

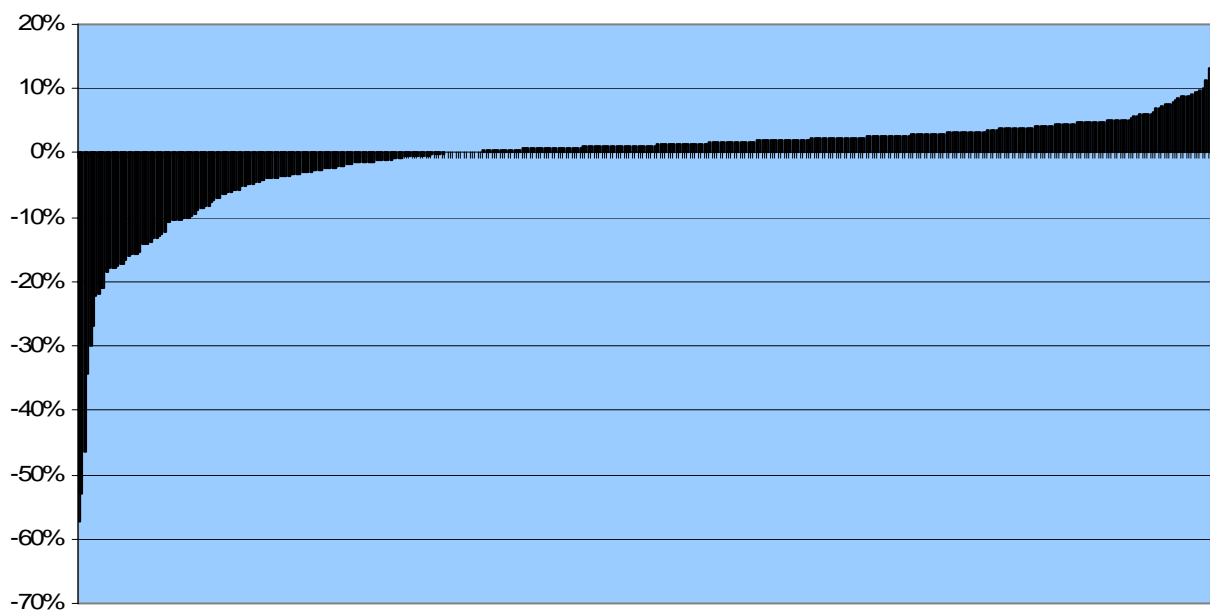
APPENDIX A

LOCAL GOVERNMENT PROVISIONAL GRANT SETTLEMENT 2011/12

The Provisional Grant settlement was announced on 13th December 2010 and contains significant methodology change from previous years. This is explained below:

In the past formula grant for the new year was calculated under the Fairer Funding Formula and compared to the actual grant paid in the previous year. The following graph shows this comparison for all shire districts.

Damping Grant as a Proportion of Final 2010/11 Formula Grant - All Authorities
 (-)=receiving and (+) =giving



The Council's to the left were receiving too much grant compared to their formula grant and were placed at the floor. This was paid for by giving Council's to the right a smaller increase than they would have received if the formula grant had been applied.

The new mechanism establishes four floor groupings (see table below) and all authorities fit into one of the groupings. The percentages reflect the amount of grant cut with Floor 1 being the best and Floor 4 the worst.

	2011/12	2012/13
Floor 1	13.8%	10.5%
Floor 2	14.8%	11.5%
Floor 3	15.8%	12.5%
Floor 4	16.8%	13.5%

An authority is placed into a floor group depending upon its relationship between its 2010/11 Adjusted Base grant and its Net Budget Requirement 2010/11. This represents a Council's dependency on grant; those authorities with higher dependency on grant are placed in Floor 1. The Council has been placed in Floor 3.

The Government has also introduced a transitional grant scheme to ensure that no local authority has its "Revenue Spending Power" reduced by more than 8.9% for 2011/12 and 2012/13.

The Transition Grant is being funded by £85m found from within existing uncommitted DCLG budgets and will not be funded by other local authorities. The transition will cover 2011/12 and 2012/13.

The calculation of this Council's "Revenue Spending Power" is as follows and does not result in the Council receiving the Transition Grant.

	£m
2010/11 Council Tax requirement	6,318
2010/11 Formula Grant, adjusted	6,442
2010/11 Benefits & Homelessness	732
2010/11 Revenue Spending Power	13,492
2010/11 Council Tax requirement	6,318
2011/12 Formula Grant, adjusted	5,393
2010/11 Benefits & Homelessness	757
2010/11 Incentive Scheme Grant	158
2011/12 Estimated Revenue Spending Power	12,626
Change in Revenue Spending Power	(866)
Percentage change in Revenue Spending Power	-6.42%
Transition Grant Paid at	-8.90%

The changes to the grant settlement methodology have been made without consultation and appear to lack any apparent rationale. There are many factors, which affect a Council's grant to budget relationship. Many of these

are triggered by policy decisions a Council may take which dilutes the dependency issue the changes are attempting to protect.

In addition the settlement “feeds” the dependency issue by increasing an authorities “dependency” on grant. This would seem to be very unfair particularly if such a mechanism is to be retained long-term.

The following exemplification compares the Council with a similar authority and shows how the Fairer Funding Formula has effectively been abandoned.

	District A - KBC		District B		Difference	
	Actual Grant	Grant Cut	Actual Grant	Grant Cut	£m	%
	£m	%	£m	%	£m	%
Formula Grant	5.615	-12.84	4.154	-23.57	1.461	10.73
Floor Position	5.424	-15.80	4.685	-13.80	0.739	2.00
Transition & Scaling	5.428	-15.73	4.875	-10.80	0.553	4.93
Total Change	-0.187	-2.89	0.721	-12.77	0.908	-15.66

Kettering *Borough Council*

DRAFT BUDGET BOOKLET - 2011/12

FOR USE WITH REPORT 10
EXECUTIVE MEETING 19th JANUARY 2011

Contents

- Section 1: General Fund Estimates 2011/12
- Section 2: Capital Programme 2011 - 2014
- Section 3: HRA Estimates 2011/12

Kettering *Borough Council*

DRAFT BUDGET BOOKLET - 2011/12

Section 1

General Fund Estimates 2011/12

DRAFT MEDIUM TERM FINANCIAL FORECAST - JANUARY 2010							
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
		Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1	Net Council Budget	13,700	13,928	12,476	12,063	11,827	11,772
2	Forecast Resources:						
	Central Government Grant	(7,279)	(5,429)	(4,789)	(4,502)	(4,232)	(3,978)
	Council Tax / Coll'n Fund	(5)	(25)	(25)	(25)	(25)	(25)
	Income From Council Tax	(6,318)	(6,389)	(6,581)	(6,780)	(6,985)	(7,196)
	Total Resources	(13,602)	(11,843)	(11,395)	(11,307)	(11,242)	(11,199)
3	Budget (Surplus) / Deficit	98	2,085	1,081	756	585	573
4	Savings - Frameworks	0	(1,408)	0	0	0	0
5	Council Tax Grant	0	(158)	0	0	0	158
6	Efficiencies / Prioritisation	0	(519)	(1,081)	(756)	(585)	(731)
7	Budget (Surplus) / Deficit	98	0	0	0	0	0
Council Tax Increase Applied		3.50%	0.00%	2.50%	2.50%	2.50%	2.50%
GENERAL FUND WORKING BALANCE							
		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
		£000	£000	£000	£000	£000	£000
8	Estimated Opening Balance	(1,384)	(1,286)	(1,287)	(1,286)	(1,286)	(1,286)
	Budget (Surplus) / Deficit	98	0	0	0	0	0
9	Estimated Closing Balance	(1,286)	(1,287)	(1,286)	(1,286)	(1,286)	(1,285)
	10% of Net Council Budget	(1,370)	(1,393)	(1,248)	(1,206)	(1,183)	(1,177)

The forecast illustrates the change in council tax assumptions and includes core grant in line with the provisional settlement. Grant from 2013/14 is assumed to reduce by 6% each year.

The forecast also incorporates the impact of the service pressures outlined and includes the savings estimated from the Budget Delivery Framework (line 4).

The forecast shows that whilst it should be possible to balance the budget for 2011/12 continuing to achieve this into the medium term remains extremely difficult.

work will continue on the / efficiency workstreams but it will become progressively more difficult to identify achievable savings. It seems inevitable that for 2012/13 some service reductions and cuts will be necessary and work on the prioritisation workstream will need to be progressed to support this.

SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Ref.		Original 2010/11 £	Revised 2010/11 £	Original 2011/12 £
	SERVICE EXPENDITURE			
1.	Cultural and Related Services	2,833,720	2,675,540	2,808,780
2.	Environmental Services	4,106,960	4,121,810	3,858,440
3.	Planning and Development Services	1,672,700	(653,800)	2,558,380
4.	Highways, Roads & Transport Services	1,207,360	970,440	97,440
5.	Housing Services	1,600,220	1,645,640	1,278,730
6.	Corporate and Democratic Services	1,952,060	1,930,100	1,929,300
7.	Central Services to the Public	2,045,120	2,030,340	1,827,730
8.	Trading Accounts	(505,390)	(573,460)	(525,420)
9.	Invest to Save & Service Improvement	50,000	50,000	50,000
10.	General Contingency	50,000	50,000	50,000
11.	NET COST OF SERVICES	15,012,750	12,246,610	13,933,380
12.	Transfers to/from Reserves	86,870	(78,130)	136,000
13.	Interest On Balances/Investments	(106,500)	(45,800)	(46,390)
14.	Depreciation adjustment	(1,562,700)	(1,432,000)	(1,387,800)
15.	Deferred Charges and MRP	170,060	2,929,800	(114,800)
16.	Revenue Contribution to Capital	50,000	80,000	0
17.	NET COUNCIL BUDGET	13,650,480	13,700,480	12,520,390

CULTURE AND RELATED SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	RECREATION AND SPORT			
	Indoor Sports & Recreation Facilities			
	Employees	26,020	25,950	25,660
	Premises	5,050	5,030	4,340
	Transport	400	400	400
1	Supplies and Services	105,630	63,820	23,010
2	Third Party Payments	358,700	395,650	390,020
	Central Support Services	30,000	28,900	29,600
	Capital Charges	157,100	153,000	155,600
	Total Expenditure	682,900	672,750	628,630
1	Fees and Charges	75,400	64,050	1,000
	Amortisation of Government Grants	4,600	0	0
	Total Income	80,000	64,050	1,000
	Net Expenditure to Summary	602,900	608,700	627,630
	Community Centres			
3	Employees	52,160	52,030	41,660
	Premises	32,300	32,090	28,640
	Supplies and Services	3,400	3,240	3,990
	Third Party Payments	28,500	24,500	26,960
	Central Support Services	16,100	15,500	15,700
4	Capital Charges	132,100	99,500	100,500
	Total Expenditure	264,560	226,860	217,450
5	Fees and Charges	24,000	27,750	35,000
	Amortisation of Government Grants	4,200	0	0
	Total Income	28,200	27,750	35,000
	Net Expenditure to Summary	236,360	199,110	182,450

Variance Explanations

- 1 A reduction in income and expenditure in both the 2010/11 revised budget and the 2011/12 original budget is due to Central Government funding no longer being made available for free swims from July 2010 for the over 60's and under 16's. In addition there has been a reallocation of costs to Sports Development and Community Recreation. (Note 7)
- 2 The increase in 2010/11 revised budget is due to increased contributions to Parkwood Leisure for the delay in the completion of the new Desborough Leisure centre. These additional payments are expected to continue in 2011/12 until the facility is completed.
- 3 The 2011/12 original budget for employee costs reflects changes in staff apportionments and changes to the establishment.
- 4 Reduction in capital charge relates to reduced spend on capital in 2009/10, this has no impact on the council's overall revenue budget.
- 5 The increase in income for the 2010/11 revised and 2011/12 original budget reflects an increased usage of the community centres.

CULTURE AND RELATED SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	Sport Development/Community Recreation			
6	Employees	175,200	197,770	193,320
	Premises	0	610	610
	Transport	9,650	9,650	8,050
7	Supplies and Services	49,960	160,880	85,840
	Central Support Services	53,500	51,100	52,800
	Capital Charges	3,900	3,900	0
	Total Expenditure	292,210	423,910	340,620
6&7	Grants & Contributions	0	134,200	0
	Fees and Charges	14,300	14,300	13,300
	Total Income	14,300	148,500	13,300
	Net Expenditure to Summary	277,910	275,410	327,320
	OPEN SPACES			
	Community Parks/Open Spaces			
8	Employees	38,220	38,140	36,040
	Premises	53,500	52,800	44,640
	Transport	1,800	1,800	2,100
9	Supplies and Services	25,710	76,370	25,110
	Third Party Payments	1,020,090	1,000,930	1,023,100
	Central Support Services	12,800	12,300	12,500
10	Capital Charges	135,900	128,600	145,700
	Total Expenditure	1,288,020	1,310,940	1,289,190
	Fees and Charges	49,980	49,980	51,980
9	Grants & Contributions	0	50,700	0
11	Amortisation of Government Grants	14,200	100,000	0
	Total Income	64,180	200,680	51,980
	Net Expenditure to Summary	1,223,840	1,110,260	1,237,210

Variance Explanations

- 6 The increase in the 2010/11 revised budget is due to the future jobs fund scheme whereby KBC recruit unemployed 18-24 year olds for a period of 6 months the salaries are reimbursed by NEL Northamptonshire Enterprise Limited. The increase in the 2011/12 original budget reflects changes in staff apportionments which better reflect the activities undertaken. (Note 51).
- 7 The increase in income and expenditure for the 2010/11 revised budget is due to a grant being received from NCC for sports development, the Future Jobs Fund Scheme and staging the Halfords cycle race. The 2011/12 original budget reflects a reallocation of resources from Economic Development and Indoor Sports and Recreation. (Note 1 & 52)
- 8 The reduction in the 2011/12 original budget reflects a reduction in property maintenance expenditure.
- 9 The increase in the 2010/11 revised budget is due to external Lottery Funding to finance Play Rangers who provide activities at parks throughout the borough for 10-16 year olds.
- 10 Variations on capital charges relates to changes in asset values, this has no impact on the Council's overall revenue budget.
- 11 The variance relates to the amortisation of government grants, this has no impact on the Council's overall budget.

CULTURE AND RELATED SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	OPEN SPACES			
	Allotments			
	Premises	2,460	2,460	2,460
	Third Party Payments	9,070	8,800	9,020
	Central Support Services	5,000	4,800	4,900
	Capital Charges	13,200	13,200	13,200
	Total Expenditure	29,730	29,260	29,580
	Rents	11,500	11,500	11,500
	Total Income	11,500	11,500	11,500
	Net Expenditure to Summary	18,230	17,760	18,080
	TOURISM			
12	Employees	53,500	53,390	39,170
	Premises	6,430	6,450	1,930
	Supplies and Services	13,020	12,900	10,880
	Third Party Payments	1,160	1,000	1,100
	Central Support Services	33,800	31,900	33,000
	Capital Charges	2,900	2,900	2,900
	Total Expenditure	110,810	108,540	88,980
13	Fees and Charges	16,200	6,600	6,600
	Total Income	16,200	6,600	6,600
	Net Expenditure to Summary	94,610	101,940	82,380

Variance Explanations

- 12** The reduction in employee costs for the 2011/12 original budget reflects changes in staff apportionments and changes to the establishment.
- 13** The reduction in fees and charges for both the 2010/11 revised budget and the 2011/12 original budget reflects expected income from sales.

CULTURE AND RELATED SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	CULTURE AND HERITAGE			
	Art Gallery			
14	Employees	101,090	98,420	74,250
	Premises	13,820	13,930	14,550
	Transport	2,000	2,000	1,600
	Supplies and Services	23,350	23,140	22,130
	Third Party Payments	8,850	8,600	8,810
	Central Support Services	20,500	19,500	19,600
	Capital Charges	6,400	6,400	6,400
	Total Expenditure	176,010	171,990	147,340
	Fees and Charges	7,900	7,900	8,500
	Total Income	7,900	7,900	8,500
	Net Expenditure to Summary	168,110	164,090	138,840
	Museum			
14	Employees	101,650	98,990	85,580
	Premises	22,700	24,010	24,410
	Transport	2,400	2,400	1,700
	Supplies and Services	26,310	26,070	26,020
	Third Party Payments	8,900	8,600	8,860
	Central Support Services	44,900	43,300	43,400
	Capital Charges	12,900	12,900	12,900
	Total Expenditure	219,760	216,270	202,870
15	Fees and Charges	8,000	18,000	8,000
	Total Income	8,000	18,000	8,000
	Net Expenditure to Summary	211,760	198,270	194,870

Variance Explanations

14 The reduction in employee costs for the 2011/12 original budget reflects changes in staff apportionments and changes to the establishment.

