



## AGENDA

### CABINET MEETING

Date: Wednesday, 12 July 2017

Time: 7.00 pm

Venue: Council Chamber, Swale House, East Street, Sittingbourne, Kent, ME10 3HT

Membership:

Councillors Bowles (Chairman), Mike Cosgrove, Duncan Dewar-Whalley, Alan Horton, Gerry Lewin (Vice-Chairman), Ken Pugh and David Simmons

Quorum = 3

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1. Emergency Evacuation Procedure

Pages

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It is important that the Chairman is informed of any person attending who is disabled or unable to use the stairs, so that suitable arrangements may be made in the event of an emergency.

2. Apologies for Absence

3. Minutes

To approve the Minutes of the Meeting held on 14 June 2017 (Minute Nos. 26 - 32) as a correct record.

4. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.

The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

(b) Disclosable Non Pecuniary (DNPI) under the Code of Conduct adopted by the Council in May 2012. The nature as well as the existence of any such interest must be declared. After declaring a DNPI interest, the Member may stay, speak and vote on the matter.

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the room while that item is considered.

**Advice to Members:** If any Councillor has any doubt about the existence or nature of any DPI or DNPI which he/she may have in any item on this agenda, he/she should seek advice from the Monitoring Officer, the Head of Legal or from other Solicitors in Legal Services as

early as possible, and in advance of the Meeting.

### **Part B Reports for Decision by Cabinet**

- |    |  |         |
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| 5. | Resident Parking Scheme Policy   | 1 - 8   |
| 6. | Council Tax Support Scheme 2018/19   | 9 - 28  |
| 7. | Financial Management Report - Financial Outturn Report 2016/17                       | 29 - 72 |
| 8. | Recommendations of the Local Development Framework Panel held on 20 June 2017        | 73 - 74 |
| 9. | Recommendations of the Swale Joint Transportation Board Meeting held on 26 June 2017 | 75 - 76 |

Cabinet is asked to approve the recommendations which fall within the remit of Swale Borough Council's Cabinet.

Members are reminded that the terms of reference for the JTB state that: The Cabinet will normally act in accordance with the advice or views of the JTB. If the Cabinet is minded to act otherwise, no decision will be taken until after discussions between the relevant Cabinet Member and the Chairman and Vice-Chairman of the JTB.

### **Issued on Tuesday, 4 July 2017**

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**Chief Executive, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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# Agenda Item 5

<b>Cabinet Meeting</b>	<b>Agenda Item: 5</b>
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<b>Meeting Date</b>	12 July 2017
<b>Report Title</b>	Resident Parking Scheme Policy
<b>Cabinet Member</b>	Cllr A Horton, Cabinet Member for Safer Families and Communities
<b>SMT Lead</b>	Martyn Cassell, Interim Head of Commissioning and Customer Contact
<b>Head of Service</b>	Martyn Cassell, Interim Head of Commissioning and Customer Contact
<b>Lead Officer</b>	Jeff Kitson, Parking Services Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Reference number:

<b>Recommendations</b>	<ol style="list-style-type: none"><li>1. That Cabinet agrees to a variation to Part K of the Kent County Council (various roads, Borough of Swale) (waiting restrictions and street parking places) (consolidation) order 2010 to make clear the policy that new properties created through development or conversion are excluded from the Resident's Parking Scheme.</li><li>2. That delegation is given to the Head of Commissioning and Customer Contact and Head of Legal, in consultation with the Cabinet Member for Safer Families and Communities, to undertake the variation with the inclusion of the statement 'any new applications to join the resident parking scheme made as a result of new properties created through development or conversion will be declined as they are excluded from the Resident's Parking Scheme'</li><li>3. That Cabinet recognises that the revised wording of the Traffic Regulation Order to exclude resident parking permit applications for new developments or conversions will work in tandem with any revised Planning policy to ensure that all parties have a clear understanding of the criteria applied.</li></ol>
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## **1. Purpose of Report and Executive Summary**

- 1.1 The report outlines the current process applied to resident parking permit applications and outlines proposals to strengthen policy to maintain good levels of parking availability within the residential parking zones.
- 1.2 The report identifies the difficulty in managing new resident parking permit scheme applications in relation to new developments and conversions being built within existing Residents Parking Scheme and provides a proposal to remedy the situation through variation to the Traffic Regulation Order.

## **2. Background**

- 2.1 Provisions relating to residents parking permits are documented within Part K of the Kent County Council (various roads, Borough of Swale) (waiting restrictions and street parking places) (consolidation) order 2010. This traffic order forms the legal basis in which to administer and enforce the residents parking scheme under Civil Parking Enforcement legislation.
- 2.2 The resident parking scheme has been in operation for many years within residential areas throughout Sittingbourne and Faversham where on street parking is limited close to the town centre. The scheme restricts non-resident parking during peak demand periods and provides improved parking availability for local residents.
- 2.3 Over time there have been a number of applications for resident permits in relation to new properties created through redevelopment or property conversion. Such applications can place a significant burden on local roads where the demand for parking is high as each household may make an application for up to two vehicles. In such cases the Parking Services team have relied on an adopted approach that any new developments within existing Residents Parking Schemes would not be eligible to purchase permits to park on-street within the Scheme area.
- 2.4 The custom and practice of refusing permits to residents of new developments and conversions was likely based on concerns that if a former property was re-developed into a larger number of smaller properties and if each of these dwellings were entitled to purchase two permits per household, this can substantially reduce the on-street parking capacity within the Scheme.
- 2.5 The Traffic Regulation Order (TRO) (see Appendix A) provides some control in permit applications in that it states under part K, section 54 that: *“it shall be entirely within the Council’s discretion in such circumstances whether or not additional Residents Parking Permits beyond the number of parking spaces available may be issued”*. However this statement may not be robust enough in isolation to deal with the potential increase in demand for permits over time from new developments or property conversions as it may be open to challenge or misinterpretation.

- 2.6 It was therefore felt that the Traffic Regulation Order statement needed strengthening to provide a more robust policy in terms of managing future parking demand by excluding any new applications to join the resident parking scheme made as a result of new properties through development or conversion.
- 2.7 A report to the Joint Transportation Board on 19 December 2016 raised the issue of eligibility of new developments to purchase permits in residents parking schemes. Minute 1085 reads:
- (1) That the report be noted which clarifies the current position with regard to the eligibility of residents in new developments to purchase parking permits in existing residents parking schemes.
  - (2) That the current position is reconsidered and strengthened as part of any future planning policy review of parking standards.
  - (3) That a review of the Parking Standards used by Swale Borough Council's Planning Officers takes place at the earliest opportunity with a view to decoupling from the current KCC Standards and adopting a local policy by the end of 2018. This would help Planners ensure adequate numbers of parking places are provided on new developments.
- 2.8 These recommendations were subsequently approved by Cabinet on 1<sup>st</sup> February 2017.
- 2.9 The next step was to formalise this within the Traffic Order itself to act as the key policy document on this matter. This report, as detailed in the proposal, sets out the intended wording to be used.
- 2.10 As per the Joint Transportation Board recommendations, the Planning team are leading on the production of a new Supplementary Planning Document (SPD) on Parking Standards in order to give greater clarity when determining applications. It is anticipated that the revised wording of the Traffic Regulation Order to exclude parking permit applications for new developments or conversions will work in tandem with revised Planning policy.
- 2.11 Existing guidance documentation and webpage on resident parking permit arrangements and entitlement will be updated to reflect the provisions within the revised Traffic Regulation Order.

## **1. Proposal**

- 1.1 That Cabinet agrees to a variation to Part K of the Kent County Council (various roads, Borough of Swale) (waiting restrictions and street parking places) (consolidation) order 2010 to make clear the policy that new properties created through development or conversion are excluded from the Resident's Parking Scheme.
- 1.2 That delegation is given to the Head of Commissioning and Customer Contact and Head of Legal, in consultation with the Cabinet Member for Safer Families and Communities, to undertake the variation with the inclusion of the statement

**‘any new applications to join the resident parking scheme made as a result of new properties created through development or conversion will be declined as they are excluded from the Resident’s Parking Scheme’**

1.3 That Cabinet recognises that the revised wording of the Traffic Regulation Order to exclude resident parking permit applications for new developments or conversions will work in tandem with any revised Planning policy to ensure that all parties have a clear understanding of the criteria applied.

#### **4. Alternative action and why not recommended**

4.1 To rely on the current Traffic Regulation Order wording may lead to challenge or misinterpretation from new development residents who wish to join the residents parking scheme where there is already significant demand for on street parking. This will significantly reduce parking availability to existing scheme residents particularly at peak times.

#### **5. Consultation Undertaken or Proposed**

5.1 Consultation is a statutory requirement under the Road Traffic Regulation Act 1984 as part of the Traffic Regulation Order variation process.

#### **6. Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	<p>A Borough to be Proud of</p> <ul style="list-style-type: none"> <li>• Improve the built environment</li> <li>• Better roads and transport</li> </ul> <p>A Council to be Proud of</p> <ul style="list-style-type: none"> <li>• Improve residents’ perceptions and customers’ experiences</li> </ul>
Financial, Resource and Property	None identified at this stage.
Legal and Statutory	The Traffic Regulation Order variation process is carried out under the Road Traffic Regulation Act 1984.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	Risk levels remain unchanged through the proposal outlined in this report.
Equality and Diversity	None identified at this stage.
Social Value	None identified at this stage.
Commissioning and Procurement	None identified at this stage.



## **7. Appendices**

- 7.1 Appendix A:  
Kent County Council (various roads, Borough of Swale) (waiting restrictions and street parking places) (consolidation) order 2010. Part K, Provisions Relating to Parking Permits.

## **8. Background Papers**

- 8.1 Joint Transportation Board, 19 Dec 2016 [Agenda - Swale JTB \(19.12.17\)](#)

**Kent County Council (various roads, Borough of Swale) (waiting restrictions and street parking places) (consolidation) order 2010**

**Part K  
Provisions Relating to Parking Permits**

Parking Zones

Provisions Relating to Residents Permits.

- 50 Any resident in any of the designated roads in the Fifth Schedule to this Order who is the owner of a vehicle of the following class that is to say a passenger vehicle, a goods vehicle having a gross weight not exceeding 3500 kilograms, or a motor cycle with or without a sidecar may apply to the Council for the issue of a Residents Parking Permit for the Area in which the resident lives and any such application shall be made on a form issued by and obtainable from the Council and shall include the particulars and information required by such form to be supplied and shall be accompanied by the appropriate remittance.
- 51 (1) Any owner of a Business in any of the designated roads in the Fifth Schedule to this Order who is the owner of a vehicle of the following class that is to say a passenger vehicle, a goods vehicle having a gross weight not exceeding 3500 kilograms, or a motor cycle with or without a sidecar may apply to the Council for the issue of a Business Parking Permit for the Area in which the business is located.
- (2) Any such application shall be made on a form issued by and obtainable from the Council and shall include the particulars and information required by such form to be supplied and shall be accompanied by the appropriate remittance.
- 52 Appropriate remittance means a remittance for the sum of (value set as part of the fees and charges) for a period of 12 calendar months.
- 53 The Council may at any time require an applicant for a Business or Residents parking Permit to produce to an officer of the Council such evidence in respect of that application as they may reasonably require to verify any particulars or information given to them.
- 54 On receipt of any application duly made under the foregoing provisions of this part of the Order and of the appropriate remittance the Council, upon being satisfied that the applicant is a resident and is the owner of a vehicle of the class specified in Article 50 of this Order, shall issue to the applicant one Business or Residents Parking Permit for the leaving of the vehicle to which such Business or Residents Parking Permit relates by the owner of such vehicle or by any person using such vehicle with the consent of the owner other than a person to whom such vehicle has been let for hire or reward in a parking space in any parking place to which such Residents Parking Permit relates;

PROVIDED ALWAYS that the Council shall not be required to issue a greater number of Residents Parking Permits under the provisions of this Order than the number of parking spaces available in any of the parking places; PROVIDED FURTHER, however, that it shall be entirely within the Councils discretion in such circumstances whether or not additional Residents Parking Permits beyond the number of parking spaces available may be issued.

- 55 (1) A Business or Residents Parking Permit shall not be assigned or transferred to any person except, as hereinafter provided but may be surrendered at anytime to the Council and shall be surrendered in the event of the Resident ceasing to reside in any of the streets in the Parking Area as described in the Fifth Schedule to this Order for which the Business or Residents Parking Permit in question was issued.
- (2) In the event of a Permit holder disposing of the property whereby he qualified for the issue of such badge the Council shall permit the business or residents Parking Permit holder to assign the same to the purchaser or other person to whom his interest in the property may be disposed of provided that the Permit holder shall not be entitled to receive any greater sum in respect of such assignment than the value of the unexpired portion of the Permit and the Council shall be entitled to examine any documents relating to the transfer of such Residents Parking Permit to ensure that this Article is complied with.
- 56 A Business or Residents Parking Permit shall only be available for use on the vehicle in respect of which it is issued, but in the event of the Parking Permit Holder disposing of such vehicle he shall be entitled to have the Business or Residents Parking Permit issued for the remainder of the twelve month period in respect of any substitute vehicle for a fee of (value set as part of the fees and charges).
- 57 No Business or Resident Household shall be entitled to more than two Parking Permits. PROVIDED ALWAYS that it shall be entirely within the Councils discretion to issue on an annual and non-renewable basis additional Residents Parking Permits beyond the number referred to in this Article if it appears to the Council that all persons likely to require a residents Parking permit have had sufficient opportunity of making application under the terms of Article 50 and that the total number of Residents Parking Permits which may be issued for the parking zone in question has not been exceeded.
- 58 The Council shall be entitled to terminate all rights granted by the Residents Parking Permit if at any time there is any contravention of any of the provisions contained in this Order and in such circumstances the residents permit holder shall not be entitled to any refund whatsoever of any amount paid in respect of such residents Parking Permit, WITHOUT PREJUDICE, however, to any other rights of the Council against the residents permit holder in respect of the breach of condition giving rise in the termination of the rights granted by that residents parking permit.

- 59 If a permit is lost or destroyed the permit holder may apply to the Council for the issue of a duplicate and the Council, upon being satisfied as to the loss or destruction shall upon payment of a fee of (value set as part of the fees and charges) issue a duplicate permit so marked and upon such issue the permit which it duplicates shall become invalid.

