



AGENDA

POLICY AND RESOURCES COMMITTEE MEETING

Date: Wednesday, 13 July 2022

Time: 7.00 pm

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

Membership:

Councillors Mike Baldock (Chair), Monique Bonney (Vice-Chair), Lloyd Bowen, Derek Carnell, Mike Dendor, Tim Gibson, Mike Henderson, Alan Horton, Julian Saunders, David Simmons, Bill Tatton, Roger Truelove, Tim Valentine, Mike Whiting and Corrie Woodford.

Quorum = 5

Pages

Information for the Public

*Members of the press and public may follow the proceedings of this meeting live via a weblink which will be published on the Swale Borough Council website.

Link to meeting: To be added.

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(a) in the event of the alarm sounding, everybody must leave the building via the nearest safe available exit and gather at the Assembly points at the far side of the Car Park. Nobody must leave the assembly point until everybody can be accounted for and nobody must return to the building until the Chairman has informed them that it is safe to do so; and

(b) the lifts must not be used in the event of an evacuation.

Any officers present at the meeting will aid with the evacuation.

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

2. Apologies for Absence and Confirmation of Substitutes

3. Minutes

To approve the [Minutes](#) of the Meeting held on 8 June 2022 (Minute Nos. 59 – 65) as a correct record.

4. Declarations of Interest

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

The Chair 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 Interests (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.

Part A reports for Recommendation to Council

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| 5. | Proposed Constitution Amends | 5 - 10 |
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Part B Reports for Decision by the Policy and Resources Committee

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| 7. | Handover Report: Executive model to Committee System | 13 - 18 |
| 8. | Council Tax Reduction Scheme 2023/24 | 19 - 28 |
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| 10. | Recommendations from the Swale Joint Transportation Board meeting held on 20.06.2022 | 41 - 42 |
| 11. | Recommendations from the Planning and Transportation Policy Working Group 06.07.2022 - To follow | |

Issued on Tuesday, 5 July 2022.

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 the Committee, please visit www.swale.gov.uk

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

Policy and Resources Committee Meeting	
Meeting Date	13 July 2022
Report Title	Constitution changes: Amendments to recommendations in committee reports, and notification to parish councils when the head of planning determines representations are not based on relevant planning considerations
EMT Lead	David Clifford
Head of Service	Head of Policy, Governance and Customer Services (Monitoring Officer)
Lead Officer	
Classification	Open
Recommendations	<p>Policy and Resources committee is asked to:</p> <ol style="list-style-type: none"> 1. Consider the constitutional changes set out in paragraphs 3.4 and 3.6 of the report and endorse these for recommendation to full council. 2. Consider the constitutional change set out in paragraph 3.11 of the report and endorse this for recommendation to full council.

1 Purpose of Report and Executive Summary

- 1.1 This report asks the Policy and Resources committee to recommend a constitutional change to full council intended to ensure that amendments to recommendations in service committee reports are notified in sufficient time for officers to appraise their financial and other implications in order that committees are able to take appropriately informed decisions.
- 1.2 In addition, the report asks the Policy and Resources committee to recommend a further change to full council intended to ensure that in cases where the head of planning determines that they are able to exercise their delegation to determine applications because representations received from town or parish councils are not based on relevant planning considerations, they will write to the town or parish council concerned to advise them of this.

2 Background

- 2.1 Council voted unanimously in October last year to move to a committee system of governance from the 2022/23 municipal year. At the same meeting, council requested the cross-party working group which had been established to consider this governance change to continue its work in overseeing the detail of the new constitution. The working group comprises Cllrs Baldock (chair), Bonney, Darby, Ingleton, Martin, Simmons, Truelove and Valentine.

- 2.2 Since the adoption of the new constitution in April and its coming into effect in May, the working group has continued to meet, with a view both to monitoring the working of the new constitution in practice and recommending improvements where necessary, and to working through the 'issues log' of areas of the old constitution which the group agreed could benefit from review but which were not essential to implementing the move to the committee system.
- 2.3 In the old constitution there was an element of confusion with regard to the extent to which council procedure rules were also applicable to committee meetings. A rule was included which indicated which rules did and did not apply to committees, but it was not always obvious at first glance whether or not a given rule was applicable. The new constitution tries to improve on this situation by marking rules which are only applicable to council meetings and not to committees with an asterisk.
- 2.4 Because the rules of debate on motions with notice at a council meeting are necessarily more restrictive than would be appropriate for other decision-making meetings, the rules of debate at section 3.1.16 of the new constitution are correctly marked with an asterisk to show that they apply only to council meetings. These rules of debate include (at section 3.1.16.4) the rules on amendments to motions, covering among other things the requirement for amendments generally to have been notified in advance of meetings, not least in order that officers can consider whether there are financial or other significant implications.
- 2.5 In the cabinet system, amendments to recommendations being considered at formal cabinet meetings were extremely rare, because the relevant cabinet member and senior officers would have worked with the rest of cabinet in advance of the meeting to ensure that the recommendations as written would be acceptable to the whole meeting.
- 2.6 Clearly in the committee system there is more scope for members to propose amendments to officers' recommendations, and this is as it should be, but service committees still need to take decisions in an informed and evidence-based way. Without officers having an opportunity to work through the implications of amendments in advance of committee meetings, members could find themselves in the invidious position of having to choose between making a decision the ramifications of which are not fully understood and deferring making any decision at all until a subsequent meeting.

3 Proposals

- 3.1 In order to prevent this type of scenario arising, the constitution working group's proposal is that the constitution should be altered to introduce a requirement for amendments to recommendations in reports at service committees to be notified in advance of the meeting in a similar way to amendments to council motions.

- 3.2 This is not as straightforward as simply making the council rule apply to other committees, partly because the requirement is different and partly because there is no requirement for the new rule to change the way committees other than service committees operate, so the rule needs to apply only to service committees.
- 3.3 As is the case already with council motions, the working group's view is that committee chairs need to have a degree of flexibility to waive the requirement for prior notification of amendments in cases where a majority of the committee appears to be supportive of the proposed amendment and any implications are either de minimis and/or already clearly understood.
- 3.4 With this in mind, the proposal is to add a new procedure rule as section 3.1.17 of the constitution, as follows:

3.1.17 Amendments to report recommendations at service committees including Policy and Resources committee

Written notice of every proposed amendment to a recommendation in a report to a service committee, signed or forwarded by email by a proposer and seconder, must be given to the proper officer not later than 10.00am on the day preceding the relevant service committee meeting. These will be recorded and open to public inspection. Committee chairs may waive this rule during meetings in cases in which it appears to them that a proposed amendment would have the committee's support and that any implications arising from the amendment would be de minimis and/or clearly understood prior to the amendment being agreed.

- 3.5 In practice, this would mean that all members would be notified by Democratic Services of the proposed amendment the day before the meeting. It would also allow time for the officer presenting the report and recommendation to consider the implications of the amendment, taking advice from statutory and other senior officers as appropriate, in order to be in a position to answer members' questions on the amendment and thereby ensure committee decision-making is as informed and as evidence-based as it should be.
- 3.6 In order to assist readers in understanding the difference between this rule and that applying to motions at council meetings, the constitution working group further recommends adding a sentence to the final paragraph of section 3.1.16.4 on amendments to motions. The paragraph currently reads:

Amendments to recommendations contained in committee or officer reports to be considered by Council will be debated in the same way as amendments to motions.

