BSC)	-	-	-
295,839	C C T V	242,910	242,750	243,260
- 15,859	Licences	- 14,400	- 14,700	- 14,400
- 43,504	Licensing Statutory	- 32,930	- 35,020	- 32,930
14,109	Licensing Non Chargeable	14,060	13,760	14,060
39,533	Dog Control	24,130	24,150	24,150
903,177	Street Cleansing	951,120	993,160	971,220
1,182,858	Household Waste Collection	1,062,050	1,096,270	1,139,140
1,041,865	Recycling Collection	801,670	757,250	779,330
646,281	Employee and Section Costs Supporting this Priority	707,060	681,170	688,470
4,107,030	NET COST OF SUPPORTING PRIORITY	3,818,810	3,826,430	3,858,740

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROVIDING A CLEAN SAFE ENVIRONMENT

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
1,306,589	Employee Costs	1,390,900	1,375,950	1,398,580
25,346	Other Staff Costs	17,660	16,570	17,910
61,378	Temporary and Shared Employee Costs	10,000	10,000	10,000
3,869	Repairs & Maintenance		15,700	
8,521	Utilities	10,410	9,410	9,790
386	Business Rates	420	420	430
21,873	Other Premises Costs	19,670	19,670	19,670
39,537	Vehicle & Transport Costs	45,200	43,400	38,480
328,387	Equipment & Furniture	272,310	228,810	228,810
3,031	Stock Purchases	500	500	500
5,698	Security & Protection	3,430	21,430	3,430
202,335	Stationery & Printing	214,140	261,050	216,540
391,256	Professional Services	298,410	343,800	327,100
7,936	Information & Communication Costs	19,700	11,100	11,100
1,485	Subsistence and Training Costs	4,200	4,200	4,200
6,025	Subscriptions to Other Organisations	12,800	12,500	12,500
4,730	General Insurance	4,750	4,590	4,720
3,144,139	Agency & Contract Costs	2,708,190	2,790,470	2,894,210
- 90,379	Grants Received	- 45,380	- 38,450	- 38,450
- 648,215	Other Income	- 570,730	- 613,430	- 570,730
- 23,555	Sales	- 3,020	- 3,020	- 3,020
- 683,342	Fees & Charges	- 594,750	- 688,240	- 727,030
- 10,000	Rent Income			
4,107,030	NET COST OF SUPPORTING PRIORITY	3,818,810	3,826,430	3,858,740

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENCOURAGING GOOD HEALTH WELLBEING

1. Under this priority we mean:

Addressing the social determinants of health through our role in services like Housing, Environmental Health and Community Development and our provider role in terms of leisure activities.

Improved health outcomes for residents, reduced health inequality.

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

£

Temporary Accommodation

160,000

Housing Benefit - Loss of administration grant

150,000

Total Growth

310,000

4. Issues of note in this priority:

The Council provides support for the County Council's public health priority through these budgets. The direct cost of the activity is funded through grants from the County Council.

During 2015/16 it is expected that the Governments Universal Credit programme will commence in the Borough. At this time the financial effect in the first year is assessed to be minor.

In May 2014 the Cabinet approved requests to carry forward budgets from 2013/14 for public health and environmental health services and these are reflected in the revised estimate for 2014/15.

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENCOURAGING GOOD HEALTH WELLBEING

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
54,646	Cultural Development Sports	33,740	54,070	33,740
- 167,402	Leisure Centre	- 181,390	- 181,800	- 181,430
- 83,446	Cobtree Golf Course	- 73,220	- 69,780	- 73,550
- 39,848	Cemetery	- 79,920	- 65,750	- 79,200
- 302	National Assistance Act	- 490	- 490	- 490
	Maintenance of Closed Churchyards	5,000	10,000	5,000
34,767	Drainage	31,700	31,700	31,700
- 30,000	Health Promotion		30,000	
- 4,852	Health Improvement Programme	1,000	6,800	1,000
28,261	Pollution Control - General	25,340	50,230	25,610
- 1,377	Contaminated Land	-	-	-
- 37,770	Environmental Enforcement	13,580	21,580	13,580
3,427	Food Hygiene	8,840	8,840	8,840
226	Sampling	3,300	3,300	3,300
3,525	Occupational Health & Safety	4,000	20,640	24,000
802	Infectious Disease Control	1,080	800	1,150
305	Noise Control	1,190	1,190	1,190
- 6,404	Pest Control	- 12,000	- 12,000	- 12,000
136,113	Public Conveniences	116,410	119,740	116,320
- 96,401	Licensing - Hackney & Private Hire	- 96,510	- 96,810	- 96,510
	Troubled Families		135,080	1,010
- 8,000	Public Health - Sexual Health	-	8,000	-
- 3,236	Public Health - NHS Health Check Programme	-	-	-
- 4,750	Public Health - Obesity	-	13,300	-
-	Public Health - Physical Activity	-	27,400	-
- 4,975	Public Health - Misc Services	-	30,000	-
- 1,600	Housing Register & Allocations	10,000	10,000	10,000
26	Housing Advice			
2,783	Private Sector Renewal	2,630	35,630	2,630
- 10,445	HMO Licensing	- 2,380	- 2,380	- 2,380
408,869	Homeless Temporary Accommodation	132,530	134,930	294,930
71,997	Homelessness Prevention	60,400	147,490	60,400
3,760	Homelessness - Admin			
207	Aylesbury House		300	760
	Magnolia House		420	420
- 561,733	Rent Allowances	- 352,700	- 344,090	- 344,090
3,871	Non HRA Rent Rebates	950	3,320	3,320
1,080	Discretionary Housing payments	770	2,300	2,300
- 411,429	Housing Benefits Administration	- 589,680	- 594,890	- 439,660
2,030,331	Employee and Section Costs Supporting this Priority	1,974,220	2,131,040	2,035,020
1,311,026	NET COST OF SUPPORTING PRIORITY	1,038,390	1,583,510	1,446,910