<b>Cabinet 12 July 2017</b>		<b>Agenda Item: 6</b>
<b>Meeting Date</b>	12 July 2017	
<b>Report Title</b>	Council Tax Support Scheme 2018/19 consultation	
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance	
<b>SMT Lead</b>	Emma Wiggins	
<b>Head of Service</b>	Amber Christou	
<b>Lead Officer</b>	Zoe Kent	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the work undertaken thus far, the options appraisals set out in Appendix I, and recommendation that any new CTS scheme should be based on the current scheme but with a series of potential modifications upon which we consult.</li> <li>2. To launch a consultation on the potential introduction of a range of modifications to the current CTS scheme for working age claimants.</li> <li>3. Through the consultation to seek views on other ways of meeting the demands highlighted through the report other than changing the existing CTS scheme.</li> <li>4. To note the first stage Community Impact Assessment, and that a full Community Impact Assessment will be prepared and considered prior to any final decisions being taken.</li> <li>5. To give delegated authority to the Revenues and Benefits Manager – Technical &amp; Financial to finalise the consultation material, in consultation with the Cabinet Member for Finance and Performance.</li> </ol>	

## 1 Purpose of Report and Executive Summary

- 1.1 The Council Tax Support Scheme (CTS) was introduced by the Department for Communities and Local Government (DCLG) in April 2013 as a replacement for Council Tax Benefit (CTB) administered on behalf of the Department for Work and Pensions (DWP). Each year the local Scheme must be approved by Full Council by 31 January.
- 1.2 The purpose of this report is to recommend changes to the scheme in readiness for public consultation, and to give delegated authority to the Revenues and Benefits Manager – Technical & Financial to finalise the consultation material in consultation with the Cabinet Member for Finance.

## 2 Background

- 2.1 Prior to the introduction of the scheme in April 2013 the Kent authorities worked together to design a CTS scheme. A common approach was adopted across Kent, with the new scheme broadly replicating the former CTB scheme, but with a basic reduction in entitlement for working age claimants.
- 2.2 As part of its introduction, central government set out a number of key elements:
- the duty to create a local scheme for working age applicants was placed with billing authorities;
  - government funding was reduced initially by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous CTB scheme; and
  - persons of pension age, although allowed to apply for CTS, would be dealt with under regulations prescribed by central government, and not the authorities' local scheme.
- 2.3 In Swale, under the current scheme working age claimants must pay at least 20% of their Council Tax liability. Although there is a common approach across Kent, local schemes at district level have been tailored to local needs, so in other parts of Kent the percentage varies.
- 2.4 The Kent districts have been able to use the changes to the empty property discounts to vary the amount working age claimants pay towards their liability. Since its introduction in April 2013, our own local scheme has been reviewed annually; however; the core elements remain as were originally agreed.
- 2.5 Under the Kent-wide agreement the major precepting authorities agreed to collectively pay to each district council an administration fee of £125,000 each year, for three years, to assist with the costs of delivery of the scheme.
- 2.6 It has been recognised by the Kent Finance Officers Group that the contributions that the major precepting authorities make towards the administration of the scheme are essential. It was therefore agreed to base the allocation of the administration fee on the size of the caseload. Swale has been allocated £141,600 administration fee for 2017/18, the second highest award in Kent.
- 2.7 When the new scheme started in April 2013, it resulted in approximately 5,000 households within the Borough paying some council tax for the first time. In addition, approximately 2,500 other households who received partial assistance saw increases in their bills.
- 2.8 Collection of the council tax balances in these cases has been challenging. However, with focus on these accounts and some changes to recovery processes, the scheme has been successful. The administrative fee paid by the

major preceptors has been essential in assisting with the cost of the recovery of these debts.

- 2.9 The overall level of applicants, both working age and pension age, has fallen since the introduction of CTS to 9,948 as at 1 April 2017, compared with 13,381 as at 1 April 2013. This is mainly due to a reduction in unemployment, the rise of the pension age and changes brought into the scheme from April 2017. As a result, the total cost of the scheme has reduced since its inception.
- 2.10 However, the initial '90%' funding that the government passed on to authorities through Revenue Support Grant to support the costs of local schemes has effectively been cut as part of the wider reductions in local government financial settlements. Therefore, although costs have reduced due to a lower claimant base, the outcome is that a greater share of the cost burden is falling on the billing authorities and the other major precepting bodies. This outcome has been one of the main catalysts for undertaking the review.

Table 1: CTS expenditure by year

<b>Year</b>	<b>Expenditure</b>
2013/14	£10,712,895
2014/15	£ 9,940,783
2015/16	£ 9,801,120
2016/17	£ 9,723,402
2017/18	£ 9,002,798

- 2.11 To support the review a consultant who has previously advised all Kent districts on their CTS schemes has been appointed. The consultant has been assisting in the evaluation of alternative scheme models and will, in due course, assist with the public consultation process.
- 2.12 As in 2016/17 the objectives that have been agreed are to:
- (i) have regard to the reductions in government grant and the financial pressures we face;
  - (ii) make the scheme less costly (if possible), and more efficient in terms of its operation; and
  - (iii) have regard to the impact such changes may have on vulnerable residents, and target support to those most in need.

### **3 Proposal**

- 3.1 Consideration has been given to a range of options for potential change, having regard to the objectives set out in paragraph 2.12 and the suitability for Swale. It is proposed that a consultation is carried out as per the options appraisal contained in Appendix I.

- 3.2 The conclusion is that the most practical option would be to maintain a scheme similar to our current scheme. The reasoning behind this is:
- (i) it is known to our claimants;
  - (ii) it largely mirrors the housing benefit system
  - (iii) our software systems are adapted for this type of scheme and would, therefore, require little additional cost to update;
  - (iv) our staff are familiar with the administration of this type of scheme; and
  - (v) as it is also aligned to housing benefit, we can continue to take advantage of economies of scale.
- 3.3 In order to meet the challenges of funding pressures, some adjustments to the current scheme will inevitably need to be made. Evidence from authorities across the country suggests there is a tipping point somewhere between 20% and 25% after which collection rates are affected significantly. The tipping point tends to affect claimants on low or fixed incomes, particularly single persons and couples with no dependants. Increasing the minimum percentage that a working age claimant needs to pay beyond the tipping is likely to be counter-productive.
- 3.4 Collection of Council Tax from working age claimants since the commencement of the scheme is shown in table 2 below. Prior to the first year of the scheme Swale accepted a grant from DCLG which limited the amount claimants had to pay to a minimum of 8.5%, leading to a highest collection rate for 2013/14. There was a dip in collection in 2014/15 when the amount to be paid doubled. Collection since then has risen as claimants have adjusted to budgeting for this amount. It is likely that if the amounts that working age claimants have to pay continues to rise, collection rates will start to fall.

Table 2: Percentage collected by year

Year	Minimum % paid by working age claimants	Percentage collected
2013/14	8.5%	87.59%
2014/15	15%	81.80%
2015/16	15%	85.30%
2016/17	15%	85.80%

- 3.5 Given the objectives of the review set out at 2.12, it is important that we seek to reduce the overall costs of the scheme whilst maintaining fairness and the feasibility of the scheme. Therefore, it is considered that a locally determined selection of the options set out in Appendix I should be included as part of the consultation on Swale's scheme for 2018/19.



## **4 Alternative Options**

- 4.1 The current scheme which was brought in on 1 April 2017 could be left in place with no amendments from 1 April 2018. There is a risk in taking this option that there would be a cost to both Swale and the major preceptors. It is likely that the grants received from DCLG will reduce for 2018/19 so any increase in the cost of the scheme would be borne by Swale and the major preceptors. This would then have a knock on affect to other services.

## **5 Consultation Undertaken or Proposed**

- 5.1 Prior to the implementation of any changes to a CTS scheme, authorities are required to consult with the public. There have been a number of challenges to CTS consultations, and it should be noted that a recent judgement handed down by the Supreme Court has defined what is meant by 'good consultation'.
- 5.2 The guiding principles which have been established through case law for fair consultation are as follows:
- (i) the consultation must be carried out at a stage when proposals are still at a formative stage;
  - (ii) sufficient information on the reasons for the decision must be provided to permit the consultees to carry out intelligent consideration of the issues to respond;
  - (iii) adequate time must be given for consideration and responses to be made; and
  - (iv) the results of the consultation must be properly taken into account in finalising any decision.
- 5.3 There is also a duty to consult with the major precepting authorities who are statutory consultees. All major precepting authorities will be consulted during the consultation period.
- 5.4 The options proposed in this report have been examined with the Leader and relevant Cabinet Members.
- 5.5 This report will also be offered to the Policy Development Review Committee for their review.

## 6 Implications

Issue	Implications
Corporate Plan	<p>Running an effective and efficient CTS Scheme contributes to the Council priority of being 'A Council to be proud of'. It also contributes to the priority of 'A Community to be proud of', as it supports the most vulnerable whilst creating incentives to work for those who are able to.</p> <p>The changes introduced through the Welfare Reform agenda and Local Council Tax Support Scheme are aimed at providing greater work incentives, which have the potential to positively impact on the economic prosperity of those returning to employment, as well as the wider community. Data shows that the number of working age claimants has reduced, which results at least in part from movement of benefits claimants into work.</p> <p>Performance is measured through BV9 Percentage of Council Tax collected in year.</p>
Financial, Resource and Property	<p>It is anticipated that there will be some limited costs associated with the consultation process, but this is a statutory requirement.</p> <p>The costs of awards made under the CTS scheme impact on the declared tax base, and thereby the council tax yield. If the cost of awards were to be reduced, this would mean that the Council's tax base would increase, and overall council tax income could increase.</p> <p>Any increase to council tax income is shared through the Collection Fund with major preceptors.</p>
Legal and Statutory	<p>The Council has a statutory duty to consult on a proposed scheme. As mention in paragraph 5.1, case law has determined the guiding principles for fair consultation, which we will follow.</p> <p>Regard needs to be made to the rules around consultation laid out through the Supreme Court ruling in the case of R (on the application of Moselely) v London Borough of Haringey (2014), and in particular, the need to set out alternative choices within the consultation. Referred to in paragraph 5.2.</p>
Crime and Disorder	No implications.
Sustainability	No implications.
Health and Wellbeing	Residents who have difficulty in paying their Council Tax can put in a claim for a Section 13A discretionary award. Those whose health appears to be affected will be signposted to appropriate advice.
Risk Management and Health and	If consultation is not carried out appropriately, there is a risk of challenge once a decision is taken.

Safety	
Equality and Diversity	A first stage Community Impact Assessment is being carried out prior to the consultation. Once the consultation results have been analysed, a full Community Impact Assessment will be carried out.

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: CTS Scheme review of options
- Appendix II: First stage CIA CTS Scheme 2018/19

## 8 Background Documents

Council Tax Support Report 2017/18 Scheme Full Council 23.11.2016

<http://services.swale.gov.uk/meetings/documents/s6520/Council%20-%20Council%20Tax%20Support%20Report%2023.11.2016%20FINAL.pdf>

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## Review of Council Tax Reduction Scheme: Options to be considered

The options being considered for consultation only cover working age claimants

	Option	Commentary/Context
a	Increase the minimum % payable	<p>SBC currently requires working age claimants to pay a minimum of 20% towards council tax. This would increase to 22.5% or 25%.</p> <p>The level of required contribution varies significantly over the country - 76 councils having a nil contribution rate, with 52 schemes having rates over 20%. Medway Council will be highest in Kent for 2016/17 at 35%.</p> <p>Evidence there is a 'tipping point' somewhere between 20% and 25%, after which collection rates are affected significantly. The tipping point severely affects applicants on low or fixed incomes, particularly single persons and couples with no dependants. Increasing the minimum % that a working age claimant needs to pay beyond the tipping point is unrealistic and likely to be counter-productive in terms of collections rates.</p> <p><b>Consider option of increasing minimum percentage to 22.5% or 25%.</b></p>
b	Reduce the capital limit	<p>Reduce the capital limit from the existing £16,000 to £6,000 or £10,000</p> <p>At present, working age residents with savings, capital and investments of more than £16,000 are not entitled to any Council Tax Reduction. Under the proposed change; this limit would be reduced to £6,000 or £10,000.</p> <p><b>Consider the option of reducing the capital limit to £6,000 or £10,000.</b></p>
c	Restrict to a Band D charge	<p>To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge</p> <p>The current Council Tax Reduction scheme uses the full amount of Council Tax charge irrespective of the band of the property. There are eight Council Tax Bands A to H with Band D being the national average. It is proposed that where a working age applicant lives in a property which is Band E, F, G or H then the Council Tax Reduction will be calculated on the basis of a Band D charge.</p> <p><b>Consider the option of restricting the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge</b></p>

d	To limit the impact of Universal Credit awards on the Council Tax Support scheme & the collection of Council Tax.	<p>To put in place a mechanism to limit the impact of changes to Universal Credit awards on the Council Tax Support scheme &amp; the collection of Council Tax.</p> <p>Universal Credit is claimed in some circumstances by working age residents in Swale, the resident is also entitled to claim Council Tax Support. The DWP notify us each month the amount of Universal Credit awarded to the claimant. Currently the claim is reassessed each month leading to a change in the amount of Council Tax Support awarded and a Council Tax adjustment notice is issued. This leads to confusion for residents as to how much their Council Tax instalments are each month, an increase in administration and recovery action is delayed for those who are not paying through out the year.</p> <p><b>Consider putting in place a mechanism to limit the impact of changes to Universal Credit awards on the Council Tax Support scheme &amp; the collection of Council Tax.</b></p>
e	To disregard Bereavement Support Payments	<p>To disregard Bereavement Support Payments inline with the Housing Benefit regulations.</p> <p>Bereavement Support Payments were brought in by the DWP from 6 April 2017, disregarding these payments would bring the CTS scheme inline with the Housing Benefit scheme.</p> <p><b>Consider disregarding Bereavement Support Payments inline with the Housing Benefit regulations.</b></p>
f	To use alternative funding options	<p>As part of the consultation, as well as consulting on various options related to the design of the scheme, case law has clarified that we are also required to consider alternative funding options as opposed to simply changing the current scheme to reduce costs.</p> <p><b>(i) Should Council Tax be increased for all Council Tax payers to fund the CTS scheme?</b></p> <p><b>(ii) Should Council reserves be used to fund the scheme?</b></p> <p><b>(iii) Should there be cuts to Council services to fund the scheme?</b></p>

# Community Impact Assessment

A Community Impact Assessment (CIA) is a document that summarises how the council has had due regard to the public sector equality duty (Equality Act 2010) in decision-making.