It is proposed to add the following sentence to this:

Amendments to recommendations in reports to service committees are dealt with in section 3.1.17 below.

- 3.7 Policy and Resources committee is now **recommended** to consider the changes to the constitution set out above and endorse them for recommendation to full council.
- 3.8 A further constitutional matter which has arisen in the working group is that of the head of planning's delegation to determine applications (delegation 2.18.15.1) and the qualifications that apply to this delegation (set out in delegation 2.18.15.2).
- 3.9 Among other restrictions, delegation 2.18.15.2 states that the delegation to determine applications will not be exercised in cases where the decision of the head of planning would conflict with written representations from a parish or town council, provided that such representations are, in the opinion of the head of planning, based on relevant planning considerations. This section of the delegation as it stands reads as follows:

The delegated powers in [2.18.15.1] above shall not be exercised in the following circumstances: [...]

Applications where the decision of the Head of Planning would conflict with any written representation received within the specified representation period from:

(i) Any Member of the Borough Council;

(ii) A statutory consultee;

(iii) A Parish or Town Council;

Provided that any such representations from (ii) or (iii) above are, in the opinion of the Head of Planning, based upon relevant planning considerations.

- 3.10 The working group considered and debated this delegation, and reached a consensus that the substance of the delegation and the qualifications to it do not need to be amended, but that in cases where the head of planning determines that a town or parish council's representation is not based on relevant planning considerations – and that determination of the application does not therefore need to be a matter for the planning committee – the town or parish council should be advised of this.
- 3.11 The working group therefore proposes to add the following text to delegation 2.18.15.2:

Where the head of planning determines that a representation from (iii) above is not based on relevant planning considerations, they will write to the town or parish council to advise them of this.

- 3.12 Policy and Resources committee is now **recommended** to consider this change to the constitution and endorse it for recommendation to full council.

4 Alternative Options

- 4.1 Policy and Resources committee could decide that there is no need for these changes and therefore not to recommend them to council. However, this could create situations in which service committees had either to take decisions based

on insufficient information or to defer those decisions until the information was available, or in which town and parish councils were left unaware that a planning application on which they had submitted representations would not go the planning committee. This option is therefore not recommended.

5 Consultation Undertaken or Proposed

- 5.1 The recommendations in the report have been developed by the cross-party constitution working group, the membership of which is set out in paragraph 2.1 above.

6 Implications

Issue	Implications
Corporate Plan	The recommendations in the report would support the council's fourth corporate plan priority of 'Renewing local democracy and making the council fit for the future'.
Financial, Resource and Property	One of the most significant scenarios which the first recommendation in the report is intended to avoid is that in which an amendment with cost implications is tabled on the night of a committee meeting, and the officers present, in the absence of any notice, are unable to provide members with sufficient detail on those costs and the relevant budgets for them to make an informed decision.
Legal, Statutory and Procurement	There is an extensive body of case law in which the courts have developed legal principles governing how public authorities exercise their powers and make decisions. These include a need for decisions to have been made reasonably, taking into account relevant factors and not taking into account irrelevant factors. The first recommendation in the report would strengthen the likelihood that members were adequately apprised of relevant factors when deciding whether to agree amendments to report recommendations.
Crime and Disorder	No specific implications identified at this stage.
Environment and Climate/Ecological Emergency	No specific implications identified at this stage.
Health and Wellbeing	No specific implications identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	No specific implications identified at this stage.
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.
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7 Appendices

7.1 There are no appendices.

8 Background Papers

8.1 There are no background papers.

Policy and Resources Forward Decisions Plan

Report title, background information and recommendation(s)	Date of meeting	Open or exempt?	Lead Officer and report author
<p>Handover Report: Executive model to committee system</p> <p>1.1 this report is intended to ensure that all Policy and Resources Committee members have a shared understanding of the Committee’s remit, including the services it controls, and of current issues and large pieces of work relevant to that remit.</p>	13.7.22	Open	<p>Lead officer: David Clifford</p> <p>Report Author: David Clifford</p>
<p>Council Tax Reduction Scheme 2023/24</p> <p>We are required to review our Council Tax Support Scheme on an annual basis and to put a scheme for 2023/24 in place by March 2023. The recommendation for the scheme for 2023/24 is to go out to</p>	13.7.22	Open	<p>Lead officer: Lisa Fillery</p> <p>Report author: Zoe Kent</p>

consultation to seek views on the move to a banded Council Tax Reduction Scheme.			
<p>Financial Management Report – Outturn 2021/22</p> <p>1.1 This report sets out the revenue and capital outturn position for 2021/22. The report is based on service activity for the whole of 2021/22 and is collated from monitoring returns from budget managers.</p>	13.7.22	Open	<p>Lead Officer: Phil Wilson</p> <p>Report Author: Phil Wilson and Caroline Frampton</p>

Policy and Resources Committee	
Meeting Date	13 July 2022
Report Title	Handover report: Executive model to committee system
EMT Lead	Larissa Reed – Chief Executive
Head of Service	David Clifford
Lead Officer	Head of Policy, Governance and Customer Services
Classification	Open
Recommendations	The committee is asked to <i>note</i> the contents of the report.

1 Purpose of Report and Executive Summary

- 1.1 This report is intended to ensure that all Policy and Resources committee members have a shared understanding of the committee’s remit, including the services it controls, and of current issues and large pieces of work relevant to that remit. Similar reports have been provided to all of the new service committees.

2 Background

- 2.1 Council agreed unanimously in October 2021 to move to a committee system of governance from the 2022/23 municipal year, and the new constitution was adopted in April 2022. The constitution establishes five politically-balanced service committees to undertake the decision-making on what would previously have been executive matters.
- 2.2 The Policy and Resources committee’s functions are slightly different to those of the other service committees, having a role in coordinating the work of the other committees. Policy and Resources sets council policy on all matters not reserved to full council, generally based on recommendations from the other service committees. Policy and Resources also proposes the annual budget, the medium-term financial plan and the policy framework (which includes major policies and strategies such as the local plan and the corporate plan) to full council.
- 2.3 As with the other service committees, Policy and Resources has a number of areas of responsibility on which it is able to make decisions under delegation from council. These are generally corporate, strategic and/or cross-cutting in nature, and are set out in paragraph 2.2.1.3 of the constitution as follows:
- i. corporate strategy and corporate plan;
 - ii. development of annual budget and medium-term financial plan;
 - iii. overall budget management;
 - iv. overall risk management;
 - v. overall performance management;

- vi. organisational health and safety;
- vii. customer services, including oversight of service-related complaint handling;
- viii. communications including website;
- ix. transformation and digitisation;
- x. commissioning and procurement systems and processes;
- xi. revenues and benefits, including council tax collection and CT support;
- xii. corporate services including all Mid-Kent Services functions;
- xiii. cemeteries;
- xiv. members' and officers' learning and development;
- xv. equality and diversity;
- xvi. resilience, including emergency planning and business continuity; and
- xvii. all matters relating to the Council's responsibilities as an employer.

