



## AGENDA

### COUNCIL MEETING

Date: Wednesday, 24 February 2021

Time: 7.00 pm

Venue: Virtual Meeting Via Skype\*

#### RECORDING NOTICE

Please note: this meeting may be recorded and may be added to the website.

At the start of the meeting the Chairman will confirm if all or part of the meeting is being audio recorded. The whole of the meeting will be recorded, except where there are confidential or exempt items.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this recording will be retained in accordance with the Council's data retention policy.

Therefore by entering the meeting and speaking at Council you are consenting to being recorded and to the possible use of those sound records for training purposes.

If you have any queries regarding this please contact Democratic Services.

Quorum = 16

---

Pages

#### Information for the Public

\*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website after 4pm on 23 February 2021.

#### Privacy Statement

**Swale Borough Council (SBC) is committed to protecting the privacy and security of your personal information. As data controller we ensure that processing is carried out in accordance with the Data Protection Act 2018 and the General Data Protection Regulations. In calling to join the meeting your telephone number may be viewed solely by those Members and Officers in attendance at the Skype meeting and will not be shared further. No other identifying information will be made available through your joining to the meeting. In joining the meeting you are providing the Council with your consent to process your telephone number for the duration of the meeting. Your telephone number will not be retained after the meeting is finished.**

**If you have any concerns or questions about how we look after your personal information or your rights as an individual under the Regulations, please contact the Data Protection Officer by email at**

[dataprotectionofficer@swale.gov.uk](mailto:dataprotectionofficer@swale.gov.uk) or by calling 01795 417179.

1. Apologies for Absence

2. Minutes

To approve the [Minutes](#) of the Council Meeting held on 6 January 2021 (Minute Nos. 376 - 390) and the Extraordinary Council meetings held on 2 February 2021 (Minute Nos. [433-434](#) and [435-438](#)) as correct records.

3. 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 Mayor 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 meeting 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.

4. Mayor's Announcements

5. Leader's Statement

6. Nominations for Mayor 2021/22 - speeches

Each candidate's proposer and seconder will be invited to speak for up to three minutes in support of their nomination.

If more than one nomination is received for the position, a secret ballot by

electronic survey will be taken.

7. Nominations for Deputy Mayor 2021/22 - speeches

Each candidate's proposer and seconder will be invited to speak for up to three minutes in support of their nomination.

If more than one nomination is received for the position a secret ballot by electronic survey will be taken.

8. Questions submitted by the Public

To consider any questions submitted by the public. (The deadline for questions is 4.30 pm on the Wednesday before the meeting – please contact Democratic Services by e-mailing [democraticservices@swale.gov.uk](mailto:democraticservices@swale.gov.uk) or call 01795 417330).

9. Questions submitted by Members

To consider any questions submitted by Members. (The deadline for questions is 4.30 pm on the Monday the week before the meeting – please contact Democratic Services by e-mailing [democraticservices@swale.gov.uk](mailto:democraticservices@swale.gov.uk) or call 01795 417330).

10.	Budget and Council Tax for 2021/22	5 - 52
11.	Treasury Management Strategy 2021/22	53 - 66
12.	Pay Policy Report	67 - 102
13.	Election of Mayor and Deputy Mayor Elect 2021/22	
14.	Timetable of Meetings	103 - 108
15.	Updated Cabinet Portfolios	109 - 114
16.	Recommendations for Approval	115 - 116

Council is asked to note the recommendations from the following meetings:

Cabinet meeting held on 10 February 2021 (Minute Nos. 447 and 448) which are the subject of separate reports on the agenda.

## Issued on Tuesday, 16 February 2021

The reports included in Part I of this agenda can be made available in **alternative formats**. For further information about this service, or to arrange for special facilities to be provided at the meeting, **please contact DEMOCRATIC SERVICES on 01795 417330**. To find out more about the work of Council, please visit [www.swale.gov.uk](http://www.swale.gov.uk)

**Chief Executive, Swale Borough Council,**

**Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

<b>Council Meeting</b>	<b>Agenda Item:</b>
------------------------	---------------------

<b>Meeting Date</b>	<b>24 February 2021</b>
<b>Report Title</b>	<b>Budgets and Council Tax for 2021/22</b>
<b>Cabinet Member</b>	<b>Cllr Roger Truelove, Leader and Cabinet Member for Finance</b>
<b>SMT Lead</b>	<b>Larissa Reed, Chief Executive</b>
<b>Head of Service</b>	<b>Nick Vickers, Chief Finance Officer</b>
<b>Lead Officer</b>	<b>Philip Wilson, Financial Services Manager</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Classification</b>	<b>Open</b>

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Members note the Chief Finance Officer’s opinion on the robustness of the budget estimates and the adequacy of reserves.</li> <li>2. That Minute Number 447/02/21 approved by the Cabinet on 10 February 2021 on the report on the Medium Term Financial Plan and the 2021/22 Revenue and Capital Budgets be approved.</li> <li>3. That the resolutions contained in Appendix I be approved.</li> <li>4. That in accordance with the proposals contained within SI 2014 No. 165 that a recorded vote be taken on the 2021/22 Budget and Council Tax.</li> </ol>
------------------------	--

## 1. Purpose of Report and Executive Summary

- 1.1 At their meeting on 10 February 2021, the Cabinet recommended the 2021/22 Revenue Budget, the Capital Programme for 2021/22 to 2022/23 and the Medium Term Financial Plan for 2021/22 to 2023/24.
- 1.2 The purpose of this report is for the Council to approve the Council Tax Requirement, Revenue Budget and Capital Programme and Council Tax for the year 2021/22 as set out in the report to the Cabinet on 10 February 2021, subject to any amendments, and to approve the Council Tax Resolutions set out in Appendix I.
- 1.3 This report reflects the latest information available for the preceptors at the time of writing this report (11 February). Should there be any changes to these, members will be informed.

## 2. Background

- 2.1 As part of the 2021/22 budget setting process, the Cabinet first received a report on the budget proposals for 2021/22 and an update on the Medium Term Financial Plan on 16 December 2020. The draft budget was considered by Scrutiny on 20 January 2021 and by the Cabinet at its meeting on 10 February 2021.

## 3. Proposal

- 3.1 In accordance with Section 25 of the Local Government Act 2003 the Council's Section 151 Officer is required to report formally to the Council on the robustness of the estimates and the adequacy of the reserves. It should be noted that Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The Section 151 Officer (the Chief Finance Officer), in accordance with Local Government Act 2003, hereby has confirmed his opinion that the 2021/22 budget submitted is robust and that the reserves are reasonable given an assessment of risks. The Budget report to the Cabinet on 10 February 2021 set out the background to this opinion.
- 3.2 All councils have to provide the Government with a forecast for their business rates to be collected for the forthcoming financial year (NNDR1), which has a statutory deadline of 31 January. For 2021/22 the Council is part of the Kent Business Rate Pool and the NNDR1 forms for the other Pool authorities are being collated and any significant changes will be reported to members as part of the monitoring reports during 2021/22.
- 3.3 The Town and Parish Council Precepts for 2021/22 are detailed in Appendix I and total £1,574,957. The increase in the average Band D Council Tax for parished areas is 0% and results in an average Band D Council Tax for parishes of £49.09 for 2021/22 (£32.78 including those areas of the borough which are unparished).
- 3.4 As well as its own Council Tax, Swale Borough Council collects on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent and Medway Fire and Rescue Authority and the Kent Police & Crime Commissioner.
- 3.5 At the time of writing this report, Kent and Medway Fire and Rescue Authority were due to meet on 23 February 2021. This report is based upon a precept of £3,882,602, which results in a Band D Council Tax of £80.82 (1.93%, £1.53 increase).
- 3.6 The Police and Crime Panel met on 4 February 2021 to consider the budget proposals from the Kent Police & Crime Commissioner. The decision was for a precept of £10,479,952, which results in a Band D Council Tax of £218.15 (7.38%, £15.00 increase).

- 3.7 At the time of writing the report, Kent County Council were due to meet on 11 February 2021 and set their precept at £68,157,401 resulting in a Band D Council Tax of £1,418.76 (4.995%, £67.50 increase including Adult Social Care precept).
- 3.8 Appendix II provides more detail on the calculation of the Council Tax requirement and a summary of the calculation of Band D Council Tax.
- 3.9 Appendix III is the Budget report submitted to Cabinet on 10 February 2021.

#### 4. Alternative Options

- 4.1 The options are detailed in the Budget report to the Cabinet on 10 February 2021.

#### 5. Consultation Undertaken or Proposed

- 5.1 Details on the consultation on the budget are in the Budget report to the Cabinet on 10 February 2021.

#### 6. Implications

Issue	Implications
Corporate Plan	As detailed in the Budget report to the Cabinet on 10 February 2021.
Financial, Resource and Property	As detailed in the Budget report to the Cabinet on 10 February 2021.
Legal, Statutory and Procurement	As detailed in the Budget report to the Cabinet on 10 February 2021.
Crime and Disorder	As detailed in the Budget report to the Cabinet on 10 February 2021.
Environmental Sustainability	As detailed in the Budget report to the Cabinet on 10 February 2021.
Health and Wellbeing	As detailed in the Budget report to the Cabinet on 10 February 2021.
Risk Management and Health & Safety	As detailed in the Budget report to the Cabinet on 10 February 2021.
Equality and Diversity	As detailed in the Budget report to the Cabinet on 10 February 2021.
Privacy and Data Protection	As detailed in the Budget report to the Cabinet on 10 February 2021.

#### 7. Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Council Tax Resolutions
  - Appendix II: (i) Council Tax Requirement 2021/22  
(ii) Calculation of Band D Council Tax 2021/22
  - Appendix III: Budget Report to Cabinet 10 February 2021

**8. Background Papers**

8.1 As detailed in the Budget report to the Cabinet on 10 February 2021.



Council is recommended to resolve as follows:

1. That it be noted that, further to the Officer Delegated decision taken on 10 December 2020, the Council calculated:
  - 1.1 the Council Tax Base 2021/22 for the whole Council area as 48,040.12 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended) (the 'Act') and,
  - 1.2 for dwellings in those parts of its area to which a Parish Precept relates as set out below:

<b>Parish / Town Council</b>	<b>Tax Base</b>
Bapchild	467.89
Bobbing	986.83
Borden	1,093.14
Boughton-Under-Blean	685.20
Bredgar	287.51
Doddington	228.63
Dunkirk	510.27
Eastchurch	839.25
Eastling	147.29
Faversham Town Council	6,469.93
Graveney & Goodnestone	187.71
Hartlip	368.43
Hernhill	289.52
Iwade	1,449.96
Leysdown	1,144.60
Lower Halstow	456.94
Luddenham	45.44
Lynsted	469.41
Milstead	90.58
Minster	5,607.04
Newington	989.17
Newnham	152.83
Norton & Buckland	187.86
Oare	173.51
Ospringe	280.61
Queenborough Town Council	899.90
Rodmersham	244.91
Selling	372.15
Sheerness	2,782.62
Sheldwich, Leaveland & Badlesmere	347.40
Stalisfield	100.71
Teynham	908.80
Throwley	145.75
Tonge	436.37
Tunstall	705.78
Upchurch	1,030.30
Warden	499.66
<b>Total Parished Areas</b>	<b>32,083.90</b>

2. That, as a preliminary step, the calculation of the Council Tax requirement for the Council's own purposes for 2021/22 (excluding parish precepts) is £8,854,755, as detailed in the report to Cabinet on 10 February 2021.
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 30 to 36 of the Act:
  - 3.1 £82,624,157 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - 3.2 £72,194,445 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - 3.3 £10,429,712 being the amount by which the aggregate at 3.1 above exceeds the aggregate at 3.2 above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act.)
  - 3.4 £217.10 being the amount at 3.3 above (Item R), all divided by item 1.1 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - 3.5 £1,574,957 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - 3.6 £184.32 being the amount at 3.4 above, less the result given by dividing the amount at 3.5 above by 1.1 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

3.7 Part of the Council's area

<b>Parish / Town Council</b>	<b>£ p</b>
Bapchild	212.08
Bobbing	203.57
Borden	240.12
Boughton-Under-Blean	269.91
Bredgar	220.05
Doddington	222.52
Dunkirk	211.20
Eastchurch	230.89
Eastling	219.32
Faversham Town Council	262.37
Graveney & Goodnestone	245.74
Hartlip	206.03
Hernhill	220.59
Iwade	219.75
Leysdown	215.68
Lower Halstow	266.91
Luddenham	184.32
Lynsted	220.64
Milstead	245.04
Minster	219.32
Newington	239.17
Newnham	218.61
Norton & Buckland	222.04
Oare	241.95
Ospringe	212.38
Queenborough Town Council	260.44
Rodmersham	227.19
Selling	219.25
Sheerness	234.62
Sheldwich, Leaveland & Badlesmere	209.08
Stalisfield	213.46
Teynham	240.97
Throwley	210.04
Tonge	189.36
Tunstall	213.87
Upchurch	229.25
Warden	214.34

being the amounts given by adding to the amount at 3.6 above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1.2 above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which special items relate.

3.8

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	117.82	141.39	164.95	188.52	212.08	259.21	306.34	353.47	424.16
Bobbing	113.09	135.71	158.33	180.95	203.57	248.81	294.05	339.28	407.14
Borden	133.40	160.08	186.76	213.44	240.12	293.48	346.84	400.20	480.24
Boughton-Under-Blean	149.95	179.94	209.93	239.92	269.91	329.89	389.87	449.85	539.82
Bredgar	122.25	146.70	171.15	195.60	220.05	268.95	317.85	366.75	440.10
Doddington	123.62	148.35	173.07	197.80	222.52	271.97	321.42	370.87	445.04
Dunkirk	117.33	140.80	164.27	187.73	211.20	258.13	305.07	352.00	422.40
Eastchurch	128.27	153.93	179.58	205.24	230.89	282.20	333.51	384.82	461.78
Eastling	121.84	146.21	170.58	194.95	219.32	268.06	316.80	365.53	438.64
Faversham Town Council	145.76	174.91	204.07	233.22	262.37	320.67	378.98	437.28	524.74
Graveney & Goodnestone	136.52	163.83	191.13	218.44	245.74	300.35	354.96	409.57	491.48
Hartlip	114.46	137.35	160.25	183.14	206.03	251.81	297.60	343.38	412.06
Hernhill	122.55	147.06	171.57	196.08	220.59	269.61	318.63	367.65	441.18
Iwade	122.08	146.50	170.92	195.33	219.75	268.58	317.42	366.25	439.50
Leysdown	119.82	143.79	167.75	191.72	215.68	263.61	311.54	359.47	431.36
Lower Halstow	148.28	177.94	207.60	237.25	266.91	326.22	385.54	444.85	533.82
Luddenham	102.40	122.88	143.36	163.84	184.32	225.28	266.24	307.20	368.64
Lynsted	122.58	147.09	171.61	196.12	220.64	269.67	318.70	367.73	441.28
Milstead	136.13	163.36	190.59	217.81	245.04	299.49	353.95	408.40	490.08
Minster	121.84	146.21	170.58	194.95	219.32	268.06	316.80	365.53	438.64
Newington	132.87	159.45	186.02	212.60	239.17	292.32	345.47	398.62	478.34
Newnham	121.45	145.74	170.03	194.32	218.61	267.19	315.77	364.35	437.22
Norton & Buckland	123.36	148.03	172.70	197.37	222.04	271.38	320.72	370.07	444.08
Oare	134.42	161.30	188.18	215.07	241.95	295.72	349.48	403.25	483.90
Ospringe	117.99	141.59	165.18	188.78	212.38	259.58	306.77	353.97	424.76
Queenborough Town Council	144.69	173.63	202.56	231.50	260.44	318.32	376.19	434.07	520.88
Rodmersham	126.22	151.46	176.70	201.95	227.19	277.68	328.16	378.65	454.38
Selling	121.81	146.17	170.53	194.89	219.25	267.97	316.69	365.42	438.50
Sheerness Town Council	130.34	156.41	182.48	208.55	234.62	286.76	338.90	391.03	469.24
Sheldwich, Leaveland & Badlesmere	116.16	139.39	162.62	185.85	209.08	255.54	302.00	348.47	418.16
Stalisfield	118.59	142.31	166.02	189.74	213.46	260.90	308.33	355.77	426.92
Teynham	133.87	160.65	187.42	214.20	240.97	294.52	348.07	401.62	481.94
Throwley	116.69	140.03	163.36	186.70	210.04	256.72	303.39	350.07	420.08
Tonge	105.20	126.24	147.28	168.32	189.36	231.44	273.52	315.60	378.72
Tunstall	118.82	142.58	166.34	190.11	213.87	261.40	308.92	356.45	427.74
Upchurch	127.36	152.83	178.31	203.78	229.25	280.19	331.14	382.08	458.50
Warden	119.08	142.89	166.71	190.52	214.34	261.97	309.60	357.23	428.68
All other parts of the Council's area	102.40	122.88	143.36	163.84	184.32	225.28	266.24	307.20	368.64

being the amounts given by multiplying the amounts at 3.6 and 3.7 above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that, for the year 2021/22, Kent County Council, the Kent Police & Crime Commissioner, and the Kent and Medway Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

<b>Valuation Bands</b>
------------------------

**SWALE BOROUGH COUNCIL**

-A	A	B	C	D	E	F	G	H
£102.40	£122.88	£143.36	£163.84	£184.32	£225.28	£266.24	£307.20	£368.64

**KENT COUNTY COUNCIL**

-A	A	B	C	D	E	F	G	H
£788.20	£945.84	£1,103.48	£1,261.12	£1,418.76	£1,734.04	£2,049.32	£2,364.60	£2,837.52

**THE KENT POLICE & CRIME COMMISSIONER**

-A	A	B	C	D	E	F	G	H
£121.19	£145.43	£169.67	£193.91	£218.15	£266.63	£315.11	£363.58	£436.30

**KENT AND MEDWAY FIRE AND RESCUE AUTHORITY**

-A	A	B	C	D	E	F	G	H
£44.90	£53.88	£62.86	£71.84	£80.82	£98.78	£116.74	£134.70	£161.64

5. That, having calculated the aggregate in each case of the amounts at 3.8 and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown below:

## Council Tax Resolutions

## Appendix I

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	1,072.11	1,286.54	1,500.96	1,715.39	1,929.81	2,358.66	2,787.51	3,216.35	3,859.62
Bobbing	1,067.38	1,280.86	1,494.34	1,707.82	1,921.30	2,348.26	2,775.22	3,202.16	3,842.60
Borden	1,087.69	1,305.23	1,522.77	1,740.31	1,957.85	2,392.93	2,828.01	3,263.08	3,915.70
Boughton-Under-Blean	1,104.24	1,325.09	1,545.94	1,766.79	1,987.64	2,429.34	2,871.04	3,312.73	3,975.28
Bredgar	1,076.54	1,291.85	1,507.16	1,722.47	1,937.78	2,368.40	2,799.02	3,229.63	3,875.56
Doddington	1,077.91	1,293.50	1,509.08	1,724.67	1,940.25	2,371.42	2,802.59	3,233.75	3,880.50
Dunkirk	1,071.62	1,285.95	1,500.28	1,714.60	1,928.93	2,357.58	2,786.24	3,214.88	3,857.86
Eastchurch	1,082.56	1,299.08	1,515.59	1,732.11	1,948.62	2,381.65	2,814.68	3,247.70	3,897.24
Eastling	1,076.13	1,291.36	1,506.59	1,721.82	1,937.05	2,367.51	2,797.97	3,228.41	3,874.10
Faversham Town Council	1,100.05	1,320.06	1,540.08	1,760.09	1,980.10	2,420.12	2,860.15	3,300.16	3,960.20
Graveney & Goodnestone	1,090.81	1,308.98	1,527.14	1,745.31	1,963.47	2,399.80	2,836.13	3,272.45	3,926.94
Hartlip	1,068.75	1,282.50	1,496.26	1,710.01	1,923.76	2,351.26	2,778.77	3,206.26	3,847.52
Hernhill	1,076.84	1,292.21	1,507.58	1,722.95	1,938.32	2,369.06	2,799.80	3,230.53	3,876.64
Iwade	1,076.37	1,291.65	1,506.93	1,722.20	1,937.48	2,368.03	2,798.59	3,229.13	3,874.96
Leysdown	1,074.11	1,288.94	1,503.76	1,718.59	1,933.41	2,363.06	2,792.71	3,222.35	3,866.82
Lower Halstow	1,102.57	1,323.09	1,543.61	1,764.12	1,984.64	2,425.67	2,866.71	3,307.73	3,969.28
Luddenham	1,056.69	1,268.03	1,479.37	1,690.71	1,902.05	2,324.73	2,747.41	3,170.08	3,804.10
Lynsted	1,076.87	1,292.24	1,507.62	1,722.99	1,938.37	2,369.12	2,799.87	3,230.61	3,876.74
Milstead	1,090.42	1,308.51	1,526.60	1,744.68	1,962.77	2,398.94	2,835.12	3,271.28	3,925.54
Minster	1,076.13	1,291.36	1,506.59	1,721.82	1,937.05	2,367.51	2,797.97	3,228.41	3,874.10
Newington	1,087.16	1,304.60	1,522.03	1,739.47	1,956.90	2,391.77	2,826.64	3,261.50	3,913.80
Newnham	1,075.74	1,290.89	1,506.04	1,721.19	1,936.34	2,366.64	2,796.94	3,227.23	3,872.68
Norton & Buckland	1,077.65	1,293.18	1,508.71	1,724.24	1,939.77	2,370.83	2,801.89	3,232.95	3,879.54
Oare	1,088.71	1,306.45	1,524.19	1,741.94	1,959.68	2,395.17	2,830.65	3,266.13	3,919.36
Ospringle	1,072.28	1,286.74	1,501.19	1,715.65	1,930.11	2,359.03	2,787.94	3,216.85	3,860.22
Queenborough Town Council	1,098.98	1,318.78	1,538.57	1,758.37	1,978.17	2,417.77	2,857.36	3,296.95	3,956.34
Rodmersham	1,080.51	1,296.61	1,512.71	1,728.82	1,944.92	2,377.13	2,809.33	3,241.53	3,889.84
Selling	1,076.10	1,291.32	1,506.54	1,721.76	1,936.98	2,367.42	2,797.86	3,228.30	3,873.96
Sheerness Town Council	1,084.63	1,301.56	1,518.49	1,735.42	1,952.35	2,386.21	2,820.07	3,253.91	3,904.70
Sheldwich, Leaveland & Badlesmere	1,070.45	1,284.54	1,498.63	1,712.72	1,926.81	2,354.99	2,783.17	3,211.35	3,853.62
Stalisfield	1,072.88	1,287.46	1,502.03	1,716.61	1,931.19	2,360.35	2,789.50	3,218.65	3,862.38
Teynham	1,088.16	1,305.80	1,523.43	1,741.07	1,958.70	2,393.97	2,829.24	3,264.50	3,917.40
Throwley	1,070.98	1,285.18	1,499.37	1,713.57	1,927.77	2,356.17	2,784.56	3,212.95	3,855.54
Tonge	1,059.49	1,271.39	1,483.29	1,695.19	1,907.09	2,330.89	2,754.69	3,178.48	3,814.18
Tunstall	1,073.11	1,287.73	1,502.35	1,716.98	1,931.60	2,360.85	2,790.09	3,219.33	3,863.20
Upchurch	1,081.65	1,297.98	1,514.32	1,730.65	1,946.98	2,379.64	2,812.31	3,244.96	3,893.96
Warden	1,073.37	1,288.04	1,502.72	1,717.39	1,932.07	2,361.42	2,790.77	3,220.11	3,864.14
All other parts of the Council's area	1,056.69	1,268.03	1,479.37	1,690.71	1,902.05	2,324.73	2,747.41	3,170.08	3,804.10

6. That it be determined the Council's relevant basic amount of Council Tax for 2021/22 is not excessive in accordance with principles approved under Section 52ZC of the Local Government Finance Act 1992. The principles for the 2021/22 financial year are set out in Annex A of the Referendums Relating to Council Tax Increases (Principles) (England) Report 2021/22. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2021/22 is excessive and therefore the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
7. That the revenue and capital estimates for 2021/22 in Appendix III be approved.

**Council Tax 2021/22**

Our Council Tax requirement is:

	<b>2021/22 £</b>
<b>Swale Budget Requirement</b>	<b>19,039,755</b>
Less Revenue Support Grant	(116,000)
Less Business Rates	(8,642,000)
Less Collection Fund Surplus	(50,000)
Less Additional Grants	(1,377,000)
<b>Council Tax Requirement</b>	<b>8,854,755</b>
Band D Council Tax	£184.32
<b>Tax Base</b>	<b>48,040.12</b>

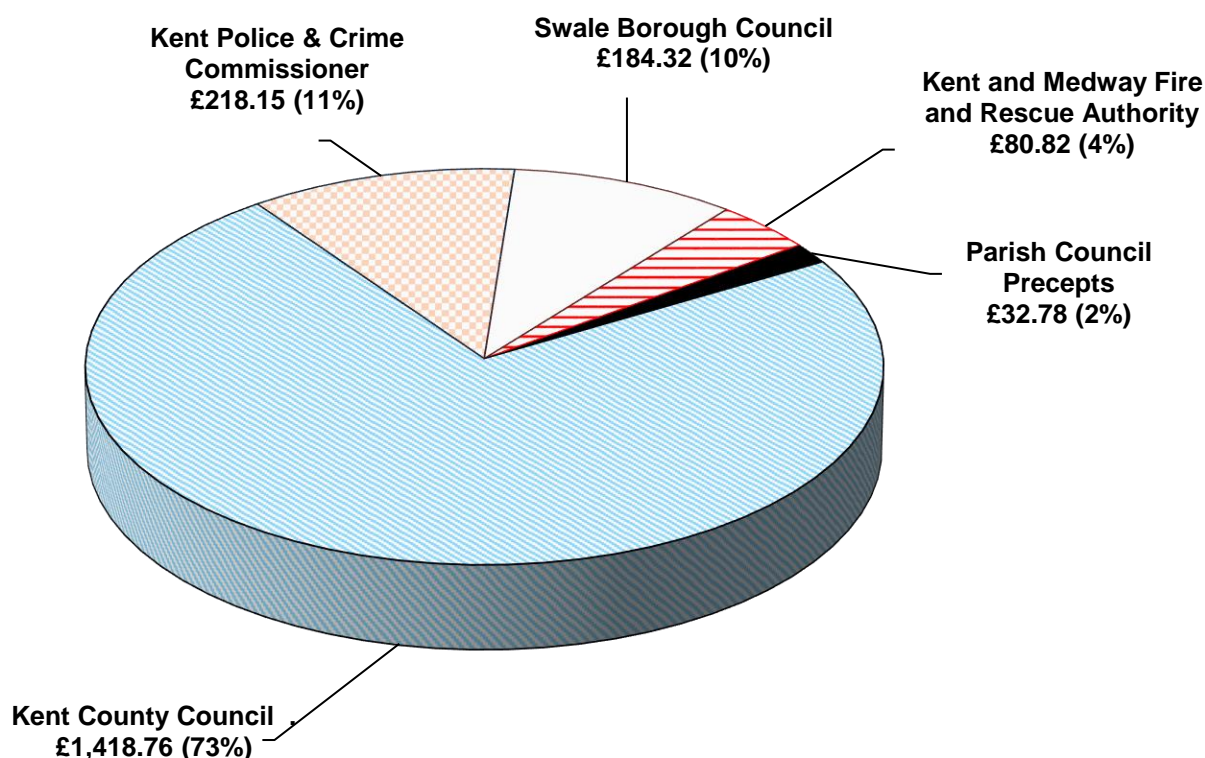
As well as our own Council Tax, we collect on behalf of the other 'precepting authorities', i.e. Kent County Council (4.995%, £67.50 increase including Adult Social Care precept), the Kent and Medway Fire and Rescue Authority (1.93%, £1.53 increase) and the Kent Police & Crime Commissioner (7.38%, £15.00 increase). For a Band D property this equates to an overall increase of 4.91%, £88.98 compared to the increase of 3.92%, £68.32 in 2020/21. Where applicable there will be an additional sum collected on behalf of the Parish Councils which have chosen to levy a local precept (see Appendix I).



2020/21		Authority	2021/22	
Precept £	Band D Council Tax £		Precept £	Band D Council Tax £
64,958,676	1,351.26	Kent County Council	68,157,401	1,418.76
9,765,963	203.15	Kent Police & Crime Commissioner	10,479,952	218.15
3,811,682	79.29	Kent and Medway Fire and Rescue Authority	3,882,602	80.82
8,622,795	179.37	Swale Borough Council	8,854,755	184.32
<b>87,159,116</b>	<b>1,813.07</b>	<b>Basic Council Tax</b>	<b>91,374,710</b>	<b>1,902.05</b>
1,573,555	32.73	Parish Council Precepts*	1,574,957	32.78
88,732,671	1,845.80	Council Tax inc. Parish Precepts	92,949,667	1,934.83

\* The Band D Council Tax is the average tax in respect of Parish Council Precepts for the whole Borough.

**Allocation of Council Tax:**



<b>Cabinet Meeting</b>	
<b>Meeting Date</b>	10 February 2021
<b>Report Title</b>	2021/22 Revenue Budget/ Medium Term Financial Plan and Capital Strategy
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Phil Wilson, Financial Services Manager
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the 2021/22 Revenue Budget proposals.</li> <li>2. To approve the proposed Council Tax Band D increase for 2021/22 to £184.32.</li> <li>3. To note the Medium Term Financial Plan.</li> <li>4. To approve the Capital Strategy.</li> <li>5. To approve the Capital Programme proposals.</li> <li>6. To note the additional amount of Council Tax for Parish Precepts.</li> <li>7. To approve the Minimum Revenue Provision Statement as set out in Appendix VIII</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Revenue and Capital budget proposals for 2021/22, the Medium Term Financial Plan (MTFP) and the Capital Strategy.
- 1.2 Cabinet received a budget report on 16 December prior to the Provisional Local Authority Grant Settlement announced on 17 December. This report reflects the implications of the Settlement.
- 1.3 The previous budget report to Cabinet emphasized the need for the Council to be able to support residents to cope with the Covid pandemic by maintaining the Council's core services. That report was finalised at the beginning of December and two months on the impact of Covid has, if anything, increased. The borough has seen a huge spike in cases which now seems to be receding, but we face an extended lockdown and a significant Covid impact for at least the rest of 2021. This budget is therefore focussed on protecting existing services to residents.

- 1.4 This report, if agreed by Cabinet, will then go forward to Council on 24 February.

## **2. Background**

### **Provisional Local Government Finance Settlement 2021/22**

- 2.1 The draft Settlement and then further announcements in the following days were very supportive of the approach which was agreed by Cabinet in December to balancing the 2021/22 budget. In that report we referred to the “exceptional” financial support provided by Government to Councils and the approach taken reflected an assumption that Government would not want to see Councils cutting services at this crucial time for the country.
- 2.2 The main issues to highlight from the settlement and subsequent announcements are:

<b>Funding Source</b>	<b>Amount (£)</b>	<b>Comments</b>
<b>Settlement Additional Funding</b>		
Revenue Support Grant	15,000	
Lower Tier Services Grant	183,000	A new grant - to prevent any lower tier Council having a negative Spending Power change
New Homes Bonus	276,000	One year only
<b>Sub Total</b>	<b>474,000</b>	
<b>Covid Tranche 5 funding</b>	996,472	As with Tranche 4 needs based allocation
<b>Total</b>	<b>1,470,472</b>	

- 2.3 The Ministry of Housing, Communities and Local Government (MHCLG) are consulting on allocations of additional grant for Local Council Tax Support schemes. The indicative allocation to this Council is £198,000.
- 2.4 So these additional funding streams are very positive for the Council. It is critical that, as with Tranche 4, the Tranche 5 Covid funding is needs based and that makes a huge difference for Swale. It must be emphasised that all of this funding is one-off for 2021/22 only. The Government refers to a replacement for New Homes Bonus (NHB) but there is no detail at this point.

### **Lower Medway Internal Drainage Board Precept**

- 2.5 We had assumed a 3.6% increase in the Lower Medway Internal Drainage Board (LMIDB) but have now been informed of the Board's decision to increase by 3.5% giving a small saving of £2k.

### **Staff Pay**

- 2.6 In the Spending Review the Chancellor of the Exchequer announced a widespread pay freeze in the public sector. The pay proposal will come separately to Council but the budget assumes a 2% increase and that is still the intention.

### **Capital Strategy**

- 2.7 The Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. The proposed Treasury Management Strategy is reported separately to this meeting. The proposed Capital Programme and its funding are detailed in Appendix VI to this report.
- 2.8 Councils are required to balance their revenue budget annually and cannot borrow to achieve a balanced position. However, they have very far reaching powers to borrow to fund capital expenditure. This has historically been funded from borrowing from the Public Works Loan Board (PWLB), which is part of the Debt Management Office which is part of the Treasury. Borrowing can be for up to 50 years at rates which are below commercial rates.

- 2.9 Government and the Chartered Institute of Public Finance and Accountancy (CIPFA) has taken a pretty dim view of Council borrowing to acquire assets for income generation purposes only. There has been extensive media coverage of some of the most egregious examples of this behaviour, it is very widespread. This Council has had a clear policy of not borrowing for income purposes only and the Sittingbourne Town Centre (STC) development is classified as a Regeneration project in the Council's accounts. The Government will reform the PWLB lending terms, ending the use of the PWLB for investment property bought primarily for yield, which the Government states is a risk for both national and local taxpayers. The Government will therefore cut PWLB lending rates to gilts + 100bps for Standard Rate and gilts + 80bps for Certainty Rate. This is welcome as all Councils were being penalised for irresponsible behaviour by others. PWLB rates have come down and the 50 year maturity rate is 1.68% (6 January).
- 2.10 Council in February 2020 agreed the following principles:
- Investing in sustainable, affordable and social housing to increase overall supply,
  - Using the ability to borrow at low rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value, and
  - Ensuring that the costs of borrowing are manageable long term within the Revenue budget.
- 2.11 Council also agreed that in future, rather than announcing a borrowing facility with no linkage to a particular project, the specific project agreed by Cabinet will have a borrowing limit associated with it. This limit can be varied by Cabinet.
- 2.12 The Council has not made and will not make any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents.
- 2.13 The Sittingbourne Town Centre retail and leisure developments are now complete. The opening of the cinema, bowling alley and Nandos has been delayed by Covid but the hope is that the cinema and bowling alley will open as lockdown restrictions are lifted in the Spring. The shell changes required by Nandos due their move of unit will be undertaken in January.
- 2.14 Looking ahead to 2021/22 there will be two major capital projects which are reflected in the draft Capital Budget:

- Housing company - in October 2020 Cabinet agreed to establish Swale Rainbow Homes Ltd. The outline business case envisaged the Council providing up to £23m of funding through loans to support the delivery of 139 new homes. The exact arrangements for the drawdown of this funding will follow the detailed planning and procurement phases. No funding will be provided before 1 April 2021 and it is likely that it will be well in to 2021/22 before there are any significant drawdowns. The cost of the borrowing will be wholly met by the company. Because the company is a wholly owned by the Council its accounts will need to be incorporated into those of the Council requiring the company to have the same financial year as the Council.
  - Swale House refurbishment - in December Cabinet received an update report on this project and the intention is to bring a detailed report to Cabinet in March. At this point the Capital budget allows for £3m, this is a prudent figure reflecting energy savings and additional rental income to meet borrowing costs. Cabinet may decide on a higher figure and this will then be reflected in following years revenue budgets.
- 2.15 Debt is only a temporary source of finance, since loans must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). MRP is a charge to the revenue budget which then accrues on the Balance Sheet; it is not an external payment. Alternatively, capital receipts may be used to replace debt finance.
- 2.16 All organisations need to manage their cash flow. For most Councils their cash flow level is much larger than their reserves as they take in funds through sources such as Business Rates and Council Tax which they hold before making payments to other bodies such as Kent County Council (KCC). The Council's daily cash balances averaged £41m in the 6 months to 30 September. With short-term deposit rates continuing to be very low, where a Council is investing in a capital project, it can fund this capital investment from cash flow and this is known as internal borrowing. Internal borrowing defers the financial commitment to external borrowing. MRP still has to be made. The Finance Department closely monitors cash flow to ensure that there is no adverse impact.
- 2.17 For any significant investment the Council will supplement the expertise of Members and Officers with appropriate external specialist expertise to ensure that proposals are fully tested and risks considered.
- 2.18 The Chief Financial Officer believes that the Capital Strategy and Capital Programme proposed are sustainable.

### **3. Proposals**

#### **Medium Term Financial Plan**

- 3.1 The updated Medium Term Financial Plan is attached in Appendix I.

**Balanced Budget Proposals**

3.2 The 16 December Cabinet report showed a balanced position but based upon resisting pressures of £1,137,050, £1m of additional Government funding and the use of £1.2m of revenue reserves.

3.3 The table below shows variations since the December budget report:

<b>Budget Heading</b>	<b>Variation £</b>	<b>Description</b>
Council Tax income	94,000	Reduction in tax base due to coronavirus
Collection fund surplus	(25,000)	Swale Council share of forecast surplus on Collection Fund
Minimum Revenue Provision (MRP)	114,000	Revised MRP cost of Sittingbourne Town Centre project
External interest	40,000	Reduction in external interest on investments
Lower Medway Internal Drainage Board precept	(2,000)	To reflect the 3.5% agreed by the board compared with the 3.6% we budgeted for
<b>Total</b>	<b>221,000</b>	

3.4 The overall effect of all the variations in this report are summarised below:

	<b>£</b>
<b>Requirement for balanced position December Cabinet</b>	<b>3,246,000</b>
Add budget variations paragraph 3.3	221,000
Less settlement announcements paragraph 2.2	(1,470,000)
Less additional grant for Local Council Tax Support schemes paragraph 2.3	(198,000)
Less total resisting pressures paragraph 3.5 in December Cabinet report	(1,137,000)
<b>New requirement for balanced position</b>	<b>662,000</b>

Detailed revenue budget proposals are attached in Appendix II.

### **Council Tax**

- 3.5 The budget proposals assume an increase of £4.95 in the Band D Council Tax to £184.32.
- 3.6 The Collection Fund and Council Tax base are set out in Appendix III.
- 3.7 The Council Tax base was set at 48,040.12 by the Chief Financial Officer.
- 3.8 The calculation of the Budget Requirement and Council Tax Requirement is shown in Appendix IV.
- 3.9 Parish precepts are shown in Appendix V.