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENCOURAGING GOOD HEALTH WELLBEING

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
1,838,814	Employee Costs	1,896,550	2,069,420	1,862,930
171,407	Temporary and Shared Employee Costs	15,190	96,090	96,550
43,646	Other Staff Costs	24,420	23,510	23,980
107,890	Repairs & Maintenance	71,950	104,450	82,950
33,905	Utilities	43,380	47,280	52,540
1,300	Rent	1,300	1,300	1,300
25,165	Business Rates	20,830	22,930	25,480
18,566	Other Premises Costs	20,970	21,660	22,700
63,958	Vehicle & Transport Costs	79,360	68,510	63,580
103,567	Equipment & Furniture	117,260	115,930	115,360
154	Security & Protection	1,340	1,340	1,340
127	Stock Purchases	1,100	1,530	1,100
347,118	Stationery & Printing	372,300	482,540	358,920
948,540	Professional Services	497,260	688,290	682,860
15,624	Information & Communication Costs	12,780	12,780	12,240
25,633	Subsistence and Training Costs	14,300	12,180	10,100
30,560	Grants to Other Organisation	30,400	98,400	30,400
8,060	Subscriptions to Other Organisations	9,800	9,800	8,300
4,780	General Insurance	5,350	5,740	5,960
23,413	Agency & Contract Costs	18,500	38,700	59,300
45,249,328	Benefit Payments	45,914,560	45,511,170	45,511,170
15,908	Leasing & Capital Charges			
- 46,385,470	Grants Received	- 47,009,950	- 46,680,710	- 46,444,030
- 848,387	Other Income	- 720,530	- 741,540	- 677,870
- 311,876	Fees & Charges	- 328,530	- 323,830	- 323,830
- 220,704	Rent Income	- 71,500	- 103,960	- 136,420
1,311,026	NET COST OF SUPPORTING PRIORITY	1,038,390	1,583,510	1,446,910

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - RESPECTING THE CHARACTER OF OUR BOROUGH

1. Under this priority we mean:

- Thriving and Resilient Urban and Rural Communities
- Listening to our Communities
- Respecting our Heritage and Natural Environment
- Devolving services where we can and working with Kent County Council to do the same

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

There are no savings items for this priority

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

In May 2014 the Cabinet approved requests to carry forward budgets from 2013/14 for Conservation, Community Development and Civic Occasions

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - RESPECTING THE CHARACTER OF OUR BOROUGH

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
10,199	Conservation	-	11,670	11,670
55,150	Community Development	14,950	40,080	14,950
167,998	Social Inclusion	22,540	13,710	7,040
33,610	Civic Occasions	35,490	77,290	37,400
264,449	Parish Services	199,800	199,800	199,800
105,063	Medway Conservancy	107,170	107,170	108,870
361,269	Employee and Section Costs Supporting this Priority	438,220	440,500	400,740
997,738	NET COST OF SUPPORTING PRIORITY	806,500	892,380	757,130

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - RESPECTING THE CHARACTER OF OUR BOROUGH

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
294,670	Employee Costs	410,090	412,170	372,550
22,411	Other Staff Costs	3,400	3,580	3,860
167	Repairs & Maintenance	3,000	43,000	3,000
105,063	Utilities	107,170	107,170	108,870
7	Other Premises Costs			
7,270	Vehicle & Transport Costs	13,130	12,250	11,940
8,191	Equipment & Furniture	1,300	2,430	1,300
	Stock Purchases	500	1,800	1,800
217,578	Stationery & Printing	41,930	104,260	31,130
115,007	Professional Services	25,700	82,240	7,700
2,944	Information & Communication Costs	5,800	5,100	5,100
5,422	Subsistence and Training Costs	5,400	4,930	4,800
18,126	Attendance Allowance	16,990	16,990	16,990
287,162	Grants to Other Organisation	213,000	213,000	213,000
186	Subscriptions to Other Organisations	500	500	500
60	General Insurance	60	60	60
- 66,575	Grants Received	- 13,000	- 49,000	- 4,000
- 11,193	Other Income	- 7,000	- 46,630	
- 8,758	Fees & Charges	- 21,470	- 21,470	- 21,470
997,738	NET COST OF SUPPORTING PRIORITY	806,500	892,380	757,130

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENSURING THERE ARE GOOD LEISURE CULTURAL ATTRACTIONS

1. Under this priority we mean:

Maidstone has leisure and cultural offers which attract visitors and meet the needs of our residents

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

There are no savings items for this priority

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

Increased costs reflect changes to the establishment within this service area funded by public health and partner resources received in 2013/14.

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENSURING THEIR ARE GOOD LEISURE CULTURAL ATTRACTIONS

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
	Cultural Development Arts	19,970	22,600	20,540
	Museum	216,920	240,260	223,990
	Carriage Museum	20,180	22,910	21,660
	Hazlitt Arts Centre	295,040	279,890	284,770
	Whatman's Arena	19,400	19,400	19,400
	Festivals and Events		15,500	15,500
- 2,802	Lettable Halls	980	970	980
59,035	Community Halls	63,010	53,650	63,900
62,814	Parks & Open Spaces	64,220	98,900	64,860
63,540	River Park	41,330	64,310	41,830
8,362	Playground Improvements	26,250	25,880	26,420
38,558	Parks Pavilions	22,020	19,990	20,150
21,312	Mote Park	- 44,920	- 1,110	- 44,720
- 139,822	Cobtree Manor Park	- 112,880	- 112,850	- 104,450
	Kent Life		- 7,990	- 3,730
8,145	Allotments	11,040	11,040	11,040
43,552	Tourism	33,600	60,600	33,600
108,793	Leisure Services Other Activities	39,720	33,280	33,390
823,797	Employee and Section Costs Supporting this Priority	573,550	772,890	769,410
1,095,284	NET COST OF SUPPORTING PRIORITY	1,289,430	1,620,120	1,498,540