2.4 The 'proposals' section below provides committee members with some essential background information on some of these areas of responsibility.

3 Proposals

Corporate plan objectives

3.1 The corporate plan 2020-2023, which was adopted by council in October 2020, includes 20 strategic objectives grouped under four overarching priorities. The corporate plan objectives set out in the table below fall largely or exclusively within the remit of the Policy and Resources committee.

Objective	Summary of current position
<p><i>Priority 1:</i> <i>Building the right homes in the right places and supporting quality jobs for all</i></p>	
<p>1.1 Use the local plan review to ensure that future housing delivery is more closely aligned to the borough's ability and capacity to provide for genuine sustainable housing needs, in terms of location, type and tenure, and that the impact of housing growth is offset through improved physical, environmental, social and health infrastructure.</p>	<p>In the new governance system, the planning and transportation policy working group will lead on the review of the local plan, making recommendations to Policy and Resources (in some cases for onward recommendation to full council) as appropriate. The next step in the timetable is a second Reg 19 consultation, which is expected to take place in the early autumn.</p>
<p>1.3 Encourage the development and innovation of high-quality sustainable housing on brownfield land in urban centres, with an appropriate range of</p>	<p>The consultation on the Sittingbourne town centre supplementary planning document closed at the end of March, and officers are now assessing responses. A final version</p>

Objective	Summary of current position
tenure options, improving the appearance, biodiversity, and economic and environmental sustainability of our towns.	of the SPD is due to come to members early in the new municipal year.
<p>Priority 4: <i>Renewing local democracy and making the council fit for the future</i></p>	
4.1 Review the council's constitution to diffuse decision-making power more widely among elected members and improve the transparency, responsiveness and public accountability of that decision-making.	The council made the move to a committee system of governance at annual council in May. Training has been provided to members and officers, but there will be an ongoing need to keep both the governance mechanisms and the need for training under review as the new system beds in.
4.3 Develop a cross-departmental corporate ethos focused on the priorities in the corporate plan, and embed the Swale Manager programme to ensure a consistent understanding of the council's expectations of all managers.	Since the management restructure last year, a newly created 'executive management team' is now the senior managerial leadership team for the council. The Swale Manager programme is now largely complete and embedded, with a standard range of training being mandated or offered to all new and existing managers.
4.4 Continue to reduce dependence on government-controlled funding sources and support staff to find innovative ways to ensure other objectives can be met in the context of diminished resources.	The purpose of this objective is to maximise income from sources other than government grant while also seeking to ensure that core services are delivered as efficiently as possible. The council has a long history of operational business process improvement, and officers are now in the early stages of developing a digitisation roadmap to provide more strategic direction to some of this work.

Key policies and strategies

- 3.2 One of the ways in which the committee system differs from the executive model is the absence of individual member decision-making and the need, which to some extent flows from that, for members to control and direct the activities of the organisation by means of policies and strategies. While it will be for Policy and Resources to adopt all of the council's policies and strategies the adoption of which is not reserved to full council, the committee will want to take a particular interest in those policies and strategies which relate to matters within its own remit.

- 3.3 The most far-reaching of these is always likely to be the corporate plan, which sets out an overarching statement of the council's strategic priorities, generally for a four-year period beginning and ending with borough council elections. Each priority usually covers a number of more specific and more measurable strategic objectives, articulating both local political aspirations and the council's response to anticipated changes to the policy and fiscal context in which it operates.
- 3.4 The corporate plan's primary purpose is to ensure that the organisation's resources are coherently allocated in support of agreed priorities, although resourcing the provision of statutory services will of course always be fundamental whether or not those services are seen as strategic priorities. It is expected that work will begin on a new corporate plan shortly after the borough election next year.
- 3.5 Other policies and strategies covering matters within the Policy and Resources committee's remit are expected to come up for renewal in the current municipal year. The council needs to adopt a new corporate equality scheme, and a first draft of this is expected to come to the committee later in this calendar year.
- 3.6 The council has a loose programme of interrelated projects and initiatives all broadly aimed at ensuring customers can transact with the council in ways that suit them and which result in cost savings and more effective processes for the council. The rollout of Microsoft 365 (of which Teams is a part) has significant implications for how the organisation works, and is a key component of the programme.
- 3.7 This work on transformation and digitisation would benefit from a 'roadmap' to clarify the strategic objectives and establish the necessary workstreams and their expected milestones. The work to produce a roadmap has only just begun, but something is likely to be available for members to consider during the autumn.

Current issues and large pieces of work

- 3.8 There are a number of ongoing issues which fall within the remit of the Policy and Resources committee. These are summarised in the paragraphs below.
- 3.9 ***2023/24 budget and medium-term financial plan:*** The budget gap which will need to be closed to achieve a balanced budget proposal by December is likely to be in the order of £2.8m, but could be above £4m, depending on what the government decides on the future of the new homes bonus. This is an unprecedented amount, requiring robustly evidenced savings proposals.
- 3.10 ***Officer engagement/wellbeing and recruitment/retention:*** Swale participates in the Best Companies 'B Heard' staff engagement and wellbeing survey every two years, with the last survey taking place in late 2021. The overall results were a slight improvement on the previous year, but there are significant concerns in relation to the wellbeing aspect of the survey. Survey responses on wellbeing and work-life balance were worrying at most levels of the organisation. A failure to address these issues would cause staff retention problems and exacerbate the

significant recruitment difficulties which are already being experienced in a number of specialisms.

- 3.11 **Mid-Kent Improvement Partnership (MKIP):** MKIP is a partnership between Swale, Maidstone and Tunbridge Wells councils, begun in 2008, aimed at sharing and aligning services in order to save money, share talent and increase the resilience of small teams. Shared services within MKIP are largely corporate or back office functions (HR, ICT, legal, audit, planning support). Given the centrality of the shared services to Swale's ability to achieve its objectives in the context of reduced resources, it is essential that Swale engages fully with the partnership and its governance going forwards.
- 3.12 **Shared revenues and benefits service:** Maidstone and Tunbridge Wells councils have long shared a revenues and benefits service, with Swale participating in this in respect of joint procurement for the revenues and benefits system and some relatively peripheral areas of the service. Work is now being undertaken to consider whether joining this arrangement would enable Swale to improve its processes and create efficiencies with minimal impact on existing claimants. A prerequisite to this would be the adoption of a banded council tax support scheme, and a decision on this is expected to come to the committee for recommendation to council during the summer.
- 3.13 **Energy rebate scheme:** The administration of the government scheme to provide a £150 'rebate' on council tax bills to households in Band A-D properties continues to be a major headache to councils across the country. Despite some significant initial problems, the payments have now been made to the 34,000 (62%) Swale households who pay their council tax by direct debit. An online form has been developed to enable the remaining 21,000 (38%) potentially eligible households to apply, and all these households have been individually written to, inviting applications. However, checking the eligibility of these households and setting up the payments is a very resource-intensive process which is expected to absorb much of the capacity of the revenues and benefits team for several more months.
- 3.14 **Waste contract:** While agreeing a new waste contract is primarily a matter for the environment committee, in the event that negotiations are unable to result in a contract cost within the budget framework agreed by council, a decision will need to go back to council with a recommendation from the Policy and Resources committee. Equally, were any new contract to entail significant changes in what could be regarded as council policy on waste (for example major changes to the collection methodology), this could require a decision by Policy and Resources.