15 The increase in the 2010/11 revised budget is due to a one off grant from Northampton Borough Council.

CULTURAL & RELATED SERVICES TOTAL <i>Equal Global Summary Line 1</i>	2,833,720	2,675,540	2,808,780
--	-----------	-----------	-----------

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	WASTE COLLECTION			
	Household Waste Collection			
16	Employees	899,830	956,240	948,150
17	Transport	470,170	508,970	511,890
18	Supplies and Services	265,300	223,680	167,360
	Third Party Payments	600	600	600
	Central Support Services	151,000	145,200	148,300
	Total Expenditure	1,786,900	1,834,690	1,776,300
19	Fees and Charges	371,200	332,200	335,700
	Total Income	371,200	332,200	335,700
	Net Expenditure to Summary	1,415,700	1,502,490	1,440,600
	Recycling			
	Employees	826,870	822,500	831,650
	Transport	243,350	242,650	241,010
20	Supplies and Services	386,350	386,050	377,330
	Central Support Services	211,700	202,000	192,500
21	Capital Charges	311,500	312,500	179,300
	Total Expenditure	1,979,770	1,965,700	1,821,790
22	Fees and Charges	807,000	885,230	966,000
23	Amortisation of Government Grants	67,200	0	0
	Total Income	874,200	885,230	966,000
	Net Expenditure to Summary	1,105,570	1,080,470	855,790

Variance Explanations

- 16 The changes in employee costs in both the 2010/11 revised budget and the 2011/12 original budget reflects the increase in demand on the service.
- 17 A reallocation of resources and increase in fuel costs has resulted in an increase in both the 2010/11 revised budget and 2011/12 original budget.
- 18 A review of contract arrangements and operating methods from the staff suggestion / innovation budgetary framework has resulted in a reduction in expenditure in both 2010/11 and 2011/12.
- 19 The reduction in income for both the 2010/11 revised and 2011/12 original budget reflects a reduced customer base for the Trade Waste Service.
- 20 Reduced expenditure for the 2011/12 original budget reflects a decrease in the price per tonne for recycled waste following negotiations with the contractors.
- 21 Reduction in capital charges relates to a number of assets becoming fully depreciated in 2010/11, this has no impact on the council's overall revenue budget.
- 22 Increased income for both the 2010/11 revised budget and 2011/12 original budget reflects an increase in the price received for recycling commodities following negotiations with the contractors. This has been partly offset by a reduction in the tonnages being recycled due to the economic climate.
- 23 This relates to the amortisation of government grants, this has no impact on the Council's overall budget.

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	STREET CLEANSING			
24	Employees	473,930	453,790	477,140
25	Transport	177,050	182,550	205,130
26	Supplies and Services	73,590	67,920	72,160
	Central Support Services	100,300	96,500	99,300
	Capital Charges	2,400	2,400	2,400
	Total Expenditure	827,270	803,160	856,130
	Recharges to other services	142,000	142,000	142,000
	Total Income	142,000	142,000	142,000
	Net Expenditure to Summary	685,270	661,160	714,130

Variance Explanations

- 24 The reduction in the 2010/11 revised budget reflects vacancies during the year.
- 25 A reallocation of resources and an increase in fuel costs has resulted in an increase in both the 2010/11 revised and 2011/12 original budget.
- 26 The reduction in the 2010/11 revised budget relates to a reduction in expenditure on stock, this is expected to return to normal levels in 2011/12.

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	ENVIRONMENTAL HEALTH			
	Licences (incl. Hackney Carriages)			
27	Employees	106,750	103,360	92,480
	Transport	4,100	4,100	4,100
28	Supplies and Services	58,540	68,070	69,670
	Central Support Services	37,400	36,500	35,600
	Total Expenditure	206,790	212,030	201,850
29	Fees and Charges	150,500	145,500	141,000
	Total Income	150,500	145,500	141,000
	Net Expenditure to Summary	56,290	66,530	60,850
29a	Public Conveniences			
	Premises	154,600	151,190	150,930
	Transport	300	300	300
	Supplies and Services	3,050	3,050	3,040
	Third Party Payments	52,900	50,800	51,820
	Central Support Services	14,700	14,400	14,500
	Capital Charges	11,300	9,100	9,100
	Total Expenditure	236,850	228,840	229,690
	Fees and Charges	1,890	1,890	1,890
	Total Income	1,890	1,890	1,890
	Net Expenditure to Summary	234,960	226,950	227,800
30	Pest and Dog Control			
	Employees	185,280	180,840	164,170
	Transport	20,600	20,600	19,310
	Supplies and Services	23,550	22,830	23,550
	Central Support Services	59,300	57,800	57,400
	Total Expenditure	288,730	282,070	264,430
	Fees and Charges	15,000	15,000	19,000
	Total Income	15,000	15,000	19,000
	Net Expenditure to Summary	273,730	267,070	245,430

Variance Explanations

- 27 The reduction in cost for both the 2010/11 revised budget and 2011/12 original budget reflects changes in staff apportionments and changes to the establishment. (Note 31)
- 28 The increases in the 2010/11 revised budget and the 2011/12 original budget is due to increased contributions to the Licensing consortium.
- 29 The income for the 2010/11 revised budget and 2011/12 original budget has been reduced to reflect a reduction in the number of licences being issued due to the economic climate.
- 30 The reduction in cost for employees for both the 2010/11 revised budget and 2011/12 original budget reflects changes in staff apportionments and changes in the establishment. (Note 60)

29a **Public Conveniences** - costs for the rental and maintenance of the Council's public conveniences are within premises and supplies and services.

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	Pollution Reduction			
	Employees	132,740	131,670	129,890
	Transport	7,100	7,100	7,100
	Supplies and Services	16,190	15,720	13,730
	Central Support Services	33,300	32,400	32,700
	Total Expenditure	189,330	186,890	183,420
	Fees and Charges	27,000	27,000	27,000
	Total Income	27,000	27,000	27,000
	Net Expenditure to Summary	162,330	159,890	156,420
	Food Safety			
31	Employees	87,240	84,130	94,150
	Transport	4,500	4,500	4,400
	Supplies and Services	9,320	9,000	6,520
	Central Support Services	27,500	26,800	27,000
	Total Expenditure	128,560	124,430	132,070
32	Fees and Charges	7,000	14,000	12,000
	Total Income	7,000	14,000	12,000
	Net Expenditure to Summary	121,560	110,430	120,070
	Public Health			
31	Employees	213,020	212,880	220,110
	Premises	770	700	710
	Transport	9,600	9,600	9,600
33	Supplies and Services	58,370	60,240	54,400
	Central Support Services	41,800	40,800	41,100
	Total Expenditure	323,560	324,220	325,920
33	Fees and Charges	16,000	22,000	16,000
	Total Income	16,000	22,000	16,000
	Net Expenditure to Summary	307,560	302,220	309,920

Variance Explanations

- 31** The increase in cost for employees for the 2011/12 original budget reflects changes in staff apportionments and changes to the establishment. (Note 27)
- 32** The increase in both the 2010/11 revised budget and 2011/12 original budget is due to more export licences being issued.
- 33** The increase in the 2010/11 revised budget is due to a one off grant from Daventry District Council in respect of the Energy Efficiency Partnership.

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	COMMUNITY SAFETY			
	Safety Services			
	Employees	46,020	45,980	45,290
	Transport	1,100	1,100	1,000
34	Supplies and Services	128,750	134,460	112,790
	Central Support Services	23,100	22,100	22,800
	Total Expenditure	198,970	203,640	181,880
34	Grants and Contributions	33,950	39,700	17,050
35	Amortisation of Government Grants	15,300	13,000	0
	Total Income	49,250	52,700	17,050
	Net Expenditure to Summary	149,720	150,940	164,830
	Crime Reduction			
	Premises	9,420	9,650	9,940
	Supplies and Services	189,450	189,600	189,450
	Third Party Payments	2,700	2,400	2,550
	Central Support Services	3,000	2,900	2,900
	Capital Charges	14,600	13,400	13,400
	Total Expenditure	219,170	217,950	218,240
	Net Expenditure to Summary	219,170	217,950	218,240

Variance Explanations

- 34** The increase in the 2010/11 revised budget is due to additional funding for one off safety initiatives. The 2011/12 original budget reflects a reduction in income from grants which is offset by reduced expenditure.
- 35** This relates to the amortisation of government grants, this has no impact on the Council's overall budget.

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	FLOOD DEFENCE/LAND DRAINAGE			
	Supplies and Services	500	500	500
	Central Support Services	600	600	600
	Total Expenditure to Summary	1,100	1,100	1,100

ENVIRONMENTAL SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	CEMETERY & CREMATION SERVICES			
	Cemeteries			
	Employees	12,110	12,080	12,280
	Premises	12,500	14,550	10,410
	Supplies and Services	990	940	920
	Third Party Payments	80,660	78,950	80,770
	Central Support Services	16,300	15,700	16,800
	Capital Charges	6,800	7,700	8,900
	Total Expenditure	129,360	129,920	130,080
	Fees and Charges	98,000	98,000	98,000
	Total Income	98,000	98,000	98,000
	Net Expenditure to Summary	31,360	31,920	32,080
	Crematorium			
36	Employees	175,310	168,630	175,260
37	Premises	114,130	101,180	126,560
	Transport	4,100	4,100	2,600
38	Supplies and Services	201,690	200,700	235,830
	Third Party Payments	61,610	58,780	60,960
	Central Support Services	62,700	60,200	60,900
	Capital Charges	28,200	28,200	28,200
	Total Expenditure	647,740	621,790	690,310
39	Fees and Charges	1,305,100	1,279,100	1,379,130
	Total Income	1,305,100	1,279,100	1,379,130
	Net Income to Summary	(657,360)	(657,310)	(688,820)

Variance Explanations

- 36 The reduction in the 2010/11 revised budget reflects vacancies during the year.
- 37 The reduction in the Premises costs for the 2010/11 revised budget is due to credits being received for previous years utility bills. The increase in the 2011/12 original budget is due to higher costs for gas and electricity.
- 38 The increase in the 2011/12 original budget reflects costs for the realignment of the cremator and other operational costs, these additional costs will be offset by increased income.
- 39 The reduction in the 2010/11 revised budget is due to reduced demand. The increase in income for 2011/12 original budget is due to a new pricing structure.