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENSURING THEIR ARE GOOD LEISURE CULTURAL ATTRACTIONS

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
777,970	Employee Costs	613,230	905,960	764,420
1,022	Temporary and Shared Employee Costs			
38,412	Other Staff Costs	6,520	12,390	42,580
274,623	Repairs & Maintenance	342,100	386,500	328,290
62,807	Utilities	114,890	125,190	127,650
111	Rent	100	100	100
22,515	Business Rates	107,380	93,980	96,180
32,097	Other Premises Costs	60,650	52,090	53,410
18,620	Vehicle & Transport Costs	13,260	35,290	19,570
4,999	Equipment & Furniture	- 52,400	- 41,870	- 45,900
1,333	Security & Protection	600	700	2,200
371	Stock Purchases	6,000	6,000	6,000
318,227	Stationery & Printing	278,480	210,820	172,300
72,777	Professional Services	53,410	76,270	67,010
12,945	Information & Communication Costs	26,770	29,290	26,290
1,736	Subsistence and Training Costs	2,250	4,260	2,250
11,914	Grants to Other Organisation		57,000	
9,232	Subscriptions to Other Organisations	11,000	10,400	11,900
6,520	General Insurance	26,430	27,060	32,660
43,371	Agency & Contract Costs	346,040	334,540	345,620
1,214	Leasing & Capital Charges	1,220	1,220	1,220
	Grants Received		- 121,000	- 13,000
- 504,424	Other Income	- 466,190	- 381,970	- 338,110
- 7,439	Sales	- 4,300	- 4,300	- 4,300
- 47,092	Fees & Charges	- 146,080	- 150,080	- 150,080
- 58,577	Rent Income	- 51,930	- 49,720	- 49,720
1,095,284	NET COST OF SUPPORTING PRIORITY	1,289,430	1,620,120	1,498,540

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE

1. Under this priority we mean that:

Ensuring we have a thriving and attractive town centre that is fit for the future

2. The Budget Strategy set Savings for this Priority as listed below:

**2015/16
Estimate**

There are no savings items for this priority

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

While the funding levels for this priority are low there are links between this priority and the promotion of a range of employment opportunities and skills required across our borough. To ensure that budgets are not double counted the links are reported in the other priority.

Much of the Council's work in relation to this priority is reflected in the capital programme where public realm works have been resourced previously.

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
15,000	Town Centre Management Sponsorship	15,000	15,000	15,000
15,000	NET COST OF SUPPORTING PRIORITY	15,000	15,000	15,000

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
15,000	Grants to Other Organisation	15,000	15,000	15,000
15,000	NET COST OF SUPPORTING PRIORITY	15,000	15,000	15,000

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH

1. Under this priority we mean that:

A transport network that meets the needs of residents and businesses

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

There are no savings items for this priority

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

The Council has set aside resources from new Homes Bonus to finance plans for transport and other infrastructure through the capital programme.

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
14,110	Environment Improvements	14,280	10,770	12,300
14,797	Name Plates & Notices	17,600	17,600	17,600
- 223,734	Residents Parking	- 224,030	- 224,030	- 223,410
9,538	Non Paying Car Parks	9,170	9,170	9,350
470,612	Park & Ride	449,430	449,970	467,820
58,300	Socially Desirable Buses	63,780	63,780	63,780
24,068	Other Transport Services	15,700	23,100	15,700
246,889	Employee and Section Costs Supporting this Priority	261,050	265,560	272,460
614,580	NET COST OF SUPPORTING PRIORITY	606,980	615,920	635,600

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
255,099	Employee Costs	286,970	293,190	300,080
19,768	Temporary and Shared Employee Costs	23,010	23,010	23,360
2,540	Other Staff Costs	2,960	2,790	3,130
56,605	Repairs & Maintenance	44,800	81,080	51,980
3,986	Utilities	7,300	6,380	6,620
110,000	Rent	110,000	110,000	110,000
90,408	Business Rates	93,400	93,400	95,270
170	Other Premises Costs	500	120	120
791,281	Vehicle & Transport Costs	801,650	763,470	778,710
14,910	Equipment & Furniture	18,200	18,000	18,000
	Security & Protection	400	400	400
11,441	Stationery & Printing	13,570	13,070	13,070
11,541	Professional Services	1,900	1,900	1,900
18,463	Information & Communication Costs	18,360	18,360	18,360
1,628	Subsistence and Training Costs	1,500	1,500	1,500
37,184	Grants to Other Organisation	40,000	56,500	40,000
820	Subscriptions to Other Organisations	1,000	1,000	1,000
800	General Insurance	810	800	830
51,233	Agency & Contract Costs	54,920	54,530	55,150
	Grants Received		- 39,700	
- 195,108	Other Income	- 180,340	- 215,340	- 215,340
- 980	Sales			
- 667,199	Fees & Charges	- 733,920	- 668,530	- 668,530
- 10	Rent Income	- 10	- 10	- 10
614,580	NET COST OF SUPPORTING PRIORITY	606,980	615,920	635,600

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES AND SKILLS REQUIRED ACROSS OUR BOROUGH

1. Under this priority we mean that:

Meeting the skills and employment needs of our residents, not becoming a dormitory borough and supporting and attracting businesses.