4 Alternative Options

- 4.1 As the report is for noting only, there are no alternative options.

5 Consultation Undertaken or Proposed

5.1 As the report is for noting only, no consultation has been undertaken or is proposed.

6 Implications

6.1 As the report is for noting only, there are no implications arising from the recommendations.

7 Appendices

7.1 There are no appendices.

8 Background Papers

- Swale's [corporate plan 2020-2023](#)

Policy and Resources Committee	
Meeting Date	13 July 2022
Report Title	Council Tax Reduction – Permission to Consult
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Revenues and Benefits Manager
Lead Officer	Zoe Kent, Revenues and Benefits Manager
Classification	Open
Recommendations	The Committee is asked to approve that the Council will consult with the public and Major Precepting Authorities on the introduction of a new income banded / grid scheme for working age applicants with effect from 1 st April 2023 to reduce the administrative burden placed on the Council by the introduction of Universal Credit and to better target the overall level of support for the lowest income families.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to request permission to undertake a consultation with both the public and the Major Precepting Authorities in respect of proposed changes to the Council's Council Tax Reduction Scheme with effect from 1st April 2023.
- 1.2 Each year the Council is required to review its Council Tax Reduction Scheme in accordance with the requirements of the schedule 1A of the Local Government Finance Act 1992 and to either maintain the scheme or replace it.
- 1.3 Council Tax Reduction (CTR) was introduced from 1 April 2013 when it replaced the Central Government funded Council Tax Benefit regime. From its inception, the funding available to the Council from government has reduced year on year.
- 1.4 As with the majority of authorities within England, the Borough Council needs to make changes to the CTR scheme for working age applicants (the scheme for pension age applicants is prescribed by Central Government) in order to reduce the significant administrative burden placed on the Council by the introduction of Universal Credit.
- 1.5 This report requests permission to consult on changes required to the scheme and makes recommendation to members for the 2023/24 scheme.

2 Background and Proposals

- 2.1 Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme administered on behalf of the Department for Work and Pensions (DWP). As part of the introduction, the Government:
- Placed the duty to create a local scheme for **Working Age** applicants with billing authorities;
 - Reduced initial funding by the equivalent of ten per cent from the levels paid through benefit subsidy to authorities under the previous Council Tax Benefit scheme; and
 - Prescribed that persons of **Pension age** would be dealt with under regulations set by Central Government and not the authorities' local scheme.
- 2.2 Since that time, funding for the Council Tax Reduction scheme has been amalgamated into other Central Government grants paid to Local Authorities and also within the Business Rates Retention regime. It is now generally accepted that it is not possible to identify the amount of funding actually provided from Central Government sources.
- 2.3 The current Council Tax Reduction scheme administered by the Council is divided into two schemes, with pension age applicants receiving support under the rules prescribed by Central Government, and the scheme for working age applicants being determined solely by the local authority.
- 2.4 Pensioners, subject to their income, can receive up to 100 per cent support towards their council tax. The Council has no power to change the level of support provided to pensioners and therefore any changes to the level of CTR can only be made to the working age scheme.
- 2.5 When Council Tax Reduction was introduced in 2013, for working age applicants, the Council broadly adopted the previous means tested Council Tax Benefit scheme as the basis of awarding support. Due to the reduction in funding from Central Government, the Council also required working age applicants, to pay a minimum payment of 20%.
- 2.6 Since that time only slight changes have been made to bring the scheme into line with either Housing Benefit or Universal Credit

The main issues with the current scheme

- 2.7 There are a number of issues with the current scheme that will need addressing if the system is to continue to provide effective support to low-income taxpayers and also if the Council is able to provide the service in an efficient manner. The main issues are as follows:
- The need to assist low-income households and assist in the collection of Council Tax;
 - The introduction of Universal Credit for working age applicants; and
 - The need for a simplification of the scheme.

2.8 Each of the above are examined in detail below:

The need to target support to low-income households and assist in the collection of Council Tax

- 2.9 Since 2013, the introduction of Council Tax Reduction, the majority of authorities, including the Council have required all working age applicants to pay a minimum payment.
- 2.10 As with a large number of authorities, there is a strong view that support should be largely targeted to those on the lowest incomes. This view has gained momentum over the past few years but has been reinforced since the COVID-19 crisis which has had a major effect on incomes generally.
- 2.11 Whilst the principle of all working age households paying 'something' was initially thought to be an approach that would be central to the design of Council Tax Reduction, the reality is that, since its introduction, low-income taxpayers, the poorest households, have been unable to pay the balance leading to additional costs, court, and enforcement action and, in some cases, the amounts demanded have been written off as uncollectable.
- 2.12 The costs of administration of these cases by the Council has increased significantly over the years. These costs are borne solely by the Council.

Council Tax Reduction and the roll out of Universal Credit

- 2.13 The introduction of Universal Credit within the area has, as experienced in all other areas, brought a number of significant challenges to both the administration of Council Tax Reduction and also the collection of Council Tax generally. All Councils have experienced the following:
- The reluctance of Universal Credit claimants to make a prompt claim for Council Tax Reduction leading to a loss in entitlement;
 - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions requiring a change to Council Tax Reduction entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum. These changes result in amendments to Council Tax liability, the re-calculation of instalments, delays, and the demonstrable loss in collection; and
 - The increased costs of administration through multiple changes with significant additional staff and staff time being needed.
- 2.14 It is clear that the existing means tested Council Tax Reduction scheme, which is too reactive to change, will not be viable in the longer term now that Universal Credit has been rolled out fully within the area and with the massive increase in Universal Credit claimants due to the COVID-19 crisis. The move to a new more efficient scheme from 2023 is now imperative.

The need for a simplified approach to the Council Tax Reduction Scheme.

- 2.15 Notwithstanding the introduction of Universal Credit, the existing scheme is based on an 'old fashioned;' means tested benefit scheme. It has major defects namely:
- It is complex for customers to understand and is based on a complex calculation of entitlement;
 - The administration for staff is complex, with staff having to request significant amounts of information from applicants;
 - Staff have to undergo significant training to be proficient in processing claims;
 - The timescales for processing applications is lengthy, mainly due to the complexity and evidence required to support the applications; and
 - The administration of the scheme is costly when compared to other discounts for Council Tax.
- 2.16 Clearly there is a need now to simplify the scheme, not only to mitigate the effects of Universal Credit, but also make it easier for customers to make a claim and to significantly reduce the costs of administration.