## When to assess

A CIA should be carried out when you are changing, removing or introducing a new service, policy or function. The assessment should be proportionate; a major financial decision will need to be assessed more closely than a minor policy change.

## Public sector equality duty

The Equality Act 2010 places a duty on the council, when exercising public functions, to have due regard to the need to:

- 1) Eliminate discrimination, harassment and victimisation;
- 2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- 3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

These are known as the three aims of the general equality duty.

## Protected characteristics

The Equality Act 2010 sets out nine protected characteristics that apply to the equality duty:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership\*
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

\*For marriage and civil partnership, only the first aim of the duty applies in relation to employment.

**We also ask you to consider other socially excluded groups,** which could include people who are geographically isolated from services, with low literacy skills or living in poverty or low incomes; this may impact on aspirations, health or other areas of their life which are not protected by the Equality Act, but should be considered when delivering services.

## Due regard

To 'have due regard' means that in making decisions and in its other day-to-day activities the council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations.

How much regard is 'due' will depend on the circumstances and in particular on the relevance of the aims in the general equality duty to the decision or function in question. The greater the relevance and potential impact, the higher the regard required by the duty. The three aims of the duty may be more relevant to some functions than others; or they may be more relevant to some protected characteristics than others.

## Collecting and using equality information

The Equalities and Human Rights Commissions (EHRC) states that 'Having due regard to the aims of the general equality duty requires public authorities to have an adequate evidence base for their decision making'. We need to make sure that we understand the potential impact of decisions on people with different protected characteristics. This will help us to reduce or remove unhelpful impacts. We need to consider this information before and as decisions are being made.

There are a number of publications and websites that may be useful in understanding the profile of users of a service, or those who may be affected.

- The Office for National Statistics Neighbourhoods website <http://www.neighbourhood.statistics.gov.uk>
- Swale in 2011 [http://issuu.com/swale-council/docs/key\\_data\\_for\\_swale](http://issuu.com/swale-council/docs/key_data_for_swale)
- Kent County Council Research and Intelligence Unit [http://www.kent.gov.uk/your\\_council/kent\\_facts\\_and\\_figures.aspx](http://www.kent.gov.uk/your_council/kent_facts_and_figures.aspx)
- Health and Social Care maps <http://www.kmpho.nhs.uk/health-and-social-care-maps/swale/>

At this stage you may find that you need further information and will need to undertake engagement or consultation. Identify the gaps in your knowledge and take steps to fill these.

## Case law principles

A number of principles have been established by the courts in relation to the equality duty and due regard:

- Decision-makers in public authorities must be aware of their duty to have 'due regard' to the equality duty
- Due regard is fulfilled before and at the time a particular policy is under consideration as well as at the time a decision is taken. Due regard involves a conscious approach and state of mind.
- A public authority cannot satisfy the duty by justifying a decision after it has been taken.
- The duty must be exercised in substance, with rigour and with an open mind in such a way that it influences the final decision.
- The duty is a non-delegable one. The duty will always remain the responsibility of the public authority.
- The duty is a continuing one.
- It is good practice for those exercising public functions to keep an accurate record showing that they have actually considered the general duty and pondered relevant questions. Proper record keeping encourages transparency and will discipline those carrying out the relevant function to undertake the duty conscientiously.
- The general equality duty is not a duty to achieve a result, it is a duty to have due regard to the need achieve the aims of the duty.
- A public authority will need to consider whether it has sufficient information to assess the effects of the policy, or the way a function is being carried out, on the aims set out in the general equality duty.
- A public authority cannot avoid complying with the duty by claiming that it does not have enough resources to do so.

Examples of case law can be found here [EHRC relevant case law](#). They include examples of why assessing the impact **before** the decision is made is so important and case law around the need to have due regard to the duty



<b>Lead officer:</b>	<i>Zoe Kent</i>
<b>Decision maker:</b>	<i>Council</i>
<b>People involved:</b>	<i>Zoe Kent</i>
<b>Decision:</b> <ul style="list-style-type: none"> <li>• Policy, project, service, contract</li> <li>• Review, change, new, stop</li> </ul>	<ul style="list-style-type: none"> <li>• <i>This is a localised scheme that the Borough is required to put in place to give financial help towards Council Tax to those residents on a low income.</i></li> <li>• <i>We are required to review this scheme before 31 January of the financial year.</i></li> </ul>
<b>Date of decision:</b> The date when the final decision is made. The CIA must be complete before this point and inform the final decision.	<i>Full Council – 22 November 2017</i>
<b>Summary of the decision:</b> <ul style="list-style-type: none"> <li>• Aims and objectives</li> <li>• Key actions</li> <li>• Expected outcomes</li> <li>• Who will be affected and how?</li> <li>• How many people will be affected?</li> </ul>	<p><b><i>What are the aims and objectives?</i></b></p> <ol style="list-style-type: none"> <li><i>1. To provide help towards Council Tax as a localised Council Tax Support scheme to those on a low income in the Borough</i></li> <li><i>2. To provide pensioners with the support as per The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended by The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016</i></li> <li><i>3. To provide working age claimants support taking into consideration the reduction in financial support provided within the Revenue Support Grant towards the Council Support Scheme.</i></li> <li><i>4. Support vulnerable people</i></li> <li><i>5. Support claimants back into work</i></li> </ol> <p><b><i>What are the key actions?</i></b></p> <ul style="list-style-type: none"> <li>• <i>Providing a scheme that supports those claimants on a low income</i></li> <li>• <i>Putting into place a scheme that does not mean a financial burden to the authority which could lead to putting other services provided by the Borough at risk.</i></li> <li>• <i>Continuing to design and deliver services to meet the needs of vulnerable customers</i></li> <li>• <i>Consider user feedback, engagement and consultation when designing the scheme</i></li> </ul> <p><b><i>What are the expected outcomes?</i></b></p> <p><i>To put in place a scheme that balances the needs of vulnerable claimants against the budget requirements of the Borough.</i></p> <p><b><i>Who will be affected?</i></b></p> <p><i>Those working-age residents who are on a low income who claim help towards their Council Tax. This covers all areas of the Borough but particularly those who live in deprived areas.</i></p> <p><b><i>How many people will be affected?</i></b></p> <p><i>6,215 working age claimants will be affected by the changes to the scheme (10% of all Council Tax account holders).</i></p>
<b>Information and research:</b> <ul style="list-style-type: none"> <li>• Outline the information and research that has informed</li> </ul>	<i>Since 1<sup>st</sup> April 2013, the Council has maintained a local Council Tax Support scheme. This replaced the national Council Tax Benefit scheme, which ended on 31 March 2013.</i>

<p>the decision.</p> <ul style="list-style-type: none"> <li>• Include sources and key findings.</li> <li>• Include information on how the decision will affect people with different protected characteristics.</li> </ul>	<p><i>Council Tax Support helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.</i></p> <p><i>The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government, and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.</i></p> <p><i>When Council Tax Support was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1 April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.</i></p> <p><i>After the original consultation, the Council decided to introduce a Council Tax Support scheme that differed from the original Council Tax Benefit in that, instead of granting a maximum level of support of 100%, it would limit the maximum support to 91.5% in 2013/14 (due to an extra grant being received from DCLG), decreased to 85% from 2014/15.</i></p> <p><b>Changes since 2013</b></p> <p><i>Since the introduction of Council Tax Support the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts and non-dependant charges being uprated, as well as minor changes being made to mirror changes to the Housing Benefit scheme. Central Government has also continued to uprate changes to applicable amounts for pension age applicants, again to mirror the changes in Housing Benefit.</i></p> <p><i>From April 2017 changes were made to the scheme including:</i></p> <ul style="list-style-type: none"> <li>• <i>the more accurate targeting of support to those working age applicants who most need it;</i></li> <li>• <i>the need to change the scheme, not only to align with proposed changes to Housing Benefit, but also to align the scheme with the approach taken by the Department for Work and Pensions in the creation, introduction and roll out of Universal Credit; and</i></li> <li>• <i>to address potential shortfalls in funding due to the continued reduction in Central Government grants.</i></li> </ul> <p><i>The changes brought in were:</i></p> <ol style="list-style-type: none"> <li>1. <i>Reducing the maximum level of support for working age applicants from 15 per cent to 20 per cent.</i></li> <li>2. <i>Removing the Family Premium for all new working age applicants</i></li> <li>3. <i>Reducing backdating to one month</i></li> <li>4. <i>Using a set income for self-employed earners after 18 months self-employment.</i></li> <li>5. <i>Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks.</i></li> <li>6. <i>To introduce a standard level of non dependant deduction of £15 for all working-age claimants who have non-dependants resident with them who work 16 hours or more per week.</i></li> </ol>
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### **The Proposed Scheme for 2018/19**

An annual review will be undertaken as to the effectiveness of the current Council Tax Support scheme; and a public consultation will be undertaken to gather views as to whether the current scheme should be changed. The review will ensure changes to the working age scheme meet the following:

- to increase the more accurate targeting of support to those working age applicants who most need it;
- to continue to align the scheme with proposed changes to Housing Benefit and Universal Credit; and
- to address potential shortfalls in funding due to the continued reduction in Central Government grants.

The Council will seek feedback through the consultation as to whether further increases in council tax, cuts to services, and use of limited savings should be considered as an alternative to changing the Council Tax Reduction Scheme. Changes such as those in points 1 to 3 below may affect all residents in the Borough and across Kent.

1. Should Council Tax be increased for all Council Taxpayers?
2. Should Council reserves be used to fund the scheme?
3. Should there be further cuts to Council services?

The Council proposes to maintain a similar methodology as in the past. Any changes, if adopted, will be effective from 1st April 2018. The proposed options will be put out to consultation, will be as follows:

- a. Should an increase be made in the minimum payment of Council Tax made by recipients of Council Tax Support? Views have obtained as to whether the current minimum payment of 20% should be increased to 22.5% or 25%?
- b. Should the capital limit be reduced from the existing £16,000 to £6,000 or £10,000?
- c. Should the maximum level of Council Tax Reduction payable be restricted to the equivalent of a Band D charge/
- d. Should a mechanism be put in place to limit the impact of changes to Universal Credit awards?

### **Scope of the Community Impact Assessment**

The following identifies the potential impact on claimants and particularly groups of claimants.

It should be noted that Pensioners will continue to be protected under the rules prescribed by Central Government. These broadly replicate council tax benefit scheme, which existed prior to 1 April 2013.

Central Government has not been prescriptive in how it does this, but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986, and the Housing Act 1996, as well as the public sector equality duty in section 149 of the Equality Act 2010.

The Council has given consideration to the effects of the options on working age claimants, in particular, vulnerable groups.

**Disability**

*Working age people with disabilities continue to make up a high proportion of the caseload at 25%. Working age people with disabilities receive more per week than working age people without disabilities on average, due to the design of the scheme that ignores certain disability benefits and awards higher applicable amounts.*

**Age**

*The age groups of person receiving CTS broadly reflect the overall population, the main difference being those between the ages of 18-24. This difference is probably caused by the lower applicable amounts for single claimants in this group reducing the amount of people who are entitled to CTS. Those aged 54-64 currently receive the highest weekly amount, on average. Those aged 18-24 currently receive the lowest weekly amount, on average.*

**Carers**

*There is a slightly higher proportion of claimants with a carer in the household, than the population generally overall (13%). Working age claimants with a carer in the household receive more per week, on average, than working age claimants without a carer in the household. The main reason for this is the treatment of both disability and care within the existing scheme.*

**Gender**

*Females continue to make up a high proportion of the caseload at 68%. Although, there is a difference between the average amounts females and males receive per week, this is due to factors relating to circumstances which directly affect the calculation of council tax reduction, and is not linked to a claimant's sex directly.*

**Ethnicity**

*This information is not collected from all claimants as it is not relevant to the calculation of council tax reduction.*

**Other protected characteristics**

*We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:*

- *Religion or belief*
- *Sexual orientation*
- *Gender reassignment*
- *Marital or civil partnership status*
- *Pregnancy or maternity*

**Actions to mitigate any identified impacts**

*The Council has an Exceptional Hardship Scheme; the design of this allows any claimant to apply for additional support. It examines their overall circumstances, examining both income and expenditure with a view to determining whether exceptional hardship exists.*

*Under the scheme, claimants will potentially be able to receive additional support up to the full level of their Council Tax.*

**Method of Consultation**

*The Council has used the following methods to obtain the view of taxpayers.*

**Stakeholders Methodology**

	<p>1. Existing claimants (both working age and pensionable age Web based questionnaire) Hard copy documents to be provided as necessary</p> <p>2. Council taxpayers and service users generally Web based questionnaire Hard copy documents to be provided as necessary</p> <p>3. Interested organisations and groups. Web based questionnaire</p> <p>4. Organisations with significant interest to be notified directly Hard copy documents to be provided as necessary</p> <p><b>General Awareness</b> Provision of information and awareness raising of changes and proposals News releases Face-to-face communication at customer service points Information in libraries/surgeries and other public venues The Council's Website and Social Media</p> <p><b>Analysis and Assessment</b> A full analysis and assessment will be provided</p>
<p><b>Consultation:</b></p> <ul style="list-style-type: none"> <li>▪ Has there been specific consultation on this decision?</li> <li>▪ What were the results of the consultation?</li> <li>▪ Did the consultation analysis reveal any difference in views across the protected characteristics?</li> <li>▪ Can any conclusions be drawn from the analysis on how the decision will affect people with different protected characteristics?</li> </ul>	

<p><b>Is the decision relevant to the aims of the equality duty?</b></p>	
<p>Guidance on the aims can be found in the EHRC's <a href="#">PSED Technical Guidance</a>.</p>	
<p><b>Aim</b></p>	<p><b>Yes/No</b></p>
<p>1) Eliminate discrimination, harassment and victimisation</p>	<p>Yes</p>
<p>2) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it</p>	<p>Yes</p>
<p>3) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it</p>	<p>No</p>

**the impact of the decision on people with different protected characteristics.**

When assessing relevance and impact, make it clear who the assessment applies to within the protected characteristic category. For example, a decision may have high relevance for young people but low relevance for older people; it may have a positive impact on women but a neutral impact on men.

