

# Agenda

## Council Meeting

Date: Wednesday, 19 February 2025

Time 7.00 pm

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

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**Pages**

### Recording and Privacy Notice

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#### 1. Emergency Evacuation Procedure

Visitors and members of the public who are unfamiliar with the building and procedures are advised that:

- (a) The fire alarm is a continuous loud ringing. In the event that a fire drill is planned during the meeting, the Chair will advise of this.
- (b) Exit routes from the chamber are located on each side of the room, one directly to a fire escape, the other to the stairs opposite the lifts.
- (c) In the event of the alarm sounding, leave the building via the nearest safe exit and gather at the assembly point on the far side of the car park. Do not leave the assembly point or re-enter the building until advised to do so. Do not use the lifts.
- (d) Anyone unable to use the stairs should make themselves known during this agenda item.

2. Apologies for Absence

3. Minutes

To approve the [Minutes](#) of the meeting held on 29 January 2025 (Minute Nos. 577 – 593) 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, their families or friends.

The Chair will ask Members if they have any disclosable pecuniary interests (DPIs) or disclosable non-pecuniary interests (DNPIs) to declare in respect of items on the agenda. Members with a DPI in an item must leave the room for that item and may not participate in the debate or vote.

Aside from disclosable interests, where a fair-minded and informed observer would think there was a real possibility that a Member might be biased or predetermined on an item, the Member should declare this and leave the room while that item is considered.

Members who are in any doubt about interests, bias or predetermination should contact the monitoring officer for advice prior to the meeting.

5. Mayor's Announcements

6. 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).

7. 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).

8. Leader's Statement

9. Nomination of Mayor 2025/26

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 will be taken.

10. Nomination of Deputy Mayor 2025/26

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 will be taken.

11. Pay Policy Report

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12. 2025/26 Final Budget and Mid Term Financial Plan including Council Tax Resolutions

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13. Treasury Management Strategy 2025/26

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**Issued on Tuesday, 11 February 2025**

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

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<b>Council</b>		<b>Agenda Item:</b>
<b>Meeting Date</b>	19 February 2025	
<b>Report Title</b>	Pay Policy Statement	
<b>EMT Lead</b>	Larissa Reed, Chief Executive	
<b>Head of Service</b>	Bal Sandher, Head of HR Shared Service	
<b>Lead Officer</b>	Bal Sandher, Head of HR Shared Service	
<b>Classification</b>	<b>Open</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 Policy and Resources 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 2023 are set out below:
- (i) the figures for payments made in 2024/25 set out in the categories in section 3.6 of the Pay Policy Statement have been updated;
  - (ii) section 4 outlines the changes to the chief executive earnings
  - (iii) 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;
  - (iv) details of remuneration for senior staff have been updated in appendix I (G)
  - (v) gender and ethnicity pay gap report is included in appendix I (H)

## 4 Alternative Options Considered and Rejected

- 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 As this is a statement of what is already in place and does not make any changes to the current position there has been no consultation to date; the report to the Policy and Resources Committee forms the basis of consultation to ensure that this format is acceptable before going to full council.

## 6 Implications

Issue	Implications
Corporate Plan	The policies summarised in the Pay Policy Statement assist the Council in achieving its priority of “running the council”.
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.
Environment and	None specific to this report.

Climate/Ecological Emergency	
Health and Wellbeing	None specific to this report.
Safeguarding of Children, Young People and Vulnerable Adults	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 FOI 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 2025

## 8 Background documents

None



# Swale Borough Council

## Pay Policy Statement – March 2025

### 1. Introduction

The new Workforce Strategy sets out four key themes:

- Talent and Development;
- Our Brand and Recruitment;
- Wellbeing and Reward; and
- Organisational Change and Design

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.

### 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 Policy and Resources Committee.

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.

Where the decision of the Policy and Resources Committee has a budgetary implication beyond the agreed in-year budget, this will also require agreement from Full Council.

### 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 our low paid staff. 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. The real Living Wage has been applied every year since 2019 to ensure our lowest paid staff are rewarded appropriately to meet their living cost needs.

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). Currently, there are twenty 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 £17,600	5.50%	2.75%
£17,601 - £27,600	5.80%	2.90%
£27,601 - £44,900	6.50%	3.25%
£44,901 - £56,800	6.80%	3.40%
£56,801 - £79,700	8.50%	4.25%
£79,701 - £112,900	9.90%	4.95%
£112,901 - £133,100	10.50%	5.25%
£133,101 - £199,700	11.40%	5.70%
More than £199,701	12.50%	6.25%

The employer contribution rate, calculated as the future service rate excluding past service deficit for 2023/24 changed to 20.5%, 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.

### 3.5 Special Severance Payments

In exceptional circumstances the Council may make a payment to an individual under a formal agreement.