The proposed approach for the 2023/24 Council Tax Reduction Scheme

- 2.17 In view of the problems being experienced with the current scheme, it is proposed that an alternative approach be taken from 2023/24. The approach has been to fundamentally redesign the scheme to address all of the issues with the current scheme and in particular;
- (a) The level of support available to the poorest households;
 - (b) The problems with the introduction of full-service Universal Credit; and
 - (c) The significant increase in administration costs due to the high level of changes received in respect of Universal Credit;
- 2.18 Work has been ongoing since early this year on a new scheme. Consultation now needs to be undertaken with the public and the major precepting authorities. If accepted by the Council, the new scheme will take effect from 1st April 2023.
- 2.19 The proposed new scheme has a number of features as follows:
- More targeted support shall be given to those households on the lowest of incomes than in the current scheme, the process for those claiming Universal Credit will be simplified;
 - The changes can **only be made to the working age schemes** as the current schemes for pensioners is prescribed by Central Government;
 - The current means - tested schemes will be replaced by a simple income grid model an example is shown below:

Example bandings for illustrative purposes only

Band	Reduction %	Single	Single plus 1 dependant	Single plus 2 dependants	Couple	Couple plus 1 dependant	Couple plus 2 dependants
		Weekly Income levels					
Band 1	80%	Maximum UC/JSA/ESA/IS	Maximum UC/JSA/ESA/IS	Maximum UC/JSA/ESA/IS	Maximum UC/JSA/ESA/IS	Maximum UC/JSA/ESA/IS	Maximum UC/JSA/ESA/IS
Band 2	80%	Less than £77.50	Less than £162.50	Less than £229	Less than £121.50	Less than £206.50	Less than £273.50
Band 3	60%	£77.50 - £117.49	£162.50 - £202.49	£229 – £268.99	£121.50 - £161.49	£206.50 - £246.49	£273.50 - £313.49
Band 4	40%	£117.50 - £157.49	£202.50 - £242.49	£269 – £308.99	£161.50 - £201.49	£264.50 - £286.49	£313.50 - £353.49
Band 5	20%	£157.50 - £197.50	£242.50 - £282.50	£309 – £349	£201.50 - £241.50	£286.50 - £326.50	£353.50 - £393.50

- It is proposed that the highest level of discount will be available for Band 1 and Band 2, all current applicants who are on a low income or that are in receipt of a ‘passport benefit’ such as Income Support, Jobseeker’s Allowance (Income Based) and Employment and Support Allowance (Income Related) receive maximum discount:
- Discount levels from Band 2 are based on the applicant’s and partner’s, (where they have one) net income. **It should be noted that the discount levels and levels of income shown in Table 1 are for example only and will be determined prior to consultation with the major preceptors and the public / other stakeholders;**
- The scheme will allow for variation in household size with the levels of income per band increasing where an applicant has a partner, and / or dependants;
- Ideally there will be no charges made where an applicant had non-dependants living with them. This is a significant change and means that the administration of the scheme will be more straightforward whilst also protecting low-income families where adult sons and daughters for example remain at home This will be subject to the financial modelling;;
- To encourage work, it is proposed that a standard weekly disregard will be provided against all earnings This will take the place of the current standard disregards and additional earnings disregards. Where a family also receives a childcare disregard (for childcare costs not paid for by Central Government schemes), the income levels in the ‘grid scheme’ are set at a higher rate;
- Disability benefits such as Disability Living Allowance and Personal Independence Allowance will continue to be disregarded;
- Where any applicant, their partner or dependant child (ren) are disabled, a further weekly disregard will be given, thereby maintaining the current level of support to those with disabilities;
- Carer’s Allowance and the Support Component of Employment and Support Allowance will be disregarded;

- Child Benefit and Child Maintenance will be disregarded;
- An amount in respect of the housing element, within Universal credit will be disregarded;
- The total disregard on war pensions and war disablement pensions will continue ensuring that the Council meets its commitments under the Armed Forces Covenant;
- Extended payments will be removed; and
- The capital limit of £6,000 with no tariff (or assumed income) being applied
- The dependant allowance will be capped at two children, this is inline with the change brought in by the Department for Work and Pensions (DWP) in 2017, limiting the amount of children included on claims to two.

How the new scheme will address the problems with the current Council Tax Reduction

2.20 With the simplicity of the proposed scheme and by taking a more 'Council Tax discount approach', it will address the problems associated with the increased administration caused by failings in the current scheme and Universal Credit as follows:

- **The scheme will require a simplified claiming process.** All applicants will see a significant reduction in the claiming process and, where possible, Council Tax Reduction will be awarded automatically. For Universal Credit applicants *any* Universal Credit data received from the DWP will be treated as a claim for Council Tax Reduction. Where information is received from DWP, the entitlement to Council Tax Reduction will be processed automatically without the need to request further information from the taxpayer. These changes will have the following distinct advantages namely:
 - **Speed of processing** – all claims will be able to be calculated promptly and largely automatically without the need to request further information which inevitably leads to delays;
 - **Maximising entitlement to every applicant.** As there will be no requirement for Universal Credit applicants to apply separately for Council Tax Reduction, and for all other applicants, the claiming process will be simplified significantly. Entitlement to Council Tax Reduction will be maximised with a reduced risk of loss of discount or the need for backdating;
 - **Maintenance of collection rates** – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining the high collection rates currently achieved. The increased level of discount will assist all those applicants on the lowest levels of income, again improving the overall collection rate;
- **The income bands will be sufficiently wide to avoid constant changes in discount.** The current Council Tax Reduction scheme is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of Council Tax demands. The effect of this is that Council Tax collection is reduced. The new scheme, with its simplified income banding approach will have the following advantages:
 - Only significant changes in income will affect the level of discount awarded;
 - Council Taxpayers who receive Council Tax Reduction will not receive multiple Council Tax demands and adjustments to their instalments; and

- The new scheme is designed to reflect a more modern approach, where any discount changes it will be effective from the day of the change rather than the Monday of the following week.
- 2.21 It should be noted that over 80 local authorities have **already** successfully moved to similar simplified discount based schemes including **all** of the following Kent Authorities:
- Ashford Borough Council;
 - Canterbury City Council;
 - Dartford Borough Council
 - Dover District Council;
 - Folkestone & Hythe District Council;
 - Gravesham Borough Council;
 - Maidstone Borough Council
 - Medway Council;
 - Sevenoaks District Council;
 - Tunbridge Wells Borough Council; and Tonbridge & Malling Borough Council.

Transition to the new scheme and the Exceptional Hardship Scheme

- 2.22 The Council must be mindful that any change in scheme or a transition to a new scheme may have result in a change to the entitlement of certain applicants.
- 2.23 Inevitably, with any change in scheme, there will be some winners and losers although the scheme will be designed to protect the most vulnerable. It is proposed that the new scheme will contain additional provisions to protect individuals who experience exceptional hardship. Where any applicant is likely to experience exceptional hardship, they will be encouraged to apply for an exceptional hardship payment. The Council will consider all applications for exceptional hardship on an individual basis, taking into account available income and essential outgoings. Where appropriate further support will be given to the applicant.
- 2.24 This approach will enable individual applicants to be dealt with in a fair and equitable manner. The Exceptional Hardship Scheme will form part of the Council Tax Reduction scheme and fall to be paid through the Collection Fund.

3 Alternative Options

- 3.1 The alternative to introducing a new scheme for Council Tax Reduction from 2023/24 is to leave the existing scheme in place. This would be a short-term option; lead to increasing costs of administration; and in the longer term, significantly affect the collection of Council Tax and the effectiveness of the scheme to support households within the Council's area.

