

## **REGENERATION, COMMUNITY & CULTURE OVERVIEW AND SCRUTINY COMMITTEE**

**12 DECEMBER 2013**

### **CAPITAL & REVENUE BUDGET 2014/15**

Portfolio Holder: Councillor Alan Jarrett, Finance

Report from/Author: Mick Hayward, Chief Finance Officer

#### **Summary**

This report presents the Council's draft capital and revenue budgets for 2014/15. In accordance with the constitution, Cabinet is required to develop 'initial budget proposals' approximately three months before finalising the budget and setting council tax levels at the end of February 2014.

The draft budget is based on the principles contained in the Medium Term Financial Plan (MTFP) 2014/17 approved by Cabinet in October and reflects formula grant assumptions announced as part of Local Government Finance Settlement 2014/15 and 2015/16 Technical Consultation in July and September.

#### **1. Budget and Policy Framework**

1.1 It is the responsibility of Cabinet, supported by the management team, to develop draft capital and revenue budgets.

#### **2. Constitutional rules**

2.1 The budget and policy framework rules contained in the constitution specify that Cabinet should produce the initial budget proposals. These should be produced and submitted to overview and scrutiny committee three months before the Council meeting that is scheduled to determine the budget and council tax. The overview and scrutiny committees have a period of six weeks to consider these initial proposals. Any proposals for change will be referred back to Cabinet for consideration.

2.2 On 26 November, Cabinet considered the draft capital and revenue budgets for 2014/2015 and forwarded them to Overview and Scrutiny as work in progress, inviting comments on the proposals outlined. Business Support Overview and Scrutiny Committee, at its meeting on 6 December, referred consideration onto respective overview and scrutiny committees. Under the constitution Cabinet has complete discretion to either accept or reject the proposals emanating from the overview and scrutiny committees. Ultimately it is Cabinet's responsibility to present a budget to Council, with a special

Council meeting arranged for 20 February 2014. The adoption of the budget and the setting of council tax are matters reserved for Council. The statutory deadline for approving council tax is 11 March 2014.

2.3 The timetable for consideration by overview and scrutiny is as follows:

Business Support	05 December 2013
Children and Young People	10 December 2013
Regeneration, Community and Culture	12 December 2013
Health and Social Care	18 December 2013
Business Support	4 February 2014
Cabinet	11 February 2014
Council	20 February 2014

2.4 This report details the totality of the RCC position together with the Council context but there will be a need to refer the Housing components to Business Support for consideration on 4 February 2014 along with the Business Support department budget. This is in accord with the decision to refer scrutiny on Housing matters to Business Support overview and Scrutiny Committee.

### **3. Budget monitoring 2013/14**

3.1 The quarter 2 revenue monitoring report, considered by Cabinet on 29 October 2013, forecasts a net overspending on services of some £4.369 million. £0.484 million of this forecast related to this Committee's remit but this was after a variety of actions by management taken to reduce the original forecast of £1.064 million. The directorate remained committed to achieving an overall break-even position.

3.2 For the capital programme the forecast, based on the first half-year expenditure, is that the programme will spend to budget on the remaining programme of £81.6 million (Forecast spend 2013/14 £53.8 million, 2014/15 and beyond £27.7 million) and £43.7 million of this spend sits with this committee.

### **4. Budget Preparation Assumptions**

4.1 The draft budget presented by Cabinet builds upon the resource projections and principles set out in the Medium Term Financial Plan (MTFP) considered by Cabinet on 1 October 2013. The budget to be approved by Council in February 2014 will need to adhere to the MTFP underlying aims of:

- Ensuring a sustainable budget, without recourse to the use of reserves;
- Generating efficiencies, in partnership with others where appropriate, for reinvestment in priority spending;
- Assessing the revenue impact of funding streams supporting capital investment decisions, whether that be from grants, prudential borrowing, use of reserves, or capital receipts; and
- Avoiding the sanction of central government controls, for example capping now in the guise of a local referendum requirement

4.2 The MTFP considered by Cabinet on 1 October 2013 presented a high level summary of the budget requirement for the next three years and identified a £16.29m gap for 2014/15 rising to a £46.6 million deficit for 2016/17 to be addressed through the budget preparation process. This report is part of that

process and, whilst acknowledging the issues overall, focusses on those issues pertinent to Regeneration, Community and Culture services.

