

MAIDSTONE BOROUGH COUNCIL

**REVENUE AND
CAPITAL ESTIMATES**

2017/18

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STATEMENT OF ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

1. INTRODUCTION

- 1.1 Section 25 of the Local Government Finance Act requires that a local authority's Chief Finance Officer must report on:
- the robustness of the estimates made for the purposes of the budget calculations; and
 - the adequacy of the proposed financial reserves.
- 1.2 This following statement seeks to fulfil this requirement in respect of the 2017/18 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 the process.
- 1.3 The context for the budget setting process is the Council's Medium Term Financial Strategy and Efficiency Plan (MTFS), which is included as section 7 of this Appendix. The MTFS covers both revenue budgets and capital budgets and underpins the budget setting process over the coming five-year period. The MTFS sets out how the Council plans to deliver its corporate objectives in financial terms over the next five years. The constraints include the overall economic outlook, the availability of external funding, and service pressures. The MTFS identifies that there is a gap between spending plans and available resources, and sets out how this can be addressed.

2. ROBUSTNESS OF ESTIMATES

- 2.1 The budget contains estimates of future income and expenditure, which like any future events are subject to risk and uncertainty. The way in which the estimates have been drawn up has sought to mitigate this risk as much as possible.
- 2.2 It has done this, first of all, by adopting a structured process in preparing the estimates. The budget estimates are the outcome of an exhaustive process, which commenced with Members agreeing underlying assumptions and a plan for developing a Medium Term Finance Strategy and Efficiency Plan at the meeting of Policy and Resources Committee on 29 June 2016. This identified a budget gap over the next five years. Public consultation took place on which services should be prioritised in seeking to close the budget gap, and officers have developed detailed budget savings proposals which have been subject to scrutiny at the relevant Service Committees.
- 2.3 Furthermore, there has been a thorough assessment of future spending pressures. In drawing up Strategic Revenue Projections, careful estimates have been made of the way in which spending is likely to increase and the potential sources of new spending pressures. There is considerable uncertainty about the impact of the new local government funding regime that is due to be implemented in 2020. An allowance has been made for the potential impact of this change, in the form of an additional budget contingency of £1.3 million per annum.

- 2.4 Finally, there has been regular cross-checking between the estimates and actual performance as reported through regular quarterly budget monitoring. The budget estimates have been reviewed in the light of the latest (2016/17 Quarter 3) budget monitoring information. This has led to additional contingency being included in respect of overspends that are likely to continue into 2017/18, but also a budget provision for income growth where this is appropriate.
- 2.5 The table below set out in detail the factors that have been taken into account in the process of drawing up the MTFs and setting the 2017/18 budget.

The Council's corporate objectives and key priorities	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.
Consultation with Council Tax payers	The results of the budget consultation undertaken have been presented to Service Committees to inform their consideration of detailed budget proposals.
Consultation with Non-Domestic Ratepayers	The Council consults representatives of its non-domestic ratepayers about its expenditure proposals who may make written representations if they deem it appropriate.
Consultation with Service Committees	The Policy & Resources Committee has consulted each of the service committees on its initial strategy and on specific proposals for savings and efficiencies. At each stage in the process the Policy & Resources Committee has provided information to service committees to keep them informed on progress.
The level of funding likely from Central Government towards the costs of local services	The level of revenue support grant has fallen to zero with effect from 2017/18. 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.
Retained element of business rates	Since April 2013 the amount of business rates retained by the Council has been separated from the Revenue Support Grant. The Council continues to be a member of the Kent business rates pool. 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. The estimated gain from business rates growth for 2017/18 is £1.025 million before taking into account the benefit of business rates pool membership.
Council Tax Base	The recommended council tax base for 2017/18 is 59,439.3 and represents a 1.6% increase in the tax base over the 2016/17 figure.

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<p>Power of the Secretary of State to require a local referendum in respect of rising Council Tax levels</p>	<p>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 and due regard has been paid to this requirement. 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.</p>
<p>The Prudential Code and its impact on Capital Planning</p>	<p>The Council uses a number of sources for the financing of its capital expenditure. The main source is new homes bonus but financing includes the use of capital receipts, capital grants and contributions and revenue resources.</p> <p>Within the current strategy the Council has considered the use of prudential borrowing to finance the regeneration proposals that it is developing.</p> <p>A major objective of the Prudential Code is to ensure, within a clear framework, that the capital expenditure plans of the authority are affordable, prudent and sustainable. These principles are set out in the medium term financial strategy statement for capital with specific details contained in the Council's Treasury Management Strategy.</p>
<p>The Council's Capital Programme</p>	<p>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.</p>
<p>Interest Rates</p>	<p>Interest returns have been assumed based on the advice of the Council's treasury management advisors as set out in the Treasury Management Strategy.</p>
<p>Adequacy of Balances</p>	<p>At the start of 2017/18 the uncommitted general fund balance is expected to be £3.7m with a plan to reduce to £3.6m by 31 March 2018. The adequacy of reserves is discussed in more detail below.</p>
<p>Earmarked Reserves</p>	<p>The Council maintains a series of Earmarked Reserves to manage more effectively the resources set aside for specific activities. By 31 March 2018 these reserves are estimated to be £3.4m.</p>
<p>Pay and Price Inflation</p>	<p>The medium term financial strategy for the revenue budget assesses the need for indexation of costs for</p>

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	<p>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.</p>
Fees and Charges	<p>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 2017/18 budget.</p>
Growth Pressures	<p>The Budget for 2017/18 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 direct charge to service users or reductions elsewhere within the Council's budget from efficiencies and low priority services through a prioritisation process.</p>
Financial Management	<p>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. 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 2015/16 Accounts. It is anticipated that a similar position will be reported for future years.</p>
Insurance Arrangements and Business Continuity	<p>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</p>

	under constant review. The Council has a well established Business Continuity Plan for key services.
Corporate Governance and Risk Management	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 is updated regularly. The Council has had an established an effective Audit Committee since 2007.

3. ADEQUACY OF RESERVES

- 3.1 The Council maintains reserves as a financial safety net to allow for unforeseen circumstances. There is no statutory definition of a minimum level of reserves. It is accepted that the minimum prudent level of reserves that the Council should maintain is a matter of judgement.
- 3.2 The Council has set a target for the minimum General Fund balance of £2 million. It is useful to establish a benchmark in this way but in the end the appropriate level of reserves is likely to fluctuate depending on the degree of risk that the Council faces. It is even possible that a given level of reserves may be excessive, if there is no likelihood of their being required, and there is no opportunity cost from failing to use the money in some more productive way.
- 3.3 The corporate risks faced by the Council, which might give rise to a call on reserves, include the following:
- Failing to obtain agreement to the Local Plan
 - A major planning appeal
 - Loss of, or inability to recruit and retain, key staff
 - Damage to the Council’s or borough’s infrastructure, eg through flooding
 - Demographic change in the borough giving rise to increased pressure on services
 - New technology requirements that cannot be met from existing resources.
- 3.4 Specific financial risks facing the Council include the following:
- Failure to deliver planned savings
 - Failure of financial controls to ensure expenditure managed within budget
 - Further unexpected consequences from government strategy for funding local government
 - Inability to collect Council Tax / Business Rates
 - Shared services, which are not entirely within the Council’s control, fail to perform in line with budget.
 - Increase in pension costs (eg if actuaries’ longevity estimates increase)
 - Bankruptcy / liquidation of a major service partner
 - New unfunded burdens placed on the Council as a result of government decisions or parliamentary legislation

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- 3.5 The Council's risk management strategy and policies seek to identify risks such as those outlined above and to promote appropriate mitigations. Nevertheless, there will remain a degree of residual risk, and it is for this reason that it is appropriate to hold reserves.
- 3.6 The uncommitted general fund balance as at 31 March 2017 is estimated to be £3.7m. Other earmarked balances total £3.4m. At the 31 March 2018 the general fund balance is estimated to be £3.6m with earmarked balances remaining at £3.4m. This is above the minimum level of balances set by Council but it is appropriate given the variety and potential severity of risks that the Council faces.
- 3.7 The level of reserves remains under regular review and is reported to Members as part of the quarterly budget monitoring process.

4. OPINION

- 4.1 I am of the opinion that the approach taken in developing the 2017/18 budget meets the requirements contained in the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of reserves.

Mark Green
Director of Finance and Business Improvement

Date: 1 March 2017

**REVENUE ESTIMATE 2017/18 TO 2021/22
STRATEGIC REVENUE PROJECTION**

2016/17 £,000		2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000
AVAILABLE FINANCE						
870	REVENUE SUPPORT GRANT	0	0	0	0	0
2,983	RETAINED BUSINESS RATES (BR)	3,044	3,142	3,254	3,297	3,324
1,321	BR GROWTH	1,025	1,076	1,130	1,187	1,246
	BUSINESS RATES ADJUSTMENT			-1,589	-1,621	-1,634
169	COLLECTION FUND ADJUSTMENT	96				
14,085	COUNCIL TAX	14,599	15,042	15,493	15,960	16,442
	EMPTY PROPERTY DISCOUNTS	73				
	CHANGES TO LCTS	60				
19,428	BUDGET REQUIREMENT	18,897	19,260	18,288	18,823	19,378
16,419	OTHER INCOME	16,419	16,583	16,749	16,917	17,086
35,847	TOTAL RESOURCES AVAILABLE	35,316	35,843	35,037	35,740	36,464
EXPECTED SERVICE SPEND						
36,552	CURRENT SPEND	35,625	35,316	35,843	35,037	35,740
	INFLATION INCREASES					
730	PAY, NI & INFLATION INCREASES	560	400	404	408	412
	NATIONAL INITIATIVES					
100	LOSS OF ADMINISTRATION GRANT	25	100			
50	PENSION DEFICIT FUNDING	0	60	60	150	150
	ADDITIONAL RESPONSIBILITIES				1,300	
	LOCAL PRIORITIES					
74	HOMELESSNESS PREVENTION	94	36			
42	SHARED PLANNING SUPPORT					
	MAIDSTONE HOUSE RENT INCREASE		40	40		
30	ECONOMIC DEVELOPMENT STAFFING					
150	TEMPORARY ACCOMMODATION	235	-235			
	REPLACE CONTINGENCY	200				
87	MK LEGAL SERVICES GROWTH					
25	MUSEUM	50	50			
40	STAFFING CHANGES					
	LOCAL PLAN REVIEW	200				
	MOTE PARK CAFÉ - REVIEW OF OPTIONS	96	-96			
	MINOR INITIATIVES					
	GROWTH PROVISION	50	50	50	50	50
37,880	TOTAL PREDICTED REQUIREMENT	37,135	35,721	36,397	36,945	36,352
2,033	SAVINGS REQUIRED	1,819	(123)	1,361	1,205	(112)
2,033	SAVINGS IDENTIFIED	1,819	928	476	159	26

THE MAIDSTONE BOROUGH COUNCIL
STATEMENT OF COUNCIL TAX REQUIREMENT - 2017/18

	£	£	BAND D £
MAIDSTONE BOROUGH COUNCIL NET SPEND		18,896,890	317.92
ADD:			
Parish Precepts		1,665,923	28.03
DEDUCT:			
Revenue Support Grant	0		
Retained Business Rates	-3,044,249		
Retained Business Rates Growth	-1,024,985		
Empty Property Discounts	-73,200		
Changes to LCTS	-60,000		
Collection Fund Surplus	-96,086	-4,298,520	-72.32
TOTAL COUNCIL TAX REQUIREMENT		<u>16,264,293</u>	<u>273.63</u>
ADD PRECEPTS			
Kent County Council Precept		67,425,564	1,134.36
Kent County Council Adult Social Care Charge		2,642,672	44.46
Kent Police & Crime Commissioner Precept		9,340,886	157.15
Kent & Medway Fire & Rescue Authority Precept		<u>4,359,873</u>	<u>73.35</u>
TOTAL COUNCIL TAX REQUIREMENT		<u><u>100,033,288</u></u>	<u><u>1,682.95</u></u>
MAIDSTONE BOROUGH COUNCIL (EXCLUDING PARISH PRECEPTS)			245.61
TOTAL COUNCIL TAX (EXCLUDING PARISH PRECEPTS)			1,654.92
TAX BASE			59,439.3

MAIDSTONE BOROUGH COUNCIL REVENUE ESTIMATES

REVISED ESTIMATE 2016/17 AND ESTIMATE 2017/18

COMMITTEE SUMMARY

Cost Centre/Service	Original Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Policy & Resources	5,944,230	6,413,500	6,564,030
Strategic Planning, Sustainability & Transportation	-1,056,640	-604,190	-1,020,660
Communities, Housing & Environment	8,700,330	8,809,510	8,773,840
Heritage, Culture & Leisure	431,370	509,760	410,590
	14,019,290	15,128,580	14,727,800
Slippage	-250,000	-416,500	-314,500
	13,769,290	14,712,080	14,413,300
Transfers to and from General Balances		-568,990	-78,540
Transfers to and from Earmarked Reserves	5,659,120	5,285,320	4,562,130
Net Revenue Expenditure	19,428,410	19,428,410	18,896,890