Where this is the case the following authorisation process will apply to all staff:

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, in consultation with the Leader and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation.

Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest it is expected that the payment should be approved by a panel including at least two independent persons.

### 3.6 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 2024/25 there were six people in receipt of honoraria.

**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 2025 there were six 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 (twelve in 2024/25) who are on an out-of-hours on-call rota for specialist duties. The outcome of the review has also increased the level of remuneration to £125 each week for being on-call.

**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 2025 this allowance was allocated to fifty members of staff. The majority of staff in receipt of this payment are within the statutory services which require external visits e.g. planning, housing. Mileage rates for those receiving this allowance is 37.8 pence per mile.

### 3.7 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 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.

### 3.8 Other employee benefits

The Council provides access to an **Employee Assistance Programme** which provides staff and Councillors 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.

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 for nominees and partners and the cost of the occasion is off-set through sponsorship from businesses and partners. The awards ceremony now takes place during the day and all staff are 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 six employees have used this benefit during 2024/25. 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.

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 (G).

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>2022/23*</b>	£116,385	£24,804	4.69
<b>2023/24*</b>	£118,267	£25,602	4.62
<b>2024/25*</b>	£125,662	£25,466	4.93
<b>% change from previous year*</b>	6.25%	-0.53%	6.70

\*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 main difference in the Chief Executives earnings relates to the pay award increase and standby emergency payments for 2024/25. Without the standby emergency payments the increase from last year would be 4.88%.

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.

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. Although there is no statutory requirement to report on the council’s ethnicity pay data the council has decided to include this information and report the data in the same format as the

gender pay gap reporting. The gender and ethnicity pay gap report for 2024 is at Appendix I (H).

**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	6	6

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

Percentage of time	Number of employees
0%	0
1-50%	6
51%-99%	0
100%	0

Note: only 1% of facility time is spent by union officials.

Percentage of pay bill spent on facility time:

Total cost of facility time	£1,042
Total pay bill	£12,401,865
Percentage of pay bill	0.01%

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 2024/25

Grade	1	2	3	4	5
<b>2</b>	£22,093				
	12.4618				
<b>3</b>	£22,402	£22,841	£23,756		
	12.6361	12.8835	13.3999		
<b>4</b>	£24,624	£25,614	£26,640	£27,701	
	13.8892	14.4477	15.0263	15.6251	
<b>5</b>	£27,840	£28,897	£30,057	£31,254	
	15.7033	16.2997	16.9541	17.6293	
<b>6</b>	£31,473	£32,731	£34,037	£35,404	
	17.7525	18.4620	19.1988	19.9699	
<b>7</b>	£35,592	£36,869	£38,346	£39,885	
	20.0759	20.7961	21.6294	22.4977	
<b>8</b>	£39,993	£41,594	£43,254	£44,988	
	22.5587	23.4613	24.3977	25.3761	
<b>9</b>	£47,240	£49,126	£51,087	£53,133	
	26.6459	27.7102	28.8159	29.9703	
<b>10</b>	£56,023	£58,266	£60,592	£63,016	
	31.6002	32.8652	34.1777	35.5446	
<b>11</b>	£65,553	£68,173	£70,902	£73,738	£76,683
	36.9756	38.4538	39.9931	41.5928	43.2535
<b>12</b>	£78,191	£81,315	£84,570	£87,957	£91,476
	44.1046	45.8666	47.7026	49.6133	51.5979
<b>13</b>	£96,228	£100,082	£104,079	£108,245	£112,577
	54.2785	56.4521	58.7069	61.0564	63.5000
<b>14</b>	£124,529	£128,266	£132,113	£136,076	£140,158
	70.2418	72.3496	74.5197	76.7549	79.0576

## 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 Policy & Resources Committee 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 HR.

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:

Month	Activity
January	The Chief Executive undertakes a self-review of achievements against the annual objectives, and suggests possible objectives for the coming year.
January	Feedback from the members of the working group on the Chief Executive’s performance is obtained.
Early February	The Chief Executive reviews Member feedback in relation to progress, development and future targets.
February	After the budget has been agreed by full Council, the working group and Chief Executive meet formally, supported by HR 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 HR as the Chief Executive’s formal appraisal.
September	The working group and Chief Executive, supported by HR 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)**

Swale Borough Council operate a shared cost Additional Voluntary Contribution Scheme for employees. This policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer.