ENVIRONMENTAL SERVICES TOTAL <i>Equal Global Summary Line 2</i>	4,106,960	4,121,810	3,858,440
---	-----------	-----------	-----------

PLANNING & DEVELOPMENT SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	PLANNING POLICY			
40	Employees	422,120	398,720	409,690
	Transport	9,300	9,300	8,700
41	Supplies and Services	197,820	190,350	178,720
	Central Support Services	120,200	116,600	120,300
	Capital Charges	20,900	19,000	19,000
	Total Expenditure	770,340	733,970	736,410
42	Grants and Contributions	0	43,250	19,700
43	Amortisation of Government Grants	82,900	0	0
	Total Income	82,900	43,250	19,700
	Net Expenditure to Summary	687,440	690,720	716,710

Variance Explanations

- 40 The reduction in the 2010/11 revised budget reflects vacancies during the year.
- 41 The change in both the 2010/11 revised budget and 2011/12 original budget reflects a reduced contribution to the Joint Planning Unit (JPU).
- 42 The change in the 2010/11 revised budget reflects a reimbursement for consultancy work from NCC. Both the 2010/11 revised and 2011/12 original contribution to the JPU has reduced resulting in a reimbursement.
- 43 This relates to the amortisation of government grants, this has no impact on the Council's overall budget.

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	ENVIRONMENTAL INITIATIVES			
	Employees	64,570	61,480	60,740
	Transport	2,100	2,100	2,100
44	Supplies and Services	27,060	55,570	10,620
	Central Support Services	25,200	24,200	24,600
	Total Expenditure to Summary	118,930	143,350	98,060
44	Grants & Contributions	0	42,800	0
	Total Income	0	42,800	0
	Net Expenditure to Summary	118,930	100,550	98,060

Variance Explanations

- 44 Increase in income and expenditure for the 2010/11 revised budget is due to one-off income from Northamptonshire County Council. The reduction in the 2011/12 original budget reflects withdrawal for a jointly funded post which is currently vacant.

PLANNING & DEVELOPMENT SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	DEVELOPMENT CONTROL			
45	Employees	1,073,750	994,320	1,003,960
	Transport	30,400	30,400	30,400
46	Supplies and Services	147,080	161,880	136,180
47	Central Support Services	337,900	327,500	348,800
	Total Expenditure	1,589,130	1,514,100	1,519,340
48	Grants and Contributions	733,200	32,400	0
	Fees and Charges	29,000	29,000	29,000
49	Planning Fees	371,000	366,000	371,000
	Total Income	1,133,200	427,400	400,000
	Net Expenditure to Summary	455,930	1,086,700	1,119,340

Variance Explanations

- 45 The reduction in budgets is due to vacancies and changes to the establishment. (Note 56)
- 46 The increase in the 2010/11 revised budget is due to a contribution to MKSM and increased legal costs. The reduction in 2011/12 is due to reduced IT costs.
- 47 Re-alignment of the Council's support service recharges result in an increase in the 2011/12 original budget.
- 48 The reduction in both the 2010/11 revised budget and 2011/12 original budget relates to the removal of the Housing Planning Delivery Grant, in addition the Area Based Grant has been removed from 2011/12. These are due to central government grant reductions.
- 49 The reduction in the 2010/11 revised budget for planning fees reflects a downturn in the housing market due to the economic climate. The Council has and continues to be heavily involved in lobbying to highlight the inadequacy and inequity of the current levels of statutory fees. The Government are expected to increase fee levels nationally for 2011/12 before moving to locally set fees. This has not been built into the 2011/12 budget.

PLANNING & DEVELOPMENT SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
50	BUILDING CONTROL			
	Employees	172,900	164,790	129,660
	Transport	7,600	7,600	7,600
	Supplies and Services	22,570	24,300	20,880
	Third Party Payments	2,000	1,800	1,890
	Central Support Services	115,100	112,000	117,100
	Total Expenditure	320,170	310,490	277,130
	Fees and Charges	153,000	153,000	153,000
	Total Income	153,000	153,000	153,000
	Net Expenditure to Summary	167,170	157,490	124,130

Variance Explanations

50 The change in the 2011/12 original budget relates to a reduction in staff costs.

PLANNING & DEVELOPMENT SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	ECONOMIC DEVELOPMENT			
	Support to Business and Enterprise			
51	Employees	133,700	111,340	113,460
	Premises	1,750	3,400	3,050
	Transport	2,050	2,050	600
52	Supplies and Services	108,260	118,570	96,540
	Third Party Payments	34,600	31,000	32,730
	Central Support Services	20,000	19,300	19,600
53	Capital Charges	86,800	306,300	120,300
	Total Expenditure	387,160	591,960	386,280
	Rent Land & Buildings	41,500	41,500	41,500
54	Amortisation of Government Grants	252,300	3,547,000	0
	Total Income	293,800	3,588,500	41,500
	Net Expenditure to Summary	93,360	(2,996,540)	344,780
	Kettering Borough Trainers			
55	Employees	446,200	381,560	285,750
55	Premises	32,910	27,970	28,130
55	Transport	25,000	20,700	16,300
55	Supplies and Services	178,550	171,170	169,840
55	Third Party Payments	3,260	2,900	3,080
55	Central Support Services	101,700	98,000	96,900
	Total Expenditure	787,620	702,300	600,000
55	Grants and Contributions	787,620	542,300	600,000
	Total Income	787,620	542,300	600,000
	Net Expenditure to Summary	0	160,000	0

Variance Explanations

- 51 The reduction in budgets is due to vacancies and a change in staff apportionments. (Note 6)
- 52 The reduction in the 2011/12 original budget reflects a reallocation of resources to Sports Development and Community Recreation. (Note 7)
- 53 The increase in the 2010/11 revised budget and 2011/12 original budget reflects capital charges arising from Town Centre improvements, this has no impact on the Council's overall budget. The expenditure (grant) on which it is based is shown on note 54.
- 54 This relates to the amortisation of government grants, this has no impact on the Council's overall budget.
- 55 A review of the KBT function is currently underway. National funding changes has resulted in income reducing significantly. Any changes will be implemented from 2011/12 to ensure the service breakeven.

PLANNING & DEVELOPMENT SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	COMMUNITY DEVELOPMENT			
56	Employees	111,170	113,970	121,090
	Transport	3,900	3,900	3,800
57	Supplies and Services	2,900	56,660	2,670
	Central Support Services	27,800	26,700	27,800
	Capital Charges	4,100	0	0
	Total Expenditure	149,870	201,230	155,360
57	Grants and Contributions	0	53,950	0
	Total Income	0	53,950	0
	Net Expenditure to Summary	149,870	147,280	155,360

Variance Explanations

- 56 The increase in employee costs for the 2011/12 original budget reflects changes to staff apportionments. (Note 45)
- 57 A one-off grant received from NCC to fund various youth projects results in both an increase in income and expenditure for 2010/11 revised budget.

PLANNING & DEV SERVICES TOTAL <i>Equal Global Summary Line 3</i>	1,672,700	(653,800)	2,558,380
--	-----------	-----------	-----------

HIGHWAYS, ROADS & TRANSPORT

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	HIGHWAYS AND ROADS			
	Employees	75,060	79,450	75,070
	Premises	21,190	21,190	21,190
	Transport	8,800	8,800	6,500
	Supplies and Services	50,140	50,110	50,060
	Third Party Payments	292,650	282,320	290,900
	Central Support Services	38,800	37,400	36,800
58	Capital Charges	14,500	132,100	15,300
	Total Expenditure	501,140	611,370	495,820
59	Fees and Charges	100,000	122,500	122,500
	Total Income	100,000	122,500	122,500
	Net Expenditure to Summary	401,140	488,870	373,320
	PARKING SERVICES			
60	Employees	148,650	135,640	163,170
61	Premises	81,020	62,810	61,790
	Transport	3,400	3,400	7,250
62	Supplies and Services	41,110	41,090	55,950
	Third Party Payments	117,790	117,500	117,760
	Central Support Services	47,300	45,100	47,100
	Capital Charges	13,200	13,500	15,000
	Total Expenditure	452,470	419,040	468,020
	Fees and Charges	743,900	743,900	743,900
	Total Income	743,900	743,900	743,900
	Net Income to Summary	(291,430)	(324,860)	(275,880)

Variance Explanations

- 58** Increase in the 2010/11 revised budget relates to a deferred charge whereby capital expenditure is incurred for which no capital asset is created, this has no impact on the Council's overall revenue budget.
- 59** The increase in fees and charges reflect a greater contribution from NCC for highway verge cutting.
- 60** The reduction in employee costs for 2010/11 reflects vacancies during the year. The increase in cost for employees for the 2011/12 original budget reflects changes in staff apportionments and changes to the establishment. (Note 30)
- 61** Reduced premises expenditure in both the 2010/11 revised and 2011/12 original reflects a reduction in Business Rates.
- 62** The increase in supplies and services for the 2011/12 original budget is to allow for one off set up costs for residents parking.