### **Capital Programme**

- 3.10 The Capital Budget is attached in Appendix VI.

### **Reserves**

- 3.11 The key principles for the management of Reserves moving forward are:
- Maintain a prudent level of reserves to allow the Council to deal with unexpected one-off events;
  - Funding the Council's strategic priorities; and,
  - Fund one-off items of expenditure to support service delivery.
- 3.12 When the Council is considering its budget requirement, it is the Chief Financial Officer's duty under S25 of the Local Government Act 2003 to report on the adequacy of reserves. These have been reviewed in line with guidance from the Chartered Institute of Public Finance and Accountancy.
- 3.13 The Council seeks to maintain a minimum of £1.5m as its General Fund balance and there is no reason to change this - the balance at 1 April 2020 was £3,338m. The Council holds earmarked reserves for specific purposes. The remaining unallocated funds form the General Reserve. The Chief Financial Officer's view is that the level of reserves and balances held by the Council are at a reasonable level. Reserves and balances are set out in Appendix VII.
- 3.14 The Council's Section 151 Officer (Chief Financial Officer), in accordance with the Local Government Act 2003, has hereby confirmed his opinion that the 2021/22 budget is robust, and the reserves are reasonable given the risks faced by the Council.



**4. Alternative Options**

- 4.1 Do nothing - this is not recommended as the Council is legally required to set a balanced budget.
- 4.2 The December report upon which this report builds has been considered by Scrutiny Committee.

**5. Consultation Undertaken or Proposed**

- 5.1 The budget proposals were reported to Cabinet on 16 December 2020 and were examined by Scrutiny Committee on 20 January 2021.
- 5.2 Consultation with the business community has taken place.

**6. Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The budget proposals for 2021/22 support the emerging Corporate Plan objectives.
Financial, Resource and Property	The report sets out the approach to the 2021/22 budget and the medium term financial plan.
Legal, Statutory and Procurement	The report reflects the legal requirement for the Council to set a balanced budget.
Crime and Disorder	Any potential impact has been assessed by service managers.
Environmental Sustainability	Any potential impact has been assessed by service managers.
Health and Wellbeing	No issues identified.
Risk Management and Health and Safety	The financial risks are reflected in the Council's Risk Register.
Equality and Diversity	Any potential impact has been assessed by service managers.
Privacy and Data Protection	No issues identified.

## **7. Appendices**

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

- Appendix I: Medium Term Financial Plan
- Appendix II: Detailed Revenue Budget Proposals
- Appendix III: Collection Fund and Council Tax Base
- Appendix IV: Budget Requirement and Council Tax Requirement
- Appendix V: Parish Precepts
- Appendix VI: Capital Programme and Funding
- Appendix VII: Reserves
- Appendix VIII: Minimum Revenue Provision Statement

## **8. Background Papers**

*[Cabinet budget report 16 December 2020](#)*

2021/22 Medium Term Financial Plan (MTFP)

	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Base Budget	19,395	19,395	19,395	19,395
Growth items	0	67	69	70
Unavoidable cost pressures	0	963	1,109	1,268
Loss of income	0	383	520	515
Additional income	0	(90)	(90)	(90)
Committed price increases	0	191	430	753
Minor items	0	(1)	(4)	(3)
STC Bourne Place & Retail Park	0	48	35	(161)
Lower Medway Internal Drainage Board	847	876	906	937
<b>Salary Related:</b>				
Pay Award (2%)	0	263	530	797
Other Pay Increases	0	78	125	150
Contribution to reserves	93	93	93	93
Contribution (from) reserves	(806)	(662)	0	0
Revenue Support Grant	(115)	(116)	0	0
<b>Business Rates</b> <i>This does not reflect the changes from Fair Funding Review, Baseline Reset and New Approach to Business Rates.</i>	(8,750)	(8,642)	(8,690)	(8,739)
Contribution from Business Rates Reserves	(250)	0	0	0
Levy account surplus	(173)	0	0	0
Council Tax	(8,623)	(8,855)	(9,183)	(9,518)
Local Council Tax Scheme Grant	0	(198)	0	0
Lower Tier Services Grant	0	(183)	0	0
Covid grant allocation	0	(996)	0	0
New Homes Bonus	(1,633)	(1,028)	(371)	0
<b>Savings Required</b>	<b>(15)</b>	<b>1,586</b>	<b>4,874</b>	<b>5,467</b>
Service savings	0	(449)	(476)	(456)
Resisting pressures from December Cabinet report	0	(1,137)	(1,137)	(1,137)
Requirement for balanced position	0	0	(3,261)	(3,874)
<b>Committed savings</b>	<b>0</b>	<b>(1,586)</b>	<b>(4,874)</b>	<b>(5,467)</b>
<b>Contribution (to) General Fund</b>	<b>(15)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
1	Adams	Printing Section	Private Printing	-13,472	-12,000	Loss of income	External printing severely impacted due to Covid and uncertainty whether it will pick back up in 21/22	6,000	6,000	6,000
2	Adams	Swale House	Rents	-21,986	-27,580	Loss of income	Reduction in rent income	5,180	5,180	5,180
3	Adams	Miscellaneous General Fund Properties	Rents	-351,055	-350,000	Loss of income	Will be reduced by £23,000 when Mormon Church site developed	0	23,000	23,000
4	Adams							<b>11,180</b>	<b>34,180</b>	<b>34,180</b>
5	Beattie	Kent & Medway Air Quality Data Mgt Network	Private Contractors	13,088	17,480	Unavoidable cost pressures	Contract management transferring to Tunbridge Wells in 2021/22	-17,480	-17,480	-17,480
6	Beattie	Kent & Medway Air Quality Data Mgt Network	Fees and Charges		-17,480	Unavoidable cost pressures	Contract management transferring to Tunbridge Wells in 2021/22	17,480	17,480	17,480
7	Beattie	Environmental Protection	Tunbridge Wells recharge for Environmental Services		39,000	Service savings	Air Quality Project Officer for 2 years only (20/21 Budget Item 10 Special Projects Fund)	-39,000	-39,000	-39,000
8	Beattie	Contributions from Funds	Expenditure funded from Reserves		-39,000	Contribution from Reserves	End of reserve funding of Air Quality Project Officer (20/21 Budget Item 11 General Reserves)	39,000	39,000	39,000

**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
9	Beattie	Environmental Services	Tunbridge Wells recharge for Environmental Services	496,390	526,160	Unavoidable cost pressures	Increase in cost of service and increase in Council's share of total costs	85,510	97,640	110,120
10	Beattie	Environmental Services	Tunbridge Wells recharge for Environmental Services	0	0	Resisting pressure	Under discussion	-85,510	-85,510	-85,510
11	Beattie							0	12,130	24,610
12	Cassell	Head of Commissioning Economy and Community Services	Salary Savings	0	-60,000	Service savings	To confirm that these restructure 20/21 Budget savings will be achieved	0	0	0
13	Cassell	Car Park Staff	Maidstone charges for Car Parking	120,736	114,000	Unavoidable cost pressures	Revised resourcing	38,000	38,000	38,000
14	Cassell	Swale Car Parks	Fees and Charges	0	0	Resisting pressure	Fund increased charge from Maidstone Council from car parking income	-38,000	-38,000	-38,000
15	Cassell	Seafront	Undue Wear & Tear Rental Car	2,754	0	Unavoidable cost pressures	Trucks hire contract returnable standard	0	0	3,000

Page 29

**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
16	Cassell	Swale Community Leisure Trust Ltd	Contracts	228,319	112,150	Service savings	Contract anniversary in October 2021/22.	-23,810	-38,570	-38,570
17	Cassell	Open Spaces - Swale	Commuted Sums - Contracts		-90,000	Loss of income	Change in policy of adopting open land has not resulted in additional new income	0	26,000	46,000
18	Cassell	Faversham Recreation Ground	Salaries			Growth items	Budget for 2 posts for 5 years	29,850	31,810	33,180
19	Cassell	Faversham Recreation Ground	Grants & Subscriptions	0	0	Growth items	Funding for 2 posts for 5 years on Faversham Recreation Project from Heritage Fund (Lottery) and s106	-29,850	-31,810	-33,180
20	Cassell	Environmental Initiatives	Equipment Purchase	0	15,000	Unavoidable cost pressures	Move budget for equipment to grants	-15,000	-15,000	-15,000
21	Cassell	Environmental Initiatives	Grants and Subscriptions	19,763	0	Unavoidable cost pressures	Move budget to grants from equipment	15,000	15,000	15,000
22	Cassell	Environmental Initiatives	Fixed Penalty Notice (Environmental Response)	-141,460	-152,360	Loss of income	Predicted that there will be lower level of issuing from new contractor based on industry research	12,360	12,360	12,360

**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
23	Cassell	Public Conveniences	Rates	16,686	22,970	Service savings	Business rates multiplier	-6,070	-6,030	-5,940
24	Cassell	Wheeled Bins	Equipment Purchase	234,637	137,000	Unavoidable cost pressures	Additional bin purchases to be offset against additional income and use of remaining reserve.	50,000	0	0
25	Cassell	Recycling Campaign	Garden Waste Scheme - Brown Bins	-580,898	-530,000	Additional income	Over achieved income in 2019/20. Small planned fee increase will balance drop in subscriptions following Covid effect.	-50,000	-50,000	-50,000
26	Cassell	Swale Car Parks	Rates	217,148	231,120	Service savings	Business rates multiplier	-11,920	-11,720	-10,620
27	Cassell	Swale Car Parks	Equipment Maintenance	20,320	15,000	Unavoidable cost pressures	Rebalanced budget and inflation	6,000	6,060	6,120
28	Cassell	Swale Car Parks	Fees - Licence	85,270	50,000	Unavoidable cost pressures	RingGo fees collected from customer for additional services and paid back to RingGo	35,620	35,980	36,340
29	Cassell	Swale Car Parks	Parking - Excess Charges	0	0	Unavoidable cost pressures	RingGo fees collected from customer for additional services and paid back to RingGo	-35,620	-35,980	-36,340

Page 31

**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
30	Cassell	Multi-storey Car Park	Electricity	10,052	0	Unavoidable cost pressures	Operating costs of car park now known following opening 6 months last year.	12,000	12,000	12,000
31	Cassell	Multi-storey Car Park	Fees and Services	2,137	0	Unavoidable cost pressures	Operating costs of car park software	10,000	10,000	10,000
32	Cassell	Multi-storey Car Park	Private Contractors	107,102	0	Unavoidable cost pressures	Full operational costs of managing the site.	28,120	32,350	36,670
33	Cassell	Civil Parking Enforcement	Computer Equipment & Materials	7,700	0	Unavoidable cost pressures	Shared software costs	7,700	7,700	7,700
34	Cassell	Contributions from Funds	Expenditure funded from Reserves		-45,000	Contribution from Reserves	End of reserve funding for Project Support Surveyor (permanent addition to establishment) (20/21 Budget item 32 Special Projects Fund)	45,000	45,000	45,000
35	Cassell	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Funding for Project Support Surveyor from Special Projects Fund	-45,000	-45,000	-45,000
36	<b>Cassell</b>							<b>34,380</b>	<b>150</b>	<b>28,720</b>



**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
37	Clifford	Data Protection Resource	Salaries			Growth items	Information Governance officer post for one year fixed term	62,530	0	0
38	Clifford	Contributions from Funds	Expenditure funded from Reserves			Growth items	Information Governance officer post for one year fixed term funded from Performance Fund	-62,530	0	0
39	Clifford	Data Protection Resource	Salaries		57,560	Service savings	Information Governance officer post due to end in 20/21 (20/21 (Budget item 51)	-57,560	-57,560	-57,560
40	Clifford	Contributions from Funds	Expenditure funded from Reserves		-43,170	Contribution from Reserves	End of reserve funding for Information Governance officer post due to end in 20/21 (20/21 (Budget item 52 Performance Fund)	43,170	43,170	43,170
41	Clifford	Policy & Performance	Salary Savings	0	-20,000	Service savings	To confirm that these restructure 20/21 Budget savings will be achieved.	0	0	0
42	Clifford	Forums/Local Engagement Forums (LEF's)	Hire of Premises	0	0	Unavoidable cost pressures	Required to hold Area committees	6,000	8,000	10,000
43	Clifford	General Democratic Costs	Mid Kent Services (MKS) Director	42,077	42,030	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	5,300	6,250	7,220
44	<b>Clifford</b>							<b>-3,090</b>	<b>-140</b>	<b>2,830</b>

Page 33

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
45	Hudson	Head of Housing, Economy & Community Services	Salary Savings	0	-30,000	Service savings	To confirm that these 20/21 Budget savings will be achieved.	0	0	0
46	Hudson	Temporary Accommodation (TA) (Homelessness)	NL (Nightly Lets) - Homelessness Landlord Payments	1,611,919	1,700,000	Unavoidable cost pressures	Significant increase in TA and due to recession unlikely to improve position	500,000	500,000	500,000
47	Hudson	Housing - Housing Options Team	Salaries		100,000	Service savings	End of reserve funding for Housing, Homelessness and Rough Sleepers Strategy (19/20 Budget item 59 General Reserves). Housing will be rolling forward grant monies to 21/22 to pay for staff.	-100,000	-100,000	-100,000

Page 34

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
48	Hudson	Contributions from Funds	Expenditure funded from Reserves		-100,000	Contribution from Reserves	End of reserve funding for Housing, Homelessness and Rough Sleepers Strategy (19/20 Budget item 59 General Reserves). Housing will be rolling forward grant monies to 21/22 to pay for staff.	100,000	100,000	100,000
49	Hudson	Contributions from Funds	Expenditure funded from Reserves		-10,000	Contribution from Reserves	End of reserve funding for Culture Grants (20/21 Budget item 63 Communities Fund)	10,000	10,000	10,000
50	Hudson	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Fund Culture Grants from other member funds	-10,000	-10,000	-10,000
51	Hudson	Contributions from Funds	Expenditure funded from Reserves		-53,800	Contribution from Reserves	End of reserve funding for Members Localism Grants 20/21 Budget item 61 Special Projects Fund)	53,800	53,800	53,800
52	Hudson	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Funding for Members Localism Grants from Special Projects Fund	-53,800	-53,800	-53,800
53	<b>Hudson</b>							<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
54	Freeman	Planning Admin team	Maidstone Charges for Planning	167,181	201,770	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	19,760	24,190	28,710
55	Freeman	Local Land Charges	MKS Charges for Local Land Charges	57,122	75,060	Service savings	Forecast 2020/21 plus 2% indexation	-16,770	-15,600	-14,410
56	Freeman	Local Land Charges	Fees and Charges	-160,002	-236,000	Loss of income	The income budget has consistently been too high compared to actual income received	76,000	76,000	76,000
57	Freeman	Local Land Charges	Fees and Charges	0	0	Resisting pressure	Under discussion	-76,000	-76,000	-76,000
58	Freeman	Building Control - Client Side	Contracts	62,972	59,240	Growth items	In accordance with shared service business plan	5,980	8,080	8,740
59	Freeman	Development Management	Fees and Charges	0	19,370	Growth items	This increase is based on trends in previous years	30,000	30,000	30,000
60	Freeman	Contributions from Funds	Expenditure funded from Reserves	0	0	Resisting pressure	Fund Planning increased costs from Performance Fund	-30,000	-30,000	-30,000
61	Freeman	Development Management	Computer Equipment & Materials	0	0	Growth items	This is for the exacom software	10,000	10,000	10,000
62	Freeman	Development Management	Pre-application Planning advice	-59,479	-120,000	Additional income	Demand for this service is expected to increase	-10,000	-10,000	-10,000

Page 36

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
63	Freeman	Development Management	Planning Fees	-974,581	-1,180,850	Loss of income	This represents the forecast income from Planning Fees	180,850	180,850	180,850
64	Freeman	Development Management	Planning Fees	0	0	Resisting pressure	Revise forecast/ staff savings	-180,850	-180,850	-180,850
65	Freeman	Local Plan	Fees and Services	166,293	151,540	Unavoidable cost pressures	The Local Plan Reserve currently absorbs any overspend on the revenue budget, but this reserve will be exhausted by March 2022 so thereafter revenue expenditure will have to be contained within this budget.	0	0	0
66	Freeman	Contributions from Funds	Expenditure funded from Reserves		-61,170	Contribution from Reserves	End of reserve funding for Heritage Conservation & Design (19/20 Budget item 52 £250k Heritage Strategy Reserve)	61,170	61,170	61,170
67	Freeman	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Funding for Heritage Conservation & Design from Heritage Strategy Reserve	-61,170	-61,170	-61,170
68	<b>Freeman</b>			<b>-740,493</b>	<b>-1,091,040</b>	<b>0</b>	<b>0</b>	<b>8,970</b>	<b>16,670</b>	<b>23,040</b>

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
69	Fackrell	Licensing	Salaries	95,195	113,860	Growth items	To restructure the team to enable an effective statutory service. Self-supporting service	21,140	21,140	21,140
70	Fackrell	Licensing	Licence Fees	0	0	Resisting pressure	Fund Licensing additional post from ring fenced income	-21,140	-21,140	-21,140
71	Fackrell	Licences (Legal)	Licence Fees (Legal)	-128,788	-120,000	Additional income	To reflect anticipated higher income than originally forecast	-5,000	-5,000	-5,000
72	Fackrell	Hackney Carriages + Private Hire	Hackney Carriage Licences	-97,899	-65,000	Additional income	Fees consistently received	-25,000	-25,000	-25,000
73	<b>Fackrell</b>							<b>-30,000</b>	<b>-30,000</b>	<b>-30,000</b>
74	Finance	Chief Financial Officer	Salary Savings	0	-21,840	Service savings	To confirm that these Resources Directorate 20/21 Budget savings will be achieved.	0	0	0
75	Finance	Chief Financial Officer	Salary Savings	0	-30,000	Service savings	To confirm that these 20/21 Budget savings will be achieved.	0	0	0
76	Finance	All Services	Pensions Future Funding	1,177,549	1,517,450	Unavoidable cost pressures	From last triennial valuation	65,590	97,250	129,540

Page 38

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
77	Finance	Corporate	Pensions Backfunding	0	1,200,000	Unavoidable cost pressures	From last triennial valuation	40,000	90,000	150,000
78	Finance	Contributions from Funds	Expenditure funded from Reserves		-88,370	Contribution from Reserves	End of reserve funding for pension commitments from last revaluation (19/20 Budget item 87 General Reserves)	88,370	88,370	88,370
79	Finance	Corporate	Pension Enhancements	223,913	229,000	Service savings	Reduction in pension costs	-12,320	-12,320	-12,320
80	Finance	Contributions from Funds	Expenditure funded from Reserves	0	0	Resisting pressure	Fund pensions from Reserves	-181,640	-181,640	-181,640
81	Finance	Corporate	Minimum Revenue Provision (MRP)	286,231	292,530	Service savings	MRP costs not including retail or Bourne Place	-114,490	-113,490	-112,490
82	Finance	Contributions from Funds	Expenditure funded from Reserves		-301,660	Contribution from Reserves	End of reserve funding for Minimum Revenue Provision for capital projects (19/20 Budget item 97 General Reserves)	301,660	301,660	301,660
83	Finance	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Fund MRP from Reserves	-301,660	-301,660	-301,660