### **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.



## Appendix I (G)

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	£140,000 - £144,999	254	£712,040	Returning Officer responsible for all elections and Head of Paid Service.
Director of Regeneration & Neighbourhoods	Regeneration & Neighbourhoods	£110,000 - £114,999	194	£14,077,780	
Director of Resources	Resources	£110,000 - £114,999	27	-£14,789,820	Section 151 Officer.
Communications & Policy Manager	Communications & Policy	£60,000 - £64,999	5	£334,480	
Democratic & Electoral Services Manager	Democratic & Electoral Services	£55,000 - £59,999	7	£906,550	
Head of Environment & Leisure	Environment & Leisure	£90,000 - £94,999	45	£8,479,510	
Environmental Services Manager	Environment & Leisure	£60,000 - £64,999	15	£6,434,690	
Leisure & Technical Services Manager	Environment & Leisure	£60,000 - £64,999	21	£3,206,350	
Climate Change Officer	Environment & Leisure	£50,000 - £54,999	2	£74,850	
Environmental Contracts Manager	Environment & Leisure	£50,000 - £54,999	8	£5,969,520	
Green Spaces Manager	Environment & Leisure	£50,000 - £54,999	10	£1,955,500	
Seafront & Engineering Manager	Environment & Leisure	£50,000 - £54,999	7	£218,000	
Head of Finance & Procurement	Finance & Procurement	£80,000 - £84,999	12	£898,320	
Principal Accountant	Finance &	£50,000 - £54,999	8	£0	



	Procurement				
Principal Accountant (Technical)	Finance & Procurement	£50,000 - £54,999	3	£0	
Head of Housing & Community Services	Housing & Community Services	£90,000 - £94,999	96	£5,013,730	
Community Services Manager	Housing & Community Services	£65,000 - £69,999	23	£483,320	
Housing Advice Service Manager	Housing & Community Services	£60,000 - £64,999	19	£3,037,140	
Private Sector Housing Manager	Housing & Community Services	£55,000 - £59,999	11	£263,590	
Accommodation & Resettlement Manager	Housing & Community Services	£50,000 - £54,999	14	£68,830	
Customer Services Manager	Housing & Community Services	£50,000 - £54,999	24	£737,680	
Community & Partnerships Manager	Housing & Community Services	£50,000 - £54,999	3	-	
Head of Legal Partnership	Mid Kent Legal Services	£95,000 - £99,999	21	£457,900	Head of partnership with Maidstone and Tunbridge Wells Borough Councils.
Deputy Head of Legal Partnership	Mid Kent Legal Services	£80,000 - £84,999	8	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Planning Team Leader	Mid Kent Legal Services	£60,000 - £64,999	4	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Team Leader (Contentious)	Mid Kent Legal Services	£55,000 - £59,999	3	-	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Head of Place	Place	£90,000 - £94,999	48	£408,650	
Strategic Programme & Assets Manager	Place	£70,000 - £74,999	4	-£505,030	
Capital Projects Manager	Place	£50,000 - £54,999	1	£0	
Chief Planning Officer	Place	£65,000 - £69,999	29	-£290,020	

Planning Manager (Planning Applications)	Place	£55,000 - £59,999	12	-	
Planning Manager (Policy)	Place	£55,000 - £59,999	5	-	
Project Manager (Policy)	Place	£55,000 - £59,999	0	-	
Buildings Operations & Maintenance Manager	Place	£50,000 - £54,999	9	£660,750	
Team Leader (Planning Applications)	Place	£50,000 - £54,999	3	-	
Heritage & Design Manager	Place	£50,000 - £54,999	2	-	