- 4.3 Resource assumptions for Revenue Support Grant, Business Rate share, Council Tax and New Homes Bonus are critical in the development of a balanced budget and the cabinet report set out the latest view of these. There is an inevitable risk that these assumptions could change prior to budget setting in February, not least with the Finance settlement to be confirmed in January 2014 (provisional release in December). The latest forecast also utilises our latest NNDR projection for 2013/14 as a base but it should be stressed that this is a forecast and could be subject to some significant variation that could be of significance as was seen with the closure of Kingsnorth power station and a loss of rate share for the Council of almost £2 million. It also remains an assumption that Council will approve a 1.999% increase in Council Tax, which even so will still see Medway firmly in the lower quartile of council tax levied nationally. However new rules introduced in 2013/14 mean that any proposed increase above the Government 'excessive' level of 2% is subject to a local referendum.
- 4.4 The aggregate reduction in Government grant support (now expressed as SFA) since CSR 2010, for which 2014/15 is the last funding year, is 33.6% compared to an original target declaration of 28%. However there is no sign of a reduction in the pace of change for Government support and the 14.3% additional cut in the July technical consultation takes this total to almost 48% by 2015/16 and climbing.
- 4.5 The taxbase upon which the current council tax is set was agreed as 76,712 Band D equivalents which is significantly lower than previous years because of the discount effect of the Council Tax Reduction Scheme that replaced Council tax Benefit for 2013/14. As at the end of September the taxbase is calculated at 77,296 reflecting an increase in the rate of new properties being added against that expected when the taxbase was set in January. Original predictions were that 746 new properties would be completed this year and 699 have already been added since the taxbase calculation was performed – almost double that anticipated. Growth for the next few years is predicted to be in the order of 0.5% (560 properties a year). However banding and discounts are unpredictable, not least because of the new Council Tax Support scheme. Accordingly assumptions underpinning the revenue receipts are a taxbase of 77,683 and 78,071 respectively for 2014/15 and 2015/16 with a 2% council tax increase in each year. This increases the revenue assumption by £0.683 million compared to that in the MTFP.
- 4.6 SR 2013 included provision to create a Single Local Growth Fund of £2.8 billion to be funded in part by a £400 million cut in the level of New Homes Bonus paid in 2015/16 and beyond. This equates to a 35% reduction in grant payable (£400m/£1.1bn originally planned). For Medway this will mean a reduction of £2.3 million for 2015/16. However in comparison to the MTFP assumptions the data for 2014/15 New Homes Bonus (calculated on returns to Government at 1 October 2013) has shown that efforts to reduce 'voids' in respect of unoccupied properties, together with the enhanced numbers referred to in 6.9, have increased the bonus payable in 2014/15 by £0.883 million compared to the MTFP but for 2015/16 the £1.9 million loss predicted

in the MTFP rises to £2.3 million with 35% of the £0.883 million gain being lost through the top slice.

4.7 The key assumptions underpinning the budget requirement for 2014/15 and future years include:

- Zero uplift for general inflation, although some specific inflation assumptions have been applied where there is a contractual or unavoidable commitment;
- For the MTFP there was a 1% assumption for pay awards and 2% for the re-introduction of increments. This is now revised to a zero increase for pay but there are potential costs associated with proposals now before Employment Matters Committee in respect of the review of Pay and Grade provision;
- The MTFP reflected demographic projections for Adult Social Care based on population data but these are now revised to Government guidance at a 3% provision for growth in adult social care, offset by a funding assumption of more S256 NHS income; and
- Some provision for demographic growth in children's social care budgets;

## 5. Summary of draft revenue budget

5.1 The MTFP built upon the more detailed work that had been the feature of the previous plan. As such it represented a very real projection of spending demand and resource expectation for the period. As section 4 has identified, a number of the resource assumptions have now varied, and clearly work has been progressing on also addressing the spending demands and identifying areas where savings can be made. Table 1 below summarises the change in these spending pressures set against the MTFP for 2014/15 and 2015/16 and whilst this gives an 'at a glance' impression that the pressures have simply been removed the position is more complex than that with some removal, some reduction and additional savings. The analysis of this movement for RCC is set out in Appendix 1b with the directorate summary Appendix 1a. Table 2 below summarises the overall impact with RCC highlighted.