**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
84	Finance	Interest on Balances	Interest - External	-313,698	-208,770	Unavoidable cost pressures	Low interest rates	40,000	40,000	40,000
85	Finance	Non-Specific Grants	Collection Fund	104,930	-25,340	Unavoidable cost pressures	Swale share on balance on Collection Fund	-24,660	25,340	25,340
86	<b>Finance</b>							<b>-99,150</b>	<b>33,510</b>	<b>126,800</b>
87	Revenues	Council Tax	Salaries			Growth items	2 posts within Council Tax	57,000	0	0
88	Revenues	Contributions from Funds	Expenditure funded from Reserves			Growth items	2 posts within Council Tax are funded from the Council Tax Support Grant	-57,000	0	0
89	Revenues	Council Tax Collection	Recovery of Costs	-462,884	-413,500	Loss of income	Reduction in income from court costs due to Covid for 21/22 is met from the Revenues reserves	113,500	63,500	13,500
90	Revenues	Contributions from Funds	Expenditure funded from Reserves	0	0	Loss of income	Assume reduction in income from court costs due to Covid and the economic environment but there will be some recovery 21/22 onwards met from Revenues reserves.	-113,500	0	0

Page 40



**Budget Report to Cabinet 10 February 2021**

**Appendix III**

Budget Variations

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
91	Revenues	Housing Benefit	Recovery Via Academy	-452,467	-652,370	Loss of income	Income from the recovery of overpaid housing benefit set to continue to fall due to move to Universal Credit.	102,370	127,370	152,370
92	Revenues	Fraud Partnership	MKS Fraud Partnership Charges	18,328	33,660	Service savings	Based on 2019/20	-15,330	-15,330	-15,330
93	Revenues	Housing Benefit & C Tax Support - Administration	Benefit Subsidy	-399,813	-375,840	Unavoidable cost pressures	A year on year reduction in the Benefit Subsidy received is forecast.	-3,980	15,010	33,050
94	Revenues	Contributions from Funds	Expenditure funded from Reserves		-52,280	Contribution from Reserves	End of reserve funding for reduction in benefit subsidy (20/21 Budget item 105 Revenues and Benefits Reserve)	52,280	52,280	52,280
95	Revenues	Contributions from Funds	Expenditure funded from Reserves		0	Resisting pressure	Funding for reduction in benefit subsidy from Revenues and Benefits Reserves	-52,280	-52,280	-52,280
96	Revenues	Housing Benefit & C Tax Support - Administration	Council Tax Support Grant	-163,248	-158,630	Unavoidable cost pressures	A year on year reduction in the Council Tax Support Grant received is forecast.	7,940	15,470	22,630
97	<b>Revenues</b>							<b>91,000</b>	<b>206,020</b>	<b>206,220</b>

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
98	Clarke	Internal Audit	MKS Charges for Audit Services	184,820	176,160	Unavoidable cost pressures	Forecast 2020/21 plus 2% indexation	13,480	17,270	21,140
99	<b>Clarke</b>							<b>13,480</b>	<b>17,270</b>	<b>21,140</b>
100	Narebor	Mid Kent Legal Services (MKLS) - Legal Services	Salary Savings			Service savings	A restructure to reduce staffing will produce a salary savings	-105,000	-129,000	-129,000
101	Narebor	MKLS - Legal Services	MKLS running costs	-1,205,212	-1,152,120	Service savings	As the salary savings are realised the income from the partner authorities, which is based on splitting total expenditure by the number of chargeable hours, will reduce	73,500	90,300	90,300
102	<b>Narebor</b>							<b>-31,500</b>	<b>-38,700</b>	<b>-38,700</b>
103	Sandher	Human Resources	Fees and Services	0	12,000	Service savings	This budget is to cover B-Heard survey which is delivered every 2 years. If survey is not carried out this year then the budget will be required for 2021/22.	0	-12,000	0

Page 42

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
104	Sandher	Contributions from Funds	Expenditure funded from Reserves		<b>-12,000</b>	Contribution from Reserves	End of reserve funding for bHeard survey (20/21 Budget item 97 General Reserves)	12,000	12,000	12,000
105	Sandher	Human Resources (HR)	MKS Charges for HR Service	227,890	258,080	Service savings	Forecast 2020/21 plus 2% indexation	<b>-15,420</b>	<b>-10,570</b>	<b>-5,620</b>
106	<b>Sandher</b>							<b>-3,420</b>	<b>-10,570</b>	<b>6,380</b>
107	Woodward	ICT Development, Network & Support	MKS Charges for ICT	475,308	438,000	Unavoidable cost pressures	Forecast for 2020/21 plus 2% indexation.	56,580	66,470	76,560
108	Woodward	Swale House - Telephonists	Equipment Maintenance	0	15,130	Service savings	Saved on maintenance	<b>-5,130</b>	<b>-5,130</b>	<b>-5,130</b>
109	<b>Woodward</b>							<b>51,450</b>	<b>61,340</b>	<b>71,430</b>
110	Sittingbourne Town Centre (STC)	Princes Street Retail Park	Minimum Revenue Provision	348,000	461,310	STC	Minimum Revenue Provision costs to reflect completion of STC project	389,650	389,650	389,650
111	STC	Princes Street Retail Park	Fees and Services	10,730	23,600	STC	Management fee	<b>-17,870</b>	<b>-17,700</b>	<b>-17,530</b>
112	STC	Princes Street Retail Park	Service Charges - Property	9,759	0	STC	Increase in service charges for Princes Street Retail Park	17,870	17,870	17,870
113	STC	Cinema-Hotel-Restaurants, Bourne Place	Fees and Services	0	10,000	STC	Management Fee and Public Realm Costs	64,100	66,300	68,600

**Budget Report to Cabinet 10 February 2021**

Budget Variations

**Appendix III**

Appendix II

No.	Head of Service	Service Description	Type of Spend/ Income	Previous Year Actual 2019/20 £	Original Budget 2020/21 £	MTFP Category	Explanation of Budget Change	21/22 Increase Over & Above 20/21 £	22/23 Increase Over & Above 20/21 £	23/24 Increase Over & Above 20/21 £
114	STC	Cinema-Hotel-Restaurants, Bourne Place	Rents	0	<b>-584,290</b>	STC	Assume full rent from April 21	<b>-286,400</b>	<b>-300,730</b>	<b>-504,890</b>
115	STC	Interest Payable	Interest Payable	210,619	188,260	STC	£15m in borrowing and interest rates remain low	<b>-119,360</b>	<b>-120,100</b>	<b>-115,160</b>
116	<b>STC</b>							<b>47,990</b>	<b>35,290</b>	<b>-161,460</b>
117	<b>Committed Price Increase</b>							<b>191,080</b>	<b>429,580</b>	<b>753,410</b>
118	<b>Minor Items</b>							<b>-580</b>	<b>-3,910</b>	<b>-2,610</b>
119	<b>Grand Total</b>							<b>781,790</b>	<b>1,262,820</b>	<b>1,565,990</b>

Collection Fund and Council Tax Base

**Tax Base**

The tax base for 2021/22 is 48,040.12.

**Collection Fund**

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Collection Fund for Council Tax and Business Rates in January 2021, notifying Kent County Council, the Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions. The declared deficit of £16,075,000 is shared as follows:

	<b>£'000</b>
Central Government	7,547
Kent County Council	2,077
The Police and Crime Commissioner for Kent	108
Kent & Medway Towns Fire & Rescue Authority	193
Swale Borough Council	6,150
<b>Total</b>	<b>16,075</b>

These amounts are not added to precepts or budgets but must be taken into account by each Authority when setting their basic Council Tax. One of the main causes of the deficit was the announcement in the Budget on 11 March 2020 that the retail discount would be increased from 50% to 100% in 2020/21, and expanded to retail, leisure and hospitality businesses. The Government has compensated councils for this through grants and it is estimated that Swale will receive £6.2m thereby resulting in a collection fund surplus for 2021/22 of £50,000.

**Other Preceptors**

Kent County Council, the Kent & Medway Fire Authority and the Kent Police and Crime Commissioner will set their own precepting for all valuation bands. These tax levels will form part of the overall Council Tax to be set by full Council on 24 February 2021.

**Parish Council Precepts**

Parish Council precept demands have been submitted during January 2021 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

Budget Requirement and Council Tax Requirement

	<b>2021/22</b>
	<b>£'000</b>
<b>2021/22 Swale Operating Expenditure Budget Before Savings and Growth Items</b>	<b>20,296</b>
Growth items	67
Unavoidable cost pressures	988
Loss of income	383
Additional income	(90)
Committed price increases	191
Minor items	(1)
Sittingbourne Town Centre	48
Resisting pressures action	(1,137)
Service savings	(449)
Pay increases	78
Pay award	263
Contribution from reserves	(569)
<b>Sub total</b>	<b>20,068</b>
New Homes Bonus	(1,028)
<b>Swale Budget Requirement (to be agreed)</b>	<b>19,040</b>
Revenue Support Grant	(116)
Business Rates	(8,642)
Collection Fund surplus	(50)
Other grants	(1,377)
<b>Council Tax Requirement (to be agreed)</b>	<b>8,855</b>
Council Tax Income (assuming £184.32 for Band D)	(8,855)

Parish Precepts

Parish / Town Council	Additional Council Tax for Band D 2020/21 £	Tax Base 2021/22	Parish Precept (rounded) 2021/22 £	Additional Council Tax for Band D 2021/22 £	Additional Council Tax for Band D 2021/22 % Change
Bapchild	27.14	467.89	12,989	27.76	2.28%
Bobbing	19.95	986.83	19,000	19.25	-3.51%
Borden	54.86	1,093.14	61,000	55.80	1.71%
Boughton-under-Blean	85.59	685.20	58,645	85.59	0.00%
Bredgar	35.92	287.51	10,273	35.73	-0.53%
Doddington	38.20	228.63	8,734	38.20	0.00%
Dunkirk	28.76	510.27	13,714	26.88	-6.54%
Eastchurch	47.31	839.25	39,085	46.57	-1.56%
Eastling	35.00	147.29	5,155	35.00	0.00%
Faversham Town Council	78.05	6,469.93	504,997	78.05	0.00%
Graveney & Goodnestone	59.33	187.71	11,530	61.42	3.52%
Hartlip	21.67	368.43	8,000	21.71	0.18%
Hernhill	36.34	289.52	10,500	36.27	-0.19%
Iwade	35.43	1,449.96	51,372	35.43	0.00%
Leysdown	31.20	1,144.60	35,890	31.36	0.51%
Lower Halstow	81.90	456.94	37,740	82.59	0.84%
Luddenham	0	45.44	0	0	0.00%
Lynsted	35.98	469.41	17,049	36.32	0.94%
Milstead	61.99	90.58	5,500	60.72	-2.05%
Minster	35.00	5,607.04	196,246	35.00	0.00%
Newington	54.85	989.17	54,256	54.85	0.00%
Newnham	34.29	152.83	5,241	34.29	0.00%
Norton & Buckland	35.70	187.86	7,087	37.72	5.66%
Oare	51.90	173.51	10,000	57.63	11.04%
Ospringe	26.35	280.61	7,875	28.06	6.49%
Queenborough Town Council	75.96	899.90	68,500	76.12	0.21%
Rodmersham	42.52	244.91	10,500	42.87	0.82%
Selling	35.15	372.15	13,000	34.93	-0.63%
Sheerness Town Council	49.42	2,782.62	139,962	50.30	1.78%
Sheldwich, Leaveland & Badlesmere	24.83	347.40	8,600	24.76	-0.28%
Stalisfield	29.14	100.71	2,935	29.14	0.00%
Teynham	54.53	908.80	51,480	56.65	3.89%
Throwley	24.19	145.75	3,749	25.72	6.32%
Tonge	5.01	436.37	2,200	5.04	0.60%
Tunstall	31.11	705.78	20,859	29.55	-5.01%
Upchurch	54.50	1,030.30	46,294	44.93	-17.56%
Warden	29.51	499.66	15,000	30.02	1.73%
<b>TOTAL</b>			<b>1,574,957</b>		

**Budget Report to Cabinet 10 February 2021**

Capital Programme and Funding

**Appendix III**

Appendix VI

	Funding SBC/ Partnership	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
<b>Commissioning, Environment &amp; Leisure - M. Cassell</b>						
Barton's Point Coastal Park - replacement bridge - Capital Receipts	SBC	0	158,260	0	0	0
Beach Huts – Capital Receipts	SBC	60,000	60,000	0	0	0
Car Park Improvements/Enhancements – 8 Electric Charging Points – Swale House Car Park – Reserves	SBC	0	32,000	0	0	0
Car Park Improvements/Enhancements – Electric Charging Points – Rose Street Car Park – Reserves	SBC	0	29,900	0	0	0
Faversham Recreation Ground Improvements – Reserves	SBC	0	122,240	0	0	0
Faversham Recreation Ground Improvements – External Grants	P	104,080	42,731	0	0	0
Faversham Recreation Ground Improvements – S106	P	21,320	0	0	0	0
Footpath Contribution – High Street Sittingbourne – S106	P	0	18,915	0	0	0
Gunpowder Works Oare Faversham – S106	P	0	9,000	0	0	0
Leisure Centres – Internal / External Borrowing	SBC	0	293,847	0	0	0
Milton Creek Access Road – Reserves	SBC	0	40,000	0	0	0
Modular Toilet Kiosk – Minster Leas – Reserves	SBC	0	29,931	0	0	0
Modular Toilet Kiosk – Minster Leas – Special Projects Fund	SBC	0	93,000	0	0	0
New Play Area – Iwade Schemes – S106	P	0	45,000	0	0	0
Open Spaces Play Equipment – S106	P	130,000	356,000	100,000	0	0
Ospringe Brickworks Site, Western Link – S106	P	0	21,440	0	0	0
Play Improvements – Reserves	SBC	150,000	150,000	0	0	0
Play Improvements – Capital Receipts	SBC	0	0	50,000	0	0
Play Improvements – Diligent Drive – Reserves	SBC	0	18,000	0	0	0
Play Improvements – Minster Lees – Reserves	SBC	0	1,753	0	0	0
Play Improvements – Shellness Road – Reserves	SBC	0	2,250	0	0	0
Public Toilets - Forum Sittingbourne – Reserves	SBC	0	50,000	0	0	0



**Budget Report to Cabinet 10 February 2021**

Capital Programme and Funding

**Appendix III**

Appendix VI

	Funding SBC/ Partnership	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
Public Toilets - Central Car Park Faversham – Reserves	SBC	0	40,000	0	0	0
Public Toilets - Milton Creek Country Park – Reserves	SBC	0	150,000	0	0	0
Public Toilets - Barton Point – Reserves	SBC	0	100,000	0	0	0
Public Toilets - Spinney Leysdown – Reserves	SBC	0	40,000	0	0	0
Resurfacing Promenade, The Leas – External Grant	P	0	79,970	0	0	0
Swallows Leisure Centre Roof – Internal/External Borrowing	SBC	0	691,800	0	0	0
Swallows Leisure Centre Roof – Direct Revenue Funding	SBC	0	51,200	0	0	0
Wheeled Bins – Reserves	SBC	157,000	251,000	35,000	35,000	35,000
<b>Total Commissioning, Environment &amp; Leisure</b>		<b>622,400</b>	<b>2,978,237</b>	<b>185,000</b>	<b>35,000</b>	<b>35,000</b>
<b><u>Housing, Economy &amp; Community Services - C. Hudson</u></b>						
CCTV – Reserves	SBC	0	30,000	15,000	15,000	15,000
Faversham Creek Basin Regeneration Project (Swing Bridge) – Capital Receipts	SBC	0	200,000	0	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark – Reserves	SBC	0	0	37,920	0	0
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark – Capital Receipts	SBC	0	0	14,140	0	0
Local Housing Company – Internal/External Borrowing	SBC	0	0	11,500,000	11,500,000	0
Local Housing Company – Reserves	SBC	0	0	250,000	0	0
Murston Old Church – Reserves	SBC	0	100,000	0	0	0
Sheppey Hall Improvement – Reserves	SBC	0	0	40,000	0	0
Sittingbourne Town Centre –Internal/External Borrowing	SBC	44,250	6,309,908	0	0	0
Thistle Hill Community Centre – Solar PV Installation – Reserves	SBC	0	0	20,000	0	0
Disabled Facilities Grant – External Grant	P	2,062,800	3,990,333	2,062,800	2,062,800	2,062,800

**Budget Report to Cabinet 10 February 2021**

Capital Programme and Funding

**Appendix III**

Appendix VI

	Funding SBC/ Partner- ship	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Original Budget	2022/23 Original Budget	Budget Later Years
		£	£	£	£	£
Sheppey Improvement – Capital Receipts	SBC	0	0	250,000	0	0
Sheppey Capital Investments – Capital Receipts	SBC	0	0	850,000	0	0
Queenborough & Rushenden Klondyke Land Improvement – External Grant	P	0	66,600	0	0	0
<b>Total Housing, Economy &amp; Community Services</b>		<b>2,107,050</b>	<b>10,696,841</b>	<b>15,039,860</b>	<b>13,577,800</b>	<b>2,077,800</b>
<b>Finance - N. Vickers</b>						
Finance System Upgrade – Reserves	SBC	0	1,410	0	0	0
Leaky Lucy Minibus Replacement – Reserves	SBC	0	10,000	0	0	0
<b>Total Finance</b>		<b>0</b>	<b>11,410</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ICT - C. Woodward</b>						
ICT Infrastructure & Equipment Replacement - Reserves	SBC	76,200	92,000	299,300	0	0
<b>Total ICT</b>		<b>76,200</b>	<b>92,000</b>	<b>299,300</b>	<b>0</b>	<b>0</b>
<b>Planning – J. Freeman</b>						
Land Charges – Online Submission Module – Capital Receipts	SBC	6,400	0	0	0	0
<b>Total Planning</b>		<b>6,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Property – A. Adams</b>						
Swale House Refurbishment – Feasibility Studies	SBC	0	200,000	0	0	0
Swale House Refurbishment	SBC	0	0	3,000,000	0	0
<b>Total Property</b>		<b>0</b>	<b>200,000</b>	<b>3,000,000</b>	<b>0</b>	<b>0</b>
Total Capital Programme Funded by SBC	SBC	493,850	9,348,499	16,361,360	11,550,000	50,000
Total Capital Programme Funded by Partners	P	2,318,200	4,629,989	2,162,800	2,062,800	2,062,800
<b>Total Capital Programme</b>		<b>2,812,050</b>	<b>13,978,488</b>	<b>18,524,160</b>	<b>13,612,800</b>	<b>2,112,800</b>

## Reserves

	Balance as at 31/03/20	Movements in Year	Balance as at 31/03/21	Movements in Year	Balance as at 31/03/22
	£'000	£'000	£'000	£'000	£'000
Special Projects	(964)	(396)	(1,360)	(718)	(2,078)
Communities	(556)	120	(436)	0	(436)
Performance	(432)	43	(389)	92	(297)
Pension & Redundancy	(94)	0	(94)	0	(94)
Regeneration	(152)	0	(152)	0	(152)
Local Loans Fund	(175)	0	(175)	0	(175)
General Reserve	(666)	666	0	0	0
Business Rates Volatility	(3,943)	1,250	(2,693)	1,000	(1,693)
Town Centres (formerly Council Priorities – Business Rates)	(800)	43	(757)	104	(653)
Kent Pool Economic Development Business Rates	(1,326)	224	(1,102)	0	(1,102)
Improvement and Resilience Fund	0	(1,000)	(1,000)	0	(1,000)
Housing & Commercial Growth Business Rates	(1,706)	0	(1,706)	0	(1,706)
Preceptors Council Tax Support	(1,071)	0	(1,071)	0	(1,071)
Revenues and Benefits	(809)	52	(757)	280	(477)
Other Earmarked Reserves	(5,653)	1,324	(4,329)	317	(4,012)
<b>Sub Total Earmarked Reserves</b>	<b>(18,347)</b>	<b>2,326</b>	<b>(16,021)</b>	<b>1,075</b>	<b>(14,946)</b>
Capital Receipts - General Fund	(407)	(1,097)	(1,504)	1,164	(340)
Capital Receipts - Housing	(952)	0	(952)	0	(952)
Capital Grants Unapplied Account	(409)	0	(409)	0	(409)
General Fund	(3,338)	190	(3,148)	484	(2,664)
<b>Total Reserves</b>	<b>(23,453)</b>	<b>1,419</b>	<b>(22,034)</b>	<b>2,723</b>	<b>(19,311)</b>

Note: This shows the Budget position, but all in-year changes will be reflected in closedown and in the Council's financial accounts.