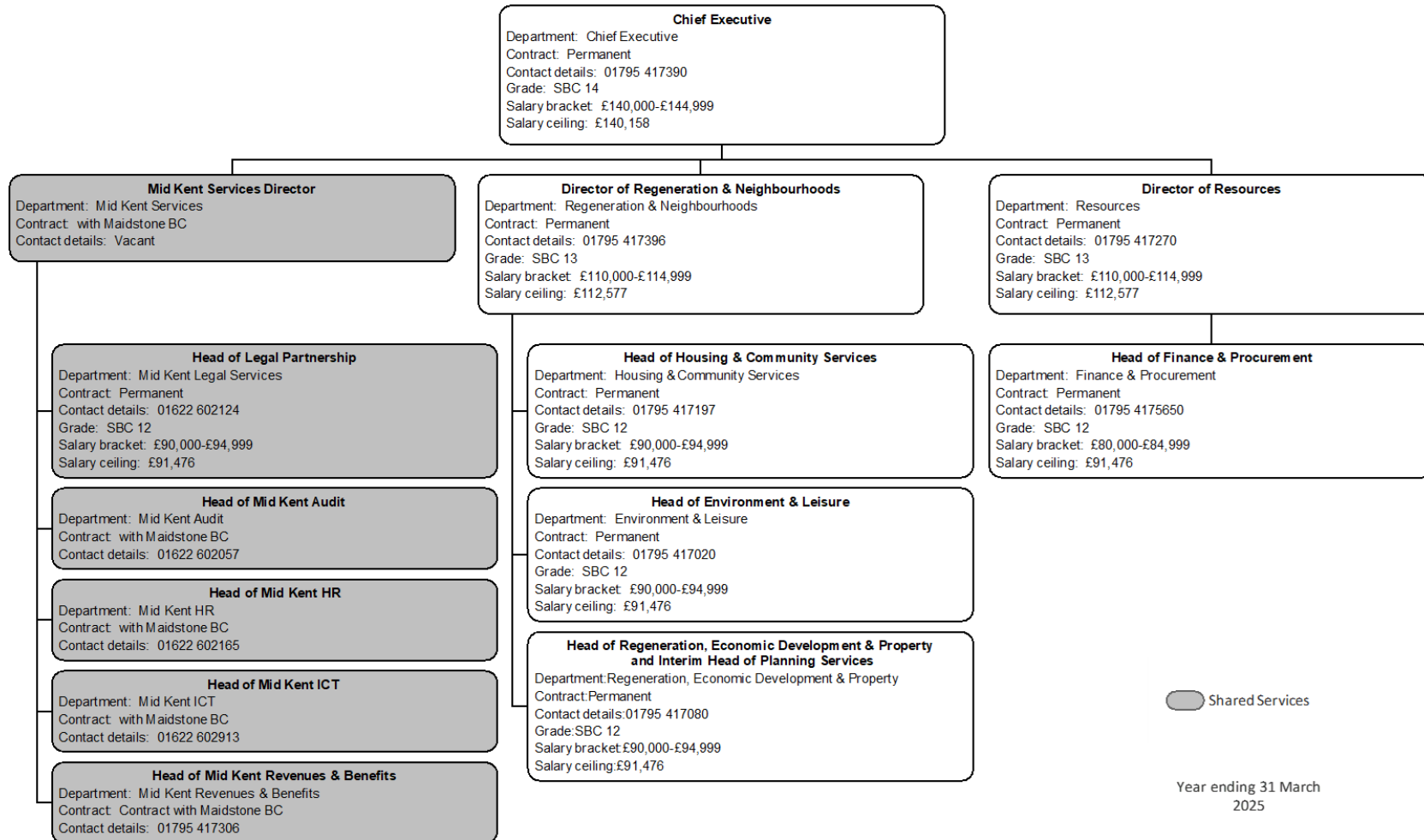
**Number of employees whose remuneration in 2024/25 is at least £50,000, in brackets of £5,000**

<b>Remuneration band</b>	<b>Number of employees in band</b>
£50,000 - £54,999	14
£55,000 - £59,999	10
£60,000 - £64,999	6
£65,000 - £69,999	2
£70,000 - £74,999	1
£75,000 - £79,999	0
£80,000 - £84,999	1
£85,000 - £89,999	1
£90,000 - £94,999	3
£95,000 - £99,999	1
£100,000 - £104,999	0
£105,000 - £109,999	0
£110,000 - £114,999	2
£115,000 - £119,999	0
£120,000 - £124,999	0
£125,000 - £129,999	0
£130,000 - £134,999	0
£135,000 - £139,999	0
£140,000 - £144,999	1
<b>Total</b>	<b>42</b>

The Council has four shared services 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.

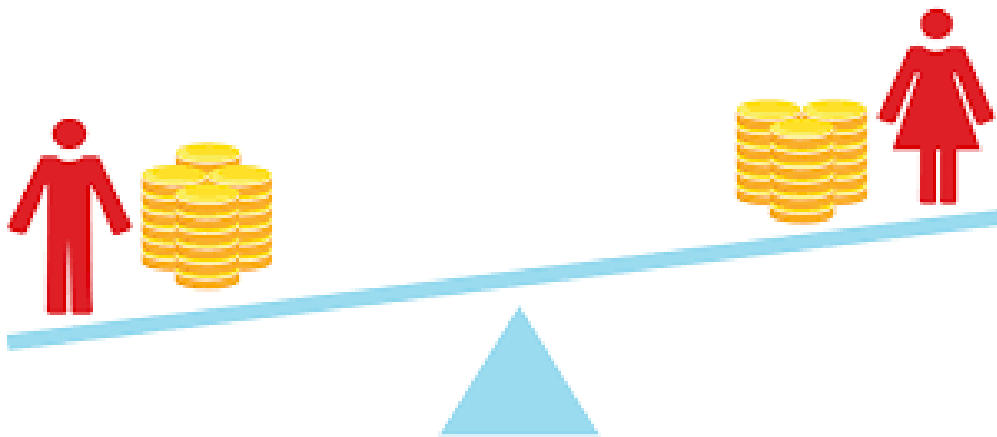
<b>Post</b>	<b>Employing Authority</b>
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Head of Revenues and Benefits	Maidstone Borough Council

# Swale Borough Council Organisation Chart



## Swale Borough Council

### Gender and Ethnicity Pay Gap Report 2024



Snapshot Date: 31<sup>st</sup> March 2024



## Introduction

As a public sector employer with over 250 employees, Swale Borough Council is required to publish data on our gender pay gap – the difference between the average hourly pay of all men and women we employ.

