



**REPORTS FOR DECISION BY THE
CABINET MEMBER FOR COMMUNITY SERVICES**

Date Issued: **21 January 2010**

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of the Report**

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Agenda Item 1

MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR COMMUNITY SERVICES

REPORT OF HEAD OF FINANCE

Report prepared by Paul Riley
Date Issued: 21 January 2010

1. ESTIMATES 2010/11

1.1 Issue for Decision

- 1.1.1 This report presents the Revenue and Capital estimates for 2010/11 along with the revised estimates for the current financial year. The revenue estimates have been prepared on the basis of the latest instructions from the Cabinet, including agreed savings and growth options.

1.2 Recommendation of Head of Finance

- 1.2.1 That the Cabinet Member for Community Services approves the revised revenue estimates for 2009/10 and the provisional revenue estimates for 2010/11 as contained in **APPENDICES A, B and C**.
- 1.2.2 That the Cabinet Member for Community Services approves the Capital Programme as detailed in **APPENDIX D**.

1.3 Reasons for Recommendation

- 1.3.1 At the July meeting, Cabinet considered the initial projection for 2010/11 onwards and agreed the following:
- a) That the current Medium Term Financial Strategy as set out in Appendix B of the report of Management Team be noted and that it be updated in line with best practice to integrate service and financial planning for the next 3 year planning period.
 - b) That the levels of council tax set out in Appendix F of the report of Management Team be used for budget planning purposes but the final council tax level will be set as low as possible.
 - c) That the "most likely" scenario set out in Appendix F(ii) of the report of Management Team forms the basis of the need to identify savings of £1.4m in 2010/11 and that officers work with Cabinet Members to present proposals for savings at the December Cabinet Meeting.

- d) That the current Capital Programme be noted.
- e) That the use of public consultation to inform the budget strategy be supported and that officers bring a report setting out the most effective consultation methods to the next Cabinet meeting.
- f) That the timetable for the 2010/11 Budget Strategy, as set out below (in the July 2009 report), be approved.

1.3.2 The initial financial projection was selected by Cabinet as the most likely of three scenarios. The key assumptions from that scenario were:

- a) An overall inflation rate of 2.5% per annum over the period.
- b) Anticipated grant based on the indicative figures provided by Government in 2007. This allowed for a 0.5% cash increase in the grant received over the level received in 2009/10 followed by 0% increases in future years.
- c) Additional resources for the completion of the new recycling contracts and for resolution of other budget pressures following changes to disposal arrangements.
- d) A continuation of the annual increase in the national concessionary fares scheme, based on previous trends in take up of the scheme.
- e) The use of all available capital receipts to fund the capital programme, reducing the level of investment income. The investment income is also affected by the rate of interest on the current investments, estimated at an average rate of 1.5%.
- f) A need to borrow up to £2.0m to finance capital expenditure, creating a need for revenue resources to service the debt.
- g) That the current policy to maintain a minimum balance of 10% of net revenue spend is maintained.
- h) That Council Tax increase be equivalent to the 2009/10 increase for the purpose of developing the strategy.
- i) That no increase in the Council Tax Base be assumed.

1.3.3 A number of risks were identified as part of the initial projection as follows:-

- a) The uncertainty surrounding the costs of the national concessionary fares scheme and the future proposals to transfer the function to upper tier authorities in two tier regions.
 - b) The potential non-delivery of the capital receipts from sale of assets assumed during the programme period, leading to the possible need for borrowing to finance the programme.
 - c) The potential future loss of HCA grant aid to the Council's capital programme following the intensive investment programme in 2008/09 and 2009/10.
 - d) The continuing risk of income shortfall on the revenue budget due to the recession.
- 1.3.4 Following these decisions, further reports, to approve the medium term financial strategy and to agree the approach to budget consultation for 2010/11, were approved by Cabinet.
- 1.3.5 At its meeting on 16 December 2009, Cabinet considered the latest information relating to the budget strategy for 2010/11 onwards and agreed the following:-
- a) That a provisional spending level based upon the revised strategic projection set out in Appendix B of the report of Management Team, incorporating the revisions to growth items as identified in Appendix A of the report of Management Team and the savings as identified in Appendix C of the report of Management Team be agreed.
 - b) That updates, as soon as available, on progress to achieving the savings targets from staffing as outlined in the report of Management Team be requested.
 - c) That the updated Capital Programme detailed in Appendix D of the report of Management Team, along with the budget set out therein for 2012/13, be agreed.
 - d) That the outcome of the budget consultation exercise set out in section 1.11 and Appendix G of the report of Management Team be noted and Cabinet's gratitude be expressed to all those who participated.
 - e) That the updated medium term financial strategy as set out in Appendix H of the report of Management Team and its stronger connection to the strategic plan be agreed.
 - f) That a continued Council Tax strategy which is materially within the Government's Council Tax capping strategy as outlined in the report of the report of Management Team be