<b>Characteristic</b>	<b>Relevance to decision</b> High/Medium/Low/None	<b>Impact of decision</b> Positive/Negative/Neutral
Age	Medium	Negative
Disability	Medium	Negative
Gender reassignment	None	Neutral
Marriage and civil partnership	None	Neutral
Pregnancy and maternity	Low	Negative
Race	None	Neutral
Religion or belief	None	Neutral
Sex	None	Neutral
Sexual orientation	None	Neutral
Other socially excluded groups <sup>1</sup>	Low	Negative

<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>Consider how due regard has been had to the equality duty, from start to finish.</li> <li>There should be no unlawful discrimination arising from the decision (see <a href="#">PSED Technical Guidance</a>).</li> </ul> <p>Advise on the overall equality implications that should be taken into account in the final decision, considering relevance and impact.</p>	<p><b>Summarise this conclusion in the body of your report</b></p> <p>We have considered how all groups with protected characteristics will be affected by the scheme. As part of our consultation we asked responders their gender, age ethnicity, whether they considered themselves disabled and whether they claimed CTS. A breakdown of how they responded to the options is available in Appendix I: CTS Scheme review of the consultation.</p> <p>We also asked for comments on each option. Although the results show those with a disability and children were more likely to respond negatively to the scheme in their comments about the options, more than half of disabled responders agreed yes to every option.</p> <p>As in previous years schemes, those with a protected characteristic such as the disabled or those with children, receive a higher income (due to extra benefits being awarded to cover these costs) than a single claimant or couple especially those who are under 25. To mitigate these issues the Council provides a Section 13A discretionary hardship scheme.</p>
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**Timing**

- Having ‘due regard’ is a state of mind. It should be considered at the inception of any decision.
- Due regard should be considered throughout the development of the decision. Notes should be taken on how due regard to the equality duty has been considered through research, meetings, project teams, committees and consultations.
- The completion of the CIA is a way of effectively summarising the due regard shown to the equality duty throughout the development of the decision. The completed CIA must inform the final decision-making process. The decision-maker must be aware of the duty and the completed CIA.

<sup>1</sup> Other socially excluded groups could include those with literacy issues, people living in poverty or on low incomes or people who are geographically isolated from services.

Full technical guidance on the public sector equality duty can be found at:

[http://www.equalityhumanrights.com/uploaded\\_files/PSD/technical\\_guidance\\_on\\_the\\_public\\_sector\\_equality\\_duty\\_england.pdf](http://www.equalityhumanrights.com/uploaded_files/PSD/technical_guidance_on_the_public_sector_equality_duty_england.pdf)

This Community Impact Assessment should be attached to any committee or SMT report relating to the decision. This CIA should be sent to the Website Officer (Lindsay Oldfield) once completed, so that it can be published on the website.

## Action Plan

Issue	Action	Due date	Lead Officer	Manager	Cabinet Member
Views needed on the proposed scheme from claimants, residents and stakeholders	Consultation to be carried out	09/2017	Zoe Kent	Amber Christou	Cllr Duncan Dewar-Whalley
Financial hardship for CTRS working age claimants	Further consultation work to be carried out in Quarter 2 2017/18	10/2017	Zoe Kent	Amber Christou	Cllr Duncan Dewar-Whalley
Drop in collection rate for Council Tax	The collection of Council Tax to be monitored throughout the financial year 2017/18	10/2017	Zoe Kent	Amber Christou	Cllr Duncan Dewar-Whalley
Financial hardship for residents with an empty property	Advice on alternative help to be sent out with Council Tax bills and adjustment notices	02/2018	Zoe Kent	Amber Christou	Cllr Duncan Dewar-Whalley

Actions in this action plan will be reported to the CIA group once a quarter, so updates will be required quarterly.



<b>Cabinet</b>	<b>Agenda Item:</b>
<b>Meeting Date</b>	<b>12 July 2017</b>
<b>Report Title</b>	<b>Financial Outturn Report 2016/17</b>
<b>Cabinet Member</b>	<b>Cllr Duncan Dewar-Whalley, Cabinet Member for Finance &amp; Performance</b>
<b>SMT Lead</b>	<b>Nick Vickers, Chief Financial Officer</b>
<b>Head of Service</b>	<b>Nick Vickers, Chief Financial Officer</b>
<b>Lead Officer</b>	<b>Phil Wilson, Financial Services Manager</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To note the gross revenue underspend on services of £1,419,100 (including £1,272,000 additional income).</li> <li>2. To consider the revenue service rollovers of £494,290, (including £241,390 due to roll forward of external funding, grants and use of additional income from 2016/17), and the setting up of new reserves as set out in Table 3 Appendix I for approval.</li> <li>3. To consider the revenue service bids of £248,100, as set out in Table 4 Appendix I for approval.</li> <li>4. To delegate to the Chief Financial Officer the allocation of uncommitted underspends to reserve funds.</li> <li>5. To consider the capital rollovers of £1,875,853, as detailed in Table 9 Appendix I for approval.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the revenue and capital outturn position for 2016/17.
- 1.2 Whilst the report refers to “underspends”, this actually consists of two quite separate issues; genuine underspends against expenditure budgets, and additional income. The net effect is an underspend against the agreed Council budget.
- 1.3 This report shows that once again the Council has been able to achieve a significant underspend in the year. This is primarily due to the higher income which accounts for 90% of the £1.419m underspend and additional costs of £1.019m being offset by contract savings and underspends. With a well-known flightpath of reduced funding into the medium term, the Council has once again pre-empted future funding reductions by restricting expenditure in year.

- 1.4 The outturn position needs to be seen in the context of the Council's medium term financial position, as set out in the February Council budget report. The Council currently has a funding gap of £1,325,000 in 2018/19, and £1,775,000 in 2019/20. The scope of management efficiency savings and for savings on major contracts is also much reduced given the successful work to date. The rollover approach seeks to combine and continue to fund service initiatives and create funding sources to help us achieve a balanced budget position in the next two years. Balancing the budget therefore becomes much more about generating income, via business rates and New Homes Bonus in particular.
- 1.5 The headline figures are:
- total revenue underspend of £1,419,100;
  - £494,2900 bid requests from Heads of Service – Table 3 in Appendix I;
  - £248,100 rollover requests of operational underspends – Table 4 in Appendix I; and
  - capital underspend of £1,703,299.
- 1.6 The capital rollovers relate to Disabled Facilities Grant and projects which had not commenced or funds had not been drawn down at 31 March.
- 1.7 The detailed outturn statements are detailed in Tables 1 and 2 in Appendix I.

## **2. Background**

- 2.1 The Council operates a monthly budget monitoring process at Head of Service level, with reports each month to the Strategic Management Team.
- 2.2 Financial monitoring reports are presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

## **3. Proposals**

### **Revenue Outturn**

- 3.1 Table 1 in Appendix I shows the outturn position by service, with most services showing an underspend. The line-by-line variations are explained in Table 2 in Appendix I.
- 3.2 There are a number of service movements within the overall revenue outturn, and the most significant of these are summarised below in Table 1.

**Table 1: Service Movements**

Service/Contract	Reason for Variance	Working Budget	Year End Variance
		£'000	£'000
<b>Additional Income – Fees &amp; Charges set by SBC:</b>			
Parking Management	Additional income from pay & display fees	(1,615)	(444)
	Offset by net overpayments (reduced income)	(60)	40
	Parking Permits	(97)	(35)
	Additional income from season ticket income	(50)	(16)
Legal (MKLS)	Additional income from S106 fees	(29)	(83)
Recycling & Waste Minimisation	Additional income from garden waste collections (brown bins)	(368)	(39)
Refuse Collection	Bulky Waste Collection	(57)	(37)
Highways	Street Naming & Numbering additional income	(15)	(21)
Seafront	Beach huts	(8)	(7)
	Memorials	(1)	(4)
Cemeteries and Closed Churchyards	Additional income	(115)	(3)
Licensing	Additional income	(205)	(12)
Other	Additional income	-	(15)
<b>Other Income:</b>			
Planning	Fees – Additional planning income	(672)	(293)
Corporate Items	Additional external investment interest income	(93)	(161)
Property Management	Rental income	(381)	(85)
Environmental Services	Fixed Penalty Notices (net)	(3)	(53)
Parking	Penalty Charge Notices	(473)	(46)
Refuse Collection/ Street Cleansing / Public Conveniences	Special collections and sale of litter bins	(25)	(17)
Council Tax	MKS Recovery Service	-	(37)
Policy	Sustainable Sheppey – additional grant	-	(16)
<b>Loss Income - Fees &amp; Charges set by SBC:</b>			
Planning	S106 Monitoring Fees	(65)	39
Land Charges	Loss of income	(221)	34
Planning	Pre-application advice	(60)	28
Refuse Collection/Street Cleansing	Sale of residential wheeled bins	(21)	11
<b>Total Net Income</b>			<b>(1,272)</b>

<b>Service/Contract</b>	<b>Reason for Variance</b>	<b>Working Budget £'000</b>	<b>Year End Variance £'000</b>
<b>Procurement/Shared Service Savings:</b>			
Refuse Collection/ Street Cleansing	Refuse/Street Cleansing/Public Conveniences Contracts	3,551	(162)
Housing Benefits	Fraud Partnership Service	93	(77)
Leisure, sports, open spaces, parks, countryside and allotments	Net Contract Savings	692	(68)
Grounds Maintenance	Contract Savings	1,241	(65)
Customer Service Centre	KCC contract	54	(37)
IT/GIS MKS	Reduced Shared Service Costs	464	(27)
Planning/land charges MKS	Net reduced MKS Costs	348	(17)
Environmental Health Shared Service	Reduced charges from partners and additional income	516	(15)
HR Shared Service	Savings on shared service with Maidstone	254	(6)
Audit Shared Service	Savings on shared service with Maidstone	157	(1)
Legal MKLS	Additional costs to SBC	(1,040)	44
Other		-	19
<b>Total Procurement/Shared Service Savings</b>			<b>(412)</b>
<b>Additional Costs:</b>			
Homelessness	Net Bed and Breakfast budget	111	473
Corporate	Minimum Revenue Provision	393	105
Housing Benefit & Council Tax Collection	Academy Recovery – Bad Debt	(653)	79
Refuse Collection	Purchased of wheeled bins	62	75
Legal	External Legal Fees	35	70
Planning	Court Costs & Appeal Costs	44	85
Property Management	Rates on empty depot	-	34
Parking	Grounds Maintenance	12	17
HR	Lump Sum Regular User	-	12
Parking	Road Lining/Road Signs	2	2
Street Cleansing	Clean Kent overspend	5	10
Corporate	Sittingbourne Master Plan – Legal Costs	-	30
Parking	Park & Ride	-	8
IT Clientside	Telephony costs	-	19
<b>Total Additional Costs</b>			<b>1,019</b>

<b>Service/Contract</b>	<b>Reason for Variance</b>	<b>Working Budget £'000</b>	<b>Year End Variance £'000</b>
<b>Underspends:</b>			
Local Planning & Conservation	Local Plan	151	(107)
Property	Building Maintenance	318	(95)
Salaries	Net Employee Costs (variance represents 0.6% of budget)	12,830	(79)
Cemeteries & Closed Churchyards	Grounds Maintenance	67	(41)
Refuse/Street Cleansing	Waste Recycling Campaign	106	(66)
Housing Benefit & Council Tax	Net Benefits	203	(30)
Housing Benefit & Council Tax	Card Commissioning & Bank Charges	106	(16)
Parks	Equipment Maintenance	83	(32)
Organisational Development	Corporate Training	97	(26)
LEF	Members Grants	114	(25)
Markets	Savings on rates	41	(17)
Learning & Skills	Adjustment to business support contract and KCC grant roll forward	79	(20)
IT	PC Maintenance	661	(25)
Parking	Resurfacing	10	(10)
Highways	General Improvement Areas	16	(10)
Council Tax Collection	Court Costs	24	(5)
Homelessness	Homelessness Prevention Service	74	(56)
Homelessness	Homeless Hostel	-	(35)
Corporate Items	Bad Debts Provision	-	(111)
<b>Total Underspends</b>			<b>(806)</b>
<b>Other Net Underspends/Net Overspends</b>			<b>52</b>
<b>Total Variance</b>			<b>(1,419)</b>

**Table 2:**

	<b>Service Manager</b>	<b>Working Budget £</b>	<b>Outturn 2016/17 £</b>	<b>Variance £</b>
Chief Executive	M. Radford	265,810	251,251	(14,559)
Policy	D. Clifford	222,560	197,942	(24,618)
Economy & Communities	C. Hudson	2,231,610	2,014,108	(217,502)
Communications	S. Toal	274,170	265,084	(9,086)
Resident Services	A. Christou	1,042,940	1,269,755	226,815
Planning	J. Freeman	1,134,340	1,018,637	(115,703)
Commissioning & Customer Contact	D. Thomas	5,867,110	4,808,826	(1,058,284)
Director of Corporate Services & Director of Regeneration	Vacant/E. Wiggins	436,700	380,009	(56,691)
Information Technology	C. Woodward	1,191,360	1,157,858	(33,502)
Audit	R. Clarke	161,990	161,488	(502)
Environmental Health	T. Beattie	515,790	500,304	(15,486)
Finance	N. Vickers	784,390	777,664	(6,726)
Human Resources	D. Smart	371,150	336,822	(34,328)
Legal	E. Culligan	395,640	426,825	31,185
Democratic Services	K. Bescoby	931,640	926,638	(5,002)
Property	A. Adams	801,000	566,676	(234,324)
Variances to be met from underspend		0	30,488	30,488
Corporate Items		1,822,800	1,941,568	118,768
<b>NET REVENUE SERVICE EXPENDITURE</b>		<b>18,451,000</b>	<b>17,031,943</b>	<b>(1,419,057)</b>
<b>Financed by:</b>				
Revenue Support Grant		(1,955,000)	(1,955,000)	0
Business Rates		(5,644,000)	(6,064,512)	(420,512)
New Homes Bonus		(3,482,000)	(3,482,000)	0
Collection Fund Surplus		(79,000)	(79,000)	0
Council Tax Requirement		(7,291,000)	(7,291,000)	0
<b>NET EXPENDITURE</b>		<b>0</b>	<b>(1,839,569)</b>	<b>(1,839,569)</b>
Put Business Rates Underspend to Economic Growth Reserve		0	420,512	420,512
<b>TOTAL CONTRIBUTION TO GENERAL FUND</b>		<b>0</b>	<b>(1,419,057)</b>	<b>(1,419,057)</b>

## 4. Proposed Revenue Rollovers

4.1 The use of rollovers is critical for the overall financial management of the Council. Their proposed use falls into two main categories:

- service requests for rollovers at an operational level (Table 3 Appendix I). These total £494,290 of which £241,390 relate to rollovers arising from external funding, grants and the re-investment of additional income;
- bids linked to the Council's priorities and the topping-up of specific reserve funds which it was not possible to do in the budget process (Table 4 Appendix I). These total £248,100.