Although we are required to publish this data under the Equality Act 2010 (Gender Pay Gap Information), by publishing this report Swale Borough Council is reaffirming its commitment to being an inclusive employer. This report is only one way in which we are promoting equality of opportunity for everyone and will help us to identify new ways in which we can become a modern employer of the future.

The information within this report is based on a snapshot of pay on 31<sup>st</sup> March 2024. This information will only include employees who were employed by Swale Borough Council on this date and in receipt of their normal full pay; it will not include employees who were on reduced pay (such as those on maternity leave).

## What is a gender and ethnicity pay gap?

The gender pay gap is the difference between the average earnings of men and women across the organisation. The gender pay gap is calculated as a difference in the mean and median hourly rates at the snapshot date and is expressed as a percentage of the average earnings of men.

The ethnicity pay gap shows the difference in average and median rates of pay between staff from minority ethnic backgrounds and white staff.

It is important to note that a gender pay gap is not the same as equal pay.

### Equal Pay is about:



Pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. Men and women are paid equally for the same like work.

### Gender Pay Gap is about



Differences in average hourly pay and bonuses between all men and women in a workforce, expressed as a percentage of men's earnings.

-V-

The Gender Pay Gap regulations require employers to publish the following information:

#### **Mean Gender Pay Gap**

The difference between the mean hourly rate of pay of male and female employees.

#### **Median Gender Pay Gap**

The difference between the median hourly rate of pay of male and female employees.

#### **Mean Bonus Gender Pay Gap**

The difference between the mean bonus pay paid to male and female employees.

#### **Median Bonus Gender Pay Gap**

The difference between the median bonus pay paid to male and female employees.

#### **The Proportion of Employees Receiving a Bonus**

The proportion of male and female employees who were paid bonus pay.

#### **The Quartile Pay Bands**

The proportion of male and female employees in each of four pay bands. The pay bands are defined as follows (starting with the highest earners):

- Upper quartile
- Upper middle quartile
- Lower middle quartile
- Lower quartile

## Swale Borough Council's Gender Pay Gap

### Mean Hourly Pay



£20.46

£18.47

**9.73% Pay Gap**

### Median Hourly Pay



£17.57

£15.82

**9.96% Pay Gap**

### Proportion of Employees Receiving Bonus Pay



7.89%

14.62%



## Summary of data

Swale Borough Council's pay structure follows a standard public sector approach to pay and grading and covers grades from Cleaner job roles to senior managerial levels. Grades vary according to the level of responsibility and each grade is evaluated through a job evaluation process in accordance with the council's Job Evaluation scheme. The council also has a clear policy of paying employees equally for the same or equivalent work, regardless of their gender.

The overall mean gender pay gap at the council is 9.73% which means for all employees (both full time and part time), men earned on average 9.73% more than women hourly.

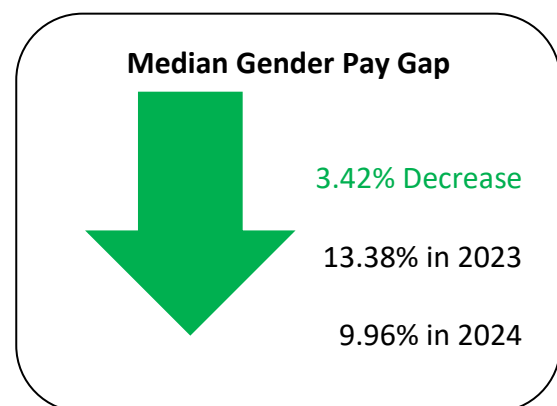
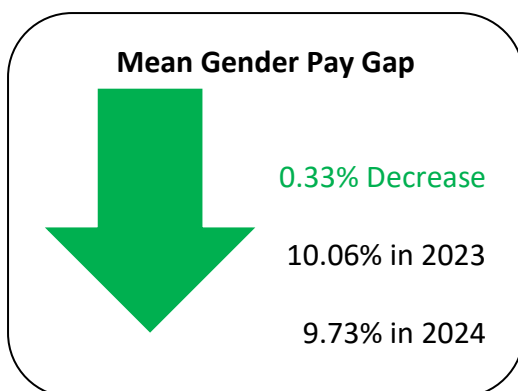
The makeup of the workforce of the council (which is 73.61% female) can affect the gender pay gap calculations, as can the distribution of the workforce. The majority of female employees within the council are within the lower and middle grades which will distort the overall pay gap, reflecting workforce composition rather than pay inequalities.

The median gender pay gap of 9.96% demonstrates that a higher proportion of men are working in higher level roles than women as the average median hourly rate for a male is £17.57 and for a female this is £15.82.