## Minimum Revenue Provision Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's "Guidance on Minimum Revenue Provision" (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

For 2021/22 it is recommended that:

- for supported expenditure, and for all capital expenditure incurred prior to 1 April 2008, MRP will, under delegated authority, be calculated under the Annuity Method over 50 years;
- MRP for all self-financed capital expenditure incurred from 1 April 2008 will, under delegated authority, be calculated under the Asset Life (Equal Instalment) Method;
- MRP in respect of leases and Public Finance Initiative (PFI) schemes will match the principal repayment for the associated deferred liability, to ensure that the impact on the revenue account is neutral; and
- where loans are made to other bodies for their capital expenditure, no MRP will be charged but the Council would apply the capital receipt arising from the principal repayments to reduce the CFR instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during 2021/22 will not be subject to a MRP charge until 2022/23. MRP on property is not required until the asset is operational.

The budget implications of MRP are detailed elsewhere in this report and the estimated Capital Financing Requirement is detailed in the Annual Treasury Strategy.

<b>Council</b>	
<b>Meeting Date</b>	24 February 2021
<b>Report Title</b>	Treasury Management Strategy 2021/22
<b>Cabinet Member</b>	Cllr. Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer
<b>Head of Service</b>	Nick Vickers, Chief Financial Officer
<b>Lead Officer</b>	Phil Wilson, Financial Services Manager and Olga Cole, Management Accountant
<b>Key Decision</b>	Yes
<b>Classification</b>	Open
<b>Recommendations</b>	1. To approve the Treasury Management Strategy 2021/22 and the Prudential and Treasury Management Indicators.

## 1. Purpose of Report and Executive Summary

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code require the Council to approve a Treasury Strategy and Prudential Indicators before the start of each financial year.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) has defined Treasury Management as: "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
- 1.3 This report sets out and seeks approval of the proposed Treasury Management Strategy and the Prudential and Treasury Management Indicators for 2021/22.
- 1.4 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry of Housing, Communities and Local Government (MHCLG) Guidance. Should the assumptions upon which this report is based change significantly, then a revised Treasury Strategy will be submitted for approval.

## 2. Background

### Interest Rate Forecast and Market Outlook

- 2.1 The Bank of England (BoE) maintained the Bank Rate at 0.10% in November 2020. Within the latest forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.
- 2.2 The Council's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE kept Bank Rate on hold in its November 2020 meeting. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast. Arlingclose's forecast is set out below:

Bank Rate	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
	%	%	%	%	%	%	%	%	%	%	%	%	%
Upside Risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.25	0.30	0.30	0.30	0.30	0.30
Arlingclose	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside Risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

- 2.3 For the purpose of setting the 2021/22 budget, it has been assumed that new treasury investments will be made at an average rate of 0.1%, and that new long-term loans will be borrowed at an average rate of 0.27%.

### Borrowing Strategy

- 2.4 The Council's chief objective, when borrowing money, is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
- 2.5 Councils are required to balance their revenue budget annually and cannot borrow to achieve a balanced position. However, they have very far reaching powers to borrow to fund capital expenditure. This has historically been funded from borrowing from the Public Works Loan Board (PWLB), which is part of the Debt Management Office which is part of the Treasury. Borrowing can be for up to 50 years at rates which can be below commercial rates.

- 2.6 Government and the Chartered Institute of Public Finance and Accountancy (CIPFA) has taken a pretty dim view of Council borrowing to acquire assets for income generation purposes only. There has been extensive media coverage of some of the most egregious examples of this behaviour, it is very widespread. This Council has had a clear policy of not borrowing for income purposes only and the Sittingbourne Town Centre (STC) development is classified as a Regeneration project in the Council's accounts. The Government has reformed the PWLB lending terms, ending the use of the PWLB for investment property bought primarily for yield, which the Government states is a risk for both national and local taxpayers. The Government has cut PWLB lending rates to gilts + 1% for Standard Rate and gilts + 0.8% for Certainty Rate. This is welcome as all councils were being penalised for irresponsible behaviour by others. PWLB rates have come down and the 50 year maturity rate is 1.68% (Standard Rate, 6 January 2021).
- 2.7 With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead of borrowing at fixed rates for long periods. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal/short-term borrowing will be monitored regularly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. The advice from Arlingclose is to continue to borrow short term from other local authorities.
- 2.8 The Council may also consider forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a "cost of carry" in the intervening period. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.
- 2.9 In March 2020, the Cabinet approved proposals to set up a housing company which will help deliver affordable homes for local people without placing a financial burden on the Council. Council-owned land would be transferred to the company to provide around 139 new properties, in exchange for an equity share in the company. The estimated build costs, energy efficiency and lifecycle costs of developing, managing and maintaining the initially planned 139 properties to be up to £23 million, which would be initially paid for through a 50-year loan to the company.
- 2.10 The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB Lending facility;
  - Any institution approved for investments;
  - UK Local Authorities;
  - Any other UK public sector body
  - Any other bank or building society authorised to operate in the UK;
  - UK public and private sector pension funds (except the Kent Pension Fund); and,
  - Capital market bond investors.

2.11 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire Purchase
- Private Finance Initiative
- Sale and Leaseback

2.12 The Council has the following loans outstanding:

<b>Lender</b>	<b>Amount (£ million)</b>	<b>Borrowing rate</b>	<b>Start Date of Loan</b>	<b>Maturity Date of loan</b>	<b>Duration</b>
London Borough of Havering	5	0.27 %	20/08/2020	24/08/2021	12 months
London Borough of Islington	5	1.10 %	30/08/2019	01/03/2021	18 months
Brighton & Hove City Council	5	1.25 %	20/01/2020	20/07/2021	18 months
<b>Total</b>	<b>15</b>				

### **Investment Strategy**

2.13 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has averaged £39m compared with £31m in the previous financial year.

2.14 In considering investing in assets, the Council proposes three overriding principles to be applied:

- investing in sustainable, affordable and social housing to increase overall supply;
- using the ability to borrow at low rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value; and,
- ensuring that the costs of borrowing are manageable long term within the Revenue budget.

2.15 The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.



- 2.16 Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 2.17 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council largely uses Money Market Funds for short-term investments. The only long-term investment remains the £3 million in the Church, Charities and Local Authorities (CCLA) Property Fund.
- 2.18 The Council could make use of the following asset classes for both Treasury and Non Treasury investments:

Government	Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years. Supranational bonds are instruments issued by supranational organisations created by governments through international treaties.
Banks and Building Societies (unsecured)	Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
Operational Bank Accounts	The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
Secured investments	Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Corporates	Loans, bonds and commercial paper issued by organisations other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £1 million per company as part of a diversified pool in order to spread the risk widely.
Registered Providers	Loans to, and bonds issued or guaranteed by or secured on, the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving government support if needed.
Money Market Funds	Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
Strategic Pooled Funds	Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
Non-Treasury Investments	The Council is a significant owner of assets in the borough and will, where there are opportunities, invest either to generate an income stream or for a capital gain.

- 2.19 The strategy for the coming year will not change significantly. The Council will retain the CCLA fund and keep the remaining monies primarily in Money Market Funds. The Chief Financial Officer does not believe that investing in equity or bond funds is advisable at the current time, given equity market valuations and the impact on bond investments. This will be reviewed as market conditions develop.
- 2.20 Currently the Council makes no direct investments in equities or corporate bonds. If this changed in the year the Chief Financial Officer will ensure that investments are consistent with the Council's health and climate change objectives.
- 2.21 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded, so that it fails to meet the approved investment criteria then:
- no new investments will be made;
  - any existing investments that can be recalled or sold at no cost will be; and,
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

- 2.22 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel, rather than an imminent change of rating.
- 2.23 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will, therefore, be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 2.24 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- 2.25 The Council currently has the following Investments:

<b>Counterparty</b>	<b>Long-Term Rating</b>	<b>Balance Invested at 05 January 2021 £’000</b>
Debt Management Office (UK Government)	AA	12,795
Invesco Money Market Fund	AAAmf	3,000
DWS (Deutsche) Money Market Fund	AAAmf	3,000
Goldman Sachs Money Market Fund	AAAmf	3,000
Aberdeen Standard Money Market Fund	AAAmf	3,000
Black Rock Money Market Fund	AAAmf	3,000
JP Morgan Money Market Fund	AAAmf	3,000
Morgan Stanley Money Market Fund	AAAmf	3,000
SSGA Money Market Fund	AAAmf	200
CCLA Property Fund		3,000
<b>Total Investments</b>		<b>36,995</b>

- 2.26 The ratings above are from Fitch credit rating agency. A description of the grading is provided below:
- AA Investments are judged to be of a high quality and are subject to very low credit risk.

- AAmmf Funds have very strong ability to meet the dual objectives of providing liquidity and preserving capital.

2.27 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in the Ministry of Housing, Communities and Local Government's (MHCLG's) Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

2.28 The Council has not made, and will not make, any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents.

2.29 At 31 March 2020 the Council held £3.6 million of longstanding investments in 14 directly owned properties. These investments generated £0.2 million of investment income for the Council in 2019/20 after taking account of direct costs, representing a rate of return of 6% and this level of income is forecast for 2020/21 and 2021/22. No significant change in this investment is anticipated in 2020/21 or 2021/22.

2.30 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments carry similar risks to the Council and are included here for completeness.

2.31 The loans made by the Council are shown below:

	<b>31 March 2020</b>
	<b>£'000</b>
Housing repair loans	2,047
Employee car loans	165
Other debtors	1,765
<b>Total</b>	<b>3,977</b>

2.32 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, a loss allowance is calculated for each debt reflecting the statistical likelihood that the debtor will be unable to meet their contractual commitments to the Council, which for 2019/20 was £0.2 million. The loss allowance was calculated by reference to the Council's historic experience of default. In addition, to mitigate risk, all debts have to be managed in accordance with the Council's Financial Regulations.

2.33 The most significant loans shown are the Housing Repair Loans which are loans for private sector housing home adaptations – landlords and owner-occupiers can apply for a loan for adaptations that will enable them to stay in their own homes. The risk relating to these loans is low as they are a charge of the property and are repayable when a property is sold.

2.34 An analysis of short-term debtors is reported to Cabinet as part of the quarterly Financial Management Report.

### 3. Proposal

- 3.1 The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

<b>Counterparty</b>	<b>Cash Limits</b>
The UK Government (Debt Management Account Deposit Facility) and Treasury Bills	Unlimited
Local Authorities and other government entities	£3m
Major UK banks / building societies. (Barclays, HSBC, Lloyds Banking Group, RBS Group, Santander UK, Nationwide, Standard Chartered) unsecured deposits	£3m
Svenska Handelsbanken unsecured deposits	£3m
Leeds Building Society unsecured deposits	£1.5m
Close Brothers unsecured deposits	£1.5m
Money Market Funds	£3m each
Strategic Pooled Funds e.g. Absolute return, Equity income, Corporate Bond Funds	£3m each
CCLA Property Fund	£3m
Supranational Bonds	£3m in aggregate
Corporate Bonds	£3m in aggregate
Covered Bonds	£3m in aggregate with £1m limit per bank
Non treasury investments	To be agreed on a case by case basis

- 3.2 Currently the maximum duration for unsecured term deposits is 13 months. The Chief Financial Officer in consultation with the Leader and Cabinet Member for Finance may consider longer duration depending on market conditions. For bonds, the maximum duration will be five years including, where applicable, the 5-year benchmark government bond, which may at the point of issue, have a maturity a few months in excess of five years.
- 3.3 The Council may also purchase property for investment purposes and may also make loans and investments for service purposes, for example in shared ownership housing, as loans to local businesses and landlords, or as equity investments and loans to the Council's owned companies.
- 3.4 The Council does not directly invest in financial derivatives although these may be present in pooled funds and will be managed in line with the overall treasury strategy.
- 3.5 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sum borrowed.

3.6 The Chief Financial Officer ensures that any commercial deals meet the regulatory requirements and the CIPFA prudential framework.

### Treasury Adviser

3.7 The Council has appointed Arlingclose Limited as its treasury management adviser and receives specific advice on investment, debt and capital finance issues. Officers meet with Arlingclose on a quarterly basis, receive information daily and attend relevant training courses.

3.8 The day to day treasury management activity is undertaken on the Council's behalf by Kent County Council's Treasury & Investments team to the criteria set out in this report. This has been particularly beneficial in using their relationships to obtain the low cost loans from other councils.

## 4. Alternative Options

4.1 The Strategy is intended to give flexibility with regard to borrowing and investment options.

4.2 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Leader and Cabinet Member for Finance, believes that the above Strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on Income and Expenditure	Impact on Risk Management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

## 5. Consultation Undertaken or Proposed

5.1 Consultation has been taken with Arlingclose.

## 6. Implications

Issue	Implications
Corporate Plan	Good management of the Council's cash balances assists the overall financial position of the Council and this helps to meet the emerging Corporate Plan objectives.
Financial, Resource and Property	The budget for net investment income in 2021/22 is £20,000.
Legal, Statutory and Procurement	Ministry of Housing, Communities and Local Government and CIPFA requirements complied with.
Crime and Disorder	Not applicable
Environmental Sustainability	Not applicable
Health and Wellbeing	Not applicable
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code of Practice and Cross-Sectoral Guidance Notes. The principle of security of funds over-rides investment performance considerations.
Equality and Diversity	Not applicable
Privacy and Data Protection	Not applicable

## 7. Appendices

7.1 The following appendices are published with this report and form part of the report.

- Appendix I Prudential and Treasury Management Indicators

## 8. Background Papers

None

## Prudential and Treasury Management Indicators

### Background

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### Gross Debt and the Capital Financing Requirement (CFR)

This is a key indicator of prudence. Statutory guidance states that external debt should not exceed the capital financing requirement in the previous year plus the estimates of any increase in the CFR at the end of the current year and the next two years. The table below demonstrates that the Council is complying with this aspect of the Prudential Code.

<b>Gross Debt and the Capital Financing Requirement</b>	<b>2020/21 Revised</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Financing Requirements	42,475	61,789	71,969	70,418
Gross External Debt	(15,000)	(35,000)	(50,000)	(50,000)
<b>Net</b>	<b>27,475</b>	<b>26,789</b>	<b>21,969</b>	<b>20,418</b>

### Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax. (See Capital Programme in 2021/22 Budget Report to Cabinet 10 February 2021).

<b>Capital Expenditure and Financing</b>	<b>2020/21 Revised</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total Expenditure</b>	<b>13,978</b>	<b>18,524</b>	<b>13,613</b>	<b>2,113</b>
Revenue contributions	1,435	447	50	50
Capital receipts	418	1,164	0	0
Grants	4,630	2,163	2,063	2,063
Internal/ external borrowing	7,495	14,750	11,500	0
<b>Total Financing</b>	<b>13,978</b>	<b>18,524</b>	<b>13,613</b>	<b>2,113</b>



## Prudential and Treasury Management Indicators

### Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>
	%	%	%	%
<b>General Fund Total</b>	<u>4.21</u>	<u>5.11</u>	<u>5.32</u>	<u>5.43</u>

### Authorised Limit for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2020/21 Revised</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>	<b>2022/23 Estimate</b>
	£'000	£'000	£'000	£'000
Borrowing	60,000	70,000	70,000	70,000
Other long-term liabilities	2,000	2,000	2,000	2,000
<b>Total</b>	<u>62,000</u>	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>

## Prudential and Treasury Management Indicators

### Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease and other liabilities that are not borrowing but form part of the Council's debt.

<b>Operational Boundary</b>	<b>2020/21 Revised £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>
Borrowing	55,000	55,000	55,000	55,000
Other long-term liabilities	500	500	500	500
<b>Total Operational Boundary</b>	<b>55,500</b>	<b>55,500</b>	<b>55,500</b>	<b>55,500</b>

### Interest Rate Risk

The Council regularly reviews its interest rate exposures with its Treasury adviser Arlingclose and this is reflected in the monitoring of the budget. It is the aim of the Council to minimise interest paid on borrowing and maximise the interest earned on investments, but in the case of investments, protection of the capital sum must take precedence over the rate of return. As reported in the 2020/21 Half Year Treasury Report the Council had achieved a return of 0.43% on its investments and therefore an estimate of the impact of a 0.5% change in this return would be worth £206,000.

### Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

<b>Maturity Structure of Borrowing</b>	<b>Lower Limit for 2021/22 %</b>	<b>Upper Limit for 2021/22 %</b>
Under 12 months	0	100
12 months and within 24 months	0	100
24 months and within 5 years	0	100
5 years and within 10 years	0	100
10 years and above	0	100

### Principal Sums Invested for Periods Longer than a Year

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	<b>2021/22 Estimate £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>
Limit on principal invested longer than 1 year	10,000	10,000	10,000

<b>Council</b>		<b>Agenda Item:</b>
<b>Meeting Date</b>	24 February 2021	
<b>Report Title</b>	Pay Policy Statement	
<b>Cabinet Member</b>	Cllr. Roger Truelove	
<b>SMT Lead</b>	Larissa Reed, CEO	
<b>Head of Service</b>	Bal Sandher, Head of HR Shared Service	
<b>Lead Officer</b>	Bal Sandher, Head of HR Shared Service	
<b>Key Decision</b>	<b>No</b>	
<b>Classification</b>	<b>Open</b>	
<b>Forward Plan</b>	<b>Reference number:</b>	
<b>Recommendations</b>	<p>That the proposed Pay Policy Statement be agreed for publication on the council's web site.</p> <p>That the information within the Pay Policy Statement is updated with actual year-end figures before final publication.</p>	

## 1 Purpose of Report and Executive Summary

- 1.1 The report is required to enable the council to satisfy the requirements of section 38 of the Localism Act 2011, which required that authorities must prepare a pay policy statement for the financial year 2012/13 and for each subsequent financial year; this statement must be agreed by full Council. The proposed statement is an update on the Council's current statement.
- 1.2 Terms and conditions of employment for employees is a non-executive function and the General Purposes Committee has delegated responsibility for this within the Council's constitution. Although there is no statutory template for the Pay Policy, it is recommended that it sets out as many of the relevant policies as possible so that they are transparent and in one place. The attached document refers to the policies currently in place.

## 2 Background

- 2.1 Section 38 (1) of the Localism Act 2011 required English and Welsh local authorities to produce a Pay Policy Statement for 2012/13, and for each financial year after that. The Bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also, drawing on Will Hutton's 2011 Review of Fair Pay in the Public Sector, introduced requirements to

compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.