4 Consultation Undertaken or Proposed

- 4.1 A full consultation will be undertaken in line with the statutory requirements with:

- Kent County Council
- The Kent Police and Crime Commissioner;
- Kent Fire and Rescue Service; and
- The public / other stakeholders including Swale Citizens Advice and registered social landlords including Optivo, Moat and Hyde Housing.

5 Implications

Issue	Implications
Corporate Plan	<p>The objectives and priorities in the corporate plan.</p> <p>Performance is measured through BV9 Percentage of Council Tax collected in year.</p>
Financial, Resource and Property	<p>The current Council Tax Reduction scheme costs approximately £10m which is borne by the Council's Collection Fund. Costs are shared between the Council and the Major Precepting Authorities in the following proportions:</p> <ul style="list-style-type: none"> • Kent County Council 74%; • Swale Borough Council 10%; • Kent Police and Crime Commissioner 12%; • Kent Fire and Rescue Service 4%; <p>The approach and 'shape' of the scheme is changing, and the overall approach will be to provide additional support to those households on the very lowest incomes. There is no intention to reduce the level of support available to other households</p> <p>Financial modelling will continue to be undertaken throughout the project.</p>
Legal, Statutory and Procurement	<p>Schedule 1A (3) of the Local Government Finance Act 1992, states: Before making a scheme, the authority must:</p> <ul style="list-style-type: none"> • consult any major precepting authority which has power to issue a precept to it, • publish a draft scheme in such manner as it thinks fit, and • consult such other persons as it considers are likely to have an interest in the operation of the scheme. <p>In addition, in order to set a new scheme, the Council is obliged to make a resolution by 11th March of the year prior to the scheme coming into place</p>
Crime and Disorder	Not directly applicable
Environment and Climate/Ecological Emergency	The reduction in administration together with the removal of notification letters etc. will have a positive environmental impact .

Health and Wellbeing	Residents who have difficulty in paying their Council Tax can put in a claim for a Section 13A discretionary award. Those whose health appears to be affected will be signposted to appropriate advice. The Revenues and Benefits team works with other sections of the authority, CA, financial charities, and the major housing providers in the area to ensure those residents who are struggling with debt or other problems are signed posted to the correct advice and agencies.
Safeguarding of Children, Young People and Vulnerable Adults	Any new scheme will look to protect the most vulnerable and those households on the lowest incomes.
Risk Management and Health and Safety	The risks from changing to a banded scheme will be reviewed through the financial modelling.
Equality and Diversity	The move to the new scheme will either have a neutral or positive affect to the majority of working age claimants. As with all changes however there will be some claimants who may receive less support that previous. In all of those cases, further support will be available through the Council's Exceptional Hardship Fund. A full EIA will be completed once the full modelling has been undertaken and the consultation process has been completed
Privacy and Data Protection	<i>All requirements have been adhered to.</i>

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Policy and Resources		Agenda Item:
Meeting Date	13 July 2022	
Report Title	Financial Management Report – Outturn 2021/22	
EMT Lead	Lisa Fillery, Director of Resources	
Head of Service	Phil Wilson, Head of Finance and Procurement	
Lead Officer	Phil Wilson, Head of Finance and Procurement and Caroline Frampton, Principal Accountant	
Classification	Open	
Recommendations	<ol style="list-style-type: none"> 1. To note the revenue underspend of £104,200. 2. To delegate to the Director of Resources the allocation of uncommitted underspends to the Budget Contingency Reserve. 3. To note the capital slippage of £9,394,080 and capital expenditure of £6,082,880 against the Revised Budget as detailed in Table 4 and appendix I. 4. To approve the capital rollovers of £8,885,200 as detailed in appendix I for approval. 	

1. Purpose of Report and Executive Summary

- 1.1 This report sets out the revenue and capital outturn position for 2021/22. The report is based on service activity for the whole of 2021/22 and is collated from monitoring returns from budget managers.
- 1.2 The purpose of the report is to compare the actual spend and income incurred in 2021/22 to the budget originally approved by members at Council in February 2021 and subsequently amended by virements, Cabinet decisions or made under delegated authority during the year.
- 1.3 The headline figures are:
 - revenue overspend on services of £176,700 - Table 1;
 - total revenue underspend of £104,200;
 - capital expenditure of £6,082,880 – Table 4; and,
 - £8,885,200 rollover requests of capital underspends – appendix I.

2. Background

- 2.1 The Council operated a budget monitoring process at Head of Service level, with regular reports during 2021/22 to the Leader and Cabinet Member for Finance and the Strategic Management Team.
- 2.2 Financial monitoring reports were presented to Cabinet on a quarterly basis, as well as to Scrutiny Committee.

3. Proposals

Revenue Outturn

Table 1 - Variance by Service

Service	Service Manager	Working Budget	Outturn 2021/22	Variance
		£	£	£
Chief Executive	L. Reed	263,320	229,251	(34,069)
Policy, Communications & Customer Services	D. Clifford	1,289,250	1,015,983	(273,267)
Democratic and Electoral Services	D. Clifford	1,209,180	1,156,144	(53,036)
Director of Neighbourhoods & Regeneration	E. Wiggins	478,860	485,157	6,297
Director of Resources	L. Fillery	52,740	63,701	10,961
Housing & Community	C. Hudson	3,808,550	3,994,034	185,484
Planning	F. Churchill	940,470	1,038,402	97,932
Environment & Leisure	M. Cassell	6,735,180	6,467,302	(267,878)
Regeneration & Economic Development	J. Johnson	122,470	(43,873)	(166,343)
Finance & Procurement	P. Wilson	914,270	916,495	2,225
Revenues & Benefits	Z. Kent	(135,310)	(549,169)	(413,859)
Environmental Health	T. Beattie	534,750	545,324	10,574
Information Technology	C. Woodward	1,389,550	1,210,522	(179,028)
Internal Audit	Head of Internal Audit	193,690	170,529	(23,161)
Human Resources	B. Sandher	462,910	372,020	(90,890)
Legal	C. Valmond	521,780	437,058	(84,722)
Contributions to Reserves for services shown above	P. Wilson	0	712,660	712,660
Net contributions from Reserves	P. Wilson	(2,706,190)	(1,963,325)	742,865
Corporate Items	Corporate	3,992,530	3,986,502	(6,028)
NET REVENUE SERVICE EXPENDITURE		20,068,000	20,244,718	176,718
Financed by:				
Revenue Support Grant		(116,000)	(115,623)	377
Coronavirus (Covid-19) Support Grants		(1,377,000)	(1,658,558)	(281,558)
Business Rates		(8,642,000)	(8,642,000)	0
New Homes Bonus		(1,028,000)	(1,027,989)	11
Collection Fund Surplus		(50,000)	(50,000)	0
Council Tax Requirement		(8,855,000)	(8,854,752)	248
TOTAL FINANCING		(20,068,000)	(20,348,922)	(280,922)
NET EXPENDITURE (Contribution (to)/ from General Fund)		0	(104,204)	(104,204)

3.1 The variances with brackets are underspends, i.e., income received was greater than the budget or the spend was less than budget; variances with no brackets are overspends, i.e., the income was less than the budget, or the spend was more than budget. The significant variances from budget are explained below.