**Table 1: Summary of additional resource requirement against 2013/2014 base**

	2014/15		2015/16	
	MTFP	Revisions	MTFP	Revisions
	£000's	£000's	£000's	£000's
Children and Adults	6,660	(4,728)	2,916	(2,841)
Regeneration, Community and Culture	3,222	(3,009)	1,858	(1,563)
Business Support/Corporate Issues	147	(2,099)	1,738	(2,098)
Better for Less	0	0	(500)	0
<b>Total – General Fund</b>	<b>10,029</b>	<b>(9,836)</b>	<b>6,012</b>	<b>(6,502)</b>



5.2 The forecast budget gap for 2014/15 now stands at £4.812 million for General Fund services and increases to £17.053 million for 2015/16 so clearly whilst this is a significant improvement on the MTFP position of a cumulative 2015/16 deficit of £34.664 million, there remains a lot of work to do particularly to address the 2015/16 position.

5.3 The MTFP identified net pressures of £3.222 million for the directorate and these were described in the MTFP. Most of these pressures were inflationary and risk-based and have now been removed from the budget requirement to be managed through the services. This is set out at Appendix 1b and amounts to a saving of £3.009 million for 2014/15, set against the MTFP. Specific proposals were as follows:

#### 5.3.1 Frontline Services

- Highways inflationary pressures to be managed with the contractor;
- Additional road maintenance funding requirement reduced from £0.75m to £0.25m;
- Grounds maintenance inflationary pressures to be managed with the contractor;
- Potential additional energy costs to be managed within budget;
- Demographic projections for concessionary fares reassessed;
- Re-tendering of the supported bus services - £0.064 million remains;
- Villager bus replacement – now capital bid
- Waste services pressures to be managed within the DCLG grant; and
- Major projects staffing - income reduction to be offset against alternate schemes.

#### 5.3.2 Housing and regeneration

- Homelessness pressures remain a funded pressure.

#### 5.3.3 Leisure and Culture

- The removal of the non-recurring funding for the Sporting Legacy as per MTFP leaves this initiative unfunded;
- Archives database replacement to be part of archive replacement project.

#### 5.3.4 Directorate-wide

- Grounds and street cleansing inflation to be managed with the contractor;
- Pay and increments funding requirement removed.

## 6. Meeting the funding gap

6.1 Table 2, above, highlights a funding gap of £4.812 million in relation to General Fund services for 2014/15 rising to £17.053 million in 2015/16. This is a greatly improved position compared to that forecast in the MTFP as a consequence of the measures outlined in section 5 above.

6.2 There has to be some caution over the resource projections as they are based on exemplifications of possible funding scenarios and assumptions for taxbase and business rates that could change. The Council will not know the definitive position in regard to Government support until the final settlement in January 2014 albeit the provisional settlement due in late December should provide greater certainty.

6.3 Officers and Portfolio Holders will be targeting specific areas where there are potential efficiencies to be gained or short-term advantage to be had pending delivery of longer-term savings. These include:

- Continuing to progress the 'Better for Less' programme to improve service delivery and drive out efficiencies in customer contact, administration and procurement;
- Considering opportunities for outsourcing services and shared service arrangements with other councils and public agencies;
- Ensuring that maximum gain is made from the recently established Category Management team;
- Property rationalisation; and
- Review of fees and charges across a whole range of service areas.

## 7. Draft capital budget proposals 2014/15

7.1 The Council has enjoyed a high level of capital investment in recent years with significant investment supported by Government grants for both regeneration and the establishment of three new academies together with ongoing support for the Local Transport Plan, Schools, Social Care and Disabled Facilities Grants. The Capital programme currently stands at £87.1 million – the major part of which at £43.7 million is within the remit of this committee. It is currently forecast that £53.8 million of this programme will spend in 2013/14 with a further £33.3 million in the years beyond, to which will be added the further funding streams in table 3 as they are confirmed (RCC components highlighted).