2.2 The matters that must be included in the statutory Pay Policy Statement are as follows:

- a local authority's policy on the level and elements of remuneration for each chief officer;
- a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;
- a local authority's policy on other specific aspects of chief officers' remuneration, including: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
- an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000; and
- details of facility time and the number of trade union representatives for each of the recognised trade unions.

2.3 With regard to the process for approval, the Pay Policy Statement:

- must be approved formally by the Council meeting;
- must be approved by the end of March each year;
- can be amended in-year;
- must be published on the authority's website; and
- must be complied with when the authority sets the terms and conditions for a chief officer.

2.4 The Act specifically mentions that the Pay Policy Statement may set out the authority's policies relating to other terms and conditions for chief officers, and in the interest of open government there are recommendations that the Statement sets out as much information relating to employee terms and conditions as is practical.

### **3 Proposal**

3.1 The proposed Pay Policy Statement (Appendix I) sets out the Council's overarching Reward Strategy, including many of the associated terms and conditions, and is designed to satisfy the requirements of the Localism Act 2011.

- 3.2 Once the agreed Pay Policy Statement is accepted by full Council it will be published on the Council’s website, along with the details that are already required under the Code of Recommended Practice for Local Authorities on Data Transparency 2011 and the Equality Act 2010.
- 3.3 For ease of reference, the key changes in the document compared with that published in 2020 are set out below:
- (i) Section 3.4 includes an update on Exit Pay Cap for public sector workers that became law on 4 November 2020;
  - (ii) the figures for payments made in 2020/21 set out in the categories in section 3.5 of the Pay Policy Statement have been updated;
  - (iii) section 4 outlines the changes to the chief executive earnings
  - (iv) section 5 of the Pay Policy statement reflects the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 that came into force on 1<sup>st</sup> April 2017. The figures to reflect the time spent on trade union duties have been updated in the tables;
  - (v) details of remuneration for senior staff have been updated in appendix I (H)

## 4 Alternative Options

- 4.1 The Council could choose to publicise a reduced version of the Pay Policy Statement that satisfies the minimum requirements of the Act, but this is not recommended as it does not satisfy the need for transparency, and means that the data is not seen in the context of the good work already undertaken by the Council.

## 5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with the Leader of eth Council, members of the Senior Management Team, and UNISON. As this is not a change to existing policies no further consultation is required.

## 6 Implications

Issue	Implications
Corporate Plan	The policies summarised in the Pay Policy Statement assist the Council in achieving its priority of “renewing local democracy and making the council fit for the future’.
Financial, Resource and Property	There are no additional resource implications as a result of the Pay Policy Statement as it is setting out what is already in place. The aim of Section 38 of the Localism Act is to ensure there is openness and transparency with regard to the allocation of public money to employee remuneration.

Legal, Statutory and Procurement	Localism Act 2011
Crime and Disorder	None specific to this report.
Environmental Sustainability	None specific to this report.
Health and Wellbeing	None specific to this report.
Risk Management and Health and Safety	<p>There are no risks associated with the publication of the Pay Policy Statement as all this information would be available if requested through the Freedom of Information Act, although the publication of the information may help to reduce some of the Fol requests received.</p> <p>There is a risk to the Council if it does not produce a Pay Policy Statement as this is a statutory requirement.</p>
Equality and Diversity	The Equality Act 2010 places requirements upon all public sector bodies to ensure that its policies and procedures are promoting equality. The measures summarised within the Pay Policy Statement support this requirement.
Privacy and Data Protection	There is no impact to Privacy and Data Protection.

## 7 Appendices

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

- **Appendix I:** Pay Policy Statement - March 2021

## 8 Background documents

None

# Swale Borough Council

## Pay Policy Statement – March 2021

### 1. Introduction

The Workforce Strategy for 2019 – 2022 sets out four key themes:

- Performance and Development;
- Reward and Recognition;
- Engagement and Wellbeing; and
- Workforce for the future

These strategic themes recognise the importance of pay and rewards in our role as an employer. Our work on pay and rewards began in 2010 with an equal pay audit resulting in significant changes to the Council's terms and conditions. The work continued through the implementation of the Workforce Strategy, and the development of a Total Rewards approach to remuneration for council staff.

Swale Borough Council has its own employment terms and conditions and undertakes local pay bargaining with UNISON. It is not connected to the Local Government Joint National Conditions (JNC) for any terms other than those that apply for the dismissal processes of Statutory Officers (Head of Paid Service, Section 151 Officer or Monitoring Officer).

### 2. Terms and Conditions – Decision Making

Terms and conditions for employees are a non-executive function, and the responsibility for decisions on these matters is delegated to the General Purposes Committee by full Council. The terms of reference for this group are set out in the constitution as:

“to consider and make decisions on non-executive matters in respect of staff terms and conditions, and the pension scheme”.

The responsibility for agreeing the appraisal and remuneration of the Chief Officers lies with a Member panel. Senior appointments are also the responsibility of a Member panel, although there is a process to ensure that there are no objections to the recommended candidate from any Cabinet members prior to the offer of a senior position.

Where the decision of the General Purposes Committee has a budgetary implication beyond the agreed in-year budget, this will also require agreement from Cabinet.

### 3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff, and Members and was agreed by the General Purposes Committee in 2010. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way, and applied the principles of equal pay and performance management to the scheme that was developed.

The principles for the reward strategy are to:

- (i) support a **performance** orientated organisation;
- (ii) provide an **attractive** employment package at all levels;
- (iii) be relevant to a **modern** local government authority;
- (iv) have a pay structure that is **transparent** and straightforward;
- (v) reward people **fairly** and consistently;
- (vi) move toward a **Total Reward** approach; and
- (vii) be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the Council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

#### 3.1 Pay Scale and Pay Progression

Our policy for pay grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the INBUCON Job Evaluation Scheme, and this process identifies the value or size of the role when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the INBUCON scheme; every panel has one trade union representative as part of the panel.

The pay scale has up to five increments per grade which recognise that with development in a role over time an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade, unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy. The pay scale is set out at Appendix I (A).

In July 2019, the council agreed to move to the real Living Wage which is independently calculated by the Living Wage Foundation. This gave a significant increase to the low paid by matching them to the hourly rate of £9.00 per hour and this was backdated to April 2019. The Lowest Paid employees are defined as those whose posts have INBUCON points of 121 to 153, which place them into grade 2 of the pay scale.



A review on Chief Executive salaries was carried out in July 2020. Based on the findings of the review, it was agreed to amend the CEO pay scale to reflect salary more consistent with other Kent CEO's operating in similar sized organisations including responsibilities.

The Council has a process of local pay consultation with UNISON to determine whether there should be an annual pay award, taking into consideration both inflation and affordability.

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis, but will be linked to the clear and continuous performance at the level required at each incremental step. The rules for pay progression are set out in Appendix I (B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored collectively by Senior Management Team. The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I (C).

### 3.2 Market Supplements

The pay principles recognise that the Council needs to be an attractive employer whilst also balancing this with the needs to manage the budget and protect the public purse. Within local government there are several skill areas that have been extremely difficult over the years in terms of both recruitment and retention - this is particularly in fields where there are private sector employers competing for the same skills, or in unattractive areas of work.

In order to be able to respond to recruitment difficulties the Council has a Market Supplement Policy which sets clear criteria for the agreement and retention of a market supplement. The Policy is at Appendix I (D). Staff receiving market supplements are from the Planning and Legal teams. Currently, there are twenty nine employees in receipt of Market Supplements that are either working in Planning or Legal teams.

### 3.3 Pension

The Council offers access to the Local Government Pension Scheme (LGPS), which is a significant benefit to employees and is one of the aspects of the Council's Total Rewards package.

The pension scheme is standard between all local government employers, and in broad terms offers a pension benefit equivalent to 1/49<sup>th</sup> of pensionable salary per year of service, where pensionable salary is calculated on a career average with benefits paid at state retirement age.

Although most of the rules associated with the scheme are set centrally, there are a few areas where local employers must define their own policy; the discretionary

policy is attached at Appendix I (E). In broad terms it is not the policy of the Council to increase pension benefits to employees through any form of enhancement.

The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 12.5% depending on earnings, in accordance with the following table; in April 2014 there was an option to lower level contributions with the introduction of the 50/50 scheme.

Pensionable pay	Main Section	50/50 Section
Up to £14,600	5.50%	2.75%
£14,601 - £22,800	5.80%	2.90%
£22,801 - £37,100	6.50%	3.25%
£37,101 - £46,900	6.80%	3.40%
£46,901 - £65,600	8.50%	4.25%
£65,601 - £93,000	9.90%	4.95%
£93,101 - £109,500	10.50%	5.25%
£109,501 - £164,200	11.40%	5.70%
More than £164,201	12.50%	6.25%

The employer contribution rate, calculated as the future service rate excluding past service deficit for 2020/21 will be 18.5%, although this does vary from year to year.

Kent County Council is the administering authority for the Swale Borough Council scheme.

### 3.4 Pay Protection and Redundancy Payments

The Council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable; it also sets out the terms for redundancy and pay protection. The Pay Protection Policy is set out at Appendix I (F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable, except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure (**Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000**).

The policy of the organisation regarding re-employment following redundancy follow the NJC terms and conditions, i.e. if a redundant employee commences local government employment within one month of the redundancy then the redundancy

payment must be returned. Any other re-employment will only be considered where all other Council rules on recruitment or procurement have been followed.

The Exit Pay Cap has been passed by Parliament and became law on 4 November 2020. The legislation will cap exit payments at £95,000 on the total value of the payment for public sector workers. In addition, the Ministry of Housing, Communities and Local Government (MHCLG) have undertaken a further consultation relating to the effects and impacts of the proposals on the local government workforce and specifically the implications for the Local Government Pension Scheme (LGPS). The proposed changes to the pension scheme regulations have a wide-reaching impact on those who leave the organisation aged 55+ via redundancy. This consultation ended on 18 December 2020 and the changes relating to the pension regulations will come into force at a date not yet determined. Council policies will be amended to incorporate these requirements once these have been finalised by government.

### 3.5 Other payments

**Honoraria:** the Council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; normally for an agreed period of up to 6 months. This is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2020/21 there were eleven people in receipt of honoraria, one more than the previous year.

**Flexibility Allowances:** certain members of staff (below management grades) are required to work outside of normal council working patterns. To compensate them for this flexibility they are paid a 10% supplement to their salary. As at March 2021 there were ten people in receipt of this payment. This allowance has been reviewed and agreement reached with trade unions that the allowance would not be paid in the future to any employees that were aware of the requirement for working 'unsocial' hours at the time they applied for the position; this is the main cause of the reduction of the number of people still in receipt of the allowance.

**Stand-by payments:** a review of standby duties and payments was carried out in August 2019. This resulted in amending the Standby Allowance Policy to ensure that those employees who are required to take part in standby rotas and respond to call out duties are treated consistently across the Council and remunerated fairly for the duties. The standby payments are paid to a small number of employees (fourteen in 2020/21, an decrease of six from the previous year) who are on an out-of-hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The outcome of the review has also increased the level of remuneration to £125 each week of being on-call compared to the previous rate of £100.

**Bonuses:** the Council does not have a bonus system for any grade of staff.

**Car Payments:** the Council removed lease cars and lease car allowances in 2010. However, a car allowance of up to £1,239 was given to those employees that are required to have a vehicle for their role and that drive a minimum of 2,000 miles annually. This changed in June 2016 with the allowance being reduced to £1000 per annum and pro-rata for part time staff as well as an increase to the mileage threshold to 2,500. At the end of March 2021 this allowance was allocated to fifty three

members of staff, an increase of one from the previous year. The majority of staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health, housing, and where there are other shared services requiring travel between districts. Mileage rates for those receiving this allowance were set at the HMRC level (in 2015/16 this was 45 pence per mile). However, this has changed in June 2016 with a reduction in the mileage rate to 37.8 pence per mile.

### 3.6 Special fees and arrangements

Special fees may be paid for certain additional duties; in general these are connected to election duties, and the funding for the allowance will not come from the Council's own budget. An additional fee is normally paid for the role of Returning Officer for the District elections however, this was previously incorporated into the Chief Executive's base salary where s/he is acting on behalf of the Council (eg borough and parish elections). This has now changed and the additional fees will be paid for undertaking the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

The Council has adopted the Kent schedule of fees, which is attached at Appendix I (G).

### 3.7 Other employee benefits

The Council provides access to an **Employee Assistance Programme** which provides staff with both telephone and face-to-face counselling on a range of issues. The Council has access to an Occupational Health Service that helps to ensure that employees are properly supported to avoid taking sick leave and to return to work as soon as possible.

The Council supports employees in their role with a **development plan and training opportunities** to ensure they are fully qualified and trained to give excellent service. The Council has been recognised for its development-focussed culture through the achievement of the Investors in People Gold award.

On an annual basis the Council has an **Awards Ceremony** that recognises the best achievements of staff during the preceding year. In previous years the ceremony took place in the evening in the form of a dinner and dance for nominees and partners and the cost of the occasion is off-set through sponsorship from businesses and partners. The awards ceremony in the future will take place during the day and all staff will be invited to attend the event to recognise staff achievements during the year.

The Council offers a **salary sacrifice scheme** to employees for the purchase of bicycles. In December 2018, the Council introduced another salary sacrifice scheme for the purchase of cars. There is no cost to the Council of these schemes.

In 2014 the Council updated its **long service awards** scheme to include a wider range of employees. Small benefits (eg £25 shopping voucher) are given to those reaching ten years' service, and at five yearly intervals up to forty years' service. This form of recognition is in line with our Mid Kent Services (MKS) partners.

The Council introduced the opportunity for employees to **buy additional annual leave**, and nine employees have used this benefit during 2020/21. This is at no cost to the Council.

#### 4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly examine the Medium Term Financial Strategy, and in particular consider ways to reduce costs to the Council.

As required by the Equality Act 2010 the Council undertakes an equal pay audit of salaries, which is published on the Council's web site. This helps to identify whether there are significant differences in pay for employees that have one or more of the protected characteristics.

From April 2017 under the Equality Act 2010 employers with more than 250 employees are required to publish statutory gender pay gap calculations on an annual basis. The data must be a snapshot of salary data on 31 March and must be published on our own website and a government website by 30 March 2021.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the Council; this was actioned by March 2011 as required by the Code. There has been further qualification of the salary threshold for publication which has been set at £50,000 and above. This information, plus the inclusion of all additional fees, is at Appendix 1 (H).

The Code of Recommended Practice for Local Authorities on Data Transparency September 2011 also requires that there is a process established to monitor the rate of growth of senior earnings compared to all other employees in the organisation. The formula required is to calculate the pay multiple of the Chief Executive's salary compared to the median earnings of all other employees; where there is any significant change year-on-year this should be explained. It is the Council's policy to use this pay multiple to monitor the relationship between remuneration of chief officers and other employees.

The recommendation in the 'Hutton Review of Fair Pay' 2011 has been followed:

"the pay multiple should be calculated on the basis of all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind"

	<b>Chief Executive earnings</b>	<b>Median</b>	<b>Pay Multiple</b>
<b>2017/18*</b>	£122,076	£22,546	5.41
<b>% change from previous year*</b>	-20.8%	1.67%	-22.16%
<b>2018/19*</b>	£125,826	£23,032	5.46
<b>% change from previous year*</b>	3.07%	2.15%	0.92%
<b>2019/20*</b>	£93,189	£23,244	4.01

<b>% change from previous year*</b>	-25.94	0.92%	-26.56%
<b>2020/21*</b>	£27,414	£23,709	1.16
<b>% change from previous year*</b>	-0.71%	2.00%	-71.07

\*The Local Government Association guidance is that organisations should use taxable pay to calculate the pay multiple. In previous years the multiple has been calculated using the National Insurance pay level which includes the pension contribution paid by the individual and is a higher figure.

The Chief Executive earnings for 2020/21 are for a 3 month period as the council has operated without this role for most of the year. The new Chief Executive joined the council in January 2021 and the table reflect the earnings of the CEO to 31 March 2021. The median earnings of all employees have slightly increased compared with the previous year's calculation, which reflects the pay award increase for 2020/21.

It is important to emphasise that the pay policy of the Council is to pay at the market median, and this is only reached at the top of the incremental pay points for each grade. This ensures that people are paid at a lower level than the Council policy until they have fully matured into the role. In addition, although these are contractual payments, they are withheld if performance is not satisfactory at the expected level.

## 5. Trade Union Facility time

The Council recognises UNISON, and there is a history of co-operative employee relations. As a result of this cooperative approach, a range of fair employment policies are now in place. As a result there is generally a low level of trade union activity.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1<sup>st</sup> April 2017 which requires public sector employers to publish specified information relating to facility time provided by trade union officials. Under the regulations, the relevant information will need to be published on an annual basis for the period 1<sup>st</sup> April to 31<sup>st</sup> March.

The Council allows reasonable time for trade union duties (eg attending management meetings, pay negotiation, etc) but no time is given for trade union activities (canvassing for additional membership etc.)

The number of trade union representatives is as follows:

	<b>Headcount</b>	<b>FTE</b>
UNISON	5	5

Percentage of time spent by union officials on facility time is:

Percentage of time	Number of employees
0%	0
1-50%	5
51%-99%	0
100%	0

Note: only 6% of facility time is spent by union officials.

Percentage of pay bill spent on facility time:

Total cost of facility time	£17,102
Total pay bill	£9,055.74
Percentage of pay bill	0.19%

There has been no time spent on paid trade union activities.

**6. Contact for further information**

If you require any further information regarding the salary policy of the council you should contact Bal Sandher, Head of HR Shared Services, on 01622 602165, or by email on [baljinder.sandher@midkent.gov.uk](mailto:baljinder.sandher@midkent.gov.uk)

## Pay Scale 2020/21

Grade	1	2	3	4	5
1	<b>GRADE 1 IS NO LONGER IN USE</b>				
2	17,950	18,085	18,179		
3	19,336	20,105	20,908	21,746	
4	22,541	23,447	24,385	25,357	
5	25,435	26,453	27,514	28,610	
6	28,810	29,962	31,157	32,409	
7	32,581	33,750	35,102	36,511	
8	36,610	38,075	39,595	41,182	
9	43,243	44,970	46,765	48,638	
10	51,283	53,336	55,466	57,685	
11	60,007	62,406	64,904	67,500	70,195
12	71,577	74,436	77,415	80,516	83,737
13	88,087	91,615	95,274	99,087	103,053
14	113,994	117,414	120,936	124,564	128,301



## Pay Progression

### 1. Annual Inflation Award

Annual pay consultation will consider the cost of living and the position of SBC pay in comparison to the market, but affordability will be the foremost consideration. Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

The Chief Executive and Head of HR are responsible for undertaking pay negotiation with trade unions, but the Cabinet takes ultimate responsibility for agreeing the budget.

### 2. Pay progression within grade

The pay scale has up to five increments which recognise that, with development in a role over time, an employee is of more value to the organisation and therefore warrants a higher salary. There are fewer incremental points in the lower grades and more in the more complex roles. New appointments to post will normally be at the first point of the grade unless there is evidence of a skill shortage in line with the criteria set out in the Market Supplement Policy.