SUMMARY ESTIMATE 2017/18 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Policy & Resources					
Contingency		304,660	200,000		200,000
Unapportionable Central Overheads	1,686,380	1,686,370	1,751,580		1,751,580
Non Service Related Government Grants	-5,098,410	-4,979,660		-4,001,420	-4,001,420
Appropriation Account	866,110	933,610	1,010,710		1,010,710
Balances, Pensions & Appropriations	-2,545,920	-2,055,020	2,962,290	-4,001,420	-1,039,130
Business Support & Enterprise	19,100	19,100			0
Town Centre Management Sponsorship	15,000	15,000			0
Business Terrace	100,090	84,540	164,170	-94,350	69,820
Business Support	134,190	118,640	164,170	-94,350	69,820
Council Tax Collection	-285,200	-240,900	64,860	-393,760	-328,900
Council Tax Benefits Administration	-160,200	-163,800		-163,800	-163,800
NNDR Collection	-244,370	-195,170	10,600	-250,970	-240,370
Registration Of Electors	78,310	108,930	61,480	-2,270	59,210
Elections	115,690	102,250	223,870	-121,620	102,250
External Interest Payable	150,820	150,820	124,980		124,980
Interest & Investment Income	-270,000	-270,000		-220,000	-220,000
Central Services to the Public	-614,950	-507,870	485,790	-1,152,420	-666,630
Palace Gatehouse	-4,130	-9,710	2,830	-13,490	-10,660
Archbishops Palace	-98,280	-99,230	39,170	-138,380	-99,210
Parkwood Industrial Estate	-301,540	-307,340	12,900	-320,240	-307,340
Industrial Starter Units	-22,300	-19,480	25,840	-46,010	-20,170
Parkwood Equilibrium Units	-34,630	-38,930	37,370	-76,400	-39,030
Sundry Corporate Properties	-101,450	-93,150	44,200	-141,300	-97,100
Parks Dwellings	-26,090	-9,420	34,720	-51,300	-16,580
Chillington House	-41,130	-35,430	6,500	-41,130	-34,630
Phoenix Park Units	-217,240	-217,910	12,620	-230,530	-217,910
Granada House - Commercial		-61,900	22,960	-138,800	-115,840
Granada House - Residential		-41,100		-105,950	-105,950
Commercial Investments	-846,790	-933,600	239,110	-1,303,530	-1,064,420
Performance & Development	14,800	14,800	14,800		14,800
Corporate Projects	49,610	42,840	42,840		42,840
Press & Public Relations	41,200	40,050	40,050		40,050
Corporate Management	180,880	152,860	103,000		103,000
Corporate Management	286,490	250,550	200,690	0	200,690
Economic Development Section	215,850	226,250	228,320		228,320
Head of Economic and Commercial Dev.	99,110	91,760	95,500		95,500
Commercial Projects Manager	54,750	56,320			0
Democratic Services Section	106,460	132,940	136,030		136,030
Mayoral & Civic Services Section	101,600	102,220	104,710		104,710
Chief Executive	161,430	158,930	160,680		160,680
Communications Section	120,790	123,540	111,270	-32,370	78,900
Policy & Information	204,240	215,730	213,120		213,120
Head of Policy and Communications	100,130	99,410	104,850		104,850
Democratic & Admin.Services Manager		43,910	45,960		45,960
Registration Services Section	103,570	110,670	128,850		128,850
Director of Finance & Business Imp.	133,600	133,400	134,010		134,010
Head of Finance and Resources	101,760	99,080			0
Accountancy Section	604,810	637,940	646,290	-4,380	641,910
Director of Regeneration & Place	134,170	133,500	134,110		134,110
Property & Procurement Manager	80,630	80,860	81,060		81,060
Procurement Section	68,840	67,090	145,280	-75,300	69,980
Property & Projects Section	255,500	260,750	264,330		264,330
Facilities & Corporate Support Section	432,330	434,510	409,710		409,710
Improvement Section	234,340	236,450	240,900		240,900
Executive Support	154,950	152,360	156,820		156,820
Customer Services Manager	75,150	77,090	75,190		75,190
Customer Services Section	654,860	646,990	621,410	-8,000	613,410
Corporate Support Services	4,198,870	4,321,700	4,238,400	-120,050	4,118,350
Civic Occasions	37,510	34,810	34,850		34,850
Members Allowances	412,540	362,540	342,540		342,540
Members Facilities	67,790	60,090	40,100		40,100
Subscriptions	18,100	18,100	18,100		18,100
Overview & Scrutiny	9,350	1,660			0
Democratic Representation	545,290	477,200	435,590	0	435,590
Economic Dev Government Initiatives	1,400	1,400			0
Economic Dev - Promotion & Marketing	25,900	36,100	4,300	-3,500	800
Economic Development	27,300	37,500	4,300	-3,500	800

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Economic Research	9,350	9,350			0
Economic Research	9,350	9,350	0	0	0
Emergency Centre	33,980	29,080	29,080		29,080
Emergency Planning	33,980	29,080	29,080	0	29,080
Housing Benefits Administration	-339,660	-475,700		-450,700	-450,700
Housing Benefit Administration	-339,660	-475,700	0	-450,700	-450,700
Medway Conservancy	111,050	111,050	108,870		108,870
Levies	111,050	111,050	108,870	0	108,870
Town Hall	81,830	89,120	85,460	-3,990	81,470
South Maidstone Depot	128,910	129,820	133,430		133,430
The Gateway King Street	133,740	143,850	333,120	-241,390	91,730
Maidstone House	1,227,660	1,141,660	1,181,970	-124,300	1,057,670
Office Accommodation	1,572,140	1,504,450	1,733,980	-369,680	1,364,300
Rent Allowances	-344,090	-203,330	46,373,690	-46,577,020	-203,330
Non HRA Rent Rebates	3,320	-5,000	491,400	-496,400	-5,000
Discretionary Housing Payments	2,300	1,000	100,600	-99,600	1,000
Rent Rebates	-338,470	-207,330	46,965,690	-47,173,020	-207,330
Mid Kent Improvement Partnership			130,490	-130,490	0
Revenues Section	391,870	385,210	354,330	-9,760	344,570
Benefits Section	434,150	425,880	464,060	-31,760	432,300
Fraud & Visiting Partnership Section	99,320	97,900	210,650	-163,350	47,300
Head of Internal Audit & Risk Strategy	203,350	186,790	665,880	-469,510	196,370
Head of Human Resources	86,520	85,200			0
Human Resources	184,130	177,550			0
Pay & Information	117,840	125,190			0
Learning & Development	102,910	113,440			0
Legal Services Section	518,650	518,650	543,150	-60,000	483,150
Revenues & Benefits Manager	233,370	224,970	245,780	-11,800	233,980
Revenues & Benefits Business Support	129,780	131,920	277,720	-141,710	136,010
Mid Kent ICT Services	653,580	661,530	1,575,680	-895,620	680,060
GIS Section	95,930	98,850	168,130	-65,690	102,440
Director of Mid Kent Services		31,550	72,120	-47,300	24,820
Mid Kent HR Services Section			604,090	-243,210	360,880
MBC HR & Payroll Section			228,920	-520	228,400
I.T. Operational Services	331,090	320,840	327,190		327,190
Central Telephones	60,200	60,200	60,200		60,200
Shared Services	3,642,690	3,645,670	5,928,390	-2,270,720	3,657,670
Mid Kent ITC Software	141,270	174,520	521,820	-334,400	187,420
Youth Development Programme	47,950	47,950	64,900	-16,700	48,200
Internal Printing	-85,240	-85,240	50,890	-136,130	-85,240
Debt Recovery Service	-35,310	-49,400	567,270	-710,580	-143,310
Trading Accounts	68,670	87,830	1,204,880	-1,197,810	7,070
Policy & Resources	5,944,230	6,413,500	64,701,230	-58,137,200	6,564,030

POLICY & RESOURCES COMMITTEE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	7,941,330	8,348,370	8,446,060
Employee Other	2,027,430	2,195,640	1,876,060
Repairs & Maintenance	412,010	380,290	380,120
Utilities	347,570	350,520	373,430
Premises Other	1,486,950	1,441,290	1,423,800
Vehicle & Transport	144,910	151,910	154,380
Equipment & Furniture	899,620	1,035,610	1,086,570
Supplies & Services Other	480,960	1,170,800	574,610
Printing & Stationery	210,320	228,130	205,800
Professional Services	540,730	688,980	544,370
Security & Protection	59,410	35,660	34,960
Subsistence & Training	97,760	114,230	165,760
Allowances	396,780	352,280	332,280
Grants & Contributions Paid	259,270	280,910	233,740
General Insurances	15,070	13,000	13,160
Information & Communications	28,500	27,800	25,350
Agency & Contractor	519,070	667,520	839,440
Benefits	45,373,460	46,950,230	46,974,200
Leasing & Capital Charges	885,260	940,040	1,017,140
Grants & Contributions Received	-53,694,280	-56,024,900	-54,621,320
Income Other	-1,337,310	-1,379,650	-1,258,890
Fees & Charges	-2,150	-411,210	-866,150
Rent	-1,148,440	-1,143,950	-1,390,840
Policy & Resources	5,944,230	6,413,500	6,564,030

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SUMMARY ESTIMATE 2017/18 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Strategic Planning, Sustainability and Transportation					
Building Regulations Chargeable	-295,160	-295,160	6,690	-326,850	-320,160
Building Control	-990	-990	2,000	-2,990	-990
Street Naming & Numbering	-49,000	-49,000		-49,000	-49,000
Building Control	-345,150	-345,150	8,690	-378,840	-370,150
Land Charges	-231,040	-210,360	36,350	-269,750	-233,400
Central Services to the Public	-231,040	-210,360	36,350	-269,750	-233,400
Development Management Section	802,980	765,650	787,690		787,690
Spatial Policy Planning Section	472,290	477,630	442,350		442,350
Head of Planning and Development	99,700	99,300	102,100		102,100
Development Mgt.Enforcement Section	139,970	140,530	143,850		143,850
Building Surveying Section	348,980	349,200	358,410		358,410
Heritage Landscape and Design Section	164,150	167,490	171,560		171,560
Planning Business Management		102,810	107,200		107,200
Parking Services Section	283,390	300,040	419,590	-108,990	310,600
Corporate Support Services	2,311,460	2,402,650	2,532,750	-108,990	2,423,760
Development Control Advice	-115,000	-115,000		-115,000	-115,000
Development Control Applications	-1,157,140	-1,295,980	23,080	-1,319,060	-1,295,980
Development Control Appeals	19,410	119,410	119,410		119,410
Development Control Enforcement	67,070	47,310	64,520		64,520
Development Control	-1,185,660	-1,244,260	207,010	-1,434,060	-1,227,050
Environment Improvements	14,240	17,660	17,170		17,170
Name Plates & Notices	17,600	17,600	17,600		17,600
Network & Traffic Management	31,840	35,260	34,770	0	34,770
On Street Parking	-277,560	-281,780	395,400	-668,930	-273,530
Residents Parking	-223,060	-223,930	44,180	-267,180	-223,000
Pay & Display Car Parks	-1,282,530	-1,327,790	358,370	-1,938,570	-1,580,200
Non Paying Car Parks	9,310	9,230	9,310	-10	9,300
Off Street Parking - Enforcement	-179,580	-192,070	139,380	-327,750	-188,370
Mote Park Pay & Display	-187,560	-175,750	22,150	-197,330	-175,180
Mote Park - Enforcement	24,340	23,940	24,660		24,660
Sandling Road Car Park			128,330	-240,100	-111,770
Parking Services	-2,116,640	-2,168,150	1,121,780	-3,639,870	-2,518,090
Planning Policy	-3,340	333,250	200,000		200,000
Conservation	-11,670	-11,470	10,000	-21,470	-11,470
Planning Policy	-15,010	321,780	210,000	-21,470	188,530
Park & Ride	185,460	185,160	565,590	-366,690	198,900
Socially Desirable Buses	63,780	63,780	63,780		63,780
Other Transport Services	-9,300	-9,300	15,700	-25,000	-9,300
Public Transport	239,940	239,640	645,070	-391,690	253,380
Mid Kent Planning Support Service	253,620	336,630	661,400	-265,330	396,070
Mid Kent Local Land Charges Section		27,770	134,390	-102,870	31,520
Shared Services	253,620	364,400	795,790	-368,200	427,590
Strategic Planning, Sustainability and Transportation	-1,056,640	-604,190	5,592,210	-6,612,870	-1,020,660

STRATEGIC PLANNING, SUSTAINABILITY & TRANSPORTATION COMMITTEE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	2,968,460	2,974,550	3,102,070
Employee Other	32,000	61,630	29,290
Repairs & Maintenance	178,440	192,700	182,720
Utilities	13,010	13,010	13,240
Premises Other	242,550	239,670	241,530
Vehicle & Transport	512,750	500,260	512,680
Equipment & Furniture	73,700	85,750	80,310
Supplies & Services Other	196,430	223,490	228,730
Printing & Stationery	25,270	27,330	27,330
Professional Services	203,790	614,250	431,070
Security & Protection	13,000	95,060	71,000
Subsistence & Training	12,930	6,380	2,550
Grants & Contributions Paid	60,130	65,350	65,350
General Insurances	7,450	7,480	7,520
Information & Communications	6,680	3,900	5,000
Agency & Contractor	472,870	460,460	590,820
Grants & Contributions Received	-642,010	-546,330	-493,190
Income Other	-171,180	-188,410	-268,960
Fees & Charges	-5,255,350	-5,392,960	-5,845,960
Rent	-7,560	-47,760	-3,760
Strategic Planning, Sustainability & Transportation	-1,056,640	-604,190	-1,020,660