2. The Budget Strategy set Savings for this Priority as listed below:

**2015/16
Estimate**

There are no savings items for this priority

£

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

Economic Development - staffing

**£
30,000**

4. Issues of note In this priority:

In May 2014 the Cabinet approved the carry forward of budgets for Marketing and Promotion

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES AND SKILLS REQUIRED ACROSS OUR BOROUGH

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
55,944	Economic Research	8,600	28,235	8,600
25,624	Business Support & Enterprise	19,100	19,100	19,100
15	Economic Dev. Training & Employment		26,000	
	Economic Dev Government Initiatives	1,400	1,400	1,400
39,724	Economic Dev - Promotion & Marketing	25,900	111,800	25,900
247,369	Employee and Section Costs Supporting this Priority	348,370	216,230	196,620
368,676	NET COST OF SUPPORTING PRIORITY	403,370	402,765	251,620

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES AND SKILLS REQUIRED ACROSS OUR BOROUGH

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
195,808	Employee Costs	285,430	197,300	175,580
36,395	Temporary and Shared Employee Costs	550	550	550
4,357	Other Staff Costs	37,420	1,740	3,430
5,041	Vehicle & Transport Costs	9,640	2,910	3,330
365	Equipment & Furniture	1,600	1,600	1,600
	Security & Protection	1,600		
75	Stock Purchases			
57,443	Stationery & Printing	40,300	126,200	40,300
49,245	Professional Services	1,400	21,035	1,400
1,343	Information & Communication Costs	3,500	3,500	3,500
1,933	Subsistence and Training Costs	2,200	2,200	2,200
26,100	Grants to Other Organisation	19,100	66,100	19,100
545	Subscriptions to Other Organisations	600	600	600
30	General Insurance	30	30	30
-	7,000 Grants Received		- 21,000	
-	3,004 Other Income			
368,676	NET COST OF SUPPORTING PRIORITY	403,370	402,765	251,620

PRIORITY - PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEED

1. Under this priority we mean:

Having enough homes to meet our residents needs with sufficient homes across a range of tenures

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

	£
Planning policy - professional services	160,000
Development Management - pre application fees	5,000

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

	£
There are no growth items for this priority	

4. Issues of note in this priority:

The Planning Development Management Team have seen an increase in employee costs resourced through increases in income from applications.

In May 2014 the Cabinet approved the carry forward of resources that are being held against potential costs in relation to planning enforcement

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEED

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
- 279,056	Building Regulations Chargeable	- 337,520	- 298,860	- 337,520
- 1,424	Building Control	- 990	- 990	- 990
- 34,576	Street naming & Numbering	- 29,000	- 29,000	- 29,000
- 10,533	Building Consultancy			
- 80,107	Development Control Advice	- 68,000	- 68,000	- 73,000
- 1,265,397	Development Control Applications	- 831,030	- 979,540	- 864,190
100,610	Development Control Appeals	19,410	181,010	19,410
73,090	Development Control Enforcement	67,070	223,570	67,070
198,178	Planning Policy	216,530	215,020	56,530
8,664	Strategic Housing Role	13,500	13,500	13,500
44,810	Marden Caravan Site (Stilebridge Lane)	18,000	27,990	18,080
25,387	Ulcombe Caravan Site (Water Lane)	5,820	15,810	6,030
1,812,769	Employee and Section Costs Supporting this Priority	1,861,560	1,970,280	1,915,320
592,415	NET COST OF SUPPORTING PRIORITY	935,350	1,270,790	791,240

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEED

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
1,419,966	Employee Costs	1,769,120	2,329,890	2,302,280
123,220	Temporary and Shared Employee Costs		1,500	
51,418	Other Staff Costs	- 49,890	16,270	- 43,400
85,784	Repairs & Maintenance	33,100	75,360	75,360
7,920	Utilities	47,680	14,380	14,670
380	Other Premises Costs	480	460	480
95,357	Vehicle & Transport Costs	101,960	99,590	97,160
7,998	Equipment & Furniture	11,400	10,160	10,500
1,196	Security & Protection	660	630	640
42,207	Stationery & Printing	16,480	43,180	22,820
485,414	Professional Services	386,680	851,100	199,560
40,155	Information & Communication Costs	44,760	59,800	82,890
5,725	Subsistence and Training Costs	4,160	10,340	10,630
11,357	Subscriptions to Other Organisations	17,260	17,280	17,330
180	General Insurance	180	240	240
	Agency & Contract Costs	2,000	2,000	2,000
	Grants Received		- 25,000	
- 14,130	Other Income	- 45,090	- 612,250	- 560,470
- 5,015	Sales	- 19,860	- 1,860	- 19,860
- 1,740,817	Fees & Charges	- 1,317,530	- 1,554,080	- 1,353,390
- 25,900	Rent Income	- 68,200	- 68,200	- 68,200
592,415	NET COST OF SUPPORTING PRIORITY	935,350	1,270,790	791,240

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - GROSS SURPLUS FROM TRADING ACCOUNTS CONTRIBUTING TO ALL PRIORITIES

1. Under this Category we mean:

The use of income generating activities to both provide and support financially, the cost of the eight strategic priorities

2. The Budget Strategy set savings for this priority as listed below:

**2015/16
Estimate**

On street parking income

**£
21,300**

3. The Budget Strategy provided growth for this priority as listed below:

**2015/16
Estimate**

There are no growth items for this priority

£

4. Issues of note in this priority:

There are no issue of note for this priority

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - GROSS SURPLUS FROM TRADING ACCOUNTS CONTRIBUTING TO ALL PRIORITIES

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
- 61,212	Conference Bureau	- 42,170	- 22,170	- 42,170
- 15,808	Museum Shop	- 23,470	- 23,450	- 23,430
- 669,015	Crematorium	- 771,710	- 784,600	- 782,160
- 37,048	Trade Waste Services	- 61,720	- 61,600	- 61,500
- 142,223	Market	- 155,250	- 149,630	- 163,030
- 241,429	Land Charges	- 239,250	- 111,250	- 239,170
- 146	Palace Gatehouse	- 9,420	- 9,930	- 9,420
- 98,125	Archbishops Palace	- 98,940	- 98,920	- 98,360
- 392,800	Parkwood Industrial Estate	- 350,730	- 350,710	- 340,730
- 30,362	Industrial Starter Units	- 19,520	- 20,480	- 19,070
- 54,814	Parkwood Equilibrium Units	- 39,705	- 45,130	- 45,130
- 86,773	Sundry Corporate Properties	- 98,960	- 76,920	- 103,640
- 11,157	Parks Dwellings	- 7,180	- 10,200	- 13,160
	Chillington House	-	-	- 41,130
- 342,325	On Street Parking	- 259,950	- 264,130	- 280,190
- 1,162,159	Pay & Display Car Parks	- 1,224,100	- 1,219,160	- 1,208,010
- 120,542	Off Street Parking - Enforcement	- 159,470	- 159,470	- 157,010
67,989	Employee and Section Costs Supporting this Priority	73,920	74,290	75,350
- 3,397,949	NET COST OF SUPPORTING PRIORITY	- 3,487,625	- 3,333,460	- 3,551,960