HIGHWAYS, ROADS & TRANSPORT

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	CONCESSIONARY TRAVEL			
62	Employees	16,060	15,040	0
62	Transport	400	400	0
62	Supplies and Services	1,140,090	1,226,940	0
62	Central Support Services	171,900	166,700	0
	Total Expenditure	1,328,450	1,409,080	0
62	Fees and Charges	230,800	602,650	0
	Total Income	230,800	602,650	0
	Net Expenditure to Summary	1,097,650	806,430	0

Variance Explanations

62 The transfer of concessionary travel from districts to counties from 1 April 2011 has result in Shire Districts having their grant reduced by the amount of expenditure incurred on concessionary travel. Since we are looking at how much "grant" should be transferred between tiers, the basis of any subsequent transfer must surely be based on grant (and not expenditure). This approach has resulted in a number of Shire Districts having grant taken away from them that they have never received! The two issues that illustrate this total just under £300,000 for KBC are as follows:

1) Discretionary Scheme Top Ups - KBC supplemented the statutory scheme to provide an enhanced level of service at peak times. No grant was ever received for this and this cost the Council about £120,000 per year.

2) Support Allocations - Overheads of £175,000 have been charged to concessionary travel , although it is possible to argue a small percentage of this amount may be covered by historic grant allocations, the majority of this figure relates to complying with good accounting practice for cost allocations - as such they were costs that will remain and need to be met by the Council, but have been removed from the core grant.

HIGHWAYS & TRANSPORT TOTAL <i>Equal Global Summary Line 4</i>	1,207,360	970,440	97,440
---	-----------	---------	---------------

HOUSING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	HOUSING STRATEGY			
	Employees	52,070	51,070	50,810
	Transport	1,100	1,100	1,000
63	Supplies and Services	30,280	30,190	14,630
	Central Support Services	32,700	31,400	32,200
	Net Expenditure to Summary	116,150	113,760	98,640
64	Amortisation of Government Grants	0	193,000	193,000
	Total Income	0	193,000	193,000
	Net Expenditure to Summary	116,150	(79,240)	(94,360)
	HOMELESSNESS & PREVENTION			
65	Employees	87,060	158,170	85,240
	Premises	3,490	6,150	2,760
	Transport	2,700	4,200	5,550
65	Supplies and Services	261,960	343,580	262,420
	Third Party Payments	5,000	4,240	4,760
	Central Support Services	38,000	36,500	35,600
	Capital Charges	4,400	1,800	1,800
	Total Expenditure	402,610	554,640	398,130
	Rents	3,000	3,000	3,000
65	Grants and Contributions	127,000	275,180	234,000
	Total Income	130,000	278,180	237,000
	Net Expenditure to Summary	272,610	276,460	161,130
	PASTURE CARAVAN SITE			
	Premises	18,500	21,500	17,500
	Supplies and Services	31,090	31,090	31,080
	Central Support Services	5,500	5,300	5,400
66	Capital Charges	75,500	14,500	75,900
	Total Expenditure	130,590	72,390	129,880
	Rents	31,300	34,300	31,300
	Fees and Charges	8,000	9,000	8,000
65	Amortisation of Government Grants	83,000	31,000	583,500
	Total Income	122,300	74,300	622,800
	Net Expenditure to Summary	8,290	(1,910)	(492,920)

Variance Explanations

- 63** The reduction in 2011/12 original budget for supplies and services is due to the annual housing conference no longer taking place. This has resulted in savings on event costs, room hire and printing costs, this has been used to finance additional IT costs (Note 68).
- 64** This relates to the amortisation of government grants, this has no impact on the Council's overall budget.
- 65** The increase in the 2010/11 revised budget and the 2011/12 original budget is due to additional grants being received from CLG in respect of homelessness prevention. In addition income has also increased due to the use of PSL properties and bed and breakfast accommodation.
- 66** Capital expenditure has been deferred from 2010/11 to 2011/12 resulting in lower capital charges for 2010/11 and an increased charge in 2011/12, this has no impact on the Council's overall revenue budget.

HOUSING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	HOUSING ADVICE			
67	Employees	195,940	179,940	191,560
	Transport	6,200	9,200	9,250
68	Supplies and Services	45,520	64,270	64,870
	Central Support Services	43,300	41,900	47,000
	Total Expenditure	290,960	295,310	312,680
	Fees and Charges	100,000	100,000	100,000
	Total Income	100,000	100,000	100,000
	Net Expenditure to Summary	190,960	195,310	212,680
	HOUSING ASSOCIATIONS			
69	Employees	39,010	31,010	38,780
	Transport	1,000	500	350
	Supplies and Services	1,110	1,040	1,000
	Central Support Services	24,600	23,800	24,000
	Total Expenditure	65,720	56,350	64,130
70	Fees and Charges	3,000	0	10,000
	Total Income	3,000	0	10,000
	Net Expenditure to Summary	62,720	56,350	54,130
	HOUSING ADVANCES			
	Central Support Services	4,200	4,100	4,100
	Net Expenditure to Summary	4,200	4,100	4,100

Variance Explanations

- 67** The reduction in employee costs for 2010/11 revised budget is due to a delay in the Young Persons Project. The project is due to commence in 2011/12 once Social Services have developed a Young Persons Protocol.
- 68** The increase in the 2010/11 revised budget and 2011/12 original budget is due to increased IT costs for the housing system. For 2010/11 this has been funded by reduced employee costs (Note 67) in 2011/12 this is being funded by reductions in supplies and services in Housing Strategy (Note 63).
- 69** The reduction in the 2010/11 revised budget is due to savings from an employee being on maternity leave.
- 70** The change in the 2011/12 original budget is due to charges being introduced for advertising on Kettering Keyways, which is the where Registered Social Landlords (RSL) advertise vacant properties.

HOUSING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	PRIVATE SECTOR HOUSING RENEWAL			
71	Employees	46,720	48,720	55,650
	Transport	1,800	1,800	1,750
71	Supplies and Services	13,480	8,390	7,330
	Central Support Services	24,600	23,900	25,200
72	Capital Charges	750,100	1,036,100	925,100
	Total Expenditure	836,700	1,118,910	1,015,030
	Fees and Charges	298,000	350,000	0
	Total Income	298,000	350,000	0
	Net Expenditure to Summary	538,700	768,910	1,015,030

Variance Explanations

- 71 The increase in 2011/12 original budget reflects changes to the establishment, this is offset by the reduction in the supplies and services budget.
- 72 Increase in the 2010/11 revised budget and 2011/12 original budget relate to a deferred charge whereby capital expenditure is incurred for which no capital asset is created, this has no impact on the Council's overall revenue budget.

HOUSING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	HOUSING BENEFITS			
73	Employees	436,590	464,960	436,060
	Transport	6,150	6,150	6,150
74	Supplies and Services	58,220	66,520	52,230
75	Transfer Payments	20,503,500	20,503,500	22,000,000
76	Central Support Services	236,500	229,200	246,500
	Total Expenditure	21,240,960	21,270,330	22,740,940
74&75	Grants and Contributions	20,834,370	20,844,670	22,322,000
	Total Income	20,834,370	20,844,670	22,322,000
	Net Expenditure to Summary	406,590	425,660	418,940

Variance Explanations

- 73** Increased employee costs for 2010/11 revised budget results from a higher case load of benefit applications, which is reflective of the current economic climate.
- 74** The 2010/11 revised budget for both income and expenditure has increased due to a one off grant received from DWP to fund new initiatives. The 2011/12 original budget reflects the reduction in the DWP grant the Council receives for the administration of Housing Benefits, this is despite an increase in caseload.
- 75** Increased benefit awarded in respect of Housing Benefit is offset by subsidy received.
- 76** Re-alignment of the Council's support service recharges result in changes to the 2010/11 revised budget and 2011/12 original budget.

HOUSING SERVICES TOTAL <i>Equal Global Summary Line 5</i>	1,600,220	1,645,640	1,278,730
---	-----------	-----------	------------------

CORPORATE AND DEMOCRATIC SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	Corporate and Democratic Services			
	Employees	177,930	178,010	178,020
	Transport	23,800	23,800	24,300
77	Supplies and Services	629,530	642,390	615,880
78	Central Support Services	1,213,700	1,176,200	1,204,400
	Capital Charges	2,100	4,700	4,700
	Total Expenditure	2,047,060	2,025,100	2,027,300
	Recharges to other services	95,000	95,000	98,000
	Total Income	95,000	95,000	98,000
	Net Expenditure to Summary	1,952,060	1,930,100	1,929,300

Variance Explanations

- 77** The increase in the 2010/11 revised budget reflects interest on temporary short term borrowing being greater than previously anticipated. The reduction in 2011/12 budget reflects the councils withdrawal from the Northamptonshire Area Procurement Services (NAPS).
- 78** Re-alignment of the Council's support service recharges result in changes to the 2010/11 revised budget and 2011/12 original budget.