SUMMARY ESTIMATE 2017/18 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Communities, Housing & Environment					
Grants	217,270	217,270	205,270		205,270
Delegated Grants	2,100	2,100	2,100		2,100
Parish Services	103,000	103,000	130,170		130,170
Local Council Tax Support	96,800	96,800			0
Central Services to the Public	419,170	419,170	337,540	0	337,540
Switch Cafe Project	15,060	15,060			0
Community Development	14,780	16,350			0
Social Inclusion	7,040	94,660			0
Troubled Families	30	-20,010			0
Community Development	36,910	106,060	0	0	0
Community Safety	46,440	46,440	66,440		66,440
Safer Communities			32,250	-32,250	0
C C T V	243,480	242,130	213,450	-21,100	192,350
Community Safety	289,920	288,570	312,140	-53,350	258,790
Head of Environment and Public Realm	86,860	85,490	86,660		86,660
Street Scene Section	238,650				0
Waste Collection Section	219,850				0
Depot Services Section		440,990	432,680		432,680
Environmental Ops.Enforcement Section	317,260	311,890	317,340		317,340
Community Safety Co-ordinator Section	64,520	165,180	127,950		127,950
Licensing Section	99,160	101,290	104,300		104,300
Environmental Protection Section	243,170	243,530	237,070		237,070
Food and Safety Section	291,930	294,650	292,700		292,700
Head of Housing & Community Services	102,380	100,600	102,800		102,800
Housing & Enabling Section	313,350	318,800	328,060		328,060
Housing & Inclusion Section	355,240	382,700	501,660		501,660
Housing & Health Section	341,590	285,970	282,440		282,440
Corporate Support Services	2,673,960	2,731,090	2,813,660	0	2,813,660
Drainage	31,700	31,700	31,700		31,700
Flood Defences & Land Drainage	31,700	31,700	31,700	0	31,700
Homeless Temporary Accommodation	416,530	432,630	815,630	-391,180	424,450
Homelessness Prevention	60,400	155,380	245,400		245,400
Aylesbury House	30,340	19,790	97,070	-76,900	20,170
Magnolia House	150	-6,440	39,540	-45,500	-5,960
Marsham Street			83,290	-51,930	31,360
Sundry Temporary Accom (TA) Properties			72,200	-65,020	7,180
Homelessness	507,420	601,360	1,353,130	-630,530	722,600
Housing Register & Allocations	10,000	10,000	10,000		10,000
Housing Advice	10,000	10,000	10,000	0	10,000
Strategic Housing Role	13,500	16,540	13,500		13,500
Housing Strategy	13,500	16,540	13,500	0	13,500
Marden Caravan Site (Stilebridge Lane)	18,150	18,140	48,530	-29,510	19,020
Ulcombe Caravan Site (Water Lane)	6,230	6,220	45,620	-38,690	6,930
Other Council Properties	24,380	24,360	94,150	-68,200	25,950
Private Sector Renewal	2,630	2,630	5,630	-53,000	-47,370
HMO Licensing	-10,380	-10,380		-13,380	-13,380
Private Sector Housing Renewal	-7,750	-7,750	5,630	-66,380	-60,750
Public Health - Obesity		7,740	94,000	-94,000	0
Public Health - Misc Services		5,440	58,300	-58,300	0
Public Health	0	13,180	152,300	-152,300	0
Recycling Collection	633,940	575,260	1,789,100	-1,227,040	562,060
Recycling	633,940	575,260	1,789,100	-1,227,040	562,060
Licences	-7,370	-6,800	22,090	-28,890	-6,800
Licensing Statutory	-61,040	-61,040	60,280	-131,320	-71,040
Licensing Non Chargeable	7,030	7,030	7,030		7,030
Dog Control	24,150	24,150	28,050	-3,900	24,150
Health Promotion		1,750			0
Health Improvement Programme	1,000	1,000	8,800		8,800
Pollution Control - General	26,060	25,810	37,510	-11,570	25,940
Contaminated Land			1,000	-1,000	0
Environmental Enforcement	13,580	13,580	125,600	-112,020	13,580
Food Hygiene	8,840	8,840	10,750	-1,910	8,840
Sampling	3,300	3,300	3,300		3,300
Occupational Health & Safety	24,240	23,670	24,240	-570	23,670
Infectious Disease Control	920	950	960		960
Noise Control	1,190	1,980	1,160		1,160
Pest Control	-12,000	-12,000		-12,000	-12,000
Public Conveniences	141,070	146,270	139,590		139,590

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Licensing - Hackney & Private Hire	-68,400	-68,400	70,470	-138,870	-68,400
Regulatory Services	102,570	110,090	540,830	-442,050	98,780
Street Cleansing	977,760	980,000	1,000,050	-33,020	967,030
Street Cleansing	977,760	980,000	1,000,050	-33,020	967,030
Commercial Waste Services	-61,300	-61,280	99,630	-165,720	-66,090
Trade Waste	-61,300	-61,280	99,630	-165,720	-66,090
Fleet Workshop & Management	745,450	690,720	749,940		749,940
MBS Support Crew	-78,520	-49,730	102,570	-162,490	-59,920
Grounds Maintenance	1,309,200	1,310,820	1,334,100	-17,250	1,316,850
Trading Accounts	1,976,130	1,951,810	2,186,610	-179,740	2,006,870
Household Waste Collection	1,072,020	1,019,350	1,186,220	-134,020	1,052,200
Waste Collection	1,072,020	1,019,350	1,186,220	-134,020	1,052,200
Communities, Housing & Environment	8,700,330	8,809,510	11,926,190	-3,152,350	8,773,840

COMMUNITIES, HOUSING & ENVIRONMENT COMMITTEE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	4,421,180	4,674,740	4,639,170
Employee Other	196,550	149,860	196,770
Repairs & Maintenance	188,060	192,860	197,770
Utilities	44,970	46,370	50,270
Premises Other	86,490	135,670	198,100
Vehicle & Transport	418,680	382,810	413,650
Equipment & Furniture	317,300	349,200	348,800
Supplies & Services Other	732,630	817,950	892,060
Printing & Stationery	10,150	10,710	10,670
Professional Services	1,401,690	1,849,090	1,310,160
Security & Protection	40,240	50,240	50,240
Subsistence & Training	9,400	19,190	200
Grants & Contributions Paid	448,070	508,180	367,440
General Insurances	9,450	6,930	6,950
Information & Communications	65,820	68,520	53,420
Agency & Contractor	2,943,870	2,867,930	2,942,870
Leasing & Capital Charges	274,740	244,330	248,650
Grants & Contributions Received	-205,570	-435,410	-234,550
Income Other	-991,650	-1,053,180	-1,003,860
Fees & Charges	-1,158,870	-1,166,910	-1,216,210
Rent	-552,870	-909,570	-698,730
Communities, Housing & Environment	8,700,330	8,809,510	8,773,840

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SUMMARY ESTIMATE 2017/18 - BY COMMITTEE

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Heritage, Culture & Leisure					
Cemetery	-80,250	-94,480	43,980	-142,220	-98,240
National Assistance Act	-490	-490	500	-990	-490
Crematorium	-778,570	-782,750	372,820	-1,202,590	-829,770
Maintenance of Closed Churchyards	5,000	0	1,000		1,000
Bereavement Services	-854,310	-877,720	418,300	-1,345,800	-927,500
Parks & Leisure Services Section	195,060	239,260	158,400		158,400
Cultural Services Section	468,820	461,030	509,340		509,340
Maidstone Culture & Leisure Section	130,210	131,430	187,620	-50,000	137,620
Bereavement Services Section	164,110	183,310	170,340		170,340
Market Section	77,120	75,260	76,000		76,000
Corporate Support Services	1,035,320	1,090,290	1,101,700	-50,000	1,051,700
Cultural Development Arts	32,260	28,040	28,110		28,110
Museum	249,080	265,900	373,900	-98,000	275,900
Carriage Museum	22,850	27,340	30,800	-2,000	28,800
Museum-Grant Funded Activities	30	18,960	0	0	0
Hazlitt Arts Centre	259,460	259,390	266,450		266,450
Festivals and Events	-6,100	-3,260	54,900	-58,160	-3,260
Culture & Heritage	557,580	596,370	754,160	-158,160	596,000
Market	-174,600	-165,510	178,930	-350,370	-171,440
Economic Development	-174,600	-165,510	178,930	-350,370	-171,440
Parks & Open Spaces	68,200	87,190	126,030	-66,800	59,230
River Park	35,710	48,540	35,410		35,410
Playground Improvements	21,700	19,840	20,920		20,920
Parks Pavilions	20,610	24,790	25,090	-10	25,080
Mote Park	58,700	40,450	93,310	-54,080	39,230
Mote Park Cafe	-83,640	-90,200	273,650	-264,440	9,210
Cobtree Manor Park	-75,610	-135,800	123,740	-256,630	-132,890
Kent Life	-3,850	-60	50,340	-50,000	340
Cobtree Manor Park Visitor Centre	1,870	-8,740	265,830	-271,680	-5,850
Allotments	11,040	11,040	11,040		11,040
Open Spaces	54,730	-2,950	1,025,360	-963,640	61,720
Lettable Halls	-940	-2,490	4,800	-7,290	-2,490
Community Halls	51,320	46,000	87,900	-40,970	46,930
Cultural Development Sports	33,520	43,000			0
Leisure Centre	-219,070	-220,670	-18,370	-200,000	-218,370
Cobtree Golf Course	-73,540	-67,340	154,040	-220,870	-66,830
Recreation & Sport	-208,710	-201,500	228,370	-469,130	-240,760
Tourism	26,100	56,100	41,100	-15,000	26,100
Conference Bureau	-14,770	0	0	0	0
Museum Shop	-23,420	-18,770	31,460	-50,200	-18,740
Leisure Services Other Activities	33,450	33,450	33,510		33,510
Tourism	21,360	70,780	106,070	-65,200	40,870
Heritage, Culture & Leisure	431,370	509,760	3,812,890	-3,402,300	410,590

HERITAGE, CULTURE & LEISURE COMMITTEE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	1,289,880	1,569,100	1,496,640
Employee Other	28,300	56,800	11,140
Repairs & Maintenance	521,870	561,720	569,790
Utilities	226,930	248,940	251,570
Premises Other	288,010	317,920	328,520
Vehicle & Transport	29,970	30,930	27,630
Equipment & Furniture	53,200	57,980	53,080
Supplies & Services Other	359,440	780,080	600,280
Printing & Stationery	8,160	8,110	8,110
Professional Services	93,910	133,740	110,260
Security & Protection	12,000	11,700	11,700
Subsistence & Training	4,950	10,400	1,500
Grants & Contributions Paid	22,690	69,380	17,100
General Insurances	54,000	33,340	33,720
Information & Communications	45,010	45,850	44,270
Agency & Contractor	228,700	240,400	247,580
Leasing & Capital Charges	1,220	0	0
Grants & Contributions Received	-46,740	-204,560	-10,160
Income Other	-1,017,770	-1,571,350	-1,446,920
Fees & Charges	-1,545,230	-1,654,990	-1,709,490
Rent	-227,130	-235,730	-235,730
Heritage, Leisure & Culture	431,370	509,760	410,590

MAIDSTONE BOROUGH COUNCIL REVENUE ESTIMATES

REVISED ESTIMATE 2016/17 AND ESTIMATE 2017/18

PRIORITY SUMMARY

Cost Centre/Service	Original Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Character	799,210	822,930	640,360
Health & Wellbeing	1,783,520	1,895,190	1,984,690
Clean & Safe	3,645,460	3,619,470	3,545,010
Leisure & Culture	1,516,350	1,558,200	1,567,130
Town Centre	115,090	99,540	69,820
Employment & Skills	271,590	292,200	229,120
Homes	785,060	1,251,750	1,184,000
Infrastructure	341,410	360,240	385,050
Trading	-3,955,910	-4,050,460	-4,613,250
Central & Democratic	8,717,510	9,279,520	9,735,870
	14,019,290	15,128,580	14,727,800
Slippage	-250,000	-416,500	-314,500
	13,769,290	14,712,080	14,413,300
Transfers to and from General Balances		-568,990	-78,540
Transfers to and from Earmarked Reserves	5,659,120	5,285,320	4,562,130
Net Revenue Expenditure	19,428,410	19,428,410	18,896,890

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SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Character					
Conservation	-11,670	-11,470	10,000	-21,470	-11,470
Community Development	14,780	16,350			0
Social Inclusion	7,040	94,660			0
Civic Occasions	37,510	34,810	34,850		34,850
Parish Services	103,000	103,000	130,170		130,170
Local Council Tax Support	96,800	96,800			
Medway Conservancy	111,050	111,050	108,870		108,870
Head of Economic & Commercial Dev.	99,110	91,760	95,500		95,500
Housing & Health Section	341,590	285,970	282,440		282,440
Character	799,210	822,930	661,830	-21,470	640,360