Progress through the grade will be assessed annually. This will not be an automatic progression but will require an assessment against the agreed Competency Profile and Performance Standards for the position. Where the employee has progressed towards the full competency profile they will be awarded an increment. Assessment for incremental progression will take place by **October** each year. This will therefore not be linked to the annual appraisal but will take place mid-year. Increased increments will be paid with effect from 1 October.

Employees must have six months' service in their role by 1 October to be eligible for assessment. If they are more recently appointed they will receive a review after six months in the position; thereafter they will be reviewed annually for the October increment.

Individuals will need to consistently demonstrate the behaviours required by the Competency Profile and Performance Standards for their role in order to maintain their incremental position. One-off performance will not be sufficient to merit or maintain an increment.

Where individuals do not sustain the level of performance or where they have been assimilated to the top of the grade but are assessed as not having the full range of competencies, they will be given time to improve, but their pay will be frozen until they drop to the pay level that matches their performance. This includes any rise in annual pay as a result of pay inflation. This is outside the normal Pay Protection Policy as it does not represent an organisational change. Where the individual is assessed as not meeting the requirements of the grade their performance will be treated as a capability issue.

### **3. Career Grades and Incremental Progression**

A Career Grade offers the opportunity of a long path of progression to a particular professional position. As such the nature of the role and the requisite competencies are likely to vary considerably between the entry point and final destination. This means that through Job Evaluation the Career Grade is likely to span several grades and have many steps. To enable this clear stepped progression there may be some need to have interim points between the normal incremental points, e.g. in recognition of the achievement of some particular milestone. These half incremental steps will be allowed providing that there is prior agreement with the Head of HR, that they are applied equally to all those who meet the criteria, and are set out as part of the agreed career grade structure.

Progress through the career grade will need to be evidence based, and the Head of HR will need to agree to the progression if it is between grades.

## Chief Executive and Director Appraisal Process

The appraisal panel for the Chief Executive will comprise of the Leader, Deputy Leader and Leader of the Majority Opposition Party, supported by an external facilitator.

This panel will also take a 'grandparent' role to review and comment on the full annual appraisal and objectives for the Directors as set by the Chief Executive.

The timetable and process for the Chief Executive is set out below:

<b>Month</b>	<b>Activity</b>
January	The Chief Executive undertakes a self-review of achievements against the annual objectives, and suggests possible objectives for the coming year.  This self-review is submitted to the external facilitator.
January	The external facilitator gains informal feedback from the members of the working group on the Chief Executive's performance.
Early February	The facilitator and Chief Executive discuss progress, development and future targets, and go through the Member feedback.
February	After the budget has been agreed by full Council, the working group and Chief Executive meet formally, supported by the external facilitator, for the formal appraisal and objective setting.  The outcome of the agreed objectives will be reported at the next full Council by the Leader.  The meeting to be documented by the external facilitator as the Chief Executive's formal appraisal.
September	The working group, facilitator and Chief Executive meet to review mid-year progress, and agree whether performance is satisfactory.  If the Chief Executive is performing to a satisfactory level the annual increment will be awarded (up to the top of the grade). The summary of this meeting to be reported back to the General Purposes Committee.

The process for Directors is set out below:

<b>Month</b>	<b>Activity</b>
January	<p>The Director undertakes a self-review of achievements against the annual objectives and suggests possible objectives for the coming year.</p> <p>This self-review is submitted to the Chief Executive.</p>
Early February	<p>The Director and Chief Executive meet to discuss progress, development and future targets.</p>
Early February	<p>The Chief Executive prepares a draft appraisal document with assessment of performance in the previous year and against competencies.</p> <p>Draft forward objectives and a development plan are also documented and agreed between the Chief Executive and Director.</p>
February	<p>The appraisal panel, the Chief Executive and the Director meet formally for the 'grandparent review', and finalisation of the Director's objectives.</p> <p>The meeting to be documented by the Chief Executive as the Director's formal appraisal.</p>
September	<p>The Chief Executive and Director meet to review mid-year progress and agree whether performance is satisfactory.</p> <p>If the Director is performing to a satisfactory level the annual increment will be awarded (up to the top of the grade).</p>

## **Market Supplements for Pay**

### **1. Introduction**

The Council will utilise a Market Supplement to ensure that competitive salaries will attract and retain key workers in skill shortage areas without distorting the pay structures for all other employees. A Market Supplement for recruitment or retention purposes will only be used where there are clear business reasons that cannot be better addressed through the total benefits package, the work environment or department skill mix. It is recognised that pay is only one factor contributing to our attractiveness as an employer and other aspects of employment, particularly those relating to development, should be applied rather than using just a Market Supplement.

All jobs are graded using the Inbucon Job Evaluation system and the defined pay policy of the Council is to pay at Market Median where the market used is the Inbucon salary data. This is also checked against local Kent salary surveys to ensure that it is robust for the geographical region. This approach ensures that the employees of Swale Borough Council are paid at a fair level in comparison to other workers in similar employment groups.

However, there is recognition that in certain professions there are either national or regional skill shortages and Swale needs to be responsive to the competition for these skills. In the longer term our aim will be to train employees to move into these specialist areas and to ensure that the specialists' skills are utilised properly within the organisation. In the short term Market Supplements may be used.

### **2. Identification of the Skill Shortage**

#### **2.1 Recruitment Campaigns**

Where there is no anticipated shortage there will need to be a minimum of two appropriate external recruitment campaigns within a 12 month period to establish that it is not possible to fill a position before it is agreed there is a requirement for a market supplement.

#### **2.2 KPOG Salary Survey**

The salary survey is conducted on an annual basis and gives details of the comparative salaries for defined positions in the Kent Districts. This clearly identifies the median salaries and is particularly relevant for local government roles. This will enable the identification of positions which may be vulnerable and, where there is more than a 10% salary difference from the median, there should be consideration of the need for a market supplement. The existence of this difference alone is unlikely to be sufficient justification and further analysis will be required to identify whether this has had an adverse impact on the Council's ability to recruit and retain relevant staff.

## 2.3 National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation and the I&DeA. In 2015 these skills were listed as:

- (i) Children's social workers
- (ii) Planning officers \*
- (iii) Building control officers
- (iv) Environmental health officers \*
- (v) Educational psychologists
- (vi) School crossing patrol
- (vii) Adult social workers
- (viii) Trading standards officers
- (ix) Solicitors and lawyers \*
- (x) Mental Health Social Workers

\* category of worker employed by SBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period, or through information from agencies about the availability of particular skill sets.

## 3. Market Supplement for Recruitment Purposes

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Chief Financial Officer. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

The payment of a Market Supplement must be within the Director's agreed budget. Approval must be given by the relevant Director and the Head of HR Shared Services, who will ensure that all alternative options have been explored.

## 4. Market Supplement for Retention Purposes

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement that would then cause equally mobile colleagues to leave and seek a similar salary elsewhere.

There may also be occasions where an employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Chief Financial Officer. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate.

The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

Payment of a Retention Supplement must only be considered in exceptional circumstances, and particular attention must be paid to the Equal Pay issues.

## **5. Removal of the Supplement**

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs, i.e. paying more for a skill than the median rate, if this would be sufficient to attract high quality applicants. The economic situation may also change so that scarce skills become available from other sectors or organisations.

Senior Management Team will review the posts attracting a supplement annually; this will usually coincide with the annual KPOG salary survey at the beginning of each year, but the date may vary according to information availability. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of two years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified and given a minimum of three months' notice that a phased reduction will commence.

## **Policy and Procedural Issues: Local Government Scheme Regulations - Employer Discretions**

This paper confirms the pension policy of Swale Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 2013 and the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014. Last updated June 2014.

The policy statement applies to all members of staff who are eligible to be members of the LGPS, as defined in the regulations i.e. employees with a contract of employment of over three month's duration and who are under 75 years of age and are contractually enrolled at the start of employment. Those with contracts of less than three months, including casuals, can join but need to elect to do so.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have two years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within two years of the start of their employment their contributions can be repaid or transferred to another scheme, unless there is some fraudulent offence or misconduct in connection with the employment.

### **Principles**

The Authority will treat any individual retirement case and decisions on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

The definition of business efficiency shall include, but not be limited to financial savings and/or quality improvements judged on a case-by-case basis.

Each decision will be made free from discrimination on the grounds of any protected characterising – age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation, or any other personal criteria.

The Authority's decisions relating to retirement and the release of pension benefits will be in line with the current pension regulations. These regulations may be updated from time to time, and the Authority will default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable at the time of their employment. In such cases, the decision as to the release of deferred benefits will be on a case-by-case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.



Decisions taken under these discretions will be reported to the General Purposes Committee.

### **Regulation 9 (1) & (3) - Contributions**

Swale Borough Council will apply the nationally determined employee contribution rates and bands. These are subject to change and may be varied.

Swale Borough Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items including – Market Supplement/ Premium, Overtime, Bonus, Honorarium, Salary Supplements. The pensionable pay will be reviewed monthly and based on earnings for that month to identify the appropriate band and contribution percentage

Swale Borough Council will notify employees of their individual contribution rates in their payslips or by letter at least annually.

### **Regulation 16 (2)e and 16 (4)d – Shared Cost Additional Pension Contributions (SCAPC)**

It is not Swale Borough Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

A scheme member who has a period of child related leave or authorised unpaid leave may elect, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence. In these circumstances Swale Borough Council is required to contribute 2/3rds of the cost. If an election is made after the 30 day time limit the full costs will be met by the scheme member.

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

### **TP Regulations 1(1)(c) of Schedule 2 – whether to allow the rule of 85 to be 'switched on' for members age 55-59.**

It is not Swale Borough Council's general policy to make use of the discretion to 'switch back on' the 85 year rule protections unless there are clear financial or operational advantages to the council. Each case will be considered on its merits by Head of Human Resources, the Chief Financial Officer, and the relevant Director.

### **Regulation 17 (1) – Shared Cost Additional Voluntary Contributions (SCAVC)**

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, and then the decision is subject to Member's approval.

### **Regulation 21 (5) – In determining Assumed Pensionable Pay whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.**

Swale Borough Council will maintain a list which details what Swale Borough Council considers being a regular lump sum payment made to our employees to be used in the calculation of the Assumed Pensionable Pay.

### **Regulation 22 (7)(b) & 22 (8)(b) - Aggregation of Benefits**

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment, unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. Swale Borough Council has the discretion to extend this period beyond 12 months and each case will be considered on its own merits by the Head of Human Resources, the Chief Financial Officer and the relevant Director.

### **Regulation 30(6) – Flexible Retirement**

It is Swale Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there are clear financial or operational benefits to the Council. Any such consent requires the agreement of the Head of Human Resources and the relevant Director and each case would be considered on its merits.

If consent has been given under Regulation 30 (6) it is not Swale Borough Council's general policy to waive any actuarial reduction unless there are exceptional circumstances.

### **Regulation 30(8) Waiving of Actuarial Reductions**

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation, unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship; circumstances must be exceptional and would not reasonably be expected to prevail i.e. the occurrence of a disaster or accident etc. Financial hardship alone would not normally be deemed sufficient. Any such consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Swale Borough Council to give consent under this regulation to the early payment of benefits; however, each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case. It is not the Council's general policy to waive any actuarial reduction in these circumstances.

### **Regulation 31 – Award of Additional Pension**

Swale Borough Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within six months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Swale Borough Council will only exercise this discretion in exceptional circumstances and where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case.

### **Regulation 100 (6) – Aggregation of Benefits**

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Swale Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme.

If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Chief Financial Officer and the relevant Director within Swale Borough Council, and by the Pension Scheme Administrator. Both organisations must agree to the late transfer.

## Protection of Earnings Policy

### 1. Introduction

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and well being of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this Policy will apply. This policy needs to be read in conjunction with the Organisational Change Policy.

### 2. Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to change their grade or method of working or suffers a reduction in basic hours worked within the standard working week or suffers a reduction in basic pay and allowances.

The provisions of this policy **do not** apply as a result of:-

- a) action taken in accordance with the Council's Disciplinary or Capability procedures
- b) the need for re-deployment on health grounds
- c) unacceptable standards of work performance
- d) a request from the individual or by mutual agreement between the individual and Council
- e) a voluntary application to another position within the Council
- f) the removal of a Market Supplement following an annual review, any loss here would be dealt with in accordance with the Market Supplement Policy.

### 3. Protection Period

Protection of earnings will be given for a period of 24 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change, the second period of 12 months will be at half the rate of the new earnings compared to the old earnings. After a period of 12 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation there may be agreement with the Chief Executive, the Chief Financial Officer and Head of Organisation Development to extend this period.

### 4. Calculation of Protection

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hour's payments.

Earnings in the new post will be off-set against protected earnings and if for any particular pay period the earnings in the new post exceed the protected earnings then the higher earnings will be paid for that pay period.

Where the period of protection spans the annual pay award the protected pay will be reduced by an amount equivalent to any increase in pay in the new substantive post.

#### 5. Conditions of Protection

Protection of earnings is conditional upon the employee undertaking any shift work, standby or other duties which may be required in the new post. Where there are increased earnings as a result of these additional duties this will result in an equivalent decrease in pay protection. In circumstance where the employee is required to drive and the post is designated as an Essential Car User or the level of mileage is such that the employee qualifies for the Essential Car User Allowance this will be paid but the level of pay protection will be reduced by the equivalent amount.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (i.e. the real rate attached to the post) not at the protected rate.

#### 6. Pension Implication

It has been the Borough Council's policy to issue a certificate of protection of pension benefits to protect employees who suffer detriment by being required to take a cut in pay or who are prevented from having future pay increases by having their pay frozen. Any certificates issued may continue to apply to pension forecasts whilst they are still valid. Following the pension changes on 1 April 2008 there were no further certificates of protection issued but up to 31 March 2014 there are options for pension calculation to be based over a longer time period, affected employees should contact the pension administrator.

#### 7. Terms and Conditions other than Pay

Annual Leave entitlements and length of notice period required from the employee will not be protected and those applicable to the new post will be effective from the date of transfer.

## ELECTORAL REGISTRATION OFFICERS AND STAFF (Kent AEROS) – SCALE OF FEES

### Proposed scale of fees for District/Borough and Parish Council elections and Neighbourhood Referendum held on or after 1<sup>st</sup> April 2020

1. The scale of fees are uplifted annually, by using the NJC award pay award for local government and approved by the Kent Chief Executives Group.
2. Kent County Council's scale of fees uses a calculation based upon per 1000 electorate. Kent AEROS' scale uses a calculation of per 500 electorate because of small parishes.
3. In order to ensure consistency the Kent AERO's scale reflects the KCC 2020 Scale and is in line with the NJC increase
4. The Kent AEROS' scale has been uplifted by 2.5% using the NJC Pay Award for Local Government Services 2020/2021.

	Item	Current 2020 £	Proposed 2021 £
<b>Stationery and Equipment</b>			
1.	Printing and publishing all notices, forms and other documents, providing stationery and sundries, and other miscellaneous expenditure including postage, telephone calls and faxes	Reasonable and appropriate cost	Reasonable and appropriate cost
2.	Stationery and equipment at each polling station, including depreciation		
3.	Hire of any building or room for the purpose of the election and the expenses attending the use of any building or room, including temporary polling stations if necessary		
4.	Fitting-up polling stations including the provision, transport and erection of voting		

	compartments, the hire of necessary furniture (where this is not otherwise available) and the return to store afterwards		
5.	Ballot Papers – provision and printing		
6.	Register of Electors – purchase		
7.	Printing or production of official poll cards and postal vote packs		
8.	Delivery of official poll cards by hand	Second class postage rate	Second class postage rate
<b>Travelling expenses</b>			
9.	Travelling expenses to DRO's staff to make arrangements for the poll or otherwise in connection with the conduct of the election	47p per mile	48p per mile
10.	Presiding Officer travelling expenses	14.94	15.32
11.	Poll Clerk travelling expenses	8.68	8.90
12.	Travelling expenses for staff in connection with the counting of votes, at the discretion of the DRO	8.68	8.90
<b>Polling Station Staff</b>			
13.	One Presiding Officer at each Polling Station – single election	217.90	223.35
14.	For each PO at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	267.68	274.37
15.	For a PO who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 10.56	(additional) 10.82

16.	Supervising Officer (SO) – for every 10 polling station overseen	217.90	223.35
17.	For each Poll Clerk (PC) at a Polling Station – single election (see Notes)	131.36	139.52
18.	For each Poll Clerk at a Polling Station – joint election or difficult station due to local circumstances (at the discretion of the Returning Officer (RO))	161.87	165.91
19.	For each training session provided by the DRO for Presiding Officers, Poll Clerks or count staff	186.80	191.47
20.	For each Presiding Officer and Poll Clerk attending training	48.37	49.58
21.	An allowance for each polling station to have available a mobile phone on polling day	5.23	5.36
22.	For the employment of persons in connection with the counting of the votes, clerical and other assistance required by the RO – for each 500 electors or part in a contested election	76.23 (per 500)	78.13
23.	For the employment of persons in connection with the issue and opening of postal ballot papers – for each 100 postal voters or part	74.71	76.58
24.	For the recount of votes – for each 500 electors or part	4.39	4.50
25.	Payment to the District/Borough for the use of Council staff to support the RO in the conduct of elections as follows:		



(a)	Contested election – (i.e. <b>without</b> District/Borough) for each <b>500</b> electors (or part)	59.04 (per 500)	60.52 (per 500)
(b)	Contested joint election (i.e. <b>with</b> District/Borough) – for each <b>500</b> (or part)	29.52 (per 500)	30.26 (per 500)
26.	Contested single election – payment to DRO for the management and conduct of the election – for each 500 electors or part	32.99	33.82
27.	Contested joint election – payment to DRO for the management and conduct of the election – for each 500 electors or part	45.56	46.70
28.	For each Counter attending training	15.68	16.07
29.	For each Count Supervisor and Count General Assistant attending training	31.37	32.15
30.	Reasonable refreshments for staff involved in the verification and count	Maximum £5.13 per head	Maximum £5.25 per head
31.	Payment to District/Borough Council for the use of Council staff at an uncontested election – for each 500 electors or part	16.29 (per 500)	16.69 (per 500)
32.	RO fee for the conduct of elections as follows:		
(a)	Uncontested District/Borough election – single fee	56.51	57.92
(b)	Uncontested Parish election – single fee	19.36	19.85
33.	For clerical and other	20.74	21.25

	assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)		
--	---	--	--

Notes

1. The fees are calculated on the number of local government electors on the register of electors and entitled to vote at the last day for publication of the notice of election.
2. At parish polls the fees relating to polling staff **may** be pro rata.
3. **Items 10, 11 and 12** – variable mileage rates may be applied where fixed travel is considered appropriate.
4. **Item 17-** has been additionally uplifted to meet the National Living Wage.
5. **Item 24** – in special circumstances, the RO may recover actual costs
6. **Item 31** – the payment referred to applies (in the case of a parish election) to each ward of the parish.

## Appendix I (H)

Information published in accordance with the guidance associated with the Code of Recommended Practice for Local Authorities on Data Transparency, which requires the publication of senior salaries within a £5,000 range.