agreed.

- g) That the Corporate Services Overview and Scrutiny committee be consulted on the budget strategy based on the above decisions.

1.4 Revenue Budget 2010/11

1.4.1 Attached at **APPENDICES A** and **B** are the detailed estimates for 2010/11 along with:-

- a) actual spend for 2008/09;
- b) original estimate for 2009/10;
- c) revised estimate for 2009/10.

1.4.2 **APPENDIX A** gives a summary of the net expenditure for each service head which produced a total of £1,487,370 for 2010/11. This will be reported to the Cabinet and included within this Authority's spending plans for 2010/11 to be considered by Council on 3 March 2010.

1.4.3 Following the summary of net requirements are more detailed estimates for each service head which are shown at **APPENDIX B**. Each head of expenditure details the individual requirements of that service, analysed between employee expenses, running expenses, internal recharges, central recharges and capital costs. The gross expenditure is then reduced by recharges to other accounts and income such as that from fees and charges. Against each service head are notes which identify any special circumstances relating to that service head and any major items of budget variation.

1.4.4 In some instances, internal recharges may have altered due to the impact of previous reviews of structure which, in some service areas, altered the emphasis and direction of staff resources.

1.4.5 **APPENDIX C** details growth and savings items previously considered through Cabinet.

1.4.6 The estimate for 2010/11 totals £1,487,370 a reduction of £72,580 (4.7%) on the original estimate for 2009/10. The main reasons for the variation are as follows:-

- a) Grants – the grant budgets throughout all areas have reduced due to the final contribution from balances in 2009/10 not being available for 2010/11. Grants expenditure within this portfolio includes the fixed service level agreements. Adjustments to fully resource these grants have increased budgets within this portfolio.

- b) CCTV – resources have reduced in line with the cost of the monitoring contract.
 - c) Social Inclusion – this budget has reduced as a consequence of the restructure and a greater focus on the LSP.
- 1.4.7 The revised estimate for 2009/10 is £1,521,490 a reduction of £38,460 (2.5%). This reflects the current year changes for Grants and CCTV detailed in 1.4.6 above.
- 1.5 Capital Budget
- 1.5.1 Attached at **APPENDIX D** is the proposed medium term capital programme for services covered by this portfolio.
- 1.5.2 The Appendix includes information, scheme by scheme, for the current year and the following three years. The ongoing CCTV costs relate to camera and other equipment. The village hall grant budget is separate from the Concurrent Function grant budget which was removed as part of 2009/10 budget strategy.
- 1.5.3 Due to the Council's current financial situation the future programme is constrained by available resources and the ability to finance potential borrowing in future years.
- 1.6 Alternative Actions and why not Recommended
- 1.6.1 Alternatives have been considered previously by the Cabinet Member and are not appropriate at this stage of the Budget Strategy process.
- 1.7 Impact on Corporate Objectives
- 1.7.1 This report is part of the Corporate Budget process which will identify resources to deliver the corporate priorities and strategies agreed by the Council.
- 1.8 Risk Management
- 1.8.1 The level of resources, the impact of service demands and the overall budget process is a strategic risk. The Budget Strategy process, which commenced early in July 2009, incorporating an assessment of budget pressures, the level of resources available and the wide range of external factors, such as capping and government grants, enable the Cabinet to address the Strategic Risk in an effective and efficient manner. The inter-relationship of the Budget Strategy with the Strategic Plan and other important strategies also facilitates the management of this key strategic risk.