7.2 Whilst the financial settlement no longer includes any revenue support for capital, local authorities still have access to 'unsupported' borrowing through the prudential regime for capital, providing that these capital investment plans are affordable, prudent and sustainable. Developer contributions and capital receipts might also become available for capital investment, as well as HRA balances, but at this stage of the budget setting process, it is assumed that future investment will be restricted to the current programme, supplemented by the Council's expectations in relation to Government grant that are set out in table 3 below.

**Table 3. 2014/15 Government grant assumptions**

	C & A	BSD	RCC	Total
	£000's	£000's	£000's	£000's
Disabled Facilities Grant	0	739	0	739
Education Basic Needs Grant	0	0	0	0
2013/14 Targeted Basic Needs Grant	10,050	0	0	10,050
Schools Capital Maintenance Grant (est.)	2,670	0	0	2,670
Schools Devolved Formula Capital (est.)	480	0	0	480
Contribution from DSG Reserve	2,000	0	0	2,000
Adult Social Care Transformation Grant	547	0	0	547
LTP - Integrated Transport element	0	0	2,216	2,216
LTP - Highways Maintenance element	0	0	2,122	2,122
<b>Total Forecast</b>	<b>15,747</b>	<b>739</b>	<b>4,338</b>	<b>20,824</b>

- 7.3 The current capital programme reflects slippage from previous years, together with the 2013/14 grant allocations, other additional approvals such as the 'Growing Places' funds and the HRA development programme. This programme will continue to be delivered throughout 2014/15 and beyond and Table 4 below summarises planned expenditure and provides an analysis of how it is funded.

**Table 4. Funding the current capital programme**

	C & A	BSD	RCC	Member Priorities	Total
	£000's	£000's	£000's	£000's	£000's
<b>Forecast Programme</b>					
2013/14	24,677	2,659	26,154	330	53,820
2014/15	6,996	1,222	15,886	295	24,399
2015/16	107	983	6,072	0	7,162
2016/17 & future year's	27	630	1,090	0	1,747
<b>Total</b>	<b>31,807</b>	<b>5,494</b>	<b>49,202</b>	<b>625</b>	<b>87,128</b>
<b>Funding Source</b>					
Grants	25,857	0	20,156	0	46,013
Developer & other contributions	2,399	0	2,015	0	4,414
Capital Receipts	2,437	2,598	3,109	625	8,769
Reserves & revenue	1,114	0	4,905	0	6,019
HRA reserves & revenue	0	0	5,286	0	5,286
Borrowing	0	2,896	13,731	0	16,627
<b>Total Funding</b>	<b>31,807</b>	<b>5,494</b>	<b>49,202</b>	<b>625</b>	<b>87,128</b>

- 7.4 Publication of the Local Government Finance Settlement is expected in late December and whilst capital grants are anticipated to be in line with the assumptions in Table 4, the capital programme for 2014/15 can only be considered as provisional at this stage.

## 8. Housing Revenue Account – Draft Budget 2014/15

- 8.1 The Housing Revenue Account (HRA) must be operated for all local authorities with a retained housing stock and is "ring-fenced" from the General Fund. The account details the costs associated with the management and maintenance of the Council's housing stock. As at 1 April 2013, the Council owned 3,023 properties, 287 of which were homes for independent living. There are a further 198 leasehold flats, for which the Council owns the freehold and collects service charges. The stock numbers reduce year on year as a result of tenants exercising their right to buy the home they live in although in recent years this has been a minimal number.
- 8.2 The current monitoring projects the HRA will make a surplus for the 2013/14 financial year of just over £1.3 million. There was also a bought forward accumulated balance on the account as at 1 April 2013 of £4.3 million although Council recently determined that £2 million of this balance be transferred to general fund reserves. Existing commitments of £1.6 million to finance the 2013/14 HRA capital planned maintenance programme shown in Table 5, together with the need to maintain a contingency balance of circa £0.75 million; will leave an estimated



accumulated balance on the account of £1.2 million available for reinvestment in the HRA.