CHARACTER

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	410,220	346,050	348,230
Employee Other	3,880	4,250	4,330
Repairs & Maintenance	3,000	300	300
Utilities	111,050	111,050	108,870
Vehicle & Transport	16,300	17,300	16,340
Equipment & Furniture	900	4,010	900
Printing & Stationery	1,270	1,270	1,230
Professional Services	5,700	125,340	600
Supplies & Services Other	34,290	91,200	18,310
Subsistence & Training	1,400	4,310	0
Allowances	16,990	22,490	22,490
Grants & Contributions Paid	207,500	209,800	140,170
General Insurances	60	40	40
Information & Communications	8,120	8,320	20
Grants & Contributions Received	0	-98,620	0
Income Other	0	-2,710	0
Fees & Charges	-21,470	-21,470	-21,470
Character	799,210	822,930	640,360

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17	Revised Estimate 2016/17	Estimate 2017/18 (Expenditure)	Estimate 2017/18 (Income)	Estimate 2017/18
	£	£	£	£	£
Health & Wellbeing					
Cultural Development Sports	33,520	43,000			0
Leisure Centre	-219,070	-220,670	-18,370	-200,000	-218,370
Cobtree Golf Course	-73,540	-67,340	154,040	-220,870	-66,830
Cemetery	-80,250	-94,480	43,994	-142,220	-98,226
National Assistance Act	-490	-490	500	-990	-490
Maintenance of Closed Churchyards	5,000		1,000		1,000
Drainage	31,700	31,700	31,700		31,700
Health Promotion		1,750			0
Health Improvement Programme	1,000	1,000	8,800		8,800
Pollution Control - General	26,060	25,810	37,510	-11,570	25,940
Contaminated Land			1,000	-1,000	0
Environmental Enforcement	13,580	13,580	125,600	-112,020	13,580
Food Hygiene	8,840	8,840	10,750	-1,910	8,840
Sampling	3,300	3,300	3,300		3,300
Occupational Health & Safety	24,240	23,670	24,240	-570	23,670
Infectious Disease Control	920	950	960		960
Noise Control	1,190	1,980	1,160		1,160
Pest Control	-12,000	-12,000		-12,000	-12,000
Public Conveniences	141,070	146,270	139,590		139,590
Licensing - Hackney & Private Hire	-68,400	-68,400	70,470	-138,870	-68,400
Troubled Families	30	-20,010			0
Public Health - Obesity		7,740	94,000	-94,000	0
Public Health - Misc Services		5,440	58,300	-58,300	0
Housing Register & Allocations	10,000	10,000	10,000		10,000
Private Sector Renewal	2,630	2,630	5,630	-53,000	-47,370
HMO Licensing	-10,380	-10,380		-13,380	-13,380
Homeless Temporary Accommodation	416,530	432,630	815,630	-391,180	424,450
Homelessness Prevention	60,400	155,380	245,400		245,400
Aylesbury House	30,340	19,790	97,066	-76,900	20,166
Magnolia House	150	-6,440	39,540	-45,500	-5,960
Marsham Street			83,290	-51,930	31,360
Sundry Temp.Accomm (TA) Properties			72,200	-65,020	7,180
Rent Allowances	-344,090	-203,330	46,373,690	-46,577,020	-203,330
Non HRA Rent Rebates	3,320	-5,000	491,400	-496,400	-5,000
Discretionary Housing Payments	2,300	1,000	100,600	-99,600	1,000
Housing Benefits Administration	-339,650	-475,700		-450,700	-450,700
Bereavement Services Section	164,110	183,310	170,340		170,340
Environmental Ops.Enforcement Section	317,260	311,890	317,340		317,340
Environmental Protection Section	243,170	243,530	237,070		237,070
Food and Safety Section	291,930	294,650	292,700		292,700
Head of Housing & Community Services	102,380	100,600	102,800		102,800
Housing Options Section					0
Housing & Enabling Section	313,350	318,800	328,060		328,060
Housing & Inclusion Section	355,230	382,700	501,660		501,660
Revenues & Benefits Manager	233,370	224,970	245,780	-11,800	233,980
Revenues & Benefits Business Support	129,780	131,920	277,720	-141,710	136,010
Debt Recovery Service	-35,310	-49,400	567,270	-710,580	-143,310
Health & Wellbeing	1,783,520	1,895,190	52,163,730	-50,179,040	1,984,690

HEALTH & WELLBEING

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	1,945,430	2,225,480	2,352,030
Employee Other	194,840	158,300	234,210
Repairs & Maintenance	139,150	136,450	136,650
Utilities	57,730	62,530	66,640
Premises Other	62,330	61,260	126,460
Vehicle & Transport	57,180	55,350	54,150
Equipment & Furniture	182,160	208,110	215,950
Supplies & Services Other	368,310	362,570	620,010
Printing & Stationery	3,190	2,690	3,890
Professional Services	1,067,160	1,411,930	983,770
Security & Protection	48,740	50,240	50,240
Subsistence & Training	5,200	7,680	200
Grants & Contributions Paid	19,300	88,890	11,500
General Insurances	6,090	3,590	3,640
Information & Communications	5,000	5,300	20,300
Agency & Contractor	65,880	101,580	318,400
Benefits	45,386,170	46,965,690	46,965,690
Grants & Contributions Received	-46,387,270	-47,955,390	-47,970,560
Income Other	-615,740	-667,940	-607,520
Fees & Charges	-332,830	-537,920	-960,600
Rent	-494,500	-851,200	-640,360
Health & Wellbeing	1,783,520	1,895,190	1,984,690

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Clean & Safe					
Community Safety	46,440	46,440	66,440		66,440
Safer Communities			32,250	-32,250	0
C C T V	243,480	242,130	213,450	-21,100	192,350
Licences	-7,370	-6,800	22,090	-28,890	-6,800
Licensing Statutory	-61,040	-61,040	60,280	-131,320	-71,040
Licensing Non Chargeable	7,030	7,030	7,030		7,030
Dog Control	24,150	24,150	28,050	-3,900	24,150
Street Cleansing	977,760	980,000	1,000,050	-33,020	967,030
Household Waste Collection	1,072,030	1,019,350	1,186,220	-134,020	1,052,200
Recycling Collection	633,940	575,260	1,789,100	-1,227,040	562,060
Head of Environment & Public Realm	86,860	85,490	86,660		86,660
Street Scene Section	238,650				0
Waste Collection Section	219,850				0
Depot Services Section		440,990	432,680		432,680
Community Safety Co-ord.Section	64,520	165,180	127,950		127,950
Licensing Section	99,160	101,290	104,300		104,300
Clean & Safe	3,645,460	3,619,470	5,156,550	-1,611,540	3,545,010

CLEAN & SAFE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	1,468,620	1,649,880	1,581,040
Employee Other	-20,290	-25,150	-54,480
Utilities	9,990	9,990	10,190
Premises Other	20,110	19,670	19,670
Vehicle & Transport	38,630	36,920	32,720
Equipment & Furniture	218,110	252,410	252,410
Supplies & Services Other	105,870	188,190	62,990
Printing & Stationery	6,890	8,250	8,250
Professional Services	323,600	324,950	342,100
Subsistence & Training	4,200	6,000	100
Grants & Contributions Paid	12,500	12,500	12,500
General Insurances	4,810	3,370	3,390
Information & Communications	50,700	53,000	31,200
Agency & Contractor	2,877,990	2,792,050	2,854,470
Grants & Contributions Received	-32,250	-173,570	-32,250
Income Other	-573,750	-607,180	-607,180
Fees & Charges	-870,270	-931,810	-972,110
Clean & Safe	3,645,460	3,619,470	3,545,010

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Leisure & Culture					
Cultural Development Arts	32,260	28,040	28,110		28,110
Museum	249,080	265,900	373,900	-98,000	275,900
Carriage Museum	22,850	27,340	30,800	-2,000	28,800
Museum-Grant Funded Activities	30	18,960	0	0	0
Hazlitt Arts Centre	259,460	259,390	266,450		266,450
Festivals and Events	-6,100	-3,260	54,900	-58,160	-3,260
Lettable Halls	-940	-2,490	4,800	-7,290	-2,490
Community Halls	51,320	46,000	87,900	-40,970	46,930
Parks & Open Spaces	68,200	87,190	126,030	-66,800	59,230
River Park	35,710	48,540	35,410		35,410
Playground Improvements	21,700	19,840	20,920		20,920
Parks Pavilions	20,610	24,790	25,090	-10	25,080
Mote Park	58,700	40,450	93,310	-54,080	39,230
Mote Park Cafe	-83,640	-90,200	273,650	-264,440	9,210
Cobtree Manor Park	-75,610	-135,800	123,740	-256,630	-132,890
Kent Life	-3,850	-60	50,340	-50,000	340
Cobtree Manor Park Visitor Centre	1,870	-8,740	265,830	-271,680	-5,850
Allotments	11,040	11,040	11,040		11,040
Tourism	26,100	56,100	41,100	-15,000	26,100
Leisure Services Other Activities	33,450	33,450	33,510		33,510
Parks & Leisure Services Section	195,060	239,260	158,400		158,400
Cultural Services Section	468,840	461,030	509,340		509,340
Maidstone Culture & Leis.Section	130,210	131,430	187,620	-50,000	137,620
Leisure & Culture	1,516,350	1,558,200	2,802,190	-1,235,060	1,567,130

LEISURE & CULTURE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	964,800	1,231,720	1,166,770
Employee Other	19,410	45,860	1,290
Repairs & Maintenance	359,390	379,540	393,920
Utilities	134,070	156,680	158,540
Premises Other	146,290	181,210	187,680
Vehicle & Transport	22,370	23,730	20,430
Equipment & Furniture	30,010	38,490	33,590
Supplies & Services Other	189,680	583,510	429,320
Printing & Stationery	3,850	5,200	5,200
Professional Services	57,430	89,410	65,930
Security & Protection	12,000	11,700	11,700
Subsistence & Training	3,150	9,150	1,400
Grants & Contributions Paid	11,900	49,000	14,000
General Insurances	44,180	28,440	28,370
Information & Communications	39,210	41,650	40,070
Agency & Contractor	225,100	236,800	243,980
Leasing & Capital Charges	1,220	0	0
Grants & Contributions Received	-13,000	-204,560	-10,160
Income Other	-544,950	-1,100,210	-975,780
Fees & Charges	-140,080	-190,840	-190,840
Rent	-49,680	-58,280	-58,280
Leisure & Culture	1,516,350	1,558,200	1,567,130

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Town Centre					
Town Centre Mgt.Sponsorship	15,000	15,000			0
Business Terrace	100,090	84,540	164,170	-94,350	69,820
Town Centre	115,090	99,540	164,170	-94,350	69,820

TOWN CENTRE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Repairs & Maintenance	15,100	13,900	13,900
Utilities	10,540	10,540	10,710
Premises Other	113,270	109,790	109,870
Equipment & Furniture	7,750	8,210	8,210
Supplies & Services Other	-5,690	2,460	2,460
Printing & Stationery	800	900	900
Professional Services	17,250	15,120	120
General Insurances	810	940	970
Information & Communications	10,500	4,500	4,500
Agency & Contractor	12,530	12,530	12,530
Income Other	-14,770	-4,670	-4,670
Fees & Charges	0	-74,680	-89,680
Rent	-53,000	0	0
Town Centre	115,090	99,540	69,820

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Employment & Skills					
Economic Research	9,350	9,350			0
Business Support & Enterprise	19,100	19,100			0
Economic Dev Government Initiatives	1,400	1,400			0
Economic Dev - Promotion & Marketing	25,900	36,100	4,300	-3,500	800
Economic Development Section	215,840	226,250	228,320		228,320
Employment & Skills	271,590	292,200	232,620	-3,500	229,120

EMPLOYMENT & SKILLS

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	173,450	209,760	216,260
Employee Other	33,730	8,250	4,310
Repairs & Maintenance	0	700	500
Utilities	0	2,500	2,550
Vehicle & Transport	1,940	1,940	1,940
Equipment & Furniture	790	790	790
Supplies & Services Other	36,150	40,650	3,600
Printing & Stationery	900	900	900
Professional Services	19,250	29,170	0
Subsistence & Training	1,300	890	400
Grants & Contributions Paid	1,850	1,930	600
General Insurances	30	20	20
Information & Communications	2,200	2,200	750
Income Other	0	-4,000	0
Fees & Charges	0	-3,500	-3,500
Employment & Skills	271,590	292,200	229,120

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Homes					
Building Regulations Chargeable	-295,160	-295,160	6,690	-326,850	-320,160
Building Control	-990	-990	2,000	-2,990	-990
Street Naming & Numbering	-49,000	-49,000		-49,000	-49,000
Development Control Advice	-115,000	-115,000		-115,000	-115,000
Development Control Applications	-1,157,140	-1,295,980	23,080	-1,319,060	-1,295,980
Development Control Appeals	19,410	119,410	119,410		119,410
Development Control Enforcement	67,070	47,310	64,520		64,520
Planning Policy	-3,340	333,250	200,000		200,000
Neighbourhood Planning					0
Strategic Housing Role	13,500	16,540	13,500		13,500
Marden Caravan Site (Stilebridge Lane)	18,150	18,140	48,530	-29,510	19,020
Ulcombe Caravan Site (Water Lane)	6,230	6,220	45,620	-38,690	6,930
Development Management Section	802,980	765,650	787,690		787,690
Spatial Policy Planning Section	472,290	477,630	442,350		442,350
Head of Planning and Development	99,700	99,300	102,100		102,100
Development Mgt.Enforcement Section	139,970	140,530	143,850		143,850
Building Surveying Section	348,980	349,200	358,410		358,410
Mid Kent Planning Support Service	253,260	336,630	661,400	-265,330	396,070
Heritage Landscape and Design Section	164,150	167,490	171,560		171,560
Planning Business Management		102,810	107,200		107,200
Mid Kent Local Land Charges Section		27,770	135,390	-102,870	32,520
Homes	785,060	1,251,750	3,433,300	-2,249,300	1,184,000