1.9 Other Implications

1.9.1

1. Financial
1. Staffing
2. Legal
3. Equality Impact Needs Assessment
4. Environmental/Sustainable Development
5. Community Safety
6. Human Rights Act
7. Procurement
8. Asset Management

X

1.9.2 Financial Implications - The estimates presented here reflect decisions taken by the Cabinet at previous meetings.

Background Documents

Budget working papers file held in Corporate Finance.

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

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NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision?

Yes

☐

No

☒

If yes, when did it appear in the Forward Plan?

Is this an Urgent Key Decision?

Yes

☐

No

☒

Reason for Urgency

[State why the decision is urgent and cannot wait until the next issue of the forward plan.]

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES**

SERVICES	2008/2009	2009/2010		2010/2011
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
Director of Public Health Medicine	11,110	12,440	11,180	10,910
Grants to Outside Bodies	269,110	209,210	259,250	232,710
Delegated Grants	21,199	13,330	42,440	35,020
Switch Cafe Project	0	0	28,020	15,100
Youth Forum	40,300	60,890	56,820	58,610
C C T V	392,015	463,480	370,010	417,400
Community Safety - Joint Partnership	12,323	0	0	0
Concurrent Functions	457,942	459,640	430,510	437,790
Community Safety	242,950	235,640	212,200	220,430
Social Inclusion	171,385	100,740	103,350	50,730
Building Safer Communities (BSC)	-2,594	4,570	3,770	5,480
Director of Resources and Partnerships Sections	-9,813	10	3,940	3,190
Net Expenditure Transferred to Summary	1,605,927	1,559,950	1,521,490	1,487,370

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES****EXPLANATORY NOTES****Director of Public Health Medicine**

This service is provided jointly for this Authority and Tonbridge & Malling Borough Council.

The income relates to Tonbridge & Malling Borough Council's contribution.

Budget Holder: Environmental Health Manager

Grants to Outside Bodies

Grants are awarded to further the objectives of the Portfolio.

Revised 2009/10 Estimate includes £40,900 funding (See also Grants to Outside Bodies within Leisure and Culture).

£18,000 came from Contingency, £5,000 from CCTV savings and £17,900 came from Budget Strategy

but this is for one year only.

Budget Holder: Community Funding Officer

Delegated Grants

This Budget covers Grants made available to Village Halls and Parochial Church Councils along with other minor Grants, on an application basis.

Employee Costs have been removed in 2009/10 due to closure of staff club at Tonbridge Road site.

Capital Charges relate to the write-offs of capital grants to Parish Councils and Village Halls.

Budget Holder: Head of Finance

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES**

SERVICES	2008/2009	2009/2010		2010/2011
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
<u>Director of Public Health Medicine</u>				
Employees	6,123	6,670	7,030	7,020
Running Expenses	1,660	1,680	1,090	1,090
Central Charges	4,550	5,070	4,320	4,270
Internal Recharges	2,547	2,900	2,620	2,410
Total Expenditure	14,880	16,320	15,060	14,790
Income	-3,770	-3,880	-3,880	-3,880
Total Income	-3,770	-3,880	-3,880	-3,880
Net Expenditure Transferred to Summary	11,110	12,440	11,180	10,910
<u>Grants to Outside Bodies</u>				
Employees	16,880	17,760	0	0
Running Expenses	232,040	174,260	227,250	227,250
Central Charges	8,790	7,640	5,960	5,460
Internal Recharges	11,400	9,550	0	0
Capital Charges	0	0	26,040	0
Total Expenditure	269,110	209,210	259,250	232,710
Net Expenditure Transferred to Summary	269,110	209,210	259,250	232,710
<u>Delegated Grants</u>				
Employees	1,552	0	0	0
Running Expenses	15,628	9,740	9,470	3,350
Central Charges	4,019	3,590	1,970	670
Capital Charges	0	0	31,000	31,000
Total Expenditure	21,199	13,330	42,440	35,020
Net Expenditure Transferred to Summary	21,199	13,330	42,440	35,020

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES****EXPLANATORY NOTES****Switch Cafe Project**

Revised Estimate of £15,000 Budget Strategy Growth to fund a Youth Café Manager (New Cost Centre previously within Youth Forum).