CORPORATE & DEMOCRATIC TOTAL <i>Equal Global Summary Line 6</i>	1,952,060	1,930,100	1,929,300
---	-----------	-----------	------------------

CENTRAL SERVICES TO THE PUBLIC

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	Local Tax Collection			
79	Employees	910,810	887,230	894,360
	Transport	12,400	12,400	12,400
80	Supplies and Services	220,700	216,690	207,790
	Transfer Payments	5,674,300	5,672,300	5,674,300
81	Central Support Services	603,200	582,900	622,300
	Total Expenditure	7,421,410	7,371,520	7,411,150
82	Fees and Charges	215,000	222,300	390,000
83	Grants and Contributions	6,062,470	6,060,470	6,053,600
	Total Income	6,277,470	6,282,770	6,443,600
	Net Expenditure to Summary	1,143,940	1,088,750	967,550
	Elections			
	Employees	35,000	35,000	35,000
	Transport	900	1,050	900
84	Supplies and Services	33,700	85,450	33,700
	Central Support Services	105,100	105,100	102,100
	Total Expenditure	174,700	226,600	171,700
84	Fees and Charges	4,000	56,000	4,000
	Total Income	4,000	56,000	4,000
	Net Expenditure to Summary	170,700	170,600	167,700

Variance Explanations

- 79 The reduction in budgets relates to vacancies and changes in allocations.
- 80 The reduction in budgets is due to savings made on advertising and a review of IT support costs.
- 81 Re-alignment of the Council's support service recharges result in changes to the 2010/11 revised budget and 2011/12 original budget.
- 82 The Fees and Charges workstream reviewed penalty charges and court costs for Council Tax and NNDR payers, targeting those individuals and businesses who choose not to pay. This has resulted in an increase in charges and is reflected in the 2011/12 original budget.
- 83 The 2011/12 original budget reflects the reduction in the DWP grant the Council receives for the administration of Council Tax Benefit, this is despite an increase in caseload.
- 84 Increased expenditure and income in the 2010/11 revised budget was due to the General Elections held in June 2010. The costs associated with these elections was reimbursed in full.

CENTRAL SERVICES TO THE PUBLIC

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
85	Local Land Charges			
	Employees	130,350	130,240	116,310
	Premises	7,000	6,600	6,800
	Transport	1,100	1,100	1,100
	Supplies and Services	29,480	28,490	28,160
	Central Support Services	99,500	97,100	97,600
	Total Expenditure	267,430	263,530	249,970
86	Fees and Charges	120,000	74,000	75,000
	Total Income	120,000	74,000	75,000
	Net Expenditure to Summary	147,430	189,530	174,970
	Town and Parish Councils			
	Premises	2,500	2,500	2,500
87	Supplies and Services	117,840	117,840	99,310
	Central Support Services	15,300	15,300	15,100
	Total Expenditure to Summary	135,640	135,640	116,910
	Grants			
	Employees	30,760	29,810	29,460
	Transport	750	750	800
88	Supplies and Services	363,000	386,960	318,740
	Central Support Services	20,900	20,300	19,600
	Capital Charges	32,000	32,000	32,000
	Total Expenditure	447,410	469,820	400,600
88	Grants and Contributions	0	24,000	0
	Total Income	0	24,000	0
	Net Expenditure to Summary	447,410	445,820	400,600

Variance Explanations

- 85** The 2011/12 original budget reflects changes in the establishment.
- 86** The Council has previously lobbied the Government that the statutory fee of £11 for land searches was too low. Following a review by CLG, the statutory fee level was increased to £22 in January 2010. Although this did not meet the request for full recovery, it was a step in the right direction. Following the increase, a legal challenge was made by the private search companies who cited European Law as the basis that no charge should be made for access to the local land charges register. Following a lengthy legal process, the Government have now changed the regulations. This effectively means that local authorities can no longer charge the £22 statutory fee. Both the 2010/11 revised budget and 2011/12 original budget reflects this change.
- 87** The reduction in the grant levels to the Town and Parish Councils reflect the Council policy decision to align grants to the settlement the council receives.
- 88** The increase in the 2010/11 revised budget reflects a grant payment to the Groundwork Trust, the one off income received from NCC off sets this. The reduction in the 2011/12 original budget is due to grants no longer being paid.

CENTRAL SERVICES TOTAL <i>Equal Global Summary Line 7</i>	2,045,120	2,030,340	1,827,730
---	-----------	-----------	------------------

TRADING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	MARKETS			
	Premises	3,090	3,090	3,090
	Supplies and Services	650	650	650
	Third Party Payments	38,140	37,520	38,320
	Central Support Services	600	600	600
	Capital Charges	400	300	300
	Total Expenditure	42,880	42,160	42,960
89	Rents	15,000	11,000	12,000
	Total Income	15,000	11,000	12,000
	Net Expenditure to Summary	27,880	31,160	30,960
	INDUSTRIAL/COMMERCIAL PREMISES			
90	Premises	62,250	50,180	82,550
	Supplies and Services	27,500	26,000	23,600
91	Third Party Payments	50,380	44,200	47,660
	Central Support Services	91,800	91,500	89,800
92	Capital Charges	62,900	40,000	40,000
	Total Expenditure	294,830	251,880	283,610
93	Rents	828,100	856,500	839,990
	Total Income	828,100	856,500	839,990
	Net Expenditure to Summary	(533,270)	(604,620)	(556,380)

Variance Explanations

- 89** The reduction in income from market rents reflects the current economic climate.
- 90** The increase in premises costs for 2011/12 original budget is due to an increase in business rates.
- 91** The 2010/11 revised and 2011/12 original budget reflects a reduction in repairs and maintenance expenditure to the industrial units due to increased occupancy levels.
- 92** The increase in the 2010/11 revised and 2011/12 original budgets is due to changes in financial reporting, assets previously classed as other land and buildings under UKGAAP are now classified as investment properties under IFRS. Assets held as investment properties are not depreciated. This has no effect on the Council's overall revenue budget.
- 93** The 2010/11 revised budget reflects an increase in occupation rates.

TRADING SERVICES

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	PROPERTY MAINTENANCE			
94	Employees	179,800	153,060	151,690
95	Transport	28,360	20,880	29,720
	Supplies and Services	46,460	46,380	49,600
	Third Party Payments	60,060	60,060	60,060
96	Central Support Services	21,400	21,400	30,600
	Total Expenditure	336,080	301,780	321,670
	Fees and Charges	6,010	6,010	6,010
97	Recharges to other services	330,070	295,770	315,660
	Total Income	336,080	301,780	321,670
	Net Income / Expenditure to Summary	0	0	0
	GROUNDS MAINTENANCE			
98	Employees	961,920	915,690	967,690
	Premises	1,470	2,580	2,640
99	Transport	291,700	322,270	310,250
	Supplies and Services	108,380	104,090	107,800
	Third Party Payments	34,300	34,000	34,300
100	Central Support Services	152,800	147,200	144,900
	Capital Charges	5,100	5,100	5,100
	Total Expenditure	1,555,670	1,530,930	1,572,680
101	Fees and Charges	30,000	30,000	40,000
97	Recharges to other services	1,525,670	1,500,930	1,532,680
	Total Income	1,555,670	1,530,930	1,572,680
	Net Income to Summary	0	0	0

Variance Explanations

- 94 The reduction in employee costs reflects a reallocation of resources.
- 95 The reduction in the 2010/11 revised budget reflects reduced lease payments. A reallocation of resources and increase in fuel costs has resulted in an increase in the 2011/12 original budget.
- 96 Changes in central support costs better reflects allocation of where resources are being utilised.
- 97 The reduced recharges for both the 2010/11 revised budget and the 2011/12 original budget reflects changes in costs charged to these functions that are then reallocated to services.
- 98 The reduction in the 2010/11 revised budget reflects vacant posts.
- 99 The increase in 2010/11 revised and 2011/12 original budgets for fleet cost represent a reallocation of resources and an increase in fuel costs.
- 100 Changes in central support costs better reflects allocation of where resources are being utilised.
- 101 The increased budget reflects an increase in chargeable grounds maintenance works, to users of the service.