Bonus pay is defined as any payment or remuneration that is in the form of money or vouchers that relates to productivity, performance, incentive or commission. For the council, this covers cash awards for exceptional performance and long service awards in the form of vouchers.

The mean gender bonus gap is -51.93%. This means that on average, the bonuses paid to men were -51.93% less than the bonuses paid to women. This big difference is due to more females in receipt of the long service award.

## How Does This Compare With 2023?



There has been a small decrease to both the mean and median gender pay gaps since the previous year. There is a marginal difference is down to a male senior member of staff leaving. There has also been 50/50 split in new starters for male and female staff. This even split across the organisation in various roles will slowly reduce both the mean and median pay gap.

The gender pay gap does not stem from paying male and female employees differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which male and females work within the council and the salaries that these roles attract.

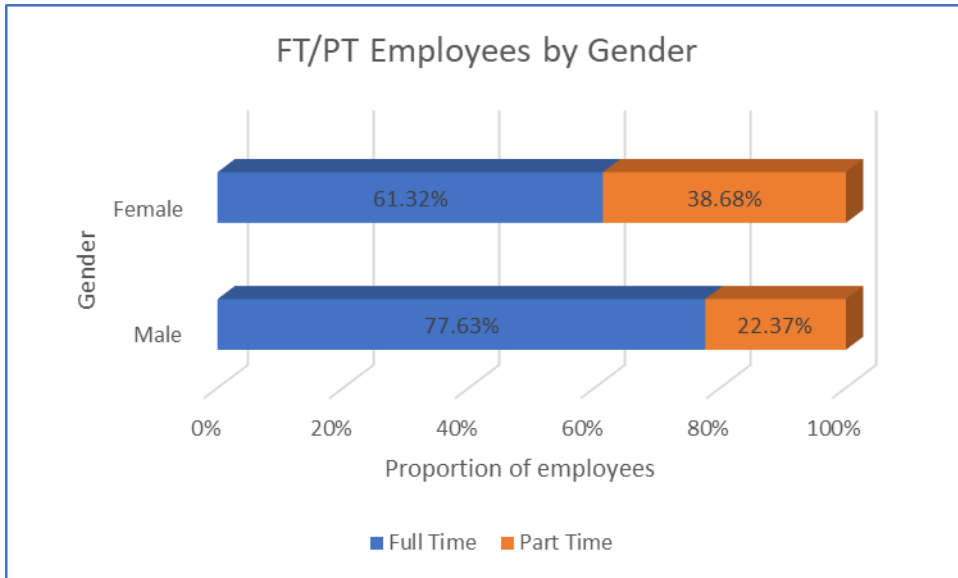
There have been very marginal changes to the proportion of males and females within the quartile pay bands:

Pay Quartile	Proportion of Males	Proportion of Females	Male Proportion Increase
Upper Quartile	33.33%	66.67%	-2.38%
Upper Middle Quartile	31.94%	68.06%	1.51%
Lower Middle Quartile	20.83%	79.17%	3.93%
Lower Quartile	19.44%	80.56%	-0.85%

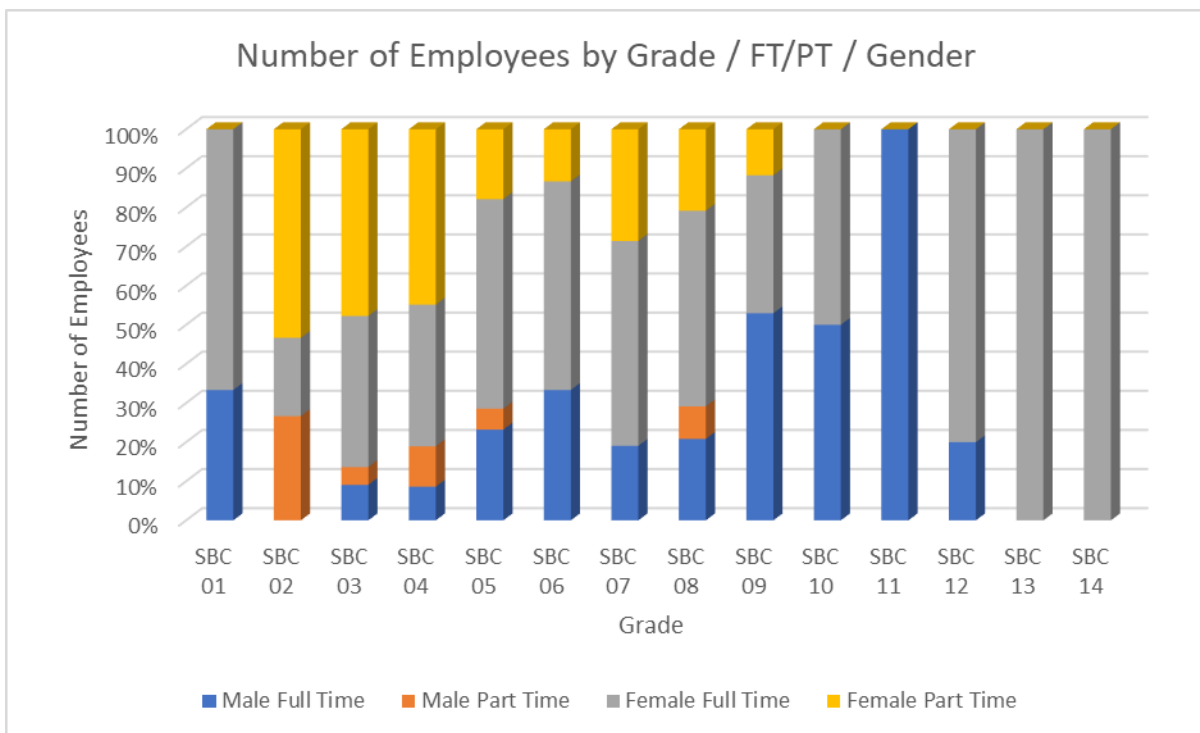
Like most areas of local government, the councils gender split is 74% female and 26% male overall. In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, the gender split is not evenly spread throughout all the grades within the council as can be seen from gender breakdown for each pay grade in the table. Although the Council employs more females than males, a higher percentage of females are employed within the lower and lower middle quartiles.