HOMES

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	2,667,780	2,651,530	2,706,040
Employee Other	5,210	33,900	1,580
Repairs & Maintenance	75,360	75,360	76,870
Utilities	14,960	14,960	14,960
Premises Other	460	440	520
Vehicle & Transport	97,230	83,540	83,540
Equipment & Furniture	10,500	8,250	8,250
Supplies & Services Other	82,070	100,310	97,900
Printing & Stationery	11,700	18,410	18,410
Professional Services	130,690	485,980	331,050
Security & Protection	11,000	69,000	69,000
Subsistence & Training	10,630	4,780	2,550
Grants & Contributions Paid	17,330	20,250	20,250
General Insurances	210	180	180
Information & Communications	580	200	200
Agency & Contractor	2,000	2,000	2,000
Grants & Contributions Received	-605,260	-452,690	-368,200
Income Other	-13,210	-11,540	-2,990
Fees & Charges	-1,665,980	-1,784,910	-1,809,910
Rent	-68,200	-68,200	-68,200
Homes	785,060	1,251,750	1,184,000

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Infrastructure					
Environment Improvements	14,240	17,660	17,170		17,170
Name Plates & Notices	17,600	17,600	17,600		17,600
Residents Parking	-223,070	-223,930	44,180	-267,180	-223,000
Non Paying Car Parks	9,310	9,230	9,310	-10	9,300
Park & Ride	185,460	185,160	565,590	-366,690	198,900
Socially Desirable Buses	63,780	63,780	63,780		63,780
Other Transport Services	-9,300	-9,300	15,700	-25,000	-9,300
Parking Services Section	283,390	300,040	419,590	-108,990	310,600
Infrastructure	341,410	360,240	1,152,920	-767,870	385,050

INFRASTRUCTURE

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	314,370	323,020	397,030
Employee Other	26,790	27,730	27,710
Repairs & Maintenance	53,220	56,080	55,380
Utilities	4,630	4,630	4,700
Premises Other	72,920	72,130	72,620
Vehicle & Transport	415,520	416,720	429,140
Equipment & Furniture	18,000	19,100	19,840
Supplies & Services Other	19,660	23,640	23,640
Printing & Stationery	570	1,370	1,370
Professional Services	8,800	51,910	20,620
Subsistence & Training	1,500	1,600	0
Grants & Contributions Paid	41,000	41,000	41,000
General Insurances	860	600	610
Information & Communications	3,700	2,600	3,700
Agency & Contractor	55,500	54,630	55,560
Grants & Contributions Received	-36,750	-77,640	-108,990
Income Other	-154,860	-154,860	-154,860
Fees & Charges	-504,010	-504,010	-504,010
Rent	-10	-10	-10
Infrastructure	341,410	360,240	385,050

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Trading					
Conference Bureau	-14,770				0
Museum Shop	-23,420	-18,770	31,460	-50,200	-18,740
Crematorium	-778,600	-782,750	372,820	-1,202,590	-829,770
Commercial Waste Services	-61,300	-61,280	99,630	-165,720	-66,090
Market	-174,600	-165,510	178,930	-350,370	-171,440
Land Charges	-231,040	-210,360	35,350	-269,750	-234,400
Palace Gatehouse	-4,130	-9,710	2,830	-13,490	-10,660
Archbishops Palace	-98,280	-99,230	39,170	-138,380	-99,210
Parkwood Industrial Estate	-301,540	-307,340	12,900	-320,240	-307,340
Industrial Starter Units	-22,300	-19,480	25,840	-46,010	-20,170
Parkwood Equilibrium Units	-34,630	-38,930	37,370	-76,400	-39,030
Sundry Corporate Properties	-101,450	-93,150	44,200	-141,300	-97,100
Parks Dwellings	-26,090	-9,420	34,720	-51,300	-16,580
Chillington House	-41,130	-35,430	6,500	-41,130	-34,630
Phoenix Park Units	-217,240	-217,910	12,620	-230,530	-217,910
Granada House - Commercial		-61,900	22,960	-138,800	-115,840
Granada House - Residential		-41,100		-105,950	-105,950
On Street Parking	-277,560	-281,780	395,400	-668,930	-273,530
Pay & Display Car Parks	-1,282,530	-1,327,790	358,370	-1,938,570	-1,580,200
Off Street Parking - Enforcement	-179,580	-192,070	139,380	-327,750	-188,370
Mote Park Pay & Display	-187,560	-175,750	22,150	-197,330	-175,180
Mote Park - Enforcement	24,720	23,940	24,660		24,660
Sandling Road Car Park			128,330	-240,100	-111,770
Market Section	77,120	75,260	76,000		76,000
Trading	-3,955,910	-4,050,460	2,101,590	-6,714,840	-4,613,250

TRADING

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	182,420	177,990	181,370
Employee Other	2,060	2,510	2,550
Repairs & Maintenance	404,880	453,420	427,560
Utilities	65,930	62,380	63,430
Premises Other	337,630	395,890	407,430
Vehicle & Transport	5,300	5,300	5,300
Equipment & Furniture	82,690	92,190	86,010
Supplies & Services Other	172,530	193,950	201,710
Printing & Stationery	17,310	10,260	10,260
Professional Services	123,770	152,370	155,920
Security & Protection	2,000	26,060	2,000
Subsistence & Training	2,200	0	0
Grants & Contributions Paid	1,890	2,000	2,000
General Insurances	14,820	11,450	11,890
Information & Communications	10,200	7,300	7,300
Agency & Contractor	418,970	407,430	536,860
Grants & Contributions Received	-33,740	-16,000	-16,000
Income Other	-183,160	-252,390	-334,230
Fees & Charges	-4,438,500	-4,534,800	-5,023,300
Rent	-1,145,110	-1,247,770	-1,341,310
Trading	-3,955,910	-4,050,460	-4,613,250

SUMMARY ESTIMATE 2017/18 - BY PRIORITY

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Central & Democratic					
Switch Cafe Project	15,060	15,060			0
Members Allowances	412,540	362,540	342,540		342,540
Members Facilities	67,790	60,090	40,100		40,100
Subscriptions	18,100	18,100	18,100		18,100
Overview & Scrutiny	9,350	1,660			0
Contingency		304,660	200,000		200,000
Performance & Development	14,800	14,800	14,800		14,800
Corporate Projects	49,610	42,840	42,840		42,840
Press & Public Relations	41,200	40,050	40,050		40,050
Corporate Management	180,880	152,860	103,000		103,000
Mid Kent Improvement Partnership			130,490	-130,490	0
Unapportionable Central Overheads	1,686,380	1,686,370	1,751,580		1,751,580
Council Tax Collection	-285,200	-240,900	64,860	-393,760	-328,900
Council Tax Benefits Administration	-160,200	-163,800		-163,800	-163,800
NNDR Collection	-244,370	-195,170	10,600	-250,970	-240,370
Registration Of Electors	78,310	108,930	61,480	-2,270	59,210
Elections	115,690	102,250	223,870	-121,620	102,250
Emergency Centre	33,980	29,080	29,080		29,080
Grants	217,270	217,270	205,270		205,270
Delegated Grants	2,100	2,100	2,100		2,100
External Interest Payable	150,820	150,820	124,980		124,980
Interest & Investment Income	-270,000	-270,000		-220,000	-220,000
Non Service Related Government Grants	-5,098,410	-4,979,660		-4,001,420	-4,001,420
Commercial Projects Manager	54,750	56,320			0
Democratic Services Section	106,460	132,940	136,030		136,030
Mayoral & Civic Services Section	101,600	102,220	104,710		104,710
Chief Executive	161,430	158,930	160,680		160,680
Communications Section	120,790	123,540	111,270	-32,370	78,900
Policy & Information	204,240	215,730	213,120		213,120
Head of Policy and Communications	100,130	99,410	104,850		104,850
Revenues Section	391,870	385,210	354,330	-9,760	344,570
Democratic and Admin.Services Manager		43,910	45,960		45,960
Registration Services Section	103,570	110,670	128,850		128,850
Benefits Section	434,150	425,880	464,060	-31,760	432,300
Fraud & Visiting Partnership Section	99,320	97,900	210,650	-163,350	47,300
Head of Internal Audit & Risk Strategy	203,350	186,790	665,880	-469,510	196,370
Head of Human Resources	86,520	85,200			0
Human Resources	184,130	177,550			0
Pay & Information	117,840	125,190			0
Learning & Development	102,910	113,440			0
Director of Finance & Business Imp.	133,600	133,400	134,010		134,010
Head of Finance and Resources	101,760	99,080	3,710		3,710
Accountancy Section	604,810	637,940	642,580	-4,380	638,200
Legal Services Section	518,650	518,650	543,150	-60,000	483,150
Director of Regeneration & Place	134,170	133,500	134,110		134,110
Property & Procurement Manager	80,630	80,860	81,060		81,060
Procurement Section	68,840	67,090	145,280	-75,300	69,980
Property & Projects Section	255,500	260,750	264,330		264,330
Facilities & Corporate Support Section	432,330	434,510	409,710		409,710
Improvement Section	234,340	236,450	240,900		240,900
Executive Support	154,950	152,360	156,820		156,820
Customer Services Manager	75,150	77,090	75,190		75,190
Mid Kent ICT Services	653,580	661,530	1,575,680	-895,620	680,060
GIS Section	95,930	98,850	168,130	-65,690	102,440
Customer Services Section	654,860	646,990	621,410	-8,000	613,410
Director of Mid Kent Services		31,550	72,120	-47,300	24,820
Mid Kent HR Services Section			604,090	-243,210	360,880
MBC HR & Payroll Section			228,920	-520	228,400
Town Hall	81,830	89,120	85,460	-3,990	81,470
South Maidstone Depot	128,910	129,820	133,430		133,430
The Gateway King Street	133,740	143,850	333,120	-241,390	91,730
Maidstone House	1,227,660	1,141,660	1,181,970	-124,300	1,057,670
I.T. Operational Services	331,090	320,840	327,190		327,190
Central Telephones	60,200	60,200	60,200		60,200
Mid Kent ITC Software	141,270	174,520	521,820	-334,400	187,420
Fleet Workshop & Management	745,450	690,720	749,940		749,940
MBS Support Crew	-78,520	-49,730	102,570	-162,490	-59,920
Grounds Maintenance	1,309,200	1,310,820	1,334,100	-17,250	1,316,850
Youth Development Programme	47,950	47,950	64,900	-16,700	48,200

Cost Centre/Service	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 (Expenditure) £	Estimate 2017/18 (Income) £	Estimate 2017/18 £
Internal Printing	-85,240	-85,240	50,890	-136,130	-85,240
Appropriation Account	866,110	933,610	1,010,700		1,010,700
Central & Democratic	8,717,510	9,279,520	18,163,620	-8,427,750	9,735,870

CENTRAL & DEMOCRATIC

Subjective Analysis	Original Approved Estimate 2016/17 £	Revised Estimate 2016/17 £	Estimate 2017/18 £
Employee Direct	8,494,740	8,735,870	8,743,680
Employee Other	2,018,650	2,208,280	1,891,760
Repairs & Maintenance	250,280	211,820	225,320
Utilities	223,580	223,580	247,920
Premises Other	1,350,990	1,294,160	1,267,700
Vehicle & Transport	451,840	425,110	464,780
Equipment & Furniture	792,910	896,980	942,810
Supplies & Services Other	766,590	1,405,840	835,740
Printing & Stationery	207,420	225,030	201,500
Professional Services	486,470	599,880	495,750
Security & Protection	50,910	35,660	34,960
Subsistence & Training	95,460	115,790	165,360
Allowances	379,790	329,790	309,790
Grants & Contributions Paid	476,890	498,450	441,610
General Insurances	14,100	12,120	12,240
Information & Communications	15,800	21,000	20,000
Agency & Contractor	506,540	629,290	596,910
Leasing & Capital Charges	1,160,000	1,184,370	1,265,790
Grants & Contributions Received	-7,480,330	-8,232,730	-6,853,060
Income Other	-1,417,470	-1,387,090	-1,291,400
Fees & Charges	-2,150	-42,130	-62,390
Rent	-125,500	-111,550	-220,900
Central & Democratic	8,717,510	9,279,520	9,735,870

**Maidstone Borough Council
Budget 2017/18**

Estimate of General Fund Balances to 31 March 2018

	Unallocated General Fund	Asset Replacement	Planning Management	Commercialisation	Invest to Save	Grand Total
	£000	£000	£000	£000	£000	£000
Balance at 31st March 2016	3,128	167	200	500	562	4,557
2015/16 Carry Forwards Used in 2016/17	- 370					- 370
Use of balances during 2016/17	- 288		- 170			- 458
Estimated Balance as at 31st March 2017	2,470	167	30	500	562	3,729
Expected use of balances in 2017/18	-	- 75	- 30			- 105
Estimated Balance as at 31st March 2018	2,470	92	-	500	562	3,624