## 5. Business Rates

- 5.1 In total the Council collected £48m of business rates in 2016/17. After the complicated system of levies and tariffs has been accounted for, the Council received £6.064m.
- 5.2 Council has previously agreed to the establishment of a Business Rates Volatility Reserve, in order to assist the Council in managing the anticipated volatility in business rate income resulting from the introduction of business rate localisation from 2013/14. There are a number of causes of this volatility, such as new businesses opening, existing business growing or closing, rating appeals, and collection rates.
- 5.3 The reserve has reduced in 2016/17 in order to meet the Council's contribution to the deficit on the Business Rates Collection Fund at the end of 2015/16 which was itself due to an increase in the provision for appeals, so that at the end of year the balance is £1.425m. There is a surplus on the business rates collection fund at the end of 2016/17 of £2.444m which will be redistributed to preceptors in 2017/18 resulting in an increase of £0.979m to this reserve.
- 5.4 In late 2014 the Council agreed to participate in a business rates pool with Kent CC, Kent Fire and Rescue, and 10 of the 12 District Councils. Maidstone BC, who act as accountable body for the scheme, has now finalised the 2016/17 outturn, and Swale was the largest beneficiary, with an additional business rates retained of £1.449m. This is split £0.435m direct to the Council, £0.435m to Kent CC, £0.420m to the economic growth reserve which is shared with KCC to be spent in the Borough, and £0.159m in the pool contingency fund. This was a risk which has been handsomely rewarded. The Council remains in the slightly re-formed pool for 2017/18.

## 6. Improvement and Regeneration Funds

- 6.1 Table 3 below details the outturn position on a number of reserve funds.

**Table 3: Improvement and Regeneration Funds**

	<b>Balance as at 1 April 2016</b>	<b>Transfers from reserve (Expenditure) in year</b>	<b>Transfers to reserve (Income) in year</b>	<b>Balance as at March 2017</b>	<b>Balance unallocated as at 31 March 2017</b>
<b>Funds:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Performance	536,417	(302,199)	300,000	534,218	199,153
Regeneration	362,649	(197,803)	522,000	686,846	295,302
Communities	71,913	(6,259)	50,000	115,654	85,820
Pension & Redundancy	212,142	0	33,000	245,142	245,142
Local Loan Fund	250,000	(50,000)	0	200,000	200,000
<b>TOTAL</b>	<b>1,433,121</b>	<b>(556,261)</b>	<b>905,000</b>	<b>1,781,860</b>	<b>1,025,417</b>

6.2 Table 6 of Appendix I details the allocations from the above funds during 2016/17.

## 7. Usable Reserves

7.1 Table 4 below summarises the usable reserves balance as at 31 March 2017.

**Table 4: Usable Reserves**

	<b>Balance as at 1 April 2016</b>	<b>Transfers from reserve in year</b>	<b>Transfers to reserve in year</b>	<b>Balance as at March 2017</b>
<b>Reserve</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total Ring Fenced Revenue Reserves	11,054	(3,608)	3,815	11,261
General Fund	5,365	(491)	0	4,874
Capital Grants Unapplied	312	(71)	65	306
Usable Capital Receipts Reserve	1,127	(243)	102	986
<b>TOTAL</b>	<b>17,858</b>	<b>(4,413)</b>	<b>3,982</b>	<b>17,427</b>

7.2 Table 7 of Appendix I details the ring-fenced reserves as at 31 March 2017.

## 8. Capital Expenditure

8.1 This section of the report details actual capital expenditure and highlights any variations between the revised 2016/17 capital budget and the outturn.

8.2 Actual expenditure to end of March 2017 is £2,954,221. This represents 63% of the revised budget. There remains an underspend of £1,703,299. Further details are set out in Table 9 of Appendix I.

8.3 Heads of Service have submitted a number of capital rollover requests totalling £1,875,853 to be spent in 2017/18 to be released from the underspend of 2016/17. The requests are listed in Table 10 Appendix I, with an explanation provided by the service manager. Of these requests, £1,136,693 is linked with partnership funding as explained in the notes, leaving £739,160 to be met from internal resources. The largest items of rollover are:

- Disabled Facilities Grant - £402,189
- Easthall Farm Community Centre £365,748
- Sittingbourne Skate Park £240,000
- Faversham Creek Basin Regeneration Project (Swing Bridge) £200,000
- Thistle Hill Play Area £180,000
- Minster Leas Promenade Resurfacing £104,656



## 9. Funding of the 2016/17 Capital Programme

9.1 The 2016/17 capital programme expenditure of £2,954,221 was funded as set out in Table 5.

**Table 5: Capital Programme Funding**

	<b>2016/17 Revised Budget £</b>	<b>2016/17 Outturn £</b>
Capital grants and other contributions	3,446,630	2,482,209
Capital receipts	705,730	242,805
Earmarked reserves	505,160	229,207
<b>Total Capital Funding</b>	<b>4,657,520</b>	<b>2,954,221</b>

9.2 Capital receipts from sale of assets in 2016/17 were £52,248. Capital receipts from repayment of grants and loans were £49,284.

## 10. Payment of Creditors

10.1 The outturn for payment of creditors for 2016/17 was 98.95% against the target of 97%.

## 11. Debtors

11.1 The Council has to date collected 85% of the debt raised during 2016/17.

11.2 Tables 6, 7 and 8 below analyse the debt outstanding.

**Table 6: Debt outstanding by due date (not including Rent Deposit Scheme)**

	<b>March 2017 £'000</b>	<b>March 2016 £'000</b>	<b>January 2017 £'000</b>
Not Due	667	340	188
0-2 Months	35	116	77
2-6 months	42	37	42
6-12 months	41	16	17
1-2 Years	7	20	10
2-3 Years	16	3	15
3-4 Years	3	6	3
4-5 Years	4	8	4
5-6 Years	7	15	7
6 Years +	26	16	28
Total	848	577	391
<b>Total over two months</b>	<b>146</b>	<b>121</b>	<b>126</b>
<b>% Total over two months</b>	<b>17%</b>	<b>21%</b>	<b>32%</b>

**Table 7: Debt outstanding by due date (including Rent Deposit Scheme)**

	<b>March 2017 £'000</b>	<b>March 2016 £'000</b>	<b>January 2017 £'000</b>
Not Due	667	343	188
0-2 Months	38	121	78
2-6 months	43	39	48
6-12 months	53	28	27
1-2 years	25	44	32
2-3 years	39	29	34
3-4 years	26	10	23
4-5 years	5	16	5
5-6 years	7	119	8
6 years +	39	16	41
<b>Total</b>	<b>942</b>	<b>765</b>	<b>485</b>
<b>Total over two months</b>	<b>237</b>	<b>301</b>	<b>291</b>
<b>% Total over two months</b>	<b>25%</b>	<b>39%</b>	<b>60%</b>

**Table 8: Debt outstanding (including Rent Deposit Scheme) by Head of Service**

	<b>March 2017 £'000</b>	<b>March 2016 £'000</b>	<b>January 2017 £'000</b>
Rent Deposit Scheme	94	188	94
Commissioning & Customer Contact	93	64	13
Property	176	159	134
Housing	45	54	46
Legal (MKLS)	1	44	154
Economy & Communities	112	94	12
Planning	39	26	0
Regeneration	0	55	0
Communications	3	3	1
Environmental Health	2	1	18
Policy	21	28	0
Other	356	49	13
<b>Total</b>	<b>942</b>	<b>765</b>	<b>485</b>

11.3 It should be noted that the number of debts raised is increasing as we are now required to formally raise debts for all of our grants receivable from Kent County Council, the NHS etc.

11.4 The debt over six years old relates to charges on property, i.e. where the debt cannot be collected until the property concerned is sold.

11.5 As can be clearly seen, on the measure of collectable debt less than two months old, the position has improved significantly.

## **12. Alternative Options**

12.1 None identified – this report is largely for information.

### **13. Consultation Undertaken or Proposed**

13.1 Heads of Service and Strategic Management Team have been consulted in preparing this report.

### **14. Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Good financial management is key to achieving our Corporate Plan priority of being “A council to be proud of”
Financial, Resource and Property	As detailed in the report
Legal and Statutory	None identified at this stage
Crime and Disorder	None identified at this stage
Sustainability	None identified at this stage
Health & Wellbeing	None identified at this stage
Risk Management and Health and Safety	None identified at this stage
Equality and Diversity	None identified at this stage

### **15. Appendices**

15.1 The following documents are published with this report and form part of the report:

Appendix I: Financial Outturn 2016/17

### **16. Background Papers**

16.1 The Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2018/19.

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# Financial Outturn Report 2016/17

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## Table 1 – Underspend by Service

	Service Manager	Working Budget £	Outturn 2016/17 £	Variance £
Chief Executive	M. Radford	265,810	251,251	(14,559)
Policy	D. Clifford	222,560	197,942	(24,618)
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<b>Financed by:</b>				
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Business Rates		(5,644,000)	(6,064,512)	(420,512)
New Homes Bonus		(3,482,000)	(3,482,000)	0
Collection Fund Surplus		(79,000)	(79,000)	0
Council Tax Requirement		(7,291,000)	(7,291,000)	0
<b>NET EXPENDITURE</b>		<b>0</b>	<b>(1,839,569)</b>	<b>(1,839,569)</b>
Put Business Rates Underspend to Economic Growth Reserve		0	420,512	420,512
<b>TOTAL CONTRIBUTION TO GENERAL FUND</b>		<b>0</b>	<b>(1,419,057)</b>	<b>(1,419,057)</b>

**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
<b>CHIEF EXECUTIVE – Cllr A. Bowles (Mark Radford)</b>		
Chief Executive & Corporate Costs	(15)	£6k underspend on corporate costs. £9k net salary savings.
Policy	(25)	£9k net salary savings. £16k Sustainable Sheppey additional grant received.
<b>TOTAL</b>	<b>(40)</b>	<b>(£16k is requested to roll forward into 2017/18 of unspent grants – refer to Table 3)</b>
<b>ECONOMY AND COMMUNITIES – Cllrs – All (Charlotte Hudson)</b>		
Environmental	(65)	£53k net additional income from the Environmental Initiatives. £12k net savings.
Closed Circuit Television	12	£13k additional monitoring costs. £1k net savings.
Community Halls and Centres	(9)	£10k saving on Alexander Centre. £1k net costs.
Community Safety	(23)	£16k net salary savings. £5k Community Safety Partnership grant underspend. £2k net savings.
Economy & Community Services	(30)	Net salary savings.
LEF (Local Engagement)	(25)	Underspend of members' communities grants.
Youth	(5)	£5k net savings.
Learning, Business & Skills	(20)	£7k net underspend on grants. £13k net savings.
Regeneration	(8)	£4k underspend Coastal Communities Fund grant. £4k underspend High Street Innovation Fund grant.
Arts Events & Activities	(6)	£6k net underspend on WWI remembrance, projects and commemoration.
Markets	(20)	£17k savings on rates. £3k net additional income.
Sports Development	(19)	£8k net salary cost savings. £11k net savings and income.



**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
<b>TOTAL</b>	<b>(218)</b>	<b>(£108k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>COMMUNICATIONS, PRINTING, ADVERTISING &amp; PROMOTION – Cllr A. Bowles (Sara Toal)</b>		
Communications	(9)	Net staff costs savings.
<b>TOTAL</b>	<b>(9)</b>	
<b>RESIDENT SERVICES – Cllrs K. Pugh and D. Dewar-Whalley (Amber Christou)</b>		
Housing Development and Strategy	(10)	£10k net savings.
Private Sector Housing	(11)	£11k net savings and income.
Housing Options	411	<p>£473k costs over budget on the Temporary Accommodation budget due to further Welfare Reform changes reducing the amount that we can claim through Housing Benefits against the expenditure, and further increase in homelessness within Swale and a reduction in the availability of private and social rented accommodation leaving many homeless families in temporary accommodation for longer periods than usual. The budget has been increased for 2017/18 and additional, lower cost accommodation from a Housing Association Partner has been sourced to try and minimise spend on this budget.</p> <p>£56k reduced expenditure on Homelessness Prevention services due to lack of available rented housing.</p> <p>£35k underspend for homeless hostel budget.</p> <p>£2k lower than anticipated government homelessness grant</p> <p>£27k net costs.</p>

**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
Housing Benefit and Council Tax Collection	(124)	<p>£78k staff cost savings, additional DWP Housing Benefits Additional Grant £78k, additional Universal Credit DWP Reimbursement £15k, offset by loss of Housing Benefit Subsidy Grant £179k.</p> <p>£77k saving on the Fraud Partnership shared service.</p> <p>£37k net saving on the Recovery shared service.</p> <p>£79k Academy Recovery additional costs (bad debt).</p> <p>£5k court costs savings.</p> <p>£16k saving on card commissioning costs and bank charges.</p> <p>£11k saving on postage costs</p> <p>£30k underspend on Housing Benefits.</p> <p>£9k recovery of Council Tax Benefit overpaid.</p> <p>£26k net variance saving.</p>
Stay Put Scheme	(40)	<p>£48k additional Disabled Facilities Grant fee income.</p> <p>£8k net additional costs.</p>
<b>TOTAL</b>	<b>226</b>	<b>(£48k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>PLANNING – Cllr G. Lewin (James Freeman)</b>		
Building Control	(6)	Saving on Building Control shared service.
Development Control	(157)	<p>£293k additional planning fee income has been secured from submission of increased number of significant 'major' planning applications primarily arising from applicants pre-empting emerging Local Plan allocations and developers testing Local Plan status given lack of five year housing supply with ad-hoc non allocated sites</p> <p>£85k overspend for court costs etc. – appeals.</p> <p>£39k loss of income – S106 developers fees.</p> <p>£28k loss of income – pre-application planning advice.</p> <p>£16k net underspend.</p>
Development Services	128	<p>£41k overspend on Development salaries.</p> <p>£65k additional spend on agency and contract staff.</p> <p>£22k net overspend.</p>

## Table 2 – Main Variations by Service

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Local Land Charges	45	£34k loss of local land charges income. £11k overspend on shared service costs.
Local Planning & Conservation	(99)	£107k net underspend on local plan work. £8k other net overspends. <b>NB. The underspend on the local plan has been transferred to the ring fenced reserve to be used solely to fund LDF associated work.</b>
Mid Kent Planning Service (MKPS)	(27)	£23k underspend on MKPS. £4k additional income.
<b>TOTAL</b>	<b>(116)</b>	
COMMISSIONING & CUSTOMER CONTACT – Cllr D. Simmons (Martyn Cassell)		
Commissioning & Customer Contact, Client & Amenity Services and Customer Service Centre	(106)	£49k net staff savings. £37k Gateway fees & services savings. £20k other net savings.
Cemeteries and Closed Churchyards	(47)	£41k savings ground maintenance. £3k additional income. £3k net savings.