### Swale Borough Council's Workforce

Swale Borough Council employees 212 female members of staff, and 76 male members of staff. In addition, a higher proportion of males employed are working in full time positions than the proportion of females.



Further analysis show that there are more female workers in the middle pay grades (grades 2-8) than male workers. The jobs at this level are mainly clerical, administrative and lower level of technical roles which seem to attract a higher number of female applicants.



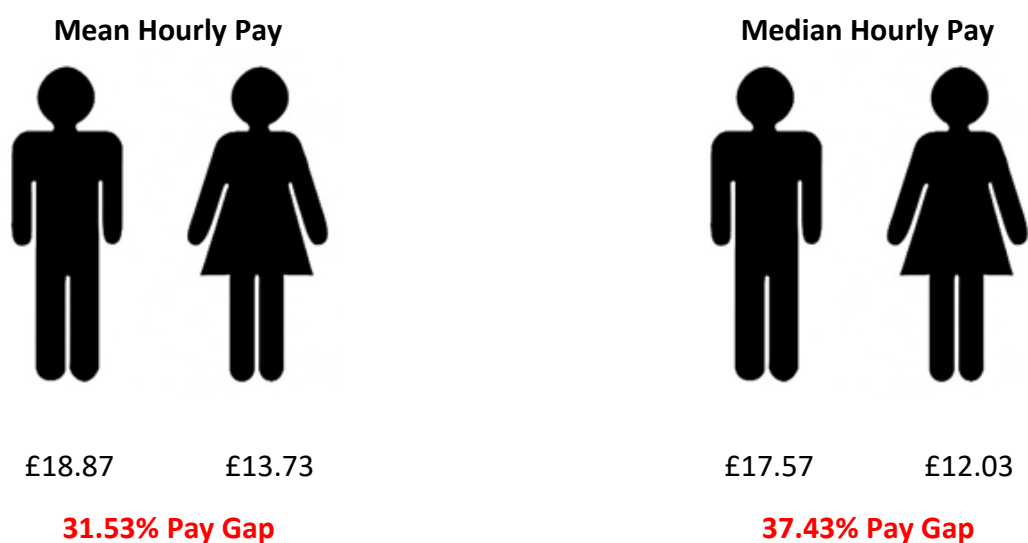
Swale Borough Council also offer numerous family friendly policies and flexible working options such as job share, term time working and from the data it shows that female employees take up of these flexible benefits are at a greater level compared to males which adversely impacts on the council's gender pay gap.

The following table shows the gender pay gap for full time and part time workers:

Working Pattern	Number of Employees	Mean Hourly Pay Males	Mean Hourly Pay Females	Mean Gender Pay Gap
Full Time	189	£22.00	£20.13	8.87%
Part Time	99	£15.13	£15.85	-4.65%

### The Gender Pay Gap For New Starters

Below is the gender pay gap for new starters between 1<sup>st</sup> April 2023 and 31<sup>st</sup> March 2024.



Between 1<sup>st</sup> April 2023 and 31<sup>st</sup> March 2024, Swale Borough Council employed 11 males and 11 females into new roles. The mean and median hourly rate of pay was higher for new males compared to females. The main reason for the increase in the mean and median figures is due to 3 males being recruited to senior positions (grade 8 and above). Female staff were appointed to grades below this level.