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - GROSS SURPLUS FROM TRADING ACCOUNTS CONTRIBUTING TO ALL PRIORITIES

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
184,242	Employee Costs	172,910	172,750	176,580
1,360	Other Staff Costs	1,840	1,830	2,010
389,578	Repairs & Maintenance	407,130	438,420	413,920
63,976	Utilities	64,620	64,620	64,890
7,531	Rent	5,200	5,200	5,200
296,013	Business Rates	299,920	302,080	308,090
58,071	Other Premises Costs	51,580	52,980	53,380
6,225	Vehicle & Transport Costs	5,200	6,200	5,200
117,551	Equipment & Furniture	114,640	126,140	117,640
48,705	Security & Protection	50,700	53,890	57,120
257	Stock Purchases			
46,137	Stationery & Printing	49,010	54,670	48,920
110,808	Professional Services	92,945	220,960	92,940
30,967	Information & Communication Costs	42,230	58,730	41,530
270	Subsistence and Training Costs	2,200	2,200	2,200
2,917	Subscriptions to Other Organisations	2,700	1,890	1,890
11,680	General Insurance	12,870	11,760	12,810
372,838	Agency & Contract Costs	387,690	382,610	389,850
- 64,782	Grants Received	- 61,140	- 61,140	- 61,140
- 309,392	Other Income	- 271,710	- 300,080	- 271,710
- 43,796	Sales	- 44,410	- 54,260	- 44,410
- 3,929,902	Fees & Charges	- 4,091,990	- 4,099,180	- 4,120,480
- 799,203	Rent Income	- 781,760	- 775,730	- 848,390
- 3,397,949	NET COST OF SUPPORTING PRIORITY	- 3,487,625	- 3,333,460	- 3,551,960

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - CENTRAL AND DEMOCRATIC SERVICES THAT CONTRIBUTE TO ALL PRIORITIES

1. Under this Category we mean:

Central, Democratic and non-ringfenced grants that support the provision of the eight strategic priorities.

2. The Budget Strategy set savings for this priority as listed below:

	2015/16 Estimate £
Commercial Activity	200,000
Executive support - restructure	35,000
Revenue support for the capital programme	309,000
Unutilised small budgets - review	28,000
Investment income	20,000
Use of low energy lighting in offices	10,000
Commercial rents	65,130
Total savings	667,130

3. The Budget Strategy provided growth for this priority as listed below:

	2015/16 Estimate £
Pension fund deficit funding	50,000

4. Issues of note in this priority:

The revised estimate includes budgets specifically related to business support following the 2013/14 flooding. These is linked to special grants for flood defense works.

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - CENTRAL AND DEMOCRATIC SERVICES THAT CONTRIBUTE TO ALL PRIORITIES

2013/14 Actual Cost	Service Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
17,056	Switch Cafe Project	15,060	15,060	15,060
397,465	Members Allowances	416,030	412,530	412,530
8	Portfolio Allocations			
68,963	Members Facilities	60,260	67,760	67,760
10,600	Subscriptions	18,100	18,100	18,100
15,049	Overview & Scrutiny	9,350	9,350	9,350
- 281,982	Contingency	436,570	167,900	274,880
32,478	Performance & Development	14,800	14,800	14,800
60,429	Corporate Projects	42,840	137,840	42,840
35,916	Press & Public Relations	19,220	28,010	19,230
100,932	Corporate Management	104,600	135,880	140,880
- 10,373	Mid Kent Improvement Partnership	- 14,540	-	960
1,684,034	Unapportionable Central Overheads	1,586,375	1,586,375	1,636,375
- 199,003	Council Tax Collection	- 285,200	- 285,200	- 285,200
- 381,740	Local Council Tax Support Scheme Administration	- 181,090	- 175,250	- 160,200
- 75,305	Council Tax Benefits			
- 258,597	NNDR Collection	- 240,880	- 244,370	- 244,370
93,816	Registration Of Electors	76,970	77,200	77,500
- 739	Elections	113,980	113,960	114,340
25,481	Emergency Centre	33,980	33,980	33,980
35,256	Emergency - December 2013 Flood			
2,171	Recovery Costs December 2013 Flood		39,300	
	Business Support		290,000	
	Repair and Renew		4,100	
216,520	Grants	217,270	272,570	217,270
2,305	Delegated Grants	2,100	2,100	2,100
203,766	External Interest Payable	176,700	176,700	173,050
- 232,176	Interest & Investment Income	- 250,000	- 250,000	- 270,000
- 3,971,124	Non Service Related Government Grants	- 3,740,410	- 3,771,370	- 4,251,845
6,731,231	Employee and Section Costs Supporting this Priority	6,619,660	6,791,340	6,586,830
63,080	Town Hall	73,870	78,920	72,920
128,451	South Maidstone Depot	127,290	125,630	129,070
143,980	The Gateway King Street	139,690	156,350	151,380
1,391,859	Maidstone House	1,395,540	1,377,390	1,397,760
381,824	I.T. Operational Services	413,060	430,560	435,090
74,547	Central Telephones	72,070	65,200	65,200
10,835	Mid Kent ITC Software		30,270	30,270
740,461	Fleet Workshop & Management	686,040	693,900	727,700
- 72,016	MBS Support Crew	- 88,030	- 80,570	- 80,050
1,285,860	Grounds Maintenance	1,261,090	1,262,620	1,280,100
11,637	Youth Development Programme	40,710	45,030	47,520
- 78,259	Internal Printing	- 85,240	- 85,240	- 85,240
2,319,469	Appropriation Account	575,100	595,100	456,950
127,000	Pensions Fund Appropriation	-	-	-
10,851,165	NET COST OF SUPPORTING CATEGORY	9,862,935	10,363,825	9,274,890