Estimate of Earmarked Reserves to 31 March 2018

	Balance at 31/3/16 £000	Movement in 2016/17 £000	Est. Balance at 31/3/17	Movement in 2017/18 £000	Est. Balance at 31/3/18
Capital Support	12,131	- 12,062	69	2,971	3,040
Local Plan	454	- 454	-	-	-
Neighbourhood Planning	85		85		85
Business Rates Reserve	3,665	- 578	3,087	- 3,001	86
Trading Accounts	179		179		179
Total	16,514	-13,094	3,420	-30	3,390

SOURCE OF FUNDING	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	TOTAL £
Cont'n from Earmarked Reserve	11,216,000	3,059,000	2,935,000	2,800,000	2,800,000	22,810,000
Capital Grants	800,000	800,000	800,000	800,000	800,000	4,000,000
Internal Borrowing	1,029,870	3,570,130				4,600,000
Prudential Borrowing	0	9,002,870	10,960,000	7,615,000	1,425,000	29,002,870
TOTAL FUNDING	13,045,870	16,432,000	14,695,000	11,215,000	5,025,000	60,412,870

CAPITAL PROGRAMME 2017/18 - 2021/22

APPENDIX A

SUMMARY TOTALS BY COMMITTEE	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Communities, Housing & Environment	7,056,310	9,350,000	13,600,000	10,850,000	4,850,000	45,706,310
Heritage, Culture & Leisure	2,401,560	2,095,000	795,000	90,000	0	5,381,560
Policy & Resources	3,588,000	4,987,000	300,000	275,000	175,000	9,325,000
Strategic Planning, Sustainability & Transport	0	0	0	0	0	0
TOTALS	13,045,870	16,432,000	14,695,000	11,215,000	5,025,000	60,412,870

COMMUNITIES, HOUSING & ENVIRONMENT	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Housing Incentives	576,310	350,000	350,000	350,000	350,000	1,976,310
Housing - Disabled Facilities Grants Funding	800,000	800,000	800,000	800,000	800,000	4,000,000
Housing Investments	3,900,000	600,000	600,000	600,000	600,000	6,300,000
Brunswick Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
Union Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
King Street Housing Development	500,000	2,000,000	1,500,000			4,000,000
Housing & Regeneration - Indicative Scheme A		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme B		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme C		500,000	2,000,000	1,500,000		4,000,000
Housing & Regeneration - Indicative Scheme D			500,000	2,000,000	1,500,000	4,000,000
Housing & Regeneration - Indicative Scheme E			500,000	2,000,000	1,500,000	4,000,000
Commercial Waste	180,000					180,000
Street Scene Investment	50,000	50,000	50,000	50,000	50,000	250,000
Flood Defences	50,000	50,000	300,000	550,000	50,000	1,000,000
TOTALS	7,056,310	9,350,000	13,600,000	10,850,000	4,850,000	45,706,310

HERITAGE, CULTURE & LEISURE	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Continued Improvements to Play Areas	940,140					940,140
Commercial Projects - Mote Park Adventure Zone	629,400					629,400
Mote Park Essential Improvements	397,020	369,000				766,020
Other Parks Essential Improvements	225,000	50,000	25,000			300,000
Mote Park Centre	100,000	1,500,000	600,000			2,200,000
Museum Development Plan	110,000	176,000	170,000	90,000		546,000
TOTALS	2,401,560	2,095,000	795,000	90,000	0	5,381,560

POLICY & RESOURCES	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021/22 £	Totals £
Town Centre Public Realm improvements	1,400,000	1,400,000				2,800,000
Asset Management / Corporate Property	175,000	175,000	175,000	175,000	175,000	875,000
Feasibility Studies	50,000	50,000				100,000
Infrastructure Delivery		3,000,000				3,000,000
Software / PC Replacement	175,000	150,000	125,000	100,000		550,000
Acquisition of Commercial Assets	1,500,000					1,500,000
Maidstone East/Sessions Square	288,000	212,000				500,000
TOTALS	3,588,000	4,987,000	300,000	275,000	175,000	9,325,000

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MAIDSTONE BOROUGH COUNCIL

**MEDIUM TERM FINANCIAL
STRATEGY AND EFFICIENCY PLAN**

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1. OVERVIEW AND SUMMARY OF EFFICIENCY PLAN

Background

- 1.1 The Medium Term Financial Strategy (MTFS) sets out how the council plans to deliver its corporate objectives in financial terms over the next five years.
- 1.2 The Government has offered a four year funding settlement to local authorities, covering the years 2016/17 to 2019/20, which the Council accepted in October 2016. This provides some certainty about the level of income that the Council can expect for the first three years covered by the MTFS, ie 2017/18 to 2019/20.
- 1.3 The Government's funding offer was conditional on the council preparing an Efficiency Plan setting out proposals for utilising the available funding. This was published on the council's website in October 2016. Since the MTFS fulfils a similar purpose, as it reflects projected levels of funding over the period covered by the funding settlement, the Council adopted a unified approach to preparation of the two documents.
- 1.4 The strategy also sets out an overview of the capital plans of the Council and the criteria used to develop and approve these plans. Delivery of the programme is dependent upon the availability of the resources required to finance the plans.
- 1.5 The strategy is reviewed on an annual basis for the following five year period.

Strategic Context

- 1.6 The Council has set two over-riding corporate priorities: keeping Maidstone Borough an attractive place for all; and securing a successful economy for Maidstone Borough. These will be delivered both through our day-to-day revenue expenditure and through investment in the borough's infrastructure as part of the Council's capital programme. Funding for revenue spending is tightly constrained, as set out below, but the Council will seek to optimise delivery of the priorities within these constraints.
- 1.7 There are a different set of issues with capital investment. As set out in section 6 below, funds have been set aside for capital investment and further funding is available, in principle, through prudential borrowing. The challenge is to ensure that capital investment delivers against the Council's priorities, providing the required return on investment for the community.

Revenue funding

- 1.8 The Government's offer of a four year funding settlement was reported to Council when it set a budget for 2016/17, in March 2016. The provisional local government finance settlement announced on 15 December 2016 confirmed these figures.
- 1.9 It was identified that savings and efficiencies totalling £6.5 million would be required in order to cover the gap between projected resources and predicted spend. Savings of £3m had been identified, including £2.2m savings to be delivered during 2016/17.
- 1.10 The forecast for the five year period from 2017/18 has been updated based on the provisional funding settlement and current budget requirement. Savings and

efficiencies totalling £4 million will be required over this period. £3.4m of this total has now been identified, leaving a balance of £0.8 million still to be identified in the later years of the strategy.

	17/18	18/19	19/20	20/21	21/22
	£ million				
Total Resources Available (A)	35.3	35.8	35.0	35.7	36.5
Predicted Expenditure Requirement (B)	37.1	35.7	36.4	36.9	36.3
Savings & Efficiencies Required (B-A)	1.8	-0.1	1.4	1.2	-0.2
Required – Cumulative (C)	1.8	1.7	3.1	4.4	4.2
Savings Proposals – Cumulative (D)	1.8	2.7	3.2	3.4	3.4
Still to be identified (C-D)	-	-1.0	-0.1	0.9	0.8

Table 1: Savings requirement 2017/18 – 2021/22

- 1.11 In accordance with legislative requirements the Council must set a balanced budget for 2017/18 at Full Council in March 2017. On the basis of existing agreed projections, the four year funding settlement will not allow the Council to set a balanced budget during 2020/21 and 2021/22 unless other actions are taken.
- 1.12 In developing the current MTFS / Efficiency Plan, there are therefore two main challenges:
- Ensuring that the savings proposed are delivered and are sustainable; and
 - Identifying a strategy to address the remaining budget shortfall.
- 1.13 More broadly, given continuing uncertainty about the projections, and in particular the position after 2019/20, it is important that there is a clear strategy that will allow the Council to address future financial challenges and risks.

The approach to meeting the two main challenges described is set out below.

Delivering existing savings proposals

- 1.14 Previously identified savings proposals have been reviewed. Where appropriate they have been adjusted, for example where the savings proposals are now no longer considered to be deliverable, or where they are not consistent with the rest of the strategy.

Most of the previously identified savings proposals remain valid. As they form an inherent part of the MTFS, it is essential that they are delivered. Officers are developing, or have developed, implementation plans. Progress with the savings is monitored carefully as part of the Council's regular quarterly financial monitoring process.

Addressing the budget gap

- 1.14 The budget gap of £4.2 million is considerable in relation to the Council's net expenditure budget of around £19 million. Owing to its size, no single initiative can be expected to close the gap. A broader, cross-cutting approach has been necessary.
- 1.15 A two-fold approach has been taken to addressing the budget gap. First, proposed budget savings have been identified, using a conventional approach. Starting with the Council's Strategic Plan priorities, Heads of Service were asked to put forward

savings proposals, which were then subject to challenge. The savings arise from a blend of different approaches including changes to the way in which service outcomes are delivered, efficiency improvements and transformation, additional income generation and reconfiguration of services.

- 1.16 These savings proposals, even if agreed in full, would not have been sufficient to close the budget gap for the whole period of the plan. Accordingly, a more radical approach has been taken to identify further savings. This has involved refocusing on the full range of services delivered by the Council, and considering whether the services delivered and the way in which they are delivered reflect the Council's strategy and aspirations.
- 1.17 The rationale for the approach is this: comparing what we want to deliver with what is actually delivered will indicate any potential misallocation of resources, and may allow resources to be freed up.
- 1.18 The technique used for this was a MoSCoW (must/should/could/won't) analysis of the Council's services. Each service was assigned one of the following four descriptions:

MUST - essential to the Council

SHOULD - important and its absence would weaken the Council

COULD - useful but the Council is still viable without it

WON'T - essential and can wait for now

The standard of service, both current and desired, was then categorised as gold, silver or bronze.

- 1.19 The outcome of an indicative service assessment using this technique was reported to Policy and Resources Committee in September. This approach has allowed the Council's expenditure to be prioritised. This in turn assists with the evaluation of the detailed Officer spending proposals described above and will highlight those services that need to be the focus for meeting the residual budget gap. The prioritisation approach also formed the basis of wider stakeholder consultation, as detailed budget proposals were developed for 2017/18.

2. NATIONAL AND LOCAL CONTEXT

Economic Outlook 2017 – 2022

- 2.1 The current national economic outlook is not favourable, making it even more important that the Council has financial plans that are robust and capable of withstanding shocks. Specifically, indications are that inflation is likely to rise, increasing the Council's cost base, but economic growth will slow down, with a potential reduction in tax receipts for national and local government.
- 2.2 The Retail Price Index (RPI) in the year to December 2016 rose to 2.5%, up from 1.2% in December 2015. The Consumer Price Index (CPI) 12 month rate (the amount prices change over a year) between December 2015 and December 2016 stood at 1.6%. The Office for Budget Responsibility published its Economic and Fiscal Outlook in November 2016 setting out its forecast up until 2020-21. This forecasts that GDP growth will continue to slow into next year in the context of political and economic uncertainty surrounding the Brexit negotiations.
- 2.3 Current forecasts suggest GDP growth slowing to 1.4 per cent in 2017, and remaining at this level for the foreseeable future. A weaker outlook for investment and therefore productivity growth following the referendum is the main cause. On the more positive side it is predicted that consumer spending growth will remain stronger than the GDP growth and that there will be a positive contribution to GDP from growth in net trade assisted by the fall in sterling.
- 2.4 The Monetary Policy Committee (MPC) in August reduced the base rate from the 0.5% previously held for seven years to 0.25%. The MPC may well reduce the base rate further in the coming months. The market reaction to the recent reduction has led to at least one major bank indicating that it may reduce its own interest rates to below base rate.
- 2.5 Trying to look ahead to predict the national economic position is challenging with the vote to leave the European Union affecting the current economic outlook and a lack of certainty regarding what a post Brexit UK will look like economically.

Local Government Funding

- 2.6 Central government funding for local authorities has reduced very substantially since 2010. At the same time, the coalition government of 2010-15 and David Cameron's Conservative government of 2015-16 made significant changes to the way that local government is financed. Further change is anticipated, given plans already announced by the previous government, and the challenging economic environment.
- 2.7 A key change in the structure of local government funding was the introduction of 50% business rates retention for local authorities in 2013. This was part of an agenda of 'localism', giving more freedom and flexibility to local authorities. In practice, the benefit of receiving 50% of business rates (with the 50% split 40:9:1 between the District Councils, County Council and Fire Authority in Kent) was severely limited by the system of tariffs and top-ups that was introduced at the same time, with the intention of equalising business rates income between local authorities. Furthermore, a levy is paid to central government on business rates growth.
- 2.8 This means that the final value of the retained business rates for this Council is currently 6.6% of the amount collected. In practice this means that in 2016/17 the

Council is projected to collect £60 million of Business Rates from Maidstone businesses of which just £4.6 million will be retained by the borough council.