- 3.2 Policy, Communications & Customer Services £273,000 underspend: There was a contract underspend on the Sheerness Gateway with Kent County Council of £38,000 and a salary underspend of £253,000 due to a delay in a staffing restructure.
- 3.3 Housing & Community Services £185,000 overspend: There was an overspend of £352,000 on temporary accommodation which was due to the increase in homelessness arising from the general economic situation which was offset by underspends on CCTV, Sports Development and the Stay Put Service.
- 3.4 Planning £98,000 overspend: There was additional income of £295,000 from planning fees due mainly to the major application of Highsted Park which was offset by extra legal fees and consultation advice as well as a shortfall of income of £49,000 on local land charges due to economic uncertainty affecting the housing market and a drop in land searches fees.
- 3.5 Environment & Leisure £268,000 underspend: There was a shortfall of £366,000 in income from parking due to the ongoing impact of the coronavirus with the increase in working from home, but this was partially offset by other parking savings of £103,000. There was additional income of £373,000 from garden waste collections due to the increase in the take up of this service, from the sale of wheeled bins due to new developments and from an increase in special collections and in addition there was an underspend on salaries of £92,000 due to staffing restructures.
- 3.6 Regeneration and Economic Development £166,000 underspend: There was additional rental income of £77,000 from the Sittingbourne Town Centre development due to a higher take up of lettings than originally forecast. An underspend of £59,000 on building maintenance has been transferred to a reserve to fund future expenditure.
- 3.7 Revenues & Benefits £414,000 underspend: There was a net saving of £350,000 on this service due to extra grants from central government and this has been transferred to reserves. A reduction in income of £72,000 from the enforcement shared service was offset by additional income of £73,000 due to the recovery of court costs as courts opened during 2021/22. There was a salary underspend of £31,000.
- 3.8 Shared Services £378,000 underspend: There was an underspend on IT equipment and software of £156,000 which has been transferred to reserves to invest in these items in the future. The Legal Services underspend of £85,000 was due to additional income from recharges to Maidstone and Tunbridge Wells. There was an underspend on corporate training and the service recharge from Maidstone Council for HR of £90,000.
- 3.9 Reserves: Contribution to reserves shows the cost of transferring service savings in year to ringfenced reserves (as referenced above); to comply with statute or due to a previous Cabinet decision. Additional contributions have been made to reserves to support the following pressures in 2022/23, transformation and digitalisation; waste contract procurement; staffing resources and redundancy; property rents and planning resourcing.

3.10 Net contributions from reserves overspend is the funding of Minimum Revenue Provision and Pension costs directly from the General Fund and the transfer of service underspends to reserves to fund known pressures and future increases.

3.11 Coronavirus Grants £282,000 underspend: As reported earlier to Cabinet, the Council received additional Government Covid funding of £198k of sales, fees and charges income for 2021/22 and in addition there was a supplementary sum for 2020/21 based on a revised grant claim.

General Fund

3.12 The General Fund is shown below. The Council's policy is to maintain a balance of at least £1.5m in the General Fund.

Table 2: General Fund Balance

	£'000
General Fund balance at 1 April 2021	(4,484)
2020/21 rollovers approved by Cabinet in July 2021	1,515
2021/22 net expenditure (Table 1)	(104)
General Fund Balance	(3,073)

Reserves

3.13 Table 3 below summarises the reserves balances as at 31 March 2022.

Table 3: Reserves

	Balance as at 1 April 2021	Contributions (to)/ from reserve in year	Balance as at 31 March 2022
Reserve	£'000	£'000	£'000
Earmarked Revenue Reserves	(16,551)	(354)	(16,905)
Ring fenced reserves	(8,459)	1,623	(6,836)
General Fund	(4,484)	1,411	(3,073)
Capital Grants Unapplied	(458)	(54)	(512)
Capital Receipts	(2,884)	41	(2,843)
Total	(32,836)	2,667	(30,169)

Capital Expenditure

3.14 This section of the report details actual capital expenditure and highlights any variations between the revised 2021/22 capital budget and the outturn.

3.15 Actual expenditure in 2021/22 was £6,082,883 which was 39% of the budget. There was capital slippage of £9,394,082. A summary is set out in Table 4 below and further details are shown in appendix I.

3.16 There are a number of externally funded capital projects where the revised budget has been amended to reflect the resources made available. These are detailed in appendix I

Table 4 – Capital Outturn

Capital Scheme	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	Rollover Request
	£	£	£	£
Total Housing & Community Services	5,802,983	1,856,098	(3,946,885)	3,946,884
Total Regeneration & Economic Development	6,885,111	3,589,165	(3,275,946)	2,914,243
Total Environment & Leisure	2,399,171	446,435	(1,952,736)	1,805,560
Total ICT	349,700	131,185	(218,515)	218,515
Total Planning	60,000	60,000	0	0
Total Capital Programme	15,476,965	6,082,883	(9,394,082)	8,885,202

The explanations for the significant capital variances and rollovers are shown below:

3.16 Housing and Community Services - Disabled Facilities Grant – Funding is from Central Government and is paid via Kent County Council. The grant is part of the overall Better Care Fund which incorporates aspects of health, and the Disabled Facilities Grant (DFG) money which must be used on mandatory grants that the Council administers. The money should be rolled over to the following year to continue funding grants approved within the year. The spend is dependent on applications received, and due to Covid-19, owners not wanting work to proceed or builders unable to carry out work, the number and spend on grants has been impacted. Additionally, once a grant is approved the applicant has 12 months to complete the work, therefore the DFG spend is a constant rolling process that crosses financial periods.

3.17 Regeneration & Economic Development High Streets – The programme of town centre redevelopment works is nearing completion. In 2021/22 expenditure has been charged to revenue and met from the High Street/Town Centre Fund. The rollover represents the balance on the Fund as at the end of 2021/22. **Queenborough & Rushenden Klondyke Land Improvement** – This is fully funded from external grant. **Redevelopment of Master’s House** – Project fully contracted and works began on site in early 2022. Some expenditure always foreseen in 2022/23 as contract spans financial years. 2021/22 spend reflects quantum of contract delivered.

Funding of the 2021/22 Capital Programme

3.17 The 2021/22 capital programme expenditure of £6,082,883 was funded as set out in Table 5 below.

Table 5: Capital Programme Funding

	2021/22 Outturn
	£'000
Capital grants and other contributions	4,829
Capital receipts	201
Earmarked reserves	573
Direct revenue funding	29
Borrowing	451
Total Capital Funding	6,083

4. Alternative Options

4.1 None identified – this report is largely for information.

5. Consultation Undertaken or Proposed

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

6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	As detailed in the report
Legal, Statutory and Procurement	The outturn report is not a statutory requirement, but it is a requirement of the Council's Financial Regulations.
Crime and Disorder	None identified at this stage.
Environment and Climate/ Ecological Emergency	The report identifies a wide range of expenditure headings which support the Council's Climate and Emergency Action Plan.
Health & Wellbeing	None identified at this stage.