MAIDSTONE BOROUGH COUNCIL

BUDGET 2015/16

PRIORITY - CENTRAL AND DEMOCRATIC SERVICES THAT CONTRIBUTE TO ALL PRIORITIES

2013/14 Actual Cost	Subjective Analysis	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Estimate
£		£	£	£
8,101,654	Employee Costs	8,526,540	8,629,430	8,162,440
347,833	Temporary and Shared Employee Costs	84,390	214,310	94,900
343,418	Other Staff Costs	74,505	127,625	85,600
1,728,763	Pension Contributions	1,575,000	1,575,000	1,625,000
281,708	Repairs & Maintenance	230,800	259,600	237,400
205,895	Utilities	217,190	231,090	227,960
926,294	Rent	950,630	954,330	954,330
446,309	Business Rates	460,480	448,080	457,040
86,516	Other Premises Costs	45,030	42,660	42,350
457,235	Vehicle & Transport Costs	434,980	443,370	422,620
1,153,022	Equipment & Furniture	863,910	995,230	962,340
12,069	Security & Protection	13,180	13,970	14,040
13,501	Stock Purchases	13,600	11,970	11,800
492,372	Stationery & Printing	1,103,590	1,202,770	1,128,000
451,641	Professional Services	270,430	553,870	300,890
236,929	Information & Communication Costs	239,740	314,170	216,770
102,439	Subsistence and Training Costs	110,210	117,760	106,610
375,659	Attendance Allowance	379,790	379,790	379,790
203,567	Interest Paid	176,700	176,700	173,050
242,228	Grants to Other Organisation	219,370	564,670	219,370
118,419	Subscriptions to Other Organisations	115,600	118,760	107,900
13,200	General Insurance	20,430	11,100	11,530
16,952	Contribution to Funds and Reserves			
6,765	Benefit Payments			
2,564,260	Leasing & Capital Charges	801,450	846,720	736,070
- 4,959,013	Grants Received	- 4,126,060	- 4,526,590	- 4,620,090
- 2,750,185	Other Income	- 2,623,900	- 3,227,150	- 2,891,710
- 23,521	Sales	- 21,240	- 21,240	- 21,240
- 3,384	Fees & Charges	- 2,150	- 2,150	- 2,150
- 232,176	Interest Received	- 250,000	- 250,000	- 270,000
- 109,204	Rent Income	- 89,500	- 97,900	- 89,500
10,851,165	NET COST OF SUPPORTING CATEGORY	9,814,695	10,107,945	8,783,110

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MEDIUM TERM FINANCIAL STRATEGY

CAPITAL 2015/16 ONWARDS

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1. INTRODUCTION

- 1.1 This financial strategy forms one of two financial strategies that aim to support the Council's corporate objectives as identified in the strategic plan 2015 – 2020. Whilst achieving this, major issues relating to resources and facing the Council in the medium term are considered where they relate to the capital programme. For issues relating to the Council's day to day activities see the strategy regarding revenue.
- 1.2 Set out in this document is an overview of the capital plans of the Council and the criteria by which such plans are developed and approved. The success of the programme is dependent upon the Council's ability to generate the resources required.
- 1.3 Although this document is developed for the medium term with an outlook of five years, the Council reviews the programme on an ongoing basis and consider its effectiveness formally each quarter. Changes are linked to the priorities of the strategic plan through the process of scheme approval as set out in this document.
- 1.4 This strategy is in compliance with the guidance set out in the Prudential Code. This code of practice is published by the Chartered Institute of Public Finance and Accountancy and covers the full range of capital planning. Compliance with the code is a statutory requirement and the Council's MTFS has been developed to ensure compliance. In summary the relevant objectives of the code are:
 - a) To ensure within a clear framework that capital expenditure plans are affordable, prudent and sustainable;
 - b) That treasury management decisions are taken in accordance with good professional practice;
 - c) That local strategic planning, asset management planning and proper option appraisal are supported; and
 - d) To provide a clear and transparent framework to ensure accountability.

2. PROGRAMME

- 2.1 The strategy for the capital programme requires consideration at two levels, the overall programme and the scheme specifics.
- 2.2 The overall programme is considered in terms of the prudential borrowing principles of sustainability, affordability and prudence. At the overall programme level the relative priority of schemes, as they enhance the provision of corporate or service based objectives is also considered.
- 2.3 The inclusion of specific capital schemes within the overall programme requires an assessment, at the scheme specifics level, that is based on affordability in revenue and capital terms, including the whole life cost, project timeline and risk assessment.
- 2.4 Schemes will be assessed using three approaches:
 - a) Where schemes fit within a specific strategy and resources are available for that strategy within the capital programme the scheme would be subject to appraisal and prioritisation against the objectives of that strategy and approved by the relevant cabinet Member;
 - b) Where schemes can be demonstrated to be commercial in nature and require the use of prudential borrowing, a business case must be presented to the Property Investment Advisory Panel. These proposals will receive final approval from the Property Investment Cabinet Committee;
 - c) Where schemes do not fit within the criteria above but an appropriate option appraisal has been completed the budget working group of the Strategic Leadership & Corporate Services Overview and Scrutiny Committee considers schemes against the priorities below.
- 2.5 Prioritisation of schemes will occur in the following order:
 - a) For statutory reasons;
 - b) Fully or partly self-funded schemes with a focus on priority outcomes;
 - c) Other schemes with a focus on priority outcomes;
 - d) Maintenance / Improvement of property portfolio not linked to priority outcomes;
 - e) Other non-priority schemes with a significant funding gearing.