**Table 2 – Main Variations by Service**

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
Parking Management	(471)	<p>£444k additional income from pay &amp; display fees. Pay and display car parks have continued to operate well with good levels of demand and vehicle occupancy.</p> <p>The increased pay and display tariff applied in April 2016 had a significant impact on income levels which has exceeded original expectations.</p> <p>£46k additional income Penalty Charge Notices.</p> <p>£35k additional income parking permits.</p> <p>£16k season tickets additional income.</p> <p>£10k savings resurfacing.</p> <p>£9k additional costs re Christmas 'park &amp; ride' schemes.</p> <p>£40k underachieved income on parking overpayments due to changes in parking fees.</p> <p>£11k additional costs road lining.</p> <p>£9k underspend on road signs.</p> <p>£17k additional costs re grounds maintenance.</p> <p>£12k net additional costs.</p> <p><b>NB. £57k has been transferred to the ring fenced off street parking account. The surplus in the decriminalisation fund is a requirement under section 55 of the Road Traffic Regulations Act 1984.</b></p>
Seafront, Harbour & Quays	(19)	<p>£7k additional beach huts income.</p> <p>£4k additional memorials (benches etc.) income.</p> <p>£8k net savings.</p>
Leisure, Sports, Open Spaces, Parks, Countryside and Allotments	(81)	<p>£68k saving on leisure contracts.</p> <p>£32k savings equipment maintenance.</p> <p>£11k recharged energy costs additional income re Central House.</p> <p>£30k net additional expenditure.</p>
Recycling & Waste Minimisation	(41)	<p>£39k income garden waste bins</p> <p>£2k recycled scrap metal additional income.</p>

**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
Refuse Collection / Street Cleansing/ Public Conveniences	(188)	£163k net estimated contract costs and contract variation savings due to negative indexation of -2.012% against previous contract costs supported by higher than anticipated bulky waste collections. £75k wheeled bins expenditure overspend. £66k Waste/Recycling promotion underspend. £37k bulky waste collections additional income. £10k Clean Kent overspend. £17k net special collections and sale of litter bins additional income. £11k wheeled bins reduced sales income. £1k net savings.
Highways SBC	(40)	£21k street naming and numbering additional income. £10k net savings on GIA. £9k other net savings.
Grounds Maintenance	(65)	£65k net savings.
<b>TOTAL</b>	<b>(1,058)</b>	<b>(£208k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>DIRECTOR OF CORPORATE SERVICES – Cllr D. Dewar-Whalley</b>		
Corporate Costs	(7)	£14k underspend on salary costs. £7k overspend on corporate costs.
Licensing	(41)	£24k underspend on salary costs. £12k additional licence fee income. £5k net savings.
<b>TOTAL</b>	<b>(48)</b>	<b>(£16k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>EMERGENCY PLANNING – Cllr A. Bowles (Della Fackrell)</b>		
Emergency Planning	4	Net overspend on salary costs.
<b>TOTAL</b>	<b>4</b>	
<b>DIRECTOR OF REGENERATION – Cllr M. Cosgrove (Emma Wiggins)</b>		
Strategic Director	(13)	Underspend on salary costs.
<b>TOTAL</b>	<b>(13)</b>	
<b>IT SERVICES – Cllr D. Dewar-Whalley (Chris Woodward)</b>		

**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
IT MKS	(27)	Underspend on cost of shared services as a result of secondment and vacant posts.
IT Client side	(6)	£25k underspend on PC maintenance and software. 19k net overspend on telecommunications. <b>NB. The underspend of £25k has been transferred to the ring fenced reserve to be used solely to fund PC related expenditure.</b>
<b>TOTAL</b>	<b>(33)</b>	
<b>ENVIRONMENTAL HEALTH – Cllr. D. Simmons (Tracey Beattie)</b>		
Environmental Health MKS	(15)	£10k reduced charges from partners. £7k Additional income from food safety training and increase in tattooing registrations. £2k other net expenditure.
<b>TOTAL</b>	<b>(15)</b>	<b>(£13k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>INTERNAL AUDIT – Cllr D. Dewar-Whalley (Rich Clarke)</b>		
Audit Services	(1)	Net saving.
<b>TOTAL</b>	<b>(1)</b>	
<b>FINANCE – Cllr D. Dewar-Whalley (Nick Vickers)</b>		
Financial Services	(7)	£7k net saving.
<b>TOTAL</b>	<b>(7)</b>	
<b>HUMAN RESOURCES – Cllr D. Dewar-Whalley (Dena Smart)</b>		
Human Resources	2	£12k under achievement of 16/17 savings resulting from the policy shift on Essential Car User allowance. £6k reimbursement of secondment has resulted in lower shared service costs. £4k net underspend.
Organisational Development	(36)	£26k underspend in corporate training. £10k underspend on health & safety.
<b>TOTAL</b>	<b>(34)</b>	<b>(£20k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>LEGAL – Cllr D. Dewar-Whalley (Estelle Culligan)</b>		
Legal MKLS	44	As a result of increased usage of Legal MKLS services by Swale Borough Council.

**Table 2 – Main Variations by Service**

<b>Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017</b>		
<b>Service – Cabinet Member (Head of Service)</b>	<b>£'000</b>	<b>Explanation</b>
External legal fees	70	Higher numbers of non-payment of littering fixed penalty notices going to court results in higher levels of barrister costs. It is expected that the majority of such costs will be recovered.  In addition there are complex planning inquiry/appeal costs relating to Seager Road, Pond Farm and New Rides Farm.
S106 Income	(83)	Additional income from S106 income and other fees.
<b>TOTAL</b>	<b>31</b>	
<b>DEMOCRATIC SERVICES – Cllr A. Bowles (Katherine Bescoby)</b>		
Democratic Process	(12)	£12k saving re staff costs and members training.
Other Democratic Costs	7	£7k net overspend.
<b>TOTAL</b>	<b>(5)</b>	
<b>PROPERTY SERVICES – Cllr D. Dewar-Whalley (Anne Adams)</b>		
Property Services	(40)	£10k underspend on salaries. £7k underspend on paper. £6k underspend on equipment maintenance. £17k net including £12k consultancy advice and £2k additional income.
Administrative Buildings	(24)	£4k savings on energy costs re Swale House. £14k additional rental income. £6k underspend on miscellaneous.
Property Management	(64)	£85k additional rental income. £34k net overspend on rates mainly due to empty rates charges for delayed demolition of depot. £13k savings on energy costs etc.
Health & Safety	(11)	£8k underspend on fees & services. £3k underspend on miscellaneous.
Building Maintenance	(95)	<b>£95k has been transferred to the Buildings Maintenance Fund for future years.</b>
<b>TOTAL</b>	<b>(234)</b>	<b>(£15k is requested to roll forward into 2017/18 - refer to Table 3)</b>
<b>VARIANCES TO BE MET FROM UNDERSPEND</b>		
Sittingbourne Town Centre Development	30	Additional consultancy fees re Sittingbourne Town Centre Project.

**Table 2 – Main Variations by Service**

Projected Net (Under)/Overspend / Income Shortfall as at end of March 2017		
Service – Cabinet Member (Head of Service)	£'000	Explanation
<b>TOTAL</b>	<b>30</b>	
<b>NON-SERVICE BUDGETS</b>		
Corporate Items	119	<p>£161k external interest additional income due to an increase in cash flow and an improved return on our investments.</p> <p>£7k precept re: Lower Medway Internal Drainage Board higher than budgeted.</p> <p>£108k additional Minimum Revenue Provision expenditure to correct omission in previous years.</p> <p>£111k corporate provision for bad debts net underspend due to improved debt collection.</p> <p>£438k net additional contributions to reserves (as detailed above).</p> <p>£37k net income.</p> <p>£125k Council Tax Grant from major preceptors.</p> <p><b>NB. The grant of £125k has been transferred to the ring fenced reserve to be used to support the Council's budget.</b></p>
<b>TOTAL</b>	<b>119</b>	<b>(£50k is requested to roll forward into 2017/18 - refer to Table 3)</b>
	<b>(1,419)</b>	<b>NET EXPENDITURE (Underspend)</b>



**Table 3 – Revenue Rollover Requests – Operational**

<b>Head of Service</b>	<b>Funded from</b>	<b>Rollover Request £</b>	<b>Purpose of Rollover (*external funding, grants and use of additional income)</b>
Charlotte Hudson	Environmental Initiatives	40,000	*The income received is from the Fixed Penalty Notices (FPNs) and any money generated is used to create a cleaner and greener environment. This money will be used for Environmental Initiatives in 2017/18.
Charlotte Hudson	Culture	550	*Culture grant - we request the roll of £550 for one outstanding grant payment. This grant has been approved by the Cabinet Member for Finance and Performance but we await the return of the grant offer letter.
Charlotte Hudson	Members Communities Grants	25,350	*Members Communities Grants - we request to roll of £25,343. There are 32 applications that are already approved by the Cabinet Member for Finance and Performance but we are still waiting for their grant offer acceptance letters to be returned totalling £17,149 before we can make the payment. We request the balance of £8,194 to maintain the member grant allocation.
Charlotte Hudson	Sports Development	3,000	*We request the roll of £3k for three outstanding Sports and Physical Activity Grant awards. These have been authorised for payment by the Cabinet Member for Finance and Performance but we await the grant acceptance offer letters returned.
Charlotte Hudson	Business & Skills	7,400	*Business and skills - external funding received from KCC to deliver business support activity, jointly with Medway Council, which extends into 2017/18.
Charlotte Hudson	Regeneration	3,830	*Regeneration - external funding received on behalf of the Sheppey Coastal Community Team. SBC is the accountable body only.

**Table 3 – Revenue Rollover Requests – Operational**

Head of Service	Funded from	Rollover Request £	Purpose of Rollover (*external funding, grants and use of additional income)
Charlotte Hudson	Youth Diversion Project	4,530	We request the roll forward of £4,530 for Youth Diversion Project. In 2016/17, there was a change in lead Member for this work stream and to date no decision has been taken by the Leader of the Council (new lead Member) on how the monies should be allocated. The monies are for delivery of Swale Youth Forum projects which are determined by the young people and signed off by lead Member. There is a also a sum of money (£1,000 plus VAT) which is for The Teenage Market which is a Member-led approval as part of the new Sittingbourne Artisan Market which re-commenced from March 2017 (to December 2017). The Teenage Market is a one-off three-year contract to engage young people with entrepreneurial skills in trading at a specialist market.
Charlotte Hudson	Remembrance and Commemoration	4,250	Remembrance and Commemoration - we request the roll of £4,250 (the balance from the WW1 Centenary Grant Scheme) as discussed at the World War One Centenary Steering Group meetings.
Charlotte Hudson	Community Safety	4,000	Rollover to core Community Cohesion project. Match funding agreed as part of Arts Council bid.
Charlotte Hudson	CDRP	5,000	*Both a grant from the Police and Crime Commissioner and a Performance Fund Bid from SBC have been used to deliver activities within the Community Safety Plan (CSP)during 2016/17. The number of anticipated operations and activities delivered throughout the year had been fewer than planned and as such resulted in an underspend. It is requested that this underspend is rolled into 2017/18 to aid the delivery of the CSP during this year, which will include communication campaigns, operations relating to the CSP priorities, and estates action plans.

**Table 3 – Revenue Rollover Requests – Operational**

<b>Head of Service</b>	<b>Funded from</b>	<b>Rollover Request £</b>	<b>Purpose of Rollover (*external funding, grants and use of additional income)</b>
Charlotte Hudson	High Street Innovation Fund	4,000	*High Street Innovation Fund - external funding for which SBC is the accountable body. The remaining money has been allocated through Sheerness Town Team as match funding for external funding bids in 2017/19.
Charlotte Hudson	Business & Skills	6,000	The apprentices working at SBC whose contracts do not finish until 5 September 2017.
<b>SUB TOTAL</b>		<b>107,910</b>	
Martyn Cassell	Sheerness Gateway	30,000	This underspend has occurred through the Gateway costs during 2015/16 which are determined within the partnership contract with Kent County Council in accordance with budget thresholds agreed. It is proposed that the underspend be rolled over and utilised in expanding our channel shift / transformation agenda.
Martyn Cassell	Car Parks	30,000	*The car park maintenance budget was significantly overspent during 2016/17 despite only carrying out urgent and necessary repairs. Further investment is required to bring the car parks up to standard and to improve services to our customers. Rolling over this funding of £30,000 will contribute to necessary works to car parks to ensure that our primary parking facilities are safe by reducing the risk of hazard and presented to a good standard to our customers.
Martyn Cassell	Cemeteries	11,200	Amendments needed to Bell Road Cemetery contractor storage following rebuild of Bell Tower building and additional amount required for the fencing boundary issue at Bell Road.

**Table 3 – Revenue Rollover Requests – Operational**

<b>Head of Service</b>	<b>Funded from</b>	<b>Rollover Request £</b>	<b>Purpose of Rollover (*external funding, grants and use of additional income)</b>
Martyn Cassell	Cemeteries	400	Delay on order for new funeral matting due to consultation with suppliers. Budget very small each year so combination with next year budget will allow correct purchases to be made.
Martyn Cassell	Closed Churchyards and War Memorials	30,000	Ongoing approvals by the Diocese for crucial works to a number of features in closed churchyards.
Martyn Cassell	Milton Creek Country Park	1,400	To add to reserve being held for SBC's contribution to new access roadway to the Country Park. Delayed as awaiting KCC sale of adjacent land.
Martyn Cassell	Footway Lighting	2,570	To complete unplanned lighting repairs to Long Bridge in Faversham.
Martyn Cassell	Highways (SBC)	3,780	Waiting on a number of new on-street parking schemes to be agreed through Joint Transportation Board.
Martyn Cassell	Leisure Centres	10,880	To fund additional consultancy fees required to Leisure Centre Contract Review Project.
Martyn Cassell	Verge Maintenance	3,500	Additional planting on Swale owned land to offset reduced planting on KCC owned verges.
Martyn Cassell	Refuse & Recycling	65,980	Promotion and increase recycling throughout the borough. A consultant will be sought through the tendering process to promote recycling throughout the summer months.
Martyn Cassell	G.I.A Maintenance	8,580	*Roll forward of external funding for Rose Tinted Scheme lighting at Leysdown.
Martyn Cassell	Seafront	10,000	Emergency repairs fund for repairs plus re-design of Welcome and Health and Safety signage on the main beaches.