Budget Holder: Sports, Play and Youth Development Manager

Youth Forum

This Budget covers the provision of the Maidstone Youth Forum enabling youth to be given a voice in the community. The original 2008/09 budget includes Budget Strategy Growth of £15,000 to fund a Youth Café Manager but this has now been separated into a new cost centre at Revised Estimate 2009/10 (See Switch Café Project). The Recharges have increased due to more staff having involvement in the new Youth Café project.

Budget Holder: Sports, Play and Youth Development Manager

CCTV

This Budget shows the running costs relating to Closed Circuit Television.

The Capital costs relate to Capital Charges.

Income relates to contributions and charges from the private sector and internal users towards the revenue costs of the scheme.

The Estimate 2010/11 includes a Budget Strategy Saving of £7,400 for equipment maintenance.

The decrease in employee costs and slight increase in running expenses relate to the transfer of the CCTV operators from in-house to a private contractor.

Budget Holder: Community Safety Co-ordinator

MAIDSTONE BOROUGH COUNCIL
COMMUNITY SERVICES

SERVICES	2008/2009	2009/2010		2010/2011
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
<u>Switch Cafe Project</u>				
Running Expenses	0	0	15,000	15,000
Central Charges	0	0	13,020	100
Total Expenditure	0	0	28,020	15,100
Net Expenditure Transferred to Summary	0	0	28,020	15,100
<u>Youth Forum</u>				
Employees	22,991	25,550	31,120	31,760
Running Expenses	9,697	19,400	4,400	4,400
Central Charges	383	2,270	7,590	8,230
Internal Recharges	12,272	13,670	13,710	14,220
Total Expenditure	45,343	60,890	56,820	58,610
Income	-5,044	0	0	0
Total Income	-5,044	0	0	0
Net Expenditure Transferred to Summary	40,300	60,890	56,820	58,610
<u>CCTV</u>				
Employees	188,427	206,140	56,170	45,970
Running Expenses	159,190	183,590	290,150	299,260
Central Charges	12,915	9,210	23,130	22,190
Internal Recharges	50,851	54,360	22,430	23,130
Capital Charges	33,148	65,200	33,150	81,870
Total Expenditure	444,531	518,500	425,030	472,420
Income	-52,516	-55,020	-55,020	-55,020
Total Income	-52,516	-55,020	-55,020	-55,020
Net Expenditure Transferred to Summary	392,015	463,480	370,010	417,400

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES****EXPLANATORY NOTES****Community Safety - Joint Partnership**

This Budget covers the contribution to the Safer Maidstone Partnership with Kent Police and Kent County Council. This jointly funds Community Safety initiatives.

In 2009/10 additional funding of £6,300 was received for Primary Care Trust Initiatives, £8,600 for Tackling Violent Crime, £17,000 for the Power Project and £2,500 for the Zeroth Project.

Budget Holder: Community Safety Co-ordinator

Concurrent Functions

Provision is made within this Budget for the Grant Aid to Parish Councils to fund expenditure on concurrent services which are provided by this Authority in the urban area.

Budget Holder: Head of Finance

Community Safety

This Budget covers the core funding for Community Safety and covers internal resources including direct funding for a Police Community Support Officer.

The Estimate 2010/11 includes a Budget Strategy Saving of £2,600 for non-staff advertising.

Budget Holder: Community Safety Co-ordinator

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES**

SERVICES	2008/2009	2009/2010		2010/2011
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
<u>Community Safety - Joint Partnership</u>				
Running Expenses	175,026	72,000	76,400	42,000
Total Expenditure	175,026	72,000	76,400	42,000
Income	-162,703	-72,000	-76,400	-42,000
Total Income	-162,703	-72,000	-76,400	-42,000
Net Expenditure Transferred to Summary	12,323	0	0	0
<u>Concurrent Functions</u>				
Running Expenses	415,363	415,890	415,890	423,780
Central Charges	12,694	12,750	14,620	14,010
Capital Charges	29,885	31,000	0	0
Total Expenditure	457,942	459,640	430,510	437,790
Net Expenditure Transferred to Summary	457,942	459,640	430,510	437,790
<u>Community Safety</u>				
Employees	92,310	97,980	89,570	96,900
Running Expenses	72,051	49,400	50,900	46,800
Central Charges	9,456	10,350	25,650	26,820
Internal Recharges	70,518	77,910	47,580	49,910
Total Expenditure	244,335	235,640	213,700	220,430
Income	-1,385	0	-1,500	0
Total Income	-1,385	0	-1,500	0
Net Expenditure Transferred to Summary	242,950	235,640	212,200	220,430