Issue	Implications
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	The Council's overall financial position is a key risk in the Council's Corporate Risk Register.
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 published with this report and form part of the report:

- Appendix I: Capital Outturn 2021/22

8. Background Papers

[2021/22 Budget Book on website](#)

Capital Outturn 2021/22

Capital Scheme	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	Rollover Request	Funding Source
	£	£	£	£	
Housing & Community Services – C. Hudson					
CCTV	49,960	4,959	(45,001)	45,000	Reserves/ Borrowing
Disabled Facilities Grant Mandatory	3,301,260	1,571,727	(1,729,533)	1,729,533	External Grant
Disabled Facilities Grant	1,927,530	0	(1,927,530)	1,927,530	External Grant
Housing Repair Grants Over 60	1,816	1,816	0	0	External Grant (revised budget amended)
Decent Home Loans Owner Occupier	31,781	31,781	0	0	Long Term Loans/ Grants (revised budget amended)
Winter Warmth Grants	25,374	25,374	0	0	External Grant (revised budget amended)
Kemsley Community Facilities	47,202	47,202	0	0	Special Project Fund
Local Housing Company - Business Planning Work	250,000	57,239	(192,761)	192,761	Housing & Commercial Growth Business Fund
Land Regeneration/Improvement Works at Dolphin Barge Museum & Skatepark	52,060	0	(52,060)	52,060	Special Project Fund
Murston Old Church	20,000	20,000	0	0	Community Fund
Sheerness War Memorial	76,000	76,000	0	0	Sheppey Improvement Fund/ External Loan
Thistle Hill Community Centre - Solar PV installation	20,000	20,000	0	0	Special Project Fund
Total Housing & Community Services	5,802,983	1,856,098	(3,946,885)	3,946,884	
Regeneration & Economic Development – J. Johnson					
Sittingbourne Town Centre	1,079,700	438,616	(641,084)	641,084	Borrowing
Footpath Contribution – High Street Sittingbourne	5,660	651	(5,009)	0	S106
Faversham Creek Basin Regeneration Project (Swing Bridge)	200,000	0	(200,000)	200,000	Capital Receipts
High Streets	987,350	0	(987,350)	630,656	Town Centres, High Street Fund/S106/ Improvement & Resilience Fund

Capital Outturn 2021/22

Capital Scheme	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	Rollover Request	Funding Source
	£	£	£	£	
Queenborough & Rushenden Klondyke Land Improvement	2,807,401	2,807,401	0	0	External Grant (revised budget amended)
Coronation Clock Tower Sheerness	185,000	103,400	(81,600)	81,600	Improvement & Resilience Fund/ Town Centres, High Street Fund/ S106
Redevelopment of Master's House, Sheerness	1,550,000	231,327	(1,318,673)	1,318,673	Improvement & Resilience Fund/ Capital Receipts/ External Grant
Swale House Refurbishment	50,000	7,770	(42,230)	42,230	Borrowing
Total Regeneration & Economic Development	6,865,111	3,589,165	(3,275,946)	2,914,243	
Environment & Leisure - M. Cassell					
Barton's Point Coastal Park - replacement bridge	148,400	140,585	(7,815)	7,815	Capital Receipts
Beach Huts	60,000	0	(60,000)	60,000	Capital Receipts
Coastal Monitoring Programme	50,253	50,253	0	0	External Grant (revised budget amended)
Faversham Recreation Ground Outdoor Gym equipment	47,556	47,556	0	0	S106 (revised budget amended)
Faversham Recreation Ground Improvements	15,800	0	(15,800)	0	External Grant/ Special Projects Fund
Gunpowder Works Oare Faversham	9,000	0	(9,000)	9,000	S106
Grove Park Fitness	9,450	9,450	0	0	S106 (revised budget amended)
Kemsley Recreation Ground, Play Improvements	16,989	16,989	0	0	Revenue/ Coronavirus Grant (revised budget amended)
Sheppey Improvement Fund	190,000	0	(190,000)	190,000	Capital Receipts
Sheppey Sea Cadets	15,000	15,000	0	0	Special Projects Fund
Leisure Centres / Changing Places toilets	293,850	0	(293,850)	293,850	Borrowing/ Grant
Swallows Leisure Centre	81,740	61,194	(20,546)	0	Covid Recovery Fund

Capital Outturn 2021/22

Capital Scheme	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	Rollover Request	Funding Source
	£	£	£	£	
Milton Creek Access Road	40,000	0	(40,000)	40,000	Reserves
Play Area Festival Playing Field	10,293	10,293	0	0	Revenue/ Coronavirus Grant (revised budget amended)
New Play Area – Iwade Schemes	45,000	0	(45,000)	45,000	S106
Open Spaces Play Equipment	456,000	0	(456,000)	456,000	S106
Play Improvements	200,000	0	(200,000)	200,000	Capital Receipts/ Special Projects Fund/ Reserves
Play Improvements – Diligent Drive	18,000	16,370	(1,630)	0	Reserves
Public Toilets (including Minster Leas, Q'boro' Landing, Forum Sittingbourne, Milton Creek Country Park and Toilets & Shower Block Barton's Point)	257,620	4,011	(253,609)	257,620	Special Projects & Improvement / Resilience Fund
Resurfacing Promenade, The Leas	79,970	6,145	(73,825)	73,825	External Grant
Resurfacing Shellness Road, Leysdown	27,000	27,000	0	0	Improvement & Resilience Fund/ Leysdown Project Reserve
St Anne's Footbridge Lighting	41,250	41,589	339	0	Special Projects Fund/ Revenue
Wheeled Bins	286,000	0	(286,000)	172,450	Reserves
Total Environment & Leisure	2,399,171	446,435	(1,952,736)	1,805,560	
ICT - C. Woodward					
ICT Infrastructure & Equipment Replacement	349,700	131,185	(218,515)	218,515	Reserves
Total ICT	349,700	131,185	(218,515)	218,515	

Capital Outturn 2021/22

Capital Scheme	2021/22 Revised Budget	2021/22 Outturn	2021/22 Variance	Rollover Request	Funding Source
	£	£	£	£	
Planning – F. Churchill					
Faversham Reach Public Footpath ZF43	60,000	60,000	0	0	Faversham Creek Footpath Reserve
Total Planning	60,000	60,000	0	0	
Total Capital Programme Funded by SBC	6,208,732	1,253,987	(4,954,745)	4,464,541	
Total Capital Programme Funded by Partners	9,268,233	4,828,896	(4,439,337)	4,420,661	
Total Capital Programme	15,476,965	6,082,883	(9,394,082)	8,885,202	

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Recommendations for approval

Swale Joint Transportation Board – 20 June 2022

Minute No. 112 – Formal objections, comments, and indications of support to Traffic Regulation Order – Swale Amendment 34 (2022)

(1) That the report be noted and the extension of the existing Residents' Parking Scheme to include Edith Road, Faversham be progressed.

Minute No. 113 – Formal Objections to Traffic Regulation Order Swale Amendment 35 2022

Recommended:

(1) That the proposed double yellow lines on the junction of Power Station Road and William Rigby Drive, Halfway, be progressed.

(2) That the proposed double yellow lines outside Sheerness Working Men's Cub in Queenborough Road, Halfway, be progressed.

Minute No. 114 – Informal Consultation Results – Proposed Double Yellow Lines, Bramley Avenue, Faversham

(1) That the results of the recent informal consultation be noted and that the proposed double yellow lines in Bramley Avenue, Faversham be progressed through the drafting of a Traffic Regulation Order.

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