**Table 3 – Revenue Rollover Requests – Operational**

Head of Service	Funded from	Rollover Request £	Purpose of Rollover (*external funding, grants and use of additional income)
<b>SUB TOTAL</b>		<b>208,290</b>	
Amber Christou	Council Tax Benefit	8,840	*Income recovered from overpaid Council Tax Benefit from prior years is now kept by each local authority following a change in legislation, so is additional income.
Amber Christou	Stay Put Scheme Grants	38,840	*This service is fully grant funded. However the balance left on the service Stay Put is additional income of £38,843.
<b>SUB TOTAL</b>		<b>47,680</b>	
Tracey Beattie	Contaminated Land	2,430	This money is needed to fund some contaminated land projects we will be carrying out this year. The roll over will contribute to the site investigations planned for 2017/18.
Tracey Beattie	Pollution Noise	2,360	Noise equipment is calibrated on a 2 year cycle and 2016/17 was the non calibration year. A review of demand and evaluation of the noise equipment used by the Environmental Pollution team identified that better, user-friendly equipment would assist in the investigation of noise complaints. The roll over will enable the service to upgrade one of our current two meters with the balance from the 2016/17 budget towards the purchase of a new meter.
Tracey Beattie	Pollution Air	7,760	This was carried over from the previous year. Some money has been spent, but this will be needed this financial year for further air quality initiatives. The roll over is needed to extend the monitoring of Air Quality in line with the Annual Status Report.
<b>SUB TOTAL</b>		<b>12,550</b>	

**Table 3 – Revenue Rollover Requests – Operational**

Head of Service	Funded from	Rollover Request £	Purpose of Rollover (*external funding, grants and use of additional income)
Anne Adams	Property Services	12,270	This budget is for ongoing consultancy work relating to the income generation project and various structural engineering advice. Rolling forward this budget will reduce the need to identify new budgets during 17/18.
Anne Adams	Footway Lighting	2,840	Marine Parade Sheerness – contribute to replacement of current lighting that is beyond reasonable repair.
<b>SUB TOTAL</b>		<b>15,110</b>	
Mark Radford	Licensing	16,750	The Licensing Officer post was vacant for a number of months in 2016. The current post holder was seconded to this post in November 2016. The carry forward will be used to fund an extension to this post while the Licensing section workload and structure is reviewed.
Nick Vickers	Interest on balances	50,000	*£50k of the additional treasury investment income is set aside to continue to fund system developments to ensure that financial systems meet the 'Digital by Default' standard wherever possible, and meeting the costs of the professional advice and staff development on accounting, taxation, payments, etc required to maintain the high standard of performance.
David Clifford	Sustainable Sheppey	16,000	*This is a combination of grant overpayment and underspend on a £1m budget fully grant-funded by the Big Lottery Fund (BLF). We expected to have to repay this £16k but the BLF have now confirmed that this is not necessary. We would like to roll this amount forward to next year in order to facilitate the development of a second BLF funding bid for another project of a similar size to Sustainable Sheppey.

**Table 3 – Revenue Rollover Requests – Operational**

Head of Service	Funded from	Rollover Request £	Purpose of Rollover (*external funding, grants and use of additional income)
Dena Smart	Corporate Training	20,000	With the change in senior managers this rollover will act as a provision for any senior management development that may be required without having an impact on training provision for the rest of the organisation.
	<b>TOTAL</b>	<b>494,290</b>	

**Table 4 – Revenue Rollover Requests – Bids**

Head of Service	Rollover Request £	Purpose of Rollover
Martyn Cassell	85,000	<p>Parking income is crucially important to future Council financial plans. This bid will ensure we protect or increase this income by improving the infrastructure of the car parks, upgrading restriction markings and investing in future technologies to keep up with the industry.</p> <p>The funding will be used to add to the operational rollover mentioned earlier to allow resurfacing, maintenance and improvements of off-street car parks. Clearly marking parking restrictions will enable effective enforcement under parking legislation to ensure the free flow of traffic and to control on-street parking. Finally investment in new technologies is suggested on a 'spend to save' basis. Looking at cashless parking opportunities and making it easier for customers will form part of this project.</p>
Martyn Cassell	7,400	Milton Creek Country Park Pond Lining – Dug and landscaped pond with dipping platform requires relining, currently limiting biodiversity value and ability to use for events/activities.
Martyn Cassell	8,200	New Road, Sheerness and Queenborough Park - Metal railing refurbishment and paint to maintain existing and prolong life.
Martyn Cassell	12,000	Oare Gunpowder Works Country Park – Significant replacement of timber fencing and boardwalk that has reached end of life. Needed to maintain Health and Safety and visitor satisfaction.
Martyn Cassell	25,000	Perry Wood, Selling – Funding for additional “ride management” to help meet requirements of Forestry Commission Woodland Grant Scheme, increase biodiversity and improve visitor experience in woodland.
Martyn Cassell	25,000	Replacement dog and litterbins in Greenspaces that have reached end of life throughout Borough (Purchase and installation) and affect the view of the public realm.
Martyn Cassell	5,000	Replacement of collapsed boundary wall at Halfway cemetery with alternative fencing.



**Table 4 – Revenue Rollover Requests – Bids**

<b>Head of Service</b>	<b>Rollover Request £</b>	<b>Purpose of Rollover</b>
Martyn Cassell	17,000	Bootcamp fitness unit – to pilot charging operators alongside our outdoor exercise class licensing scheme.
Martyn Cassell	20,000	Stonebridge Pond dredging project to restore waterway flow.
Martyn Cassell	30,000	Development Grant and Healthy Activity Project funding for Swale Community Leisure.
Charlotte Hudson	13,500	To continue to deliver the direct email channel launched in 2016/17 for community engagement during 2017/18.
<b>Total</b>	<b>248,100</b>	

**Table 5 – Allocations from the Improvement and Regeneration Funds 2016/17**

	<b>Amount £</b>
<b>Performance Fund</b>	
Community Safety Operational Pot	5,000
Transformation Project	120,000
Data Quality Project	25,000
Transitional Review into Future Delivery of DFG's	4,000
Consultancy support for renegotiation of Grounds Maintenance contract	20,000
Smarter Digital Services	20,000
Additional hours to support Cabinet and Deputy Cabinet Members	1,600
Website Development	5,000
Digital Service Development - GovDelivery implementation	3,320
Website re-design	49,000
Pilot project for website self service	10,260
Local Area Perception Survey	12,000
Leisure Centre Conditions Surveys, Swallows Leisure Centre & Faversham Pools	9,192
CCTV Recording System Upgrade	24,895
Additional Hours to Support Cabinet and Deputy Cabinet Members	3,326
Joint Kent Chiefs Digital Project	10,000
Temporary Planning Officers Positions	77,700
Extension of Safeguarding officer Post	16,614
IShare upgrade and implementation of Ishare maps for Swale BC	6,000
Deep Steam Cleaning to major High Streets	40,000
<b>Total Approved as at March 2017</b>	<b>462,907</b>
<b>Regeneration Fund</b>	
Sheerness Strategic Regeneration Framework	50,000
Sittingbourne Market - Themed	15,000
Faversham Place review and workshop	5,000
Compulsory purchase order, legal Advice	10,000
Conservation and design support service	85,000
Queenborough Harbour Trust Stage II	15,000
Sheerness Dockyard Preservation Trust	70,000
Economic Development Support Officer	42,157
Regeneration officer (Town Centres)	50,492
Visitor Economy Strategy (VES)	15,000
Specialist themed Markets – Sittingbourne	45,000
<b>Total Approved as at March 2017</b>	<b>402,649</b>
<b>Communities Fund</b>	
Communities fund for the 2017 Swale Awards	4,100
The Salt Giveaway 2016/17	1,350
Murston Old Church HLF	3,000
<b>Total Approved as at March 2017</b>	<b>8,450</b>

**Table 6 – Revenue Reserves (prior to 2016/17 rollovers)**

	<b>Balance 31 March 2016 £'000</b>	<b>Transfers out 2016/17 £'000</b>	<b>Transfers in 2016/17 £'000</b>	<b>Balance 31 March 2017 £'000</b>	<b>Note</b>
General Reserve	(3,088)	280	(110)	(2,918)	(a)
Business Rates Volatility Reserve	(2,649)	1,378	(154)	(1,425)	(b)
Building Maintenance	(818)	80	(196)	(934)	(c)
Performance Fund	(537)	302	(300)	(535)	(d)
Regeneration Fund	(362)	198	(523)	(687)	(e)
Business Rates Pool (Economic Development)	(328)	0	(420)	(748)	(f)
Communities Fund	(72)	9	(52)	(115)	(g)
Transformation Fund	(212)	40	(33)	(205)	(h)
Repairs & Renewals	(289)	110	(116)	(295)	(i)
Council Tax and Housing Benefits Reserve	(277)	5	(218)	(490)	(j)
Commuted Sums	(259)	50	(122)	(331)	(k)
Swale Local Loan Fund	(250)	50	0	(200)	(l)
Preceptors Council Tax Support Reserve	(250)	66	(125)	(309)	(m)
Housing	(198)	40	0	(158)	(n)
Stay Put Grants	(152)	9	(1)	(144)	(o)
Local Development Framework	(70)	0	(105)	(175)	(p)
Development Control Reserve	0	117	(117)	0	(q)
Emergency Accommodation	(35)	10	0	(25)	(r)
Miscellaneous	(1,208)	864	(1,224)	(1,568)	(s)
<b>Total</b>	<b>(11,054)</b>	<b>3,608</b>	<b>(3,816)</b>	<b>(11,262)</b>	

## Table 6 – Revenue Reserves (prior to 2016/17 rollovers)

### Notes

Ref	Reserve	Description
(a)	General Reserve	To fund revenue expenditure, its use is subject to the approval of Members.
(b)	Business Rates Volatility Reserve	To assist the Council in managing the volatility of business rate income as a result of business rate localisation.
(c)	Building Maintenance	To meet items of backlog building maintenance as identified in the Council's medium term maintenance plan, as well as urgent or unexpected items. Each year any underspend or overspend on the building maintenance account codes either tops up or draws down from this reserve.
(d)	Performance Fund	To improve overall performance. Officers are invited to submit bids for individual proposals.
(e)	Regeneration Fund	To fund Regeneration Projects in the Borough.
(f)	Business Rates Pool (Economic Development)	This fund has been established as part of the agreement of the Council joining the Kent business fund. It is to fund economic development as agreed by the Council and Kent County Council.
(g)	Communities Fund	To support the Council's Communities Agenda.
(h)	Transformation Fund	To meet the cost of releasing the Pension Fund benefits to staff who have taken early retirement, and to fund all other redundancy costs.
(i)	Repairs and Renewals	Regular contributions are made to this fund from the General Fund. Large items of expenditure are then charged to the service and funded from this reserve.
(j)	Council Tax and Housing Benefits Reserve	This will be used to cover the shortfall in Housing Benefit admin grant in future years.
(k)	Commuted Sums	Set up due to an accounting adjustment to meet Grant Thornton recommendations. This reserve will be used to fund play area and open space maintenance in future years.
(l)	Swale Local Loan Fund	Its purpose is to support voluntary, community, or not-for-profit organisations and town and parish councils in Swale to enable management and delivery of local services and facilities. So far two loans have been approved.
(m)	Preceptors Council Tax Support Reserve	Two payments received for £125k paid by KCC, Police and Fire to reflect the costs of council tax support localisation.

**Table 6 – Revenue Reserves (prior to 2016/17 rollovers)**

<b>Ref</b>	<b>Reserve</b>	<b>Description</b>
(n)	Housing	This is made up of a number of housing reserves, including Rent Deposit Scheme Bond Reserve, Empty Property Reserve, and the Supporting People Reserve. All these reserves will help to fund the homelessness service in future years.
(o)	Stay Put Grants	Ring-fenced external funding for health grants and supporting people grants.
(p)	Local Development Framework	Under the Planning and Compulsory Purchase Act 2004, district Local Plans were replaced with Local Development Documents (LDDs). Together, the LDDs will comprise a Local Development Framework (LDF) for the district authority area. Any underspend or overspend on this service on the General Fund will be transferred to this fund, and used solely to fund LDF associated work.
(q)	Development Control Reserve	This reserve was used in 2015/16 to meet the cost of additional agency staff and consultants to help clear the backlog of major planning applications.
(r)	Emergency Accommodation	Initially set up to meet the cost of a new homeless property in Sheerness. This reserve will continue to be used to fund any costs of maintaining our three emergency accommodation properties.
(s)	Miscellaneous	This is made up of the earmarked reserves that are less than £100,000. A breakdown is available upon request.