### Details of remuneration and job title of senior employees whose basic salary is between £50,000 and £150,000.

Position	Reporting Unit	Remuneration	No of staff	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive Services	£120,000 - £124,999	302	£2,808,270	Returning Officer responsible for all elections and Head of Paid Service.
Director of Regeneration	Regeneration	£100,000 - £104,999	145	£10,648,530	
Head of Legal Partnership	Mid Kent Legal Services	£85,000 - £89,999	25	£427,220	Head of partnership with Maidstone and Tunbridge Wells Borough Councils.
Head of Commissioning, Environment & Leisure	Commissioning, Environment & Leisure	£80,000 - £84,999	45	£6,013,220	
Head of Housing, Economy and Community Services	Housing, Economy and Community Services	£80,000 - £84,999	65	£3,202,740	
Head of Planning Services	Planning Services	£80,000 - £84,999	30	£1,237,110	
Head of Policy, Communications & Customer Services	Policy, Communications & Customer Services	£80,000 - £84,999	31	£908,150	
Chief Financial Officer	Resources	£80,000 - £84,999	85	-£13,456,800	Section 151 Officer.
Financial Services Manager	Financial Services	£75,000 - £79,999	13	£791,700	
Information Governance Officer	Information Governance	£70,000 - £74,999	2	£100,140	
Head of Property Services	Property Services	£70,000 - £74,999	16	£240,250	
Economy & Community Services Manager	Culture and Places	£60,000 - £64,999	3	£609,500	
Resilience & Licensing Manager	Emergency Planning & Business Continuity	£60,000 - £64,999	5	£52,680	
Principal Lawyer - Commercial	Mid Kent Legal Services	£60,000 - £64,999	7	£0	

Private Sector Housing Manager	Private Sector Housing	£60,000 - £64,999	15	£341,840	
Development Manager	Development	£55,000 - £59,999	19	-£17,950	
Economy & Community Services Manager	Economy and Regeneration	£55,000 - £59,999	5	£328,620	
Environmental Services Manager	Environmental Services	£55,000 - £59,999	15	£4,265,800	
Housing Options Manager	Housing Options	£55,000 - £59,999	28	£1,085,740	
Leisure & Technical Services Manager	Leisure & Technical Services	£55,000 - £59,999	18	£1,176,710	
Principal Lawyer - Contentious/Corporate Governance	Mid Kent Legal Services	£55,000 - £59,999	6	£0	
Planning Policy Manager	Planning Policy	£55,000 - £59,999	8	£833,150	
Estates Surveyor	Property Services	£55,000 - £59,999	1	-£687,120	
Revenues & Benefits Manager	Revenues and Benefits	£55,000 - £59,999	45	£153,220	
Economy & Community Services Manager	Safer & Stronger Communities	£55,000 - £59,999	7	£543,270	
Head of Policy	Thames Gateway Kent Partnership	£55,000 - £59,999	0	£19,060	Funded by Medway, Swale and other partners.
Capital Projects Manager	Economy and Regeneration	£50,000 - £54,999	1	£0	

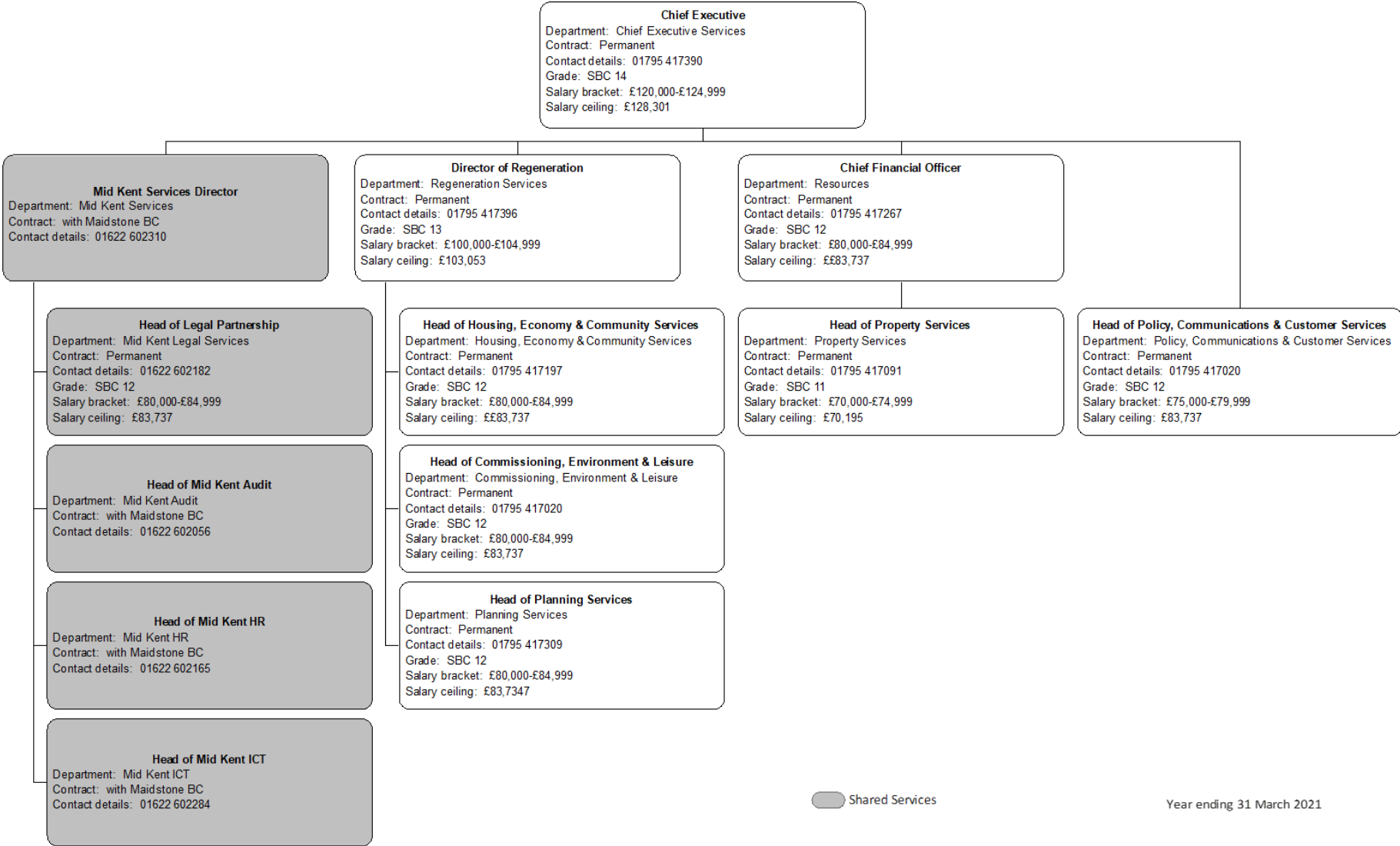
**Number of employees whose remuneration in 2020/21 is at least £50,000, in brackets of £5,000**

<b>Remuneration band</b>	<b>Number of employees in band</b>
£50,000 - £54,999	8
£55,000 - £59,999	11
£60,000 - £64,999	4
£65,000 - £69,999	0
£70,000 - £74,999	2
£75,000 - £79,999	1
£80,000 - £84,999	5
£85,000 - £89,999	1
£90,000 - £94,999	0
£95,000 - £99,999	0
£100,000 - £104,999	1
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	0
£120,000 - £124,999	1
<b>Total</b>	<b>34</b>

The Council has three shared services and a secondment arrangement that are managed by Heads of Service not directly employed by Swale Borough Council. The salary details for these post holders may be found in the transparency data of the relevant employing authority.

<b>Post</b>	<b>Employing Authority</b>
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council

# Swale Borough Council Organisation Chart



<b>Council Meeting</b>	
<b>Meeting Date</b>	24 February 2021
<b>Report Title</b>	Timetable of Meetings
<b>Cabinet Member</b>	Cllr Roger Truelove, Leader and Cabinet Member for Finance
<b>SMT Lead</b>	David Clifford, Head of Policy, Communications and Customer Services
<b>Head of Service</b>	David Clifford, Head of Policy, Communications and Customer Services
<b>Lead Officer</b>	Jo Millard, Senior Democratic Services Officer
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. That Council agrees the programme of meetings set out in Appendix I to this report.

## 1 Purpose of Report and Executive Summary

- 1.1 Each year to allow for future programming, the timetable is submitted to Council in February for Members to agree, and then it is presented to Annual Council for noting.

## 2 Background

- 2.1 The Constitution requires the Council to approve a programme of meetings for the forthcoming municipal year.
- 2.2 Appendix I sets out a suggested programme of meetings (including footnotes). This is largely based on the previous year's programme, with Council and Cabinet meetings scheduled to be more spread out throughout the year in order that deadlines for decision-making can be met.
- 2.3 The timetable also takes into account of the need to ensure that important financial decisions such as the budget are taken in a timely manner, that meetings of the planning committee are scheduled to allow timeliness targets to be achieved, and that dates are allocated for possible Cabinet Advisory Committee meetings (to replace the Policy and Development Review Committee), even though the establishment of these committees has not yet been formally agreed.
- 2.4 The timetable tries to ensure that as far as possible extraordinary meetings of committees will not be necessary, as these can be difficult to arrange and can have unplanned-for resource implications.

### **3 Proposal**

- 3.1 That Members agree the proposed programme of meetings for the ensuing municipal year.

### **4 Alternative Options**

- 4.1 The Council could suggest changes to the timetable of meetings, but the timetable has been carefully planned to ensure key deadlines for decision-making can be met. Any changes to the Committee structure would lead to amendments to the timetable of meetings.

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

- 5.1 The draft timetable has previously been circulated to the Group Leaders, the Scrutiny Chairman, the Policy Development and Review Committee Chairman, and the Strategic Management Team.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Agreeing a timetable of meetings in advance of the year ahead supports the delivery of all the Council's corporate plan priorities.
Financial, Resource and Property	The cost of servicing the Council's committees will be met within existing budgets. The establishment of any additional Committee dates would have financial and human resource implications.
Legal, Statutory and Procurement	None identified at this stage.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.



Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

## **7 Appendices**

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

- Appendix I: Timetable of Meetings.

## **8 Background Papers**

None.

This page is intentionally left blank

## Timetable of Meetings 2021 - 2022

Meeting	Day	May 2021	June 2021	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	March 2022	April 2022	May 2022
Council	Wed	19	23	28			6	10		12	23	30		18
Cabinet	Wed		9	14		22	27		8		9	16		
Cabinet Agenda Planning	Mon	24	28			6	11	22		24	28			
Audit Committee	Wed			26 <sup>Mon</sup>		15		24				9		
General Licensing Committee	Thurs			1						20				
General Purposes Committee <sup>i</sup>														
Licensing Act 2003 Committee	Thurs					9						29 <sup>Tu</sup>		
Local Plan Panel	Thurs			8		2	7	25		27		24		
Planning Committee	Thurs	27	24	22	19	16	14	11	9	13	10	10	7	12
Cabinet Advisory Committee x3 <sup>ii</sup>				6, 13, 20			5, 13, 20			11, 18, 25			5, 12, 19	
Policy Development & Review Committee		4												
Scrutiny Committee <sup>iii</sup>	Wed		17 <sup>Thu</sup>	21		23		17		19, 26	24 <sup>Thu</sup>	23		
Standards Committee <sup>iv</sup>	Tues		29					16						
Swale Joint Transportation Board	Mon		21			6			6		28			
Western Area Committee	Tues		1		31			30				1		
Sittingbourne Area Committee	Tues		8			7			7			8		
Sheppey Area Committee	Tues		15			14			14			15		
Eastern Area Committee	Tues		22			21			16 <sup>Th</sup>			22		
Member Training	Tu/We/Th		10 <sup>Th</sup>	27 <sup>Tu</sup>		8 <sup>We</sup> 29 <sup>We</sup>	12 <sup>Tu</sup>	18 <sup>Th</sup>	2 <sup>Th</sup>		22 <sup>Tu</sup>	17 <sup>Th</sup>	7 <sup>Th</sup> , 12 <sup>Tu</sup>	

Please see notes on next page.

## Timetable of Meetings 2021 - 2022

---

Notes:

- <sup>i</sup> None scheduled at the moment (merged with Appointments Committee, with Appointments Committee as a Sub-Committee)
- <sup>ii</sup> These are provisional meetings, to be confirmed at Annual Council, and if these go ahead PDRC would not continue
- <sup>iii</sup> 26 January 2022 – meeting for consideration of the budget (Cabinet Members expected to attend)
- <sup>iv</sup> Hearing sub-Committees will be arranged as and when, similar to the arrangement of Licensing Sub-Committee

<b>Council</b>	
<b>Meeting Date</b>	24 February 2021
<b>Report Title</b>	<b>Updated cabinet portfolio responsibilities</b>
<b>Cabinet Member</b>	Cllr Roger Truelove – Council Leader
<b>SMT Lead</b>	David Clifford – Head of Policy, Communications and Customer Services (Monitoring Officer)
<b>Head of Service</b>	
<b>Lead Officer</b>	
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<p>Council is asked to:</p> <ol style="list-style-type: none"> <li>1. <b>Note</b> the updated cabinet portfolio responsibilities set out at Appendix I.</li> <li>2. <b>Note</b> that the scheme of delegations set out in Part 3 of the constitution remains otherwise unchanged.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report provides council with an updated list of cabinet portfolio responsibilities following some recent changes.

## 2 Background

- 2.1 Under s11 of the Local Government Act 2000, councils operating a leader-and-cabinet executive model must appoint a cabinet consisting of the leader and between two and nine further members of the council. The membership and responsibilities of the cabinet are within the gift of the leader, but the custom at Swale is for council to be notified of these.

## 3 Proposals

- 3.1 Council is now **recommended** to note the updated cabinet portfolio responsibilities set out at Appendix I, and to note that the scheme of delegations set out in Part 3 of the council's constitution remains otherwise unchanged.

## 4 Alternative Options

4.1 As the proposals in the report are for noting only, there are no alternative options.

## 5 Consultation Undertaken or Proposed

5.1 This is a matter for the leader to determine, and consultation has therefore been restricted to cabinet members.

## 6 Implications

Issue	Implications
Corporate Plan	The cabinet has primary responsibility for delivery of all the objectives in the corporate plan.
Financial, Resource and Property	The arrangements in Appendix I include cabinet portfolios with responsibility for finance and property matters.
Legal, Statutory and Procurement	Relevant legal considerations are outlined in the body of the report.
Crime and Disorder	The arrangements in Appendix I include a cabinet portfolio with responsibility for crime and disorder matters.
Environment and Climate/Ecological Emergency	The arrangements in Appendix I include a cabinet portfolio with responsibility for the environment and the climate and ecological emergency.
Health and Wellbeing	The arrangements in Appendix I include a cabinet portfolio with responsibility for health and wellbeing matters.
Risk Management and Health and Safety	No specific implications identified at this stage.
Equality and Diversity	No specific implications identified at this stage.
Privacy and Data Protection	No specific implications identified at this stage.

## 7 Appendices

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

- Appendix I: Cabinet portfolio responsibilities

## 8 Background Papers

8.1 There are no background papers.

**CABINET PORTFOLIOS (February 2021)****Leader and Finance (Cllr Roger Truelove; Deputy for Finance: Cllr Derek Carnell)**

- Cross-party and cross-portfolio issues, including code of conduct
- Regional and national issues including relationships with central government, Kent County Council and other Kent districts
- Strategic business planning and organisational reform, including business improvement, digitisation and shared services
- Medium-term financial strategy, budget setting, budget management and VfM
- Overall risk management, including management of financial and health/safety risks
- Customer services and complaints
- Communications, including website
- Commissioning and procurement, including negotiating on new contracts
- Revenues and benefits, council tax collection and council tax support
- Human resources, including employee relations and welfare
- Support services including Internal Audit, Legal and ICT
- Members' and officers' learning and development
- Performance management
- Council-related health and safety
- Emergency planning and business continuity

**Deputy Leader and Planning (Cllr Mike Baldock) (Deputy: Cllr Alastair Gould)**

- Deputy to the Leader
- Constitutional reform
- Building and development control, including planning enforcement
- Local plan and associated policy framework, Gypsy and Traveller area assessment, neighbourhood planning
- Heritage, conservation and closed churchyards
- Section 106 and Community Infrastructure Levy
- Land charges
- Highways and transportation matters

**Community and Public Realm (Cllr Richard Palmer) (Deputy: Cllr Elliott Jayes)**

- Crime, disorder and antisocial behaviour issues, including CCTV and the Community Safety Partnership
- Relationships with the voluntary and community sector and parish and town councils
- Schools liaison, the Youth Forum and other relevant partnerships
- Licensing matters
- On and off-street parking facilities and enforcement including Joint Transportation Board processes
- Armed Forces Covenant and War Memorial management
- Promotion of special projects

**Economy and Property (Cllr Monique Bonney) (Deputy: Cllr Sarah Stephen)**

- Economic development, including inward investment, business engagement and the Swale Economy and Regeneration Partnership
- Tourism, concessions and beach huts
- Council and community asset management
- Regeneration projects, including relationship with Homes England
- Town centre management and markets
- Learning and skills, including further education, apprenticeships and adult and community learning
- Sea fronts, coastal resorts, harbours and quays
- External funding (including any grants received)

**Environment (Cllr Julian Saunders) (Deputy: Cllr Eddie Thomas)**

- Climate and ecological emergency
- Major contracts: street cleansing, refuse collection, recycling and public conveniences
- Flooding, sea defences and coastal protection
- Greenspaces development and operations including grounds maintenance, cemeteries, woodlands, urban and country parks
- Air quality management
- Environmental response, including fly-tipping, contaminated land, animal welfare, pollution control (including noise and pests), illegal encampments and littering FPNs



### **Health and Wellbeing (Cllr Angela Harrison) (Deputy: Cllr Hannah Perkin)**

- Health and social care matters, including health inequalities, public health, relationships with CCGs and liaison with adult social care
- Children and young people, including liaison with children's social care
- Child and vulnerable adult safeguarding
- Promoting social inclusion
- Environmental health enforcement issues including food hygiene and public-focused health and safety
- Leisure and sport, including management of current contracts and relationships with relevant trusts
- Play area and outdoor fitness equipment - development and maintenance
- Relevant partnerships including Health and Wellbeing Board, Local Children's Partnership Group, Early Years District Advisory Board and the Mental Health Action Group
- Equality and diversity

### **Housing (Cllr Ben J Martin) (Deputy: Cllr Ghlin Whelan)**

- Housing advice, homelessness prevention, housing register and all housing-related services and strategies
- Affordable and social housing, including liaison with registered providers and developers
- Disabled facilities grants, home improvement and Staying Put
- Empty dwellings, and bringing them back into use
- Private sector housing support and enforcement, and landlord accreditation scheme

This page is intentionally left blank

Council: 24 February 2021

## Recommendations for Approval

Council is asked to note the following recommendations which are the subject of reports elsewhere on the Agenda:

### Cabinet Meeting held on 10 February 2021

Minute No. 447 – Medium Term Financial Plan

#### ***Recommended:***

- (1) That the 2021/22 Revenue Budget proposals be approved.***
- (2) That the proposed Council Tax Band D increase of £184.32 for 2021/22 be approved.***
- (3) That the Medium Term Financial Plan be noted.***
- (4) That the Capital Strategy be approved.***
- (5) That the Capital Programme proposals be approved.***
- (6) That the additional amount of Council Tax for Parish Precepts be noted.***
- (7) That the Minimum Revenue Provision Statement as set out in Appendix VIII be approved.***

Minute No. 448 Treasury Management Strategy and Investment Strategy 2021/22

#### ***Recommended:***

- (1) That the Treasury Management Strategy 2021/22 and the Prudential and Treasury Management Indicators be approved.***

This page is intentionally left blank