- 8.3 No significant changes are expected to the Government's rent re-structuring policy in 2014/15 which seeks to move actual rents towards a target rent by increasing rents, where required, by inflation plus 0.5% plus £2 per week whilst only increasing the target rents by the Retail Price Index (RPI) plus 0.5% (September 2013 RPI was 3.2%). The 2014/2015 budget build and rent calculation will assume that Cabinet will continue to follow this policy. Rent charges relating to garages would normally increase by inflation but further options may be brought forward in light of current void levels. The Government is currently consulting on social housing rents from 2015 whereupon changes to the rent setting policy are anticipated.
- 8.4 Service charges have in the past been calculated using estimated costs based upon actual charges for previous years. Guidance states that the cost of providing services to tenants should be fair and fully recovered and Members previously agreed that some of the charges could be increased at a level in excess of inflation where costs are not currently being recovered.
- 8.5 Generally, all expenditure will remain at 2013/2014 levels for 2014/2015 to reflect the current economic climate. The only exceptions to this will be contracts that are subject to annual inflationary increases or contracts subject to increases or decreases as a result of retendering.

## **9. Conclusions**

- 9.1 These initial budget proposals represent a considerable step towards developing the 2014/15 revenue budget in comparison to the MTFP and that is reflected in the more than halving of the 2015/16 cumulative deficit. However the budget agreed by Council for 2014/15 and indeed for 2015/16 will have to have a zero deficit so there is clearly much still to do, particularly to identify and implement the measures to close the 2015/16 gap and be deliverable that year. Experience has shown that savings measures of the scale that the predicted deficit demands will have a significant lead time to delivery.
- 9.2 However as the report also indicates, the available resources for the Council are still subject to some uncertainty and this will not be resolved until early next year. At this stage it is not expected that Government funding will deteriorate further but that risk will remain until the final allocations are announced.
- 9.3 There remains considerable work required in order to both present a balanced budget for 2014/15 and identify a strategy to meet the further deficit for 2015/16 in time to be deliverable. This will be undertaken during the period leading up to the Cabinet meeting on 11 February 2014. Overview and Scrutiny committees have a vital role assisting in this process – both to review existing proposals and also to suggest new ones.

## **10. Risk Management**

- 10.1 The risks exposed by a failure to effectively manage the resource planning and allocation process to achieve priorities and maintain effective service delivery are great. The uncertainty caused by the current economic climate and the consequences in terms of future financial assistance and targets imposed by Government will make this process difficult.

## **11. Diversity Impact Assessment**

11.1 The council has legal duties to give due regard to race, gender and disability equality in carrying out its functions. This includes the need to assess whether any proposed changes have a disproportionately negative effect on people from different ethnic groups, disabled people and men and women, which as a result may be contrary to these statutory obligations. These draft budget proposals predict the resources available, against which to determine the service priorities within the Council Plan. Diversity Impact Assessments will be undertaken and reported to Members as part of the budget and service planning process as the impact of the financial settlement on Council services becomes clearer.

## **12. Financial and legal implications**

12.1 The financial implications are fully detailed in the report. There are no direct legal implications.

## **13. Recommendations**

13.1 Members are requested to:

- Consider the draft capital and revenue budget for 2014/2015, proposed by Cabinet on 26 November 2013, insofar as they affect this overview and scrutiny committee;
- Consider the opportunities and implications of any other efficiencies or revenue generating measures for this committee;
- Forward to Business Support Overview and Scrutiny Committee on 4 February 2014, comments and suggestions with regard to the preparation of the Council's capital and revenue budget for 2014/2015.

**Background papers:** Medium Term Financial Plan 2014/17 – Cabinet 1 October 2013:

<http://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=21413>

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## REGENERATION, COMMUNITY AND CULTURE - BASE BUDGET BUILD 2014-2015