The council has a very stable workforce with normally a low turnover which means that there are only a few vacancies that give an opportunity for changes in the makeup of the workforce. With such low levels of recruitment and turnover these figures will be difficult to shift significantly in the near future.

## How Does This Compare With Similar Organisations?

When looking at other Councils within Kent, the average mean gender pay gap was 4.89%; the average median gender pay gap was 2.55%.

Swale Borough Council's gender pay gap is higher than these averages. A factor in this will be due to the low levels of staff turnover, which means that there are very few new members of staff joining the Council and having an impact on the gender pay gap.

<b>Council</b>	<b>Mean Pay Gap</b>	<b>Median Pay Gap</b>
Ashford Borough Council <sup>1</sup>	9.3%	10.4%
Canterbury City Council <sup>1</sup>	0.4%	0%
Dartford Borough Council <sup>1</sup>	14.3%	20.40%
Dover District Council <sup>1</sup>	2.1%	0%
Folkestone & Hythe District Council <sup>1</sup>	1.7%	0%
Gravesham Borough Council <sup>1</sup>	0.8%	-11.5%
Maidstone Borough Council <sup>1</sup>	0.2%	4.6%
Sevenoaks District Council <sup>1</sup>	2.1%	-11.4%
Thanet District Council <sup>1</sup>	-6.3%	-15.9%
Tunbridge Wells Borough Council <sup>1</sup>	11.1%	6.5%
Kent County Council <sup>1</sup>	10.9%	13.8%
Medway Council <sup>1</sup>	6.9%	2.9%
Kent Average – Local Government	4.89%	2.55%
<b>Swale Borough Council</b>	<b>9.73%</b>	<b>9.96%</b>

### Footnotes

<sup>1</sup> [gender-pay-gap.service.gov.uk](https://gender-pay-gap.service.gov.uk) (2023/24 submission)

## Ethnicity Pay Gap 2024

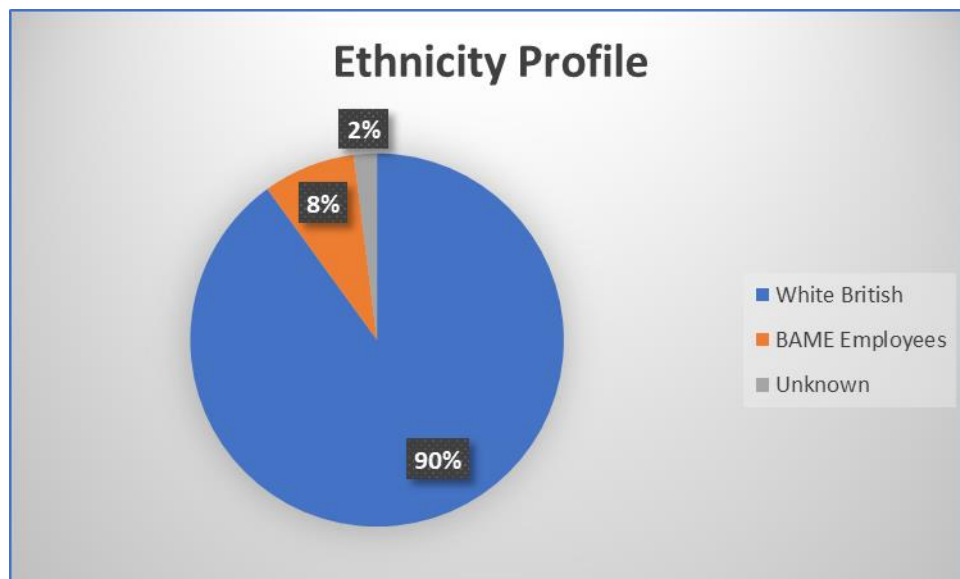
The ethnicity pay gap reflects the contrast in average hourly earnings between employees from minority ethnic backgrounds (i.e. non-Black, Asian and Minority Ethnic (BAME)) and those categorised as 'White' within a workforce. This information is generally expressed as a percentage of average White employees' earnings.

Where there is a positive percentage, this means that the average pay of a white member of staff is higher than that of an employee from an ethnic minority group. The higher the percentage, the greater the ethnicity pay gap. A negative percentage mean means that the average pay of the ethnic minority group is higher than that of the White group.

Currently there is no statutory requirement to report on our ethnicity pay data and there is also no formal guidance on the methodology for calculation on the Ethnicity pay gap. Therefore, we continue to take the approach to mirror the legislated pay measures used for Gender Pay Gap reporting in order to calculate the ethnicity pay gap.

## Ethnicity Profile

The chart below shows the ethnicity profile of our workforce. 90% of the workforce are White British, 8% are from BAME groups. Currently, the council has a small percentage of 2% employees that have not declared their ethnicity. Employees are encouraged to update their ethnicity in the HR system and this continues to be a priority in order to better report data for ethnic minority staff.