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES****EXPLANATORY NOTES****Social Inclusion**

This Budget covers the cost of positive actions to reduce dependency and support independence for disadvantaged groups. £150,000 increase at Revised Estimate 2009/10 against Running Expenses is offset against an increase in income (2009/10 only).

The Original Estimate 2009/10 includes a Budget Strategy Saving of £2,000.

Budget Holder: Community Development and Social Inclusion Manager

Building Safer Communities (BSC)

This Budget covers the funding received from the Government Office for the South East and covers a number of Community Safety initiatives including Anti-Social Behaviour officers.

Budget Holder: Community Safety Co-ordinator

Director of Resources and Partnerships Sections

This Budget represents the cost of the Chief Executives Sections in this Portfolio.

Employee costs have increased in 2009/10 due to a staff restructure.

The Estimate 2010/11 includes a Budget Strategy Saving of £54,270 due to efficiency savings.

MAIDSTONE BOROUGH COUNCIL**COMMUNITY SERVICES**

SERVICES	2008/2009	2009/2010		2010/2011
	ACTUAL	ESTIMATE	REVISED	ESTIMATE
	£	£	£	£
<u>Social Inclusion</u>				
Employees	0	0	1,170	1,210
Running Expenses	104,157	33,000	181,830	43,000
Central Charges	57,429	59,610	74,880	22,210
Internal Recharges	21,521	14,730	900	910
Total Expenditure	183,107	107,340	258,780	67,330
Income	-11,722	-6,600	-155,430	-16,600
Total Income	-11,722	-6,600	-155,430	-16,600
Net Expenditure Transferred to Summary	171,385	100,740	103,350	50,730
<u>Building Safer Communities (BSC)</u>				
Employees	55,973	60,820	59,170	60,450
Running Expenses	108,260	142,250	123,740	124,010
Central Charges	2,823	3,240	3,460	3,600
Internal Recharges	1,205	1,320	1,760	1,780
Total Expenditure	168,261	207,630	188,130	189,840
Income	-170,855	-203,060	-184,360	-184,360
Total Income	-170,855	-203,060	-184,360	-184,360
Net Income / Expenditure Transferred to Summary	-2,594	4,570	3,770	5,480
<u>Director of Resources and Partnerships Sections</u>				
Employees	225,557	230,340	296,040	215,350
Running Expenses	57,469	70,690	83,360	83,580
Central Charges	24,745	27,800	41,460	41,350
Internal Recharges	19,067	22,500	7,290	7,390
Total Expenditure	326,837	351,330	428,150	347,670
Income	-336,650	-351,320	-424,210	-344,480
Total Income	-336,650	-351,320	-424,210	-344,480
Net Income / Expenditure Transferred to Summary	-9,813	10	3,940	3,190

COMMUNITY SERVICES PORTFOLIO**Revenue Savings 2010/11****Scheme**

	£
CCTV	7,400
Community Safety	2,600
	<u>10,000</u>

MAIDSTONE BOROUGH COUNCIL - CAPITAL PROGRAMME 2009/10 - 2012/13

NOVEMBER 2009

	Total Capital Cost - Current Schemes £	Actuals 2008/09 £	Adjusted Estimate 2009/10 £	Estimate 2010/11 £	Estimate 2011/12 £	Estimate 2012/13 £
COMMUNITY SERVICES						
CCTV	585,661	135,661	300,000	50,000	50,000	50,000
Village Hall Grants	155,000	29,885	31,000	31,000	31,000	0
COMMUNITY SERVICES TOTAL	740,661	165,546	331,000	81,000	81,000	50,000