TRADING SERVICES TOTAL <i>Equal Global Summary Line 8</i>	(505,390)	(573,460)	(525,420)
---	-----------	-----------	-----------

CAPITAL FINANCING

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	CAPITAL CHARGES			
102	HRA Support Services Adjustment	89,900	89,900	89,500
	Total Expenditure	89,900	89,900	89,500
103	Surplus on Depreciation Charges	(1,652,600)	(1,521,900)	(1,477,300)
	Total Surplus on Depreciation Charges	(1,652,600)	(1,521,900)	(1,477,300)
	Net Income to Summary	(1,562,700)	(1,432,000)	(1,387,800)
	DEFERRED CHARGES & MRP			
104	Surplus from Deferred Charges Account	170,060	2,929,800	(114,800)
	Total Income to Summary	170,060	2,929,800	(114,800)
	INTEREST & INVESTMENT INCOME			
105	Interest Payable to HRA	15,200	6,150	6,150
	Interest Receivable from HRA	(98,700)	(28,950)	(29,540)
	Interest - Officers Car Purchase Account	(8,000)	(8,000)	(8,000)
	Interest - General Fund	(15,000)	(15,000)	(15,000)
	Total Income to Summary	(106,500)	(45,800)	(46,390)

Variance Explanations

- 102** This adjustment negates the impact depreciation has on the Housing Revenue Account when recharges are made to the HRA via support services, this ensures depreciation is a notional charge and not an actual charge to the HRA.
- 103** The surplus on Capital Charges reflects the reversal of entries made within the Service Revenue Accounts and has no impact on the Council's overall budget.
- 104** This budget reflects 3 accounting adjustments:-
- Deferred charges relate to capital expenditure for which no capital asset is created, it reverses out costs in the Service Revenue Accounts and has no impact on the Council's overall budget.
 - Amortisation of grants used to finance capital expenditure, works the opposite way to deferred charges by reversing income out of the Service Revenue Account. This similarly has no impact on the Council's overall budget.
 - Minimum Revenue Provision (MRP) is a statutory amount the Council must provide for future repayment of internal debt. This has a "real" impact on the overall budget.
- 105** This reflects the borrowing/investment position of the HRA. The GF effectively pays the HRA for any balances that it holds and the HRA pays the GF for any borrowings it uses to finance its part of the capital programme.

CAPITAL FINANCING TOTAL			
<i>Equal Global Summary Line 12 - 15</i>	(1,499,140)	1,452,000	(1,548,990)

CORPORATE PRIORITY MATRIX 2011/12

Corporate Priority	1. Sustainable Communities				2. Customer Services		3. The Environment		4. Community and Rural	
	Stronger Town Centres	Economy and Skills	Design Standards for Buildings	Managing Growth	Access to Services	Efficient Effective Services	Greener	Cleaner	Tackling Anti-Social Behaviour and Crime	Active Citizens
Service Area	1A	1B	1C	1D	2A	2B	3A	3B	4A	4B
CULTURAL AND RELATED SERVICES										
Recreation and Sport										
Indoor Sports & Recreation facilities	✓					✓	✓			✓
Community Centres							✓			✓
Sports Dev & Community Recreation										✓
Open Spaces										
Community Parks and Open Spaces							✓			✓
Allotments										✓
Tourism										
					✓	✓				✓
Culture and Heritage										
Art Gallery	✓				✓		✓			✓
Museum	✓				✓		✓			✓
ENVIRONMENTAL SERVICES										
Waste Collection										
Household Waste Collection					✓	✓	✓	✓		
Recycling					✓	✓	✓	✓		
Street Cleaning										
					✓	✓	✓	✓		
Environmental Health										
Licences					✓		✓	✓	✓	
Public Conveniences								✓		
Pest and Dog Control					✓			✓		
Pollution Reduction					✓		✓	✓		
Food Safety					✓			✓		
Public Health					✓		✓	✓		
Community Safety (Safety Services)						✓			✓	✓
Community Safety (Crime Reduction)						✓			✓	✓
Flood Defence and Land Drainage										
Cemetery and Cremation Services										
Cemeteries					✓					
Crematorium					✓					
PLANNING & DEVELOPMENT										
Planning Policy	✓	✓	✓	✓	✓	✓				
Environmental Initiatives							✓	✓		
Development Control	✓		✓	✓	✓	✓				
Building Control			✓		✓	✓				
Economic Development										
Support to Business & Enterprise	✓	✓	✓	✓	✓	✓				
Kettering Borough Trainers		✓		✓					✓	✓
Community Development	✓				✓	✓			✓	✓
HIGHWAYS, ROADS AND TRANSPORT										
Highways and Roads	✓									
Parking Services	✓									
Public Transport	✓									
HOUSING SERVICES										
Housing Strategy			✓	✓					✓	
Homelessness					✓				✓	
Pasture Caravan Site			✓						✓	
Housing Advice					✓				✓	
Housing Associations			✓	✓						
Housing Act Advances										
Private Sector Housing Renewal			✓	✓	✓					
Housing Benefits					✓					
CORPORATE & DEMOCRATIC CORE										
CENTRAL SERVICES TO THE PUBLIC										
Local Taxation					✓					
Elections					✓					
Local Land Charges					✓					
Town and Parish Councils										✓
Grants	✓	✓		✓	✓	✓			✓	✓
TRADING SERVICES										
General market	✓									
Industrial Sites		✓		✓						
Property Maintenance			✓							
HOUSING REVENUE ACCOUNT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Key - Service supports Corporate Priority	✓									

GF Expenditure (Excl. Benefit payments and corporate costs.)	20,338,000	£6,221,850	£3,374,700	£6,527,450	£4,214,000
HRA Expenditure (Excl. Subsidy payments)	8,637,000	£6,478,350	£431,400	£431,400	£1,294,850
Capital Expenditure (See page 36 - 39 for detail.)	7,231,000	£4,912,000	£2,200,000	£119,000	£0
Estimated Gross Expenditure (excluding benefit payments)	36,206,000	£17,612,200	£6,006,100	£7,077,850	£5,508,850
TOTAL EXPENDITURE ON CORPORATE PRIORITIES			£36,205,000		

ANALYSIS OF RESERVES

	01/04/2010	31/03/2011
	£'000	£'000
Major Reserves:		
Economic Development & Regeneration	3,241	3,241
Organisational Development	418	368
Mercury Abatement	302	408
Total Major Reserves	3,961	4,017
Minor Reserves		
Burton Wold Wind Farm	58	58
Ward Initiatives	16	16
Licensing	22	22
Community Projects & Street Scene	30	30
Housing Act Advances	11	11
Planning	35	35
DWP	20	20
Elections	50	70
Total Minor Reserves	242	262
Others;		
Kettering Borough Trainers	135	0
Healthy Living Centre	17	17
Total Other Reserves	152	17
Total Reserves	4,355	4,296

GLOSSARY

Detailed below is a summary of CIPFA's standard subjective classification, this has been included to provide an overview of the types of expenditure that are included in each of the subjective classifications;

Employee Costs

Includes gross salaries of all employees together with the costs for National Insurance and pension costs.

It also includes indirect employee expenditure consisting of;

- Staff advertising
- Training
- Interview expenses
- Relocation expenses
- Professional membership fees.

Premises Costs

Covers expenses directly related to the running of premises and land this includes;

- Cost of revenue repairs
- Utility costs
- Rents and rates

Transport Costs

Includes all transport costs and staff travelling allowances.

Supplies and Services

Covers all items of expenditure not covered by the above headings, such as the purchase and maintenance of equipment and furniture, purchase of stationary and subscription costs.

Transfer Payments

Relates to payments for which no goods or services are received by the Council e.g. Rent Allowances.

Third Party Payments

Payments made to external providers in return for the provision of a service.

Central Support Services

Examples of Central Support Costs include;

- Accountancy
- Legal
- Human Resources

These departments recharge their costs in full to users of their services. The method for recharging these services is dependant on the service being provided.

Capital Charges

Capital charges consist of depreciation and deferred charges. deferred charges relate to capital expenditure which does not result in the authority creating a fixed asset.

An accounting adjustment is made to ensure both depreciation and deferred charges have a nil impact on the taxpayer.

Income

Revenue income received by the authority includes;

- Rents
- Fees and charges

Kettering *Borough Council*

DRAFT BUDGET BOOKLET - 2011/12

Section 2

Capital Programme 2011 - 2014

DRAFT CAPITAL PROGRAMME 2010 - 2014

	2010/11		2011/12	2012/13	2013/14
	Original Estimate	Latest Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000	£000
1. EXPENDITURE SUMMARY:					
A. HOUSING SCHEMES (HRA)	2,444	2,527	2,460	2,460	2,460
B. GENERAL FUND SCHEMES:					
Private Sector Housing Improvement	975	1,036	543	543	543
Investment & Repair Programme	871	498	2,577	76	76
Community Project Schemes	5,528	4,671	1,201	101	101
IT Replacement programme	400	577	200	200	200
Invest To Save Projects	50	0	250	250	250
Total	10,268	9,309	7,231	3,630	3,630
2. FINANCING ANALYSIS:					
Major Repairs Allowance (MRA)	2,444	2,444	2,460	2,460	2,460
Capital Receipts - Right to Buy	100	100	200	200	200
Capital Receipts - Suite 16	1,243	0	1,243	0	0
External Borrowing	1,637	2,161	2,201	427	427
Revenue Contribution	50	80	0	0	0
Grants and Contributions	4,794	4,524	1,127	543	543
Total	10,268	9,309	7,231	3,630	3,630