**Table 7 – General Fund Balances 2016/17**

	<b>Working Budget</b> £	<b>2016/17 Outturn</b> £	<b>Variance</b> £
<b>Net Service Expenditure</b>	<b>18,451,000</b>	<b>17,031,943</b>	<b>(1,419,057)</b>
Business rates variance	-	(420,512)	(420,512)
Transfer Business rates Underspend to Economic Growth Reserve	-	420,512	420,512
Contribution to General Fund Balance	-	1,419,057	1,419,057
<b>Net Revenue Expenditure</b>	<b>18,451,000</b>	<b>18,451,000</b>	-
<b>Net Service Expenditure</b>			
<b>Net Service Expenditure</b>	<b>18,451,000</b>	<b>17,031,943</b>	<b>(1,419,057)</b>
Less:			
Council Tax Requirement	(7,291,000)	(7,291,000)	-
Business Rates	(5,644,000)	(6,064,512)	(420,512)
Revenue Support Grant	(1,955,000)	(1,955,000)	-
Collection Fund Surplus	(79,000)	(79,000)	-
New Homes Bonus	(3,482,000)	(3,482,000)	-
Business rates underspend to Economic Growth Reserve	-	420,512	420,512
<b>Net (Surplus) / Deficit on General Fund</b>	-	<b>(1,419,057)</b>	<b>(1,419,057)</b>

**Table 8 – Capital Programme 2016/17 Outturn**

Capital Scheme	Funding SBC/P	2016/17 Original Budget £	2016/17 Revised Budget £	2016/17 Outturn £	2016/17 Variance £	Rollover Request £	Note No (See Table 10)
CCTV2 Initiative	SBC	15,000	15,000	0	(15,000)	0	
Meads Community Centre	SBC	0	11,060	15,505	4,445	0	
Meads Community Centre	P	0	6,800	6,800	0	0	
Faversham Football Club Loan	SBC	0	0	50,000	50,000	0	
S106 - Easthall Farm Community Centre	P	964,000	964,000	598,252	(365,748)	365,748	1
The Mill Project, Sittingbourne Skate Park	SBC	200,000	200,000	0	(200,000)	200,000	2(a)
The Mill Project, Sittingbourne Skate Park	P	0	40,000	0	(40,000)	40,000	2(b)
Faversham Creek Basin Regen Project (Swing bridge)	SBC	200,000	200,000	0	(200,000)	200,000	3
<b>Total Economy &amp; Communities</b>		<b>1,379,000</b>	<b>1,436,860</b>	<b>670,557</b>	<b>(766,303)</b>	<b>805,748</b>	
Gunpowder Works Oare Faversham	P	0	9,000	0	(9,000)	9,000	4
New Play Area - Iwade Schemes	P	0	92,200	0	(92,200)	92,200	5
Cemeteries - (future burial provision)	SBC	0	22,040	31,550	9,510	0	
Bell Road Cemeteries	SBC	0	41,000	0	(41,000)	41,000	6
Car Park New Ticket Machines & Installation	SBC	15,000	45,000	30,960	(14,040)	14,000	7
Borden Playstool playground equipment	P	0	13,100	13,149	49	0	
Thistle Hill Community Woodland - Trim Trail	P	0	35,000	0	(35,000)	35,000	8
S106 - Play Area, Thistle Hill	P	0	180,500	469	(180,031)	180,000	9
Beach Huts, Leysdown, Sheppey	SBC	0	60,000	48,630	(11,370)	11,370	10
Minster Leas Promenade Resurfacing	P	0	255,000	150,344	(104,656)	104,656	11
Milton Creek Country Park Access Road	SBC	0	40,000	0	(40,000)	40,000	12
Exercise Floor Sheppey Leisure Centre	SBC	0	35,000	0	(35,000)	0	13
Bridge Deck Replacement at Bartons Point	SBC	0	14,000	0	(14,000)	14,000	14
King George V S/B - Disability Play Equipment	P	0	0	5,300	5,300	0	
Modular Toilet Kiosk	SBC	0	30,000	0	(30,000)	30,000	15

**Table 8 – Capital Programme 2016/17 Outturn**

Capital Scheme	Funding SBC/P	2016/17 Original Budget £	2016/17 Revised Budget £	2016/17 Outturn £	2016/17 Variance £	Rollover Request £	Note No (See Table 10)
Footpath, Milton Creek	SBC	0	16,190	0	(16,190)	16,190	16
Newington Car Park Wall	SBC	0	125,000	113,738	(11,262)	11,262	17
Coastal Monitoring Programme (Coast Protection)	P	0	0	57,271	57,271	0	
Pay & Display Information Boards	SBC	0	40,000	15,637	(24,363)	24,363	18
<b>Total Commissioning &amp; Customer Contact</b>		<b>15,000</b>	<b>1,053,030</b>	<b>467,048</b>	<b>(585,982)</b>	<b>623,041</b>	
Air Pollution Monitoring Station	SBC	55,000	55,000	12,625	(42,375)	42,375	19
<b>Environmental Services</b>		<b>55,000</b>	<b>55,000</b>	<b>12,625</b>	<b>(42,375)</b>	<b>42,375</b>	
Cash Receipting System - Replacement	SBC	0	2,500	0	(2,500)	2,500	20
<b>Total Finance</b>		<b>0</b>	<b>2,500</b>	<b>0</b>	<b>(2,500)</b>	<b>2,500</b>	
Faversham Pool Refurbishment	SBC	150,000	150,000	150,000	0	0	
<b>Total Property Services</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	
Uniform Licencing Implementation	SBC	0	17,000	17,000	0	0	
<b>Total Commissioning &amp; Customer Contact</b>		<b>0</b>	<b>17,000</b>	<b>17,000</b>	<b>0</b>	<b>0</b>	
HRG'S - DFG Mandatory Grants	P	1,140,000	1,851,030	1,540,941	(310,089)	310,089	21
HRG'S - DFG Mandatory Grants	SBC	0	92,100	0	(92,100)	92,100	21
HRG - Housing Repair Grants Over 60	SBC	0	0	10,970	10,970	0	
RHB2 Decent Home Loans Owner Occupier	SBC	0	0	59,683	59,683	0	
<b>Total Resident Services</b>		<b>1,140,000</b>	<b>1,943,130</b>	<b>1,611,594</b>	<b>(331,536)</b>	<b>402,189</b>	
IT MKS Payment	SBC	0	0	25,397	25,397	0	
<b>Information Technology</b>		<b>0</b>	<b>0</b>	<b>25,397</b>	<b>25,397</b>	<b>0</b>	
<b>Total Capital Programme (SBC funded)</b>	<b>SBC</b>	<b>635,000</b>	<b>1,210,890</b>	<b>581,695</b>	<b>(629,195)</b>	<b>739,160</b>	
<b>Total Capital Programme (Partnership funded)</b>	<b>P</b>	<b>2,104,000</b>	<b>3,446,630</b>	<b>2,372,526</b>	<b>(1,074,104)</b>	<b>1,136,693</b>	
<b>Total Capital Programme (Gross Total)</b>	<b>SBC &amp; P</b>	<b>2,739,000</b>	<b>4,657,520</b>	<b>2,954,221</b>	<b>(1,703,299)</b>	<b>1,875,853</b>	



**Table 9 – Capital Rollover Requests and Explanation of Variations 2016/17**

<b>Note No</b>	<b>Service / Portfolio</b>	<b>Service Manager</b>	<b>Description</b>	<b>Amount £</b>	<b>Notes</b>
1	Economy and Community Services	Charlotte Hudson	S106 – Easthall Farm Community Centre	365,748	Great East Hall Community Centre – the roll request is to pay for the retention and outstanding invoices against this project.
2(a)	Economy and Community Services	Charlotte Hudson	The Mill Project Sittingbourne Skate Park	200,000	The Mill Project – Sittingbourne Skate Park – the start of this project has been delayed.
2(b)	Economy and Community Services	Charlotte Hudson	The Mill Project Sittingbourne Skate Park	40,000	The Mill Project – Sittingbourne Skate Park – the start of this project has been delayed.
3	Economy and Community Services	Charlotte Hudson	Faversham Creek Basin Regen Project	200,000	Faversham Creek Basin Regeneration Project – the start of the project has been delayed. It is waiting for the Referendum Outcome before it can be progressed.
4	Commissioning & Open Spaces	Martyn Cassell	Gunpowder Works Oare Fav	9,000	Gunpowder works Oare Faversham – Section 106 funding awaiting decision on Scheme to spend on.
5	Commissioning & Open Spaces	Martyn Cassell	New Play Area – Iwade Schemes – RF	92,200	Iwade New Play Schemes – Some ordered and awaiting installation, balance being tendered.
6	Property	Anne Adams	Bell Road Cemeteries	41,000	Work ongoing and likely to be complete by end of May.
7	Parking Services	Jeff Kitson	New Ticket Machines	14,000	New Ticket Machines – parking services were able to negotiate a price for new pay units much lower than anticipated resulting in a saving of £14,000. Rollover is requested to be reinvested into both signage and highway remarking to enable parking restrictions to be clearly marked to enable parking regulations to be effectively enforced under parking legislation to ensure the free flow of traffic on the highway, to reduce instances of inconsiderate parking.
8	Commissioning & Open Spaces	Martyn Cassell	Thistle Hill Community Woodland – Trim Trail – PF	35,000	Thistle Hill Trim Trail – Ordered and awaiting installation.

**Table 9 – Capital Rollover Requests and Explanation of Variations 2016/17**

<b>Note No</b>	<b>Service / Portfolio</b>	<b>Service Manager</b>	<b>Description</b>	<b>Amount £</b>	<b>Notes</b>
9	Commissioning & Open Spaces	Martyn Cassell	S106 – Play Area, Thistle Hill	180,000	Thistle Hill Play Area – Ordered and awaiting Installation.
10	Commissioning & Open Spaces	Martyn Cassell	Beach Hut Leysdown Sheppey	11,370	Beach Huts Leysdown – majority of works completed, awaiting dates of installation of fencing.
11	Commissioning & Open Spaces	Martyn Cassell	Minster Lease Promenade Resurfacing	104,656	Minster Lease Promenade resurfacing – initial works completed. Tendering further works with agreement from Environment Agency to carry money over.
12	Commissioning & Open Spaces	Martyn Cassell	Milton Creek Country Park Access Road	40,000	Milton Creek Access Road – Awaiting Sale of KCC plot to be able to progress.
13	Property	Anne Adams	Exercise Floor Sheppey Leisure Centre	35,000	This has been funded from revenue reserves and has been treated as revenue expenditure.
14	Commissioning & Open Spaces	Martyn Cassell	Bridge Deck Replacement at Barton's Point	14,000	Barton's Point Bridge Deck – Ordered awaiting installation.
15	Commissioning & Open Spaces	Martyn Cassell	Modular Toilet Kiosk	30,000	Modular Toilet Kiosk – awaiting detailed plans for new block at Minster Lees.
16	Commissioning & Open Spaces	Martyn Cassell	Footpath, Milton Creek	16,190	Milton Creek, Viewing Platform – Ordered and awaiting installation.
17	Parking Services	Jeff Kitson	Newington Car Park Wall	11,262	Newington Car Park Wall – The full budget amount was not required following a change in design which resulted in savings of £11,262. Rollover is requested to be reinvested into both signage and highway remarking to enable parking restrictions to be clearly marked to enable parking regulations to be effectively enforced under parking legislation to ensure the free flow of traffic on the highway, to reduce instances of inconsiderate parking.

**Table 9 – Capital Rollover Requests and Explanation of Variations 2016/17**

Note No	Service / Portfolio	Service Manager	Description	Amount £	Notes
18	Parking Services	Jeff Kitson	Pay & Display Information Boards	24,363	Pay & Display Parking Boards – parking services were able to negotiate a price for information boards much lower than anticipated resulting in a saving of £24,363. Rollover is requested to be reinvested into both signage and highway remarking to enable parking restrictions to be clearly marked to enable parking regulations to be effectively enforced under parking legislation to ensure the free flow of traffic on the highway, to reduce instances of inconsiderate parking.
19	Environmental Protection	Tracey Beattie	Air Pollution Monitoring Station	42,375	This is the balance of a capital sum obtained previously to update Swale's air quality monitoring stations. Some money has been spent; more is in the pipeline for being spent very soon. The remainder will be used later this year.
20	Finance	Nick Vickers	Cash Receipting System	2,500	The final system changes to the cash receipting system have been put on hold due to the need to implement new arrangements arising from tendering the Council's Paypoint and Merchant services activities. The sum will be used to continue to enhance the Council's financial payments system.
21	Housing	Amber Christou	HRG'S – DFG Mandatory Grants	402,189	The Carry over relates to disabled facilities grants committed but the work has either not yet commenced or has not yet been completed although interim payments may have been made.  Once a grant is approved, the applicant has 12 months to carry out the work and can chose when to start the work. The Council has no power to vary this date, it is set by statute. The carry forward amount is expected to be expended in the early part of the financial year.

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## Recommendations for approval

Local Development Framework Panel – 20 June 2016

### Minute No. 42 – Swale Borough Local Plan Bearing Fruits

*(1) That the report for information be noted, and that it also be noted that the Local Authorities (Functions and Responsibilities) Statutory Regulations requires a Full Council resolution to adopt the Local Plan.*

### Minute No. 43 – Faversham Creek Neighbourhood Plan

*(1) That the information report be noted, and that it also be noted that a Full Council resolution was required to adopt the Neighbourhood Plan.*

### Minute No. 44 – Local Plan Review

*(1) That the principle of an early review of the Local Plan be agreed.  
(2) That a report be presented to a future meeting of the Panel to scope the extent, resourcing and timescale of the review.*

### Minute No. 45 – Statement of Community Involvement (SCI)

*(1) That the draft Statement of Community Involvement (SCI) be recommended for a period of public consultation.  
(2) That the Chairman of the LDF Panel together with the Head of Planning Services be allowed to update the document prior to consultation, including the changes as minuted, and if any of the proposals set out within the Government's Housing White Paper (2017) are adopted into policy before September 2017.*

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## Recommendations for approval

### Swale Joint Transportation Board – 26 June 2017

#### **MINUTE NO. 70 – PETITION FOR RESIDENTS PARKING – SCHOOL ROAD, FAVERSHAM – UPDATE REPORT**

*Recommended:*

- (1) That a Residents Parking Scheme is introduced in School Road, Faversham.*
- (2) That Plantation Road is included in the Residents Parking Scheme.*
- (3) That a Residents Parking Scheme is not introduced in Kings Road, Faversham.*

#### **MINUTE NO. 71 - FORMAL OBJECTIONS TO TRAFFIC REGULATION ORDER SWALE AMENDMENT 6**

*Recommended:*

- (1) That the proposed double yellow lines at the side of the Funeral Directors in Ranelagh Road, Sheerness be progressed.*
- (2) That the proposed double yellow lines in Ospringe Place, Faversham, be progressed on both sides of the road.*
- (3) That the proposed double yellow lines in Fairview Road, Sittingbourne, be progressed.*

#### **MINUTE NO. 72 – PETITION FOR CHANGES TO RESIDENTS PARKING SCHEME – UFTON LANE, SITTINGBOURNE – UPDATE REPORT**

*Recommended:*

- (1) That officers proceed with an informal consultation with residents located within the 2 hour waiting limit of Ufton Lane on proposals to amend the waiting limit to one hour or 30 minutes and that the impacts of such proposals be clearly set out for residents.*
- (2) That officers extend the informal consultation area to include all residents located within the 1 hour waiting limit areas of the Residents Parking Scheme to gauge support for changing the waiting limit to 30 minutes and that the impacts of such proposals be clearly set out for residents.*

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