

IMPACT OF PROPOSED GOVERNMENT CUTS

The implementation of government cuts has affected the following Council grants, at this early stage it has not been possible to assess the full impact of all the reductions, although where possible these are highlighted:

Known Grant Cuts at this stage

Grant	Paid By	Reduction 2010/11	Reduction 2011/12	Impact	Nature of Impact
Migration Impact Fund	GOSE	45,000.00		Low	The grant has been halved, no expenditure was allocated to the grant cut and so there should be no impact on the authority.
Working Neighbourhood Fund	DCLG through Area Based Grant	159,000.00		Low - Medium	Possible reduction in WNF Programme identified subject to board approval. Removal of apprenticeship Programme £120k, FJF discretionary fund underspend and one grant ended early by board.
Community Cohesion	DCLG through Area Based Grant	48,000.00		Low - Medium	Saving identified, £12k underspend in 2009/10 in addition to £38k reduction in expenditure spread across 2010/11 and 2011/12. Although cut will lead to budget pressure in 2011/12.
Neighbourhood Crime and Justice	Home Office		50,000.00	High	There are various staff salaries funded from this grant and the impact of the grant removal will have implications to TDC base budget, although these need to be costed and highlighted in future reports.
Housing and Planning Delivery Grant	DCLG		74,798.47	High	The whole HPDG grant for the Council has been cut. There is enough money remaining to fund the budget for 2010/11, so the full impact will not be felt until 2011/12. However cuts now will reduce the impact in 2011/12. There is the scope to switch the element of grant currently allocated to capital to reduce this impact, although this needs investigation, but this will still mean a £52.2k impact on TDC base budgets.
Total Cuts		252,000.00	124,798.47		

Additional Cuts Announced

LAA Reward - £125m. The proposed cut will be applied to KCC, but which will impact on any Performance Reward Grant handed down to the local authorities. The impact on this cut is as yet unknown.

Local Authority Business Growth Incentives (LABGI) - £50m. Again the grant is proposed to be cut but no announcement has been made as to how much will be passed on to the Council.

Area Based Grant Cuts – Kent County Council - £8.79m. The cut of KCCs Area Based Grant (along with others) does not appear to have an immediate impact on the Council, but as KCC move money around to cover areas of cuts, grants provided to the authority in other areas such as sports etc. may duly suffer although to what level is unclear. As part of these cuts KCC's transport grants are affected and this may increase their interest in our decriminalised reserves. These cuts could also impact on the Council's CDRP allocation, which for 2009/10 was £117,080 and this funds salaries, but the impact is not yet known.

Other Possible Cuts

Dreamland – Sea Change. DCMS has announced a 3% reduction in the programme and this may impact on the grant provided to the Council. CABE the accountable body for Sea Change seem confident at this stage that the reduction will not impact on the Council's £3.8m grant, although this maybe subject to change.

Arts Council England. DCMS have imposed a £19m cut in grant to the Arts Council, this has no immediate impact but could have a future impact on the Council's MACH programme, although this is not expected at this time.

Home Office. The Home Office has suspended the work of it's Anti Social Behaviour team due to "new ministerial priorities". This may be an indication of further cuts to any Home Office grants.

Recommended Action

That the impact of cuts are fully costed, that these are reported to the next CMT and that immediate action is required to reduce the impact, where possible, to TDC base budgets.