DRAFT CAPITAL PROGRAMME 2010 - 2014

Scheme	2010/11		2011/12	2012/13
	Original Estimate	Latest Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000
HOUSING REVENUE ACCOUNT				
Kitchen & Bathroom Renewal				
Decent Homes - Round Up	291	291	452	366
Sheltered Accommodation Upgrading				
Digital Switch Over - communal areas	50	50	0	50
Door Entry Scheme	40	50	35	80
Window Renewal Programme				
Decent Homes - Bracknell Window Renewals	70	70	149	70
Central Heating				
Decent Homes - Upgrades	284	284	110	300
Decent Homes - Replace Oil Tanks	74	0	40	90
Other Schemes				
Decent Homes - Re-Roofing	86	86	160	100
Decent Homes - External Wall Repairs	0	0	25	64
Improving Access for Disabled People	300	303	300	300
Decent Homes - Electrical Upgrades	142	142	100	150
Decent Homes - Fire Precautions	107	107	225	120
Composite Door Replacements	150	150	226	140
Decent Homes - Asbestos Removal	75	75	0	70
Structural Improvements	150	191	150	150
External Wall Insulation	47	47	109	0
Internal Wall Insulation	50	75	138	50
Environmental Improvements - Highfields	200	200	34	200
Environmental Improvements - Rosewood Pl.	123	53	170	0
Housing Repairs Appointment System	0	67	0	0
Decent Homes - Other works	150	150	37	160
Stock Condition Survey	0	11	0	0
Eco Homes	55	125	0	0
Sub Total	2,444	2,527	2,460	2,460

Scheme	2010/11		2011/12	2012/13
	Original Estimate	Latest Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000
<u>Community Project Schemes</u>				
Rolling Programme:				
Village Halls	32	32	32	32
Borough Wide - Recycling Project	69	69	69	69
Conservation Area Enhancement Schemes	10	39	0	0
Shopfront Improvements	30	59	0	0
Enhancements:				
SCW Parks and Open Spaces	0	3	0	0
Ise Valley Sk8 Park	0	3	0	0
Green Links - Pedestrian Improvements	0	118	0	0
Improvements:				
Suite 16 Projects	5,387	4,206	1,100	0
Lawrences Site Desborough	0	10	0	0
Open Space Imps - Rushton Rd, Desborough	0	50	0	0
Open Space Imps - Gray's Field	0	7	0	0
Open Space Imps - Mill Road Park	0	62	0	0
Burglary Reduction Initiative	0	13	0	0
Sub Total	5,528	4,671	1,201	101
<u>IT Replacement programme</u>				
Rolling Programme:				
Infrastructure/Flexible Working	200	238	200	200
Repair/Replacement:				
ITS - IT Air Conditioning	0	18	0	0
Enhancements				
Government Connect - GCSX	100	168	0	0
System Replacements	100	100	0	0
Corporate Document Management System	0	18	0	0
ITS - Car Park System Enhancements	0	35	0	0
Sub Total	400	577	200	200
<u>Invest To Save Projects</u>				
Global Budget Provision	50	0	250	250
Sub Total	50	0	250	250
CAPITAL PROGRAMME TOTAL	10,268	9,309	7,231	3,630

Kettering *Borough Council*

DRAFT BUDGET BOOKLET - 2011/12

Section 3

Housing Revenue Account Estimates 2011/12

HOUSING REVENUE ACCOUNT ESTIMATES 2011/12

Ref		Original 2010/11	Revised 2010/11	Original 2011/12
		£	£	£
	INCOME			
1	Rents - Dwellings Only	12,158,000	12,258,000	13,060,780
2	Service Charges	241,000	254,000	269,240
3	Supporting People Grant	200,000	184,000	100,000
	Total Income	12,599,000	12,696,000	13,430,020
	EXPENDITURE			
4	Repairs and Maintenance	3,308,320	3,342,740	3,295,650
5	General Management	2,027,010	2,039,490	2,082,820
6	Special Services	905,460	870,880	914,590
7	Rents, Rates, Taxes & Other Charges	26,000	20,000	20,000
	Contribution to Bad Debt Provision	64,000	50,000	75,000
8	Depreciation	2,175,100	2,303,300	2,249,200
9	Housing Revenue Account Subsidy	3,628,000	3,716,050	4,494,730
	Total Expenditure	12,133,890	12,342,460	13,131,990
	Net Cost of Services	(465,110)	(353,540)	(298,030)
10	Interest Payable	98,700	28,950	29,540
11	Amortised Premiums & Discounts	114,000	114,100	64,400
	HRA Investment Income	(16,800)	(6,800)	(6,700)
8	Transfer To/From Major Repairs Reserve	268,900	140,700	210,790
	Net Operating Expenditure	(310)	(76,590)	0
	Revenue Contributions To Capital	0	0	0
	Net Change in Balances	(310)	(76,590)	0
	Balance Carried Forward	(300,316)	(381,801)	(381,801)

Variance Explanations

- 1 The Government have indicated that Councils must continue to use the rent restructuring formula for rent setting in 2011/12 without any capping mechanism being in place, as has been the case in previous years. This has meant that KBC tenants face an average increase of 6.98% or £4.36 per week for next financial year meaning the average rent for 2011/12 will be £66.81/week (on a 52 week year).
- 2 Increased service charge income is expected during 2011/12.
- 3 It is anticipated that Supporting People Grant will reduce in 2011/12 as NCC seeks to reduce its costs.
- 4 A slight reduction is being estimated for 2011/12, however this has materialised mainly due to staff efficiencies driven from a review of the Housing repairs staffing structure.
- 5 Recharges from support services have been adjusted to more accurately reflect time spent on MRA activities.
- 6 Additional utility costs for sheltered accommodation (gas supplies and cleaning materials).
- 7 Council Tax due on void properties is estimated to continue to fall as the turnaround times associated with voids continues to improve.
- 8 Changes in depreciation simply reflects movements in valuation levels associated with property within the HRA. This affects the transfers from the Major Repairs Reserve.
- 9 Significant increases in subsidy payments are estimated for 2011/12. In 2005/06 KBC's negative subsidy payment was £2.081m, for 2011/12 it is estimated at £4.495m an increase of 116%. KBC's 2011/12 HRA has experienced a 24% increase from what was originally budgeted for in 2010/11. The Government have confirmed their desire to replace the current subsidy system with a new "self-financing" regime from April 2012. This will do away with negative subsidy payments but the Council in exchange will receive an equitable share of the national local authority housing debt. Details of the settlement will be received over the following months.
- 10 This relates to technical recharges between the General Fund and the HRA. DCLG guidance regarding the level of interest rates to apply reduced significantly for 2010/11 and this is expected to continue in 2011/12.
- 11 This relates to historical debt that was repaid early and the annual payments are determined by a schedule of repayments. The amount needed for 2011/12 is lower than that required for 2010/11.

APPENDIX C

Budget Delivery Frameworks - Summary 2011/12

	Staff Suggestion / Service Plan / Innovation	Fees & Charges	Partnersh ips	Capital Review	Lobbying	Prioritisa tion	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staffing & Staff Related	(599)		(51)	(8)			(658)
Premises	(22)		(18)	(9)			(49)
Operating Costs	(166)		(70)	(12)	(72)		(320)
Income	(74)	(207)		(100)			(381)
Total Savings	(861)	(207)	(139)	(129)	(72)	0	(1,408)

BUDGET PROCESS 2011/12 - TIMELINE

Appendix D

Month	Date	Meeting	Comments
November	17	Executive	Receive a report on the Government Spending Review 2010, the Medium Term Financial Strategy and revised budget projections, an update on the Budget Delivery Framework and a proposed timeline for the remainder of the process.
December	8	Executive	Receive a High Level budget report, reviewing the Government Grant settlement, revising the Medium Term Financial Strategy and budget projections as necessary, an update on the Budget Delivery Framework and analysing the any remaining budget gap and formalise the budget consultation period.
January	19	Executive	To receive initial draft budget proposals for the General Fund, Capital Programme, and Housing Revenue Account. This will constitute the beginning of the formal budget consultation process.
	25	Research & Development	To perform the scrutiny role in relation to the draft budget proposals submitted from the Executive. Comments to be submitted back to the Executive for the February Meeting.
	27	Budget Consultation Meeting	The annual Budget Consultation Meeting with stakeholders of the Borough.
February	7	Kettering Town Forum	Opportunity for the Forum to comment on specific budget proposals / issues.
	8	Monitoring & Audit	To perform the scrutiny role in relation to the draft budget proposals submitted from the Executive. Comments to be submitted back to the Executive for the February Meeting.
	9	A6 Towns Forum	Opportunity for the Forum to comment on specific budget proposals / issues.
	10	Tenants Forum	To consider the draft budget proposals for the Housing Revenue Account and make any comments to the February meeting of the Executive.
	16	Executive	Consideration of comments that have come back from the consultation process and formulation of final budget budget proposals for submission to the Council.
	17	Kettering Rural Forum	Opportunity for the Forum to comment on specific budget proposals / issues.
	24	Council	Budget and Council Tax debate and the formal setting of the Council's Revenue and Capital budgets for 2011/12 including setting the Council Tax and Housing Rents levels.

Formal
Consultation
Period