General Fund Activities	2013-14 Base (Q2 2013) £'000	Remove Support Services £'000	Adjustments £'000	2013-14 Adjusted Base £'000	Medium Term Financial Plan			2014-15 MTFP Assumptions £'000	2014-15 Further Proposals £'000	2014-15 Draft Budget (Nov 2013) £'000	2014-15 Budget Requirement		
					Inflation £'000	Other Pressures £'000	Savings £'000				Gross Expenditure £'000	Direct Income £'000	Net Expenditure £'000
Highways	6,717	(226)	0	6,491	135	1,004	0	7,630	(889)	6,741	7,176	(435)	6,741
Road Safety	400	(117)	0	284	0	0	0	284	0	284	557	(274)	284
Traffic Management	749	(74)	0	675	0	0	0	675	0	675	986	(311)	675
Parking Services	(2,865)	(250)	0	(3,115)	0	0	0	(3,115)	0	(3,115)	2,800	(5,915)	(3,115)
Waste Services	19,305	(635)	0	18,670	426	616	0	19,712	(1,042)	18,670	21,551	(2,880)	18,670
Community Safety Partnership	266	(41)	0	225	0	0	0	225	0	225	225	0	225
Environmental Health Commercial	1,257	(159)	0	1,099	0	0	0	1,099	0	1,099	1,172	(73)	1,099
Environmental Services	1,493	(171)	0	1,322	0	0	0	1,322	0	1,322	1,535	(213)	1,322
Safer Communities Support	327	(121)	0	206	0	0	0	206	0	206	206	0	206
CCTV/Lifeline	391	(198)	0	193	0	0	0	193	0	193	3,119	(2,926)	193
Strood Depot Services	(6)	(14)	0	(20)	0	0	0	(20)	0	(20)	91	(112)	(20)
Front Line Support	1,127	(542)	0	585	0	0	0	585	0	585	605	(20)	585
Integrated Transport	6,626	(386)	0	6,240	0	241	0	6,481	(177)	6,304	7,054	(750)	6,304
Major Projects	(206)	(50)	0	(256)	0	100	0	(156)	(100)	(256)	607	(863)	(256)
<b>Total for Front Line Services</b>	<b>35,583</b>	<b>(2,983)</b>	<b>0</b>	<b>32,600</b>	<b>561</b>	<b>1,961</b>	<b>0</b>	<b>35,122</b>	<b>(2,208)</b>	<b>32,914</b>	<b>47,685</b>	<b>(14,771)</b>	<b>32,914</b>
Economic Development	645	(138)	0	507	0	0	0	507	0	507	1,322	(815)	507
Planning Policy & Design	852	(46)	0	806	0	0	0	806	0	806	824	(18)	806
Development Management	303	(300)	0	4	0	0	0	4	0	4	1,216	(1,212)	4
Social Regeneration & Europe	504	(233)	0	271	0	0	0	271	0	271	531	(260)	271
Building Control	175	(1)	0	174	0	0	0	174	0	174	174	0	174
Housing Solutions	1,544	(96)	0	1,448	0	144	0	1,592	0	1,592	1,888	(296)	1,592
Homechoice	437	(57)	0	380	0	0	0	380	0	380	449	(69)	380
Private Sector Housing	431	(55)	0	377	0	0	0	377	0	377	437	(61)	377
Housing Disabled Adaptations	121	(47)	0	74	0	0	0	74	0	74	155	(81)	74
Property Management	22	(21)	0	1	0	0	0	1	0	1	52	(52)	1
Housing Strategy	348	(85)	0	263	0	0	0	263	0	263	279	(16)	263
Housing & Regeneration Support	160	(189)	0	(29)	0	0	0	(29)	0	(29)	36	(65)	(29)
Housing Related Support	1,805	(9)	0	1,796	0	0	0	1,796	0	1,796	1,796	0	1,796
Physical Regeneration	274	(7)	0	267	0	0	0	267	0	267	319	(52)	267
<b>Total for Development and Transport</b>	<b>7,621</b>	<b>(1,284)</b>	<b>0</b>	<b>6,337</b>	<b>0</b>	<b>144</b>	<b>0</b>	<b>6,481</b>	<b>0</b>	<b>6,481</b>	<b>9,478</b>	<b>(2,997)</b>	<b>6,481</b>
L&C Management Group	17	(15)	0	2	0	0	0	2	0	2	2	0	2
Leisure & Sports	3,752	(2,206)	0	1,546	0	0	(245)	1,301	0	1,301	5,384	(4,083)	1,301
Arts, Theatres & Events	1,373	(406)	0	966	0	0	0	966	0	966	2,840	(1,874)	966
Heritage	785	(209)	0	575	0	0	0	575	0	575	838	(263)	575
Greenspaces and Country Parks	4,164	(809)	0	3,355	0	0	0	3,355	0	3,355	4,141	(786)	3,355
Tourism	558	(97)	0	461	0	0	0	461	0	461	998	(537)	461
Libraries	4,204	(1,095)	0	3,109	0	55	0	3,164	(55)	3,109	3,363	(254)	3,109
<b>Total for Leisure and Culture</b>	<b>14,852</b>	<b>(4,838)</b>	<b>0</b>	<b>10,015</b>	<b>0</b>	<b>55</b>	<b>(245)</b>	<b>9,825</b>	<b>(55)</b>	<b>9,770</b>	<b>17,566</b>	<b>(7,796)</b>	<b>9,770</b>
<b>Regeneration, Community &amp; Culture Directorate Support</b>	<b>943</b>	<b>(325)</b>	<b>0</b>	<b>618</b>	<b>51</b>	<b>70</b>	<b>0</b>	<b>738</b>	<b>(121)</b>	<b>617</b>	<b>647</b>	<b>(30)</b>	<b>617</b>
<b>Pay award</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>208</b>	<b>0</b>	<b>0</b>	<b>208</b>	<b>(208)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>417</b>	<b>0</b>	<b>417</b>	<b>(417)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total for Regeneration, Community &amp; Culture</b>	<b>58,999</b>	<b>(9,430)</b>	<b>0</b>	<b>49,569</b>	<b>820</b>	<b>2,647</b>	<b>(245)</b>	<b>52,791</b>	<b>(3,009)</b>	<b>49,782</b>	<b>75,376</b>	<b>(25,595)</b>	<b>49,782</b>