- 2.6 The Council sees significant need for capital investment in the future. Not only those schemes currently in the capital programme but the infrastructure schemes required for the housing and business growth that is required to meet the needs of the growing population of the borough. In the main it is expected that those schemes will be funded directly from the benefits gained from development however viability assessments of expected development suggests that there will be a funding gap. The Council must prepare itself to support that infrastructure need in order to deliver its strategic priorities.
- 2.7 In addition the Council is constantly focused on the need for efficiency in the use of resources and the delivery of services. It is aware of the need to diversify the sources of income obtained outside of the reducing support from central Government. One aspect of this is to take a commercial approach to the provision of services that have displayed increased demand and higher cost over the last five years. As this may require capital investment the Council has agreed to allow borrowing to achieve this objective subject to:
- a) A business case and successful implementation of savings that cover the cost of borrowing; and
 - b) Ensuring the principles set out in 1.4 and 3.4 are met.
- 2.8 The programme for the period 2014/15 to 2018/19 currently focuses on a series of projects providing investment in the property assets and core funding for affordable housing and the commencement of the commercial approach to services. At this time Council is developing its response to infrastructure need as set out in 3.5 and this is included in the capital programme at the level of scheme type.
- 2.9 The capital programme is a five year programme and Table 1 below summarises the programme by strategic plan priority:

TABLE 1: SUMMARY CAPITAL PROGRAMME.

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
	EXPENDITURE					
26,150	PROVIDING A CLEAN & SAFE ENVIRONMENT	0	0	0	0	0
23,890	ENCOURAGING GOOD HEALTH & WELLBEING	0	0	0	0	0
358,710	ENSURING THERE ARE GOOD LEISURE AND CULTURAL ATTRACTIONS	580,000	580,000	590,000	0	0
90,060	ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE	335,370	434,680	597,730	500,000	250,000
208,800	SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH	550,000	5,389,040	1,332,630	2,140,210	2,791,130
700,000	PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES & SKILLS REQUIRED ACROSS OUR BOROUGH	0	0	0	0	0
2,882,910	PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEEDS	1,513,000	1,350,000	1,350,000	1,350,000	1,350,000
2,844,710	TRADING ACCOUNTS	4,000,000	3,120,370	0	0	0
326,060	CORPORATE & DEMOCRATIC SERVICES	350,000	350,000	350,000	350,000	350,000
7,461,290	GRAND TOTAL - ALL PORTFOLIOS	7,328,370	11,224,090	4,220,360	4,340,210	4,741,130

3. FUNDING

3.1 The medium term financial strategy takes a flexible approach to funding the capital programme, as resources from capital receipts have become uncertain the Council has provided support to maintain core asset management programmes. In addition priority schemes commence only when funding is available.

3.2 The Council's main source of funding for the capital programme over recent years has been from new homes bonus. The funding stream is identifiable in value over a period of six years but has an uncertain future. As a prudent use of this money the Council has supported its capital programme and not the deferral of financial savings required in the revenue budget.

3.3 In the past the programme benefited from major receipts from the sale of assets. The Council no longer holds many surplus assets of significant value that are surplus to operational need. As a result, the funding from capital receipts has reduced to the sale of small assets that can be identified as surplus.

3.4 In 2012/13 the Council approved the use of prudential borrowing for the following activities:

- a) acquisition of commercial property;
- b) acquisition of property to alleviate homelessness; and

c) action to enable stalled development to progress

- 3.5 Use of prudential borrowing is subject to an approved business case that evidences a benefit above that required to repay any debt over the life of the commercial activity. The additional benefit may be financial or non-financial but must directly or indirectly supports the objectives of the strategic plan.
- 3.6 The programme now includes an assessment of likely receipts from developer contributions. These may arise in future from the community infrastructure levy or at present from section 106 agreements with developers.
- 3.7 Due to the uncertainty of future funding it is essential that the Council maintains the principle of prior funding of schemes. Although commitment to a scheme is given by its inclusion in the programme, this strategy requires that funding is identified in advance of formal commencement of work. The quarterly monitoring of the capital programme enables Cabinet to take effective decisions based on current levels of funding before major projects commence.
- 3.8 Table 2 below identifies the current funding assumptions:

TABLE 2: CAPITAL PROGRAMME FUNDING

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
	RESOURCES					
10,256,210	REVENUE CONTRIBUTION	3,826,280	3,117,000	2,899,800	2,675,300	1,926,000
450,000	CAPITAL GRANTS	450,000	450,000	450,000	450,000	450,000
702,720	CAPITAL RECEIPTS	0	0	0	0	0
0	PRUDENTIAL BORROWING	2,451,490	3,548,510	0	0	0
0	DEVELOPER CONTRIBUTIONS	0	761,540	870,560	1,214,910	2,365,130
11,408,930	GRAND TOTAL - ALL RESOURCES	6,727,770	7,877,050	4,220,360	4,340,210	4,741,130

BUDGET 2015/16

CAPITAL PROGRAMME 2015/16 ONWARDS

SUMMARY

Estimate 2014/15 £	CAPITAL PROGRAMME SUMMARY	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
EXPENDITURE						
26,150	PROVIDING A CLEAN & SAFE ENVIRONMENT	0	0	0	0	0
23,890	ENCOURAGING GOOD HEALTH & WELLBEING	0	0	0	0	0
358,710	ENSURING THERE ARE GOOD LEISURE AND CULTURAL ATTRACTIONS	580,000	580,000	590,000	0	0
90,060	ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE	335,370	434,680	597,730	500,000	250,000
208,800	SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH	550,000	5,389,040	1,332,630	2,140,210	2,791,130
700,000	PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES & SKILLS REQUIRED ACROSS OUR BOROUGH	0	0	0	0	0
2,882,910	PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEEDS	1,513,000	1,350,000	1,350,000	1,350,000	1,350,000
2,844,710	TRADING ACCOUNTS	4,000,000	3,120,370	0	0	0
326,060	CORPORATE & DEMOCRATIC SERVICES	350,000	350,000	350,000	350,000	350,000
7,461,290	GRAND TOTAL - ALL PORTFOLIOS	7,328,370	11,224,090	4,220,360	4,340,210	4,741,130
RESOURCES						
10,256,210	REVENUE CONTRIBUTION	3,826,280	3,117,000	2,899,800	2,675,300	1,926,000
450,000	CAPITAL GRANTS	450,000	450,000	450,000	450,000	450,000
702,720	CAPITAL RECEIPTS	0	0	0	0	0
0	PRUDENTIAL BORROWING	2,451,490	3,548,510	0	0	0
0	DEVELOPER CONTRIBUTIONS	0	761,540	870,560	1,214,910	2,365,130
11,408,930	GRAND TOTAL - ALL RESOURCES	6,727,770	7,877,050	4,220,360	4,340,210	4,741,130