- 2.9 The adverse impact of the levy for Maidstone has been mitigated by the business rates pooling arrangement that most Kent local authorities have elected to join. This allows most of the levy to be redistributed within the county.
- 2.10 The remaining 50% of business rates continued to go to central government, to be recycled back to local authorities in the form of Revenue Support Grant (RSG), allocated on a needs basis.
- 2.11 The Government recently consulted on the introduction of 100% business rates retention with effect from 2020. As with 50% business rates retention, this would be linked to a mechanism for rates equalisation, which would mean that probably only a relatively small fraction of the 100% would in practice be retained by the Council. The additional income would be accompanied by devolution of further responsibilities to local government. The Government is currently considering consultation responses and the details of the new responsibilities to be devolved are therefore not yet known.
- 2.12 Whilst business rates have been and are likely to continue to be the main focus of Government reforms, the Council's principal source of funding remains Council Tax. Under current legislation, Council Tax increases are subject to a referendum if they exceed a specified limit, which is set each year by the government. For 2017/18 the limit for this council remained the greater of 2% or £5.
- 2.13 There is the potential for the Council to grow both its Council Tax and Business Rates income, if the numbers of households and businesses respectively grow. Growth forecasts have been reflected in the Strategic Revenue Projection using a series of prudent assumptions.
- 2.14 A further significant source of income for the Council is New Homes Bonus. The Government distributes over £1 billion of grant in this form, based on increases in the local housing stock. Maidstone is due to receive £4 million in New Homes Bonus in 2017/18. Council has agreed that this be allocated to fund the capital programme. The government announced cuts to the New Homes Bonus as part of the provisional finance settlement, following consultation on its future conducted last year. New Homes Bonus has previously been paid for six years after a new home is built. From 2017/18, it will only be paid for five years, and from 2018/19 for four years. Additionally, the bonus will only be paid on housing growth in excess of 0.4%. (Growth in Maidstone has averaged around 1% in recent years). The money from cutting New Homes Bonus will be used to create a fund to support Adult Social Care. The impact on Maidstone's New Homes Bonus income, as compared with the projected amounts, will be a reduction of around £750,000 in 2017/18 and an ongoing reduction of around £1.5 million per annum in subsequent years.
- 2.15 Further details of how the Council funds its services are set out in section 5.

Stakeholder Analysis

- 2.16 Development of the MTFs / Efficiency Plan needs to recognise the Council's position in relation to a wide range of stakeholders. Income growth, for example, may mean additional contributions from Council Tax payers and businesses.

2.17 The table below maps out the key external stakeholders for the Council and how they are involved in the process of developing the financial strategy. Further details about specific work on consultation are set out in Section 9 below.

Stakeholder	Approach	Key interests & issues	Action	Communication Channels
Parish Councils	Keep satisfied	Planning/enforcement Environment Playgrounds	Keep informed Regular organised engagement	Quarterly meetings with KALC representatives and Parish Conference Parish liaison officer Alert to roadshow Survey/briefings sent in good time for them to respond.
Citizens Advice Bureau and grant funded organisations	Engage and manage	Keeping funding Keeping Accommodation Supporting particular service user groups	Regular contact and information	Chair and Vice Chair of CHE, and leadership team relationships Briefings
Mid Kent Services Board	Engage and seek to influence	Shared services Savings	Engage	Through MKS Board and Shared Service Boards , 151 officer meetings and Chief Executive meetings
KCC	Engage and Seek to influence	Waste Management, Public Realm, Economic Development, Public health , Maidstone families matter Planning, Infrastructure including Transport, Devolution Potential for enhanced two tier working Residents	Engage	Project teams and boards Briefingpapers Chief Executive and Wider Leadership Team
Businesses	Inform	Business rates/transport infrastructure/Town Centre Parking / CCTV	Engage	Through channels such as MBEP, One Maidstone and the Chamber of Commerce Survey
NHS	Monitor	Public health, community safety Housing	Notify	Briefing from contacts

Stakeholder	Approach	Key interests & issues	Action	Communication Channels
Kent Police	Engage and seek to influence	CCTV, public health, community safety, Housing, Emergency planning	Engage	Briefing from contacts
Kent Fire and Rescue	Monitor	CCTV, public health, community safety, housing?, emergency planning	Notify	Briefing from contacts
Department of Communities and Local Government	Monitor	Managing within our resources Set a balanced budget Council tax rise	Notify	Formal contact with Efficiency Plan and budget returns
Department of Work and Pensions – Job Centre Plus	Monitor	Accommodation Impact on residents	Notify	Briefing and Information
KCC Members	Keep informed	All services	Keep Informed Seek Support	Survey Briefing through contacts Inform of Roadshow
MPs	Keep informed	All services, particularly those with a national dimension eg Flooding	Keep Informed Seek Support	Direct briefing Inform of Roadshow
Residents	Keep Informed Engage	All (front facing services in particular)	Engage and Inform	Survey Information in the Press Website Information On-line survey Social Media Face to face roadshows
Local Media	Keep Informed	Cuts and Changes to services	Inform proactive Reactive	Regular briefings and press releases
Other Kent District Councils	Keep Informed	Shared savings and efficiencies	Inform	Briefing for Leaders and Kent Joint Chiefs
Charities and Community Groups	Keep informed	Resident Interests Opportunity to take on services	Inform	Briefings Share survey

Table 2: Stakeholder Analysis

3. CORPORATE OBJECTIVES AND KEY PRIORITIES

3.1 The Medium Term Financial Strategy and Efficiency Plan are intended to deliver the Council's corporate priorities. As well as a vision and mission the Council has agreed two corporate priorities for 2015-2020 underpinned by 8 areas of action:

Corporate Priorities:

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

Action Areas:

- Providing a clean and safe environment;
- Encouraging good health and wellbeing;
- Respecting the character and heritage of our Borough;
- Ensuring there are good leisure and cultural attractions;
- Regenerating the town centre;
- Securing improvements to the transport infrastructure of our Borough;
- Promoting a range of employment opportunities and skills required across our Borough; and
- A home for everyone.

For 2017/18 our particular focus is on:

- Housing – tackling homelessness and improving supply;
- Delivering the Local Plan and implementing the Community Infrastructure Levy;
- Creating a sustainable future for Mote Park;
- Town Centre Regeneration;
- Devolution; and
- Maintaining a robust Medium Term Financial Plan.

3.2 We recognise that to meet our corporate priorities, working with our partners is essential, along with ensuring all our services provide value for money. Budget prioritisation is focused on ensuring we deliver our priorities with outcomes for our residents in relation to the action areas above. The plan and strategy reflect the level of resources required to achieve the key outcomes from the Council's priorities within the strategic plan.

4. REVENUE EXPENDITURE

Budget Pressures

4.1 The Council's focus on service delivery means that expenditure budgets have to be dynamic, reflecting changing service priorities and pressures. Factors influencing expenditure include both the Council's own strategic priorities and external pressures such as inflation.

4.2 Housing

Developments in the housing market have created very significant budget pressures for the Council. A recent Strategic Housing Market Assessment indicates that 43% of households in Maidstone are unable to resolve their own housing issues on the open market. Rents have risen and are significantly above the local housing allowance rate. Homeless households in temporary accommodation have increased in number, with a corresponding increase in costs, leading to a forecast overspend of £357,000 against the temporary accommodation budget in 2016/17. The Council has been successful in reducing the cost of providing temporary accommodation through direct investment in property, and plans to further develop its capacity to respond in this way which will minimise the cost of expensive third party accommodation. In addition to this, proposed reforms to homelessness legislation are expected to significantly increase the Council's legal obligations with regard to homelessness prevention and will place further pressure on these budgets. Consequently a renewed focus on homelessness prevention is planned to operate alongside the temporary accommodation strategy in order to minimise the costs associated with homelessness. As this work progresses, it is anticipated that there will be a continued short term impact on the budget from the Council meeting its homelessness obligations. Accordingly, one-off funding of £94,000 in 2017/18 and £36,000 in 2018/19 (£130,000 in total) is proposed. Given the potential for grant funding in the future, this funding would only be made available for one year.

4.3 Local Plan Review

The Council submitted a draft Local Plan in May 2016. This involved significant one-off costs. The Local Plan was subject to an Inspector's Hearing which concluded on 24 January 2017. In his interim findings, the Local Plan Inspector has identified a number of issues that will need to be addressed in a review, which would have a target adoption date of April 2021. In practice, this means that the review process will need to start much earlier. Based on the scale of one-off resource input needed to prepare the current draft Local Plan, it would be prudent to provide a contingency of £200,000 per annum for the period to 2020/21. As more detailed costings are prepared and scrutinised they will be included in the revenue budgets.

4.4 Mote Park Café Reprovision

The overspend against the Café's budget is forecast to reach £197,000 by the end of the 2016/17 financial year. Urgent action is being undertaken to address the problem, but it is nevertheless appropriate to build in a contingency against failure to meet the budget in next year's estimates.

4.5 Museum and Cultural Activities

The Council is committed to developing Maidstone as a landmark cultural destination. The services which enable this are not statutory in nature, so it is essential that

maximum impact is achieved from minimal Council expenditure, leveraging in external expertise and funds wherever possible.

Commercialisation and Regeneration

Underlying all service delivery is a commitment to maximising external income from services wherever possible, trading on the Council's areas of skills and experience. The overall approach was subject to a refresh in November 2016, which refocused the strategy on regeneration of the town centre with a particular emphasis on housing development to support to housing target identified in the Local Plan.

Transformation

More generally, the Council is making use of the transitional grant of £394,000 that it is due to receive from government in 2016/17 and 2017/18 to fund transformation initiatives. This has included work on channel shift and will include work to enable the savings that have been proposed to help meet the budget gap.

Inflation

- 4.6 The past year has seen a steady increase in inflation. The annual increase in Consumer Price Index inflation (CPI) for the year to December 2016 is 1.6% (up from 0.2% for the year to December 2016). While central government no longer use the Retail Price Index inflation (RPI) a number of contractual arrangements at this Council do. The published increase in RPI for the year to December 2016 is 2.5% (up from 1.2% for the year to December 2015).

The Bank of England MPC has recently reduced the base rate and there are indications that it will consider doing so again before the end of the year. This is a reaction to the predicted decline in growth. This action is likely to impact on mortgages which form an element of CPI and RPI and will have a reducing effect on inflation. The inverse of this can be expected from the increase in the cost of imported goods due to the, already seen, reduction in the exchange rate. At this time the inflation indices used in the calculation of growth in the strategic revenue projection given at Appendix 1 have been kept the same as those used by officers in developing the figures for the initial consideration of the MTFs by this Committee on 29th June 2016. The following table sets out the assumptions made:

	Increase	
Employee Costs	1.0%	A base assumption relating to the growth in salaries for the year.
	0.5%	The annual cost of performance related incremental increases for staff.
	0.2%	Agreed by Policy & resources in February 2016 this increase reflects the growth necessary to fund the national living wage.
Electricity	2.0%	This increase is based on known factors relating to the Council's contract with Laser.
Gas	0.0%	There is no expected increase in the cost of Gas.
Water	0.0%	There is no expected increase in the cost of water supply or disposal.
Fuel	1.0%	A predicted average increase based on previous trends as no forward looking information is available.
Business Rates	0.8%	Based on predicted long term changes in business rates.

Insurance	0.5%	The increase in insurance premiums has been higher in previous years but there have been no significant market issues.
Rent	5.0%	This increase is now confirmed as due for October 2018. The strategic revenue projection has been amended to allow for this. A review of Office Accommodation is being launched.

Table 3: Inflation Assumptions

5. FUNDING

Revenue support grant

- 5.1 On the 10 February 2016 the Department for Communities and Local Government (DCLG) notified the council of the final figure for revenue support grant in 2016/17. At that time the government proposed a four year settlement that the Council may choose to accept. The revenue support grant for 2016/17 is £0.87m and the offer for the following three years 2017/18 to 2019/20 is zero. In addition the Government intend to reduce the business rates available to the Council by £1.589m in the financial year 2019/20. No changes to baseline and tariff charges will be made to allow for this reduction and it can therefore be seen as outside of the current business rates system and more in the nature of a negative revenue support grant.
- 5.2 At its meeting on 21 September 2016, Council agreed to accept the four year settlement offer and adopted an efficiency plan. The funding assumptions detailed below assume that the provisional finance settlement announced in December DCLG will be as received up to 2019/20.

Retained business rates

- 5.3 The Government intends to introduce changes to business rates retention by 2020/21, following on from the end of the proposed four year settlement. The Council submitted a response to the consultation in October following careful consideration of the proposals.
- 5.4 The proposals include 100% local retention of business rates along with a series of additional responsibilities and a realignment of the shares of business rates received by each tier of local government. As with the current 50% localisation of business rates, the proposal for 100% localisation will mean substantially less than that amount being made available to Maidstone Borough Council with the vast majority of the resource being redistributed elsewhere within local government. The Council can also expect to lose other specific grants such as Housing Benefit Administration Grant and potentially receive additional responsibilities.
- 5.5 The strategic revenue projection for 2020/21 and 2021/22 assumes that the impact of 100% retention and the adjusted redistribution by tier will mean that any change in the Council's baseline business rates would be counteracted by loss of other grants so a net zero impact has been assumed.
- 5.6 The impact of additional responsibilities has been modelled as part of growth pressures on the budget and an estimate of the likely financial impact included in the financial projections.