## Regeneration, Community &amp; Culture Directorate

## BUDGET BUILD 2014/15 - BASE BUDGET ADJUSTMENTS

	MTFP 14/15	Further proposals 14/15	MTFP 15/16	Further proposals 15/16
	£000s	£000s	£000s	£000s
<b>Front Line Services</b>				
Highways				
- Contract inflation (2.5%) Revenue	96	(96)	98	(98)
- Contract inflation (2.5%) Capital	39	(39)	40	(40)
- Medway Tunnel (capital programme funding will end)				
- Address worsening NI carriageway condition	750	(500)	25	(25)
- Grass & trees, cutting frequency & traffic management	135	(135)		
- New electricity supply contract (Highways & Parking)	119	(119)		
Integrated Transport				
- Older persons - 3% demographic pressure	117	(117)	121	(121)
- Retendering supported bus services	64		110	
- Replacement cost - Villager community bus	60	(60)		
Road Safety				
Traffic Management				
Parking				
Waste Services				
- Landfill Tax £80 per tonne 14/15 - additional £8 per tonne	155	(155)	155	(155)
- Additional tonnages	319	(319)		
- Contract inflation (2.5%)	426	(426)	437	(437)
- New collection contract BOQ / frequency / Vos	142	(142)		
- Procurement cost amortisation				
Community Safety Partnership				
Environmental Health Commercial				
Environmental Services				
Safer Communities Support				
CCTV / Lifeline				
Strood Depot Services				
Front Line Support				
Major Projects				
- Staff recharge to capital	100	(100)		
<b>Housing &amp; Regeneration</b>				
Housing & Regeneration Support				
Economic Development				
Flood & Coast Protection				
Planning Policy & Design				
Development Management				
Social Regeneration & Europe				
Building Control				
Housing Solutions				
- Homelessness	144		185	
Homechoice				
Private Sector Housing				
Housing Disabled Adaptations				
Property Management				
Housing Strategy				
Housing Performance				
Centralised Budgets				
Housing Related Support				
<b>Leisure and Culture</b>				
L&C Management Group				
Leisure & Sports				
- Remove sporting legacy investment (one-off 13/14)	(245)			
Arts, Theatres & Events				
Heritage				
Greenspaces and Country Parks				
Tourism				
Libraries				
- Archives database replacement	55	(55)		
<b>Regeneration, Community &amp; Culture Directorate Support</b>				
<b>Grounds Maintenance</b> - (across RCC) - contract inflation	51	(51)	52	(52)
<b>Grounds Maintenance</b> - (across RCC) - cleansing	70	(70)		
<b>Pay award</b>	208	(208)	210	(210)
<b>Increments</b>	417	(417)	425	(425)
<b>Total for Regeneration, Community &amp; Culture</b>	<b>3,222</b>	<b>(3,009)</b>	<b>1,858</b>	<b>(1,563)</b>