Estimate 2014/15 £	NET FUNDING	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
11,408,930	RESOURCES AVAILABLE (CUMMULATIVE)	10,675,410	11,224,090	4,220,360	4,340,210	4,741,130
7,461,290	RESOURCES REQUIRED	7,328,370	11,224,090	4,220,360	4,340,210	4,741,130
3,947,640	BALANCE CARRIED FORWARD	3,347,040	0	0	0	0

CAPITAL PROGRAMME 2015/16 ONWARDS

Estimate 2014/15 £	PROVIDING A CLEAN & SAFE ENVIRONMENT	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
26,150	CCTV Control Room					
26,150	Total	0	0	0	0	0

Estimate 2014/15 £	ENCOURAGING GOOD HEALTH & WELLBEING	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
23,890	Crematorium Access					
23,890	Total	0	0	0	0	0

Estimate 2014/15 £	ENSURING THERE ARE GOOD LEISURE AND CULTURAL ATTRACTIONS	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
6,950	Cobtree Golf Course					
301,710	Continued Improvements to Play Areas	580,000	580,000	590,000		
12,000	Green Space Strategy					
31,400	Museum Carbon Management Scheme					
3,160	HAC Contract Capital Works					
3,490	Small Scale Capital Works Programme					
358,710	Total	580,000	580,000	590,000	0	0

Estimate 2014/15 £	ENHANCING THE APPEAL OF THE TOWN CENTRE FOR EVERYONE	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
13,850	Regeneration Schemes					
76,210	High Street Regeneration Ph 2 Public Realm	335,370	434,680	597,730	500,000	250,000
90,060	Total	335,370	434,680	597,730	500,000	250,000

Estimate 2014/15 £	SECURING IMPROVEMENTS TO THE TRANSPORT INFRASTRUCTURE OF OUR BOROUGH	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
8,800	Land Drainage/Improvement to Ditches & Watercourses					
	Bridges Gyrotory Scheme	500,000	900,000			
	Sustainable Transport Scheme		1,000,000			
	Flood Defences	50,000	50,000	50,000	50,000	50,000
200,000	Other Transport & Highways		3,439,040	1,032,630	1,810,210	2,466,720
	Green & Blue Infrastructure			250,000	280,000	274,410
208,800	Total	550,000	5,389,040	1,332,630	2,140,210	2,791,130

Estimate 2014/15 £	PROMOTING A RANGE OF EMPLOYMENT OPPORTUNITIES & SKILLS REQUIRED ACROSS OUR BOROUGH	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
700,000	Enterprise Hub					
700,000	Total	0	0	0	0	0

Estimate 2014/15 £	PLANNING FOR SUFFICIENT HOMES TO MEET OUR BOROUGH'S NEEDS	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
1,646,460	Housing Grants	750,000	750,000	750,000	750,000	750,000
1,118,500	Support for Social Housing	600,000	600,000	600,000	600,000	600,000
76,600	Stilebridge Lane Sewage Treatment Works					
32,000	Gypsy Site Improvements	163,000				
9,350	Planning Delivery					
2,882,910	Total	1,513,000	1,350,000	1,350,000	1,350,000	1,350,000

CAPITAL PROGRAMME 2015/16 ONWARDS

Estimate 2014/15	TRADING ACCOUNTS	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
£		£	£	£	£	£
105,090	Vacant Property Acquisition					
82,790	King Street Multi-storey Car Park					
42,030	Park Wood Industrial Estate Environmental Imps					
2,600,000	Acquisition of Commercial Assets	4,000,000	3,120,370			
14,800	Improvements to the Council's Car Parks					
2,844,710	Total	4,000,000	3,120,370	0	0	0

Estimate 2014/15	CORPORATE & DEMOCRATIC SERVICES	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
£		£	£	£	£	£
130,890	Asset Management / Corporate Property	175,000	175,000	175,000	175,000	175,000
195,170	Software / PC Replacement	175,000	175,000	175,000	175,000	175,000
326,060	Total	350,000	350,000	350,000	350,000	350,000

CAPITAL FUNDING 2015/16 ONWARDS

Estimate 2014/15 REVENUE CONTRIBUTION £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
6,156,797 Balance brought forward					
309,000 Revenue support					
50,000 From balances for Play Areas					
3,740,413 New Homes Bonus	3,826,280	3,117,000	2,899,800	2,675,300	1,926,000
10,256,210 Total	3,826,280	3,117,000	2,899,800	2,675,300	1,926,000

Estimate 2014/15 CAPITAL GRANTS £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
450,000 DFGs	450,000	450,000	450,000	450,000	450,000
450,000	450,000	450,000	450,000	450,000	450,000

Estimate 2014/15 CAPITAL RECEIPTS £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
192,586 Balance brought forward					
510,134 Miscellaneous					
702,720	0	0	0	0	0

Estimate 2014/15 PRUDENTIAL BORROWING £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
Commercialisation Programme	2,451,490	3,548,510			
0	2,451,490	3,548,510	0	0	0

Estimate 2014/15 DEVELOPER CONTRIBUTIONS £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £
Community Infrastructure Levy		761,540	870,560	1,214,910	2,365,130
0	0	761,540	870,560	1,214,910	2,365,130