Business rates growth and the Kent Business Rates Pool

- 5.7 As a member of the Kent Business Rates Pool the council has the ability to retain more of the income from growth in business rates than it otherwise would. This is because the pool members who are charged a levy (district councils) are sheltered by the pool members who receive a top-up (major preceptors). Under a specific agreement made between Maidstone Borough Council and KCC in 2014/15 and across Kent in 2015/16 and 2016/17, the additional benefit is shared with Kent County Council. The shares and their value for the two years the scheme has been in operation are set out below:

SHARE BY PURPOSE		2014/15 £	2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £
Maidstone Borough Council	30%	144,119	30,941	134,000	280,298
Kent County Council	30%	144,119	30,941	134,000	280,298
Growth Fund	30%	144,119	30,941	134,000	280,298
Contingency	10%	48,040	10,314	45,000	93,431
	100%	480,397	103,137	447,000	934,325

Table 4: Shares of the Kent Business Rates pool since commencement

- 5.8 It should be noted that the figure for 2015/16 was less than estimated. This is due to one of the high risk factors of locally retained business rates. The Council saw a higher than expected level of appeals for which a provision was required in 2015/16. This situation was the result of legislative change and is not expected to recur in 2016/17 or later years. However, this remains a risk and the introduction of a new process for challenging rateable values, along with the 2017 revaluation will create increased uncertainty in this area.
- 5.9 Previously the Council held the income from growth in reserve and committed it in the year following its receipt. This meant that the resources were not yet committed and the Council had an opportunity to modify its plans for using the resources depending on how much became available. In setting the 2016/17 budget the Council approved the use of the stable element of business rates growth, which is retained by the Council regardless of whether or not it is a member of the pool, into its base budget to maintain overall resource levels. From the current year onwards the earmarked reserve will hold only the growth protected by membership of the pool, with the intention of using it to implement the Council's economic development strategy.

Council Tax Levels

- 5.10 Total Council Tax is a product of the tax base and the level of tax set by Council. The tax base is a value derived from the number of chargeable residential properties within the borough and their band, which is based on valuation ranges, adjusted by all discounts and exemptions.
- 5.11 The Council set its tax base for 2017/18 at 59,439.3, based on data extracted from the Council Tax records in mid-October 2016.
- 5.12 A major factor to be considered in setting the tax base for 2017/18 is the agreed scheme of local council tax support. Following consultation with residents, This scheme is undergoing a Kent wide review this year and the Council is consulting with residents on the options for the final scheme. It is currently the intention to report to Members with recommendations for Council in December 2016.

- 5.13 The level of council tax increase for 2017/18 is a decision that will be made at Council on 1 March 2017 based on an assumption made by Policy and Resources committee. At this time a decision on the increase in council tax is solely for planning purposes and to enable the necessary public consultation on the Council's budget and MTFs.
- 5.14 As a general principle, the Council aims 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 are considered when setting the Council Tax along with the strategic revenue projection's assessment of the future reductions in resource levels.
- 5.15 In considering this issue Members should recognise the need to set a level of council tax commensurate with the level of service provision and to avoid the use of short term decisions that risk the council's medium term liquidity and financial resilience. The actual increase is an issue for Council as a whole.
- 5.16 For many years the council's ability to increase the level of council tax has been limited firstly by a cap and more recently by the need to hold a referendum for increases over a government set limit. The limit set by the government for 2017/18 has remained the greater of 2% or £5.00. For 2016/17, the Council approved an increase of £4.95 (2.06%).
- 5.17 For planning purposes Policy and Resources Committee has adopted an annual increase in the tax base equivalent to 1% and an increase of £4.95 per annum in the charge, reverting to 2% in 2020/21 when this becomes a greater figure than £4.95.

Local income from fees and charges

- 5.18 The Council has a policy that guides officers and councillors to set the appropriate level of fees and charges based on demand, affordability and external factors. The policy is not influenced directly by the MTFs with the exception that charges should be maximised within the limits of the policy.
- 5.19 In developing the strategic revenue projection for 2017/18 a broad assumption of a 1% increase in future fees and charges was used for the development of the MTFs. To reflect this requirement the expected annual increase in other income is shown in the strategic revenue projection for 2018/19 onwards. Actual increases planned for 2017/18 have been reflected in the list of savings to be delivered over the forthcoming financial year.
- 5.20 The council has approved a commercialisation strategy which has set a target for net income gained from new and enhanced activities of £1m over the five year period from 2015/16 to 2019/20.
- 5.21 The delivery of each proposal will be the responsibility of an individual service committee. For this reason the £1m target has not been reflected in the strategic revenue projection until individual committees have considered the level of income achievable

Summary of Resources

- 5.22 The table below summarises the resources as set out in the strategic revenue projection.

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Revenue Support Grant	0	0	0	0	0
Business Rates Baseline Need	3,044	3,142	3,254	3,297	3,324
Business Rates Tariff Adjustment	0	0	-1,589	-1,621	-1,634
Business Rates Growth	1,025	1,076	1,130	1,187	1,246
Council Tax	14,599	15,042	15,493	15,960	16,442
Other Income	16,419	16,583	16,749	16,917	17,086
Total	35,087	35,843	35,037	35,740	36,464

Table 5: Resource and Income Levels

6. CAPITAL PROGRAMME – EXPENDITURE AND FUNDING

- 6.1 The capital programme for 2017/18-2021/22 was approved by Policy & Resources Committee on 18 January 2017. The current programme assumes expenditure totalling £60.4 million to be spent over the next five years. The new programme broadens the scope of the housing and regeneration agenda.
- 6.2 Resources in earmarked reserves arising from the set aside of New Homes Bonus will total £11.2 million by 31st March 2017. The New Homes Bonus resources were originally set aside by this Council to assist in the affordability of the Infrastructure Delivery Plan. Resources have been utilised for infrastructure schemes including the Town Centre, the Bridges Gyratory and the Medway Towpath. Some resources have been utilised for commercial property acquisitions and capital expenditure to deliver commercial activity. The Council has considered consultation responses concerning the introduction of a Community Infrastructure Levy and it is anticipated that this will be the subject of Public Examination in 2017.
- 6.3 During 2016/17, it was anticipated that £6.6m of the Council's earmarked resources would be used to finance expenditure for which the Council approved prudential borrowing. Should the Council wish to borrow to finance this expenditure it can do so at a later date thus substituting the resources used to finance the expenditure. However, it would be necessary to ensure the revenue resources are available to afford the necessary debt repayments. It is therefore essential to ensure that these schemes deliver revenue income.
- 6.4 The current funding assumptions used in the programme are set out in the table below along with the expected total expenditure:

Funding Source	2017/18 £,000	2018/19 £,000	2019/20 £,000	2020/21 £,000	2021/22 £,000	TOTAL £,000
Earmarked Reserves	11,216	3,059	2,935	2,800	2,800	22,810
Capital Grants	800	800	800	800	800	4,000
Prudential Borrowing	0	9,003	10,960	7,615	1,425	29,003
Total Resources	12,016	12,862	14,695	11,215	5,025	55,813
Estimated Expenditure	13,046	16,432	14,695	11,215	5,025	60,413
Cumulative Balance of Resources	1,030	3,570	0	0	0	4,600

Table 6: Capital Programme Funding

7. BALANCES AND EARMARKED RESERVES

- 7.1 As at 1st April 2016 General Fund balances of £4.6 million existed alongside earmarked reserves of £16.5 million. The table below sets out the earmarked reserves held at the beginning of the current year.

	1 st April 2016 £,000
Capital Support (New Homes Bonus)	12,131
Local Plan (New Homes Bonus)	454
Neighbourhood Planning	85
Business Rates Reserves	3,665
Trading Account Surpluses	179
Total	16,514

Table 7: Earmarked Balances at 1 April 2016

- 7.2 The table shows the balance of Capital Support Funding at the beginning of the year. The capital programme set out elsewhere in the MTFs report shows a programme that will spend this resource and the majority of the New Homes Bonus due in 2016/17
- 7.3 The Business Rates Reserves are a combination of resources set aside to finance the deficit on the Collection Fund at the end of 2015/16 and the resources held for use on business growth and related economic development projects in 2016/17.
- 7.4 Trading account surpluses reflect the balance held in surplus on trading accounts such as building control and land charges that cannot generate surpluses for the general fund but can break even over a period of years. These surpluses are utilised in years where the trading accounts are in deficit.
- 7.5 It should be noted that the General Fund balance of £4.6 million includes a series of assumptions made in prior years about the use of the resources for purposes such as a commercialisation risk and an invest to save fund. These are not set aside in the formal way that earmarked reserves have been.
- 7.6 The Council has set a lower limit below which the Committee cannot take general fund balances and this is £2 million.

8. BUDGET RISKS

8.1 In preparing a Medium Term Financial Strategy, it is important to consider the risks that pose threats to its implementation. This section sets out the key risks that have been identified and how they can be mitigated.

8.2 The Council is actively seeking to embed a risk management approach as part of its approach to doing business. It has adopted a risk management framework, which incorporates a process for identifying risks and assigning ownership of specific risks at an appropriate management level within the Council. Details of risks are captured in risk registers at a corporate, service and project level.

8.3 The major risk areas that have been identified as potentially threatening the Medium Term Financial Strategy are as follows.

National and local economic environment

8.4 As set out in section 2, the current economic outlook is uncertain. Recession would impact the Council by reducing its income and creating additional cost pressures, for example around homelessness. These risks are mitigated to an extent by holding balances and reserves. These give the Council the ability to manage fluctuations in income and give it time to adapt to changed circumstances.

Price inflation

8.5 Linked to the overall economic position is the specific threat of price inflation. Payroll accounts for the majority of the Council's costs, so wage inflation in particular will have an impact. Risk mitigation is similar to that for overall economic risks.

Changes in government approach to local government financing

8.6 A new government was formed in July 2016 and it remains to be seen whether its approach to local government financing will be the same as that of the previous government. Although the Council is not heavily dependent on government grants, it must operate within the overall framework for local government funding, which is set at a national level and is highly prescriptive. Previous governments have taken advantage of the adaptability of local authorities to reduce central funding for local government significantly. In an environment where national finances will continue to be under pressure, further changes cannot be ruled out, notwithstanding the four year funding settlement for local government announced earlier in 2016.

Delivery of savings & efficiencies

8.7 The Council has committed to delivering £3.4 million of savings from 2017/18 onwards. This is a major challenge and will place pressure on the Council's capacity for management and change. The risk can be mitigated by effective planning and management but there remains a significant residual risk. The Council is making use of the transitional grant of £394,000 that it is due to receive from government in 2016/17 and 2017/18 to fund work that will help to deliver these savings.

Changed or new responsibilities

- 8.8 The government's plans for 100% business rates retention involve local government taking on further functions. It is not clear at this stage what functions, if any, will come to this Council, or whether the level of funding will be adequate. Successive national governments have supported a 'new burdens doctrine' that requires Whitehall departments to justify why new duties, powers, targets and other bureaucratic burdens should be placed on local authorities, as well as how much these policies and initiatives will cost and where the money will come from to pay for them. In practice, there has been considerable variation in the interpretation of this doctrine, and with a large scale transfer of functions there is scope for local authorities to face unfunded burdens.

Unforeseen spending pressures

- 8.9 Such pressures include the cost of temporary accommodation, which has led to overspends in the Council in recent years, the cost of dealing with planning appeals, and the cost of temporary staff where it has not been possible to make permanent appointments. To an extent these pressures can be mitigated by holding reserves, which are then utilised if there is an unavoidable spending pressure in any given year. However, the resources would need to be replenished subsequently. The pressure would in any case have to be addressed as part of budget setting in the following year if it was expected to continue.

Income generation and collection - fees and charges

- 8.10 Income generated by the Council can be volatile. For example, parking income can be sensitive to changes in the overall economic environment.

Council Tax – Council Tax base and collection rates

- 8.11 Council Tax income has in the past proved stable and has increased steadily with the growth in the number of homes. Continued growth could be threatened by a downturn in the economy. Collectability of Council Tax could be threatened if a large number of households face joblessness and loss of incomes.

Business rates income – overall level and collection rates

- 8.12 Business rates income is particularly vulnerable to ratepayer appeals. The Council is less exposed than some authorities, owing to the diverse local economy in Maidstone. However, a general loss of profitability in the retail sector (for example) could lead to a large number of appeals and possible consequent loss of income.

Availability of funding for capital expenditure

- 8.13 The Council's investment plans depend on the availability of funding, whether through New Homes Bonus, capital receipts, or borrowing through the Public Works Loan Board.

Level of balances and reserves

- 8.14 As explained above, balances and reserves provide a measure of protection against risks generally. The result is that the overall risk profile of the Council will increase if balances and reserves are depleted.

9. CONSULTATION

Background

- 9.1 Each year the council as part of the development of the Strategic Plan and MTFS carries out consultation with our businesses and residents and other stakeholders on the priorities and spending of the council. A programme has been proposed that ensures the focus of annual consultations is not repetitive and builds a body of information over time. The intention of the consultation is to both inform and be informed by local residents, businesses and stakeholders.
- 9.2 Previous consultation has been focused on payment for services by council tax or direct fee at time of use, proposals for savings in discretionary services, request for new savings, variations in the level of customer service, questions on savings proposals and the effect of previous budget savings as well as areas where we should be focusing our efforts to make savings. Our approach has varied from on-line surveys, face to face surveys, public roadshows to on-line budget simulator exercises.

Consultation Approach

- 9.3 Consultation on the budget in Autumn 2016 was carried out across a number of channels in a variety of formats including:
- A face to face budget roadshow led by Councillors
 - An on-line survey
 - Briefings across all our communication channels
- 9.4 The results of the consultation has informed how resources have been prioritised and was reported to all four service committees as part of the refreshed strategic plan and final medium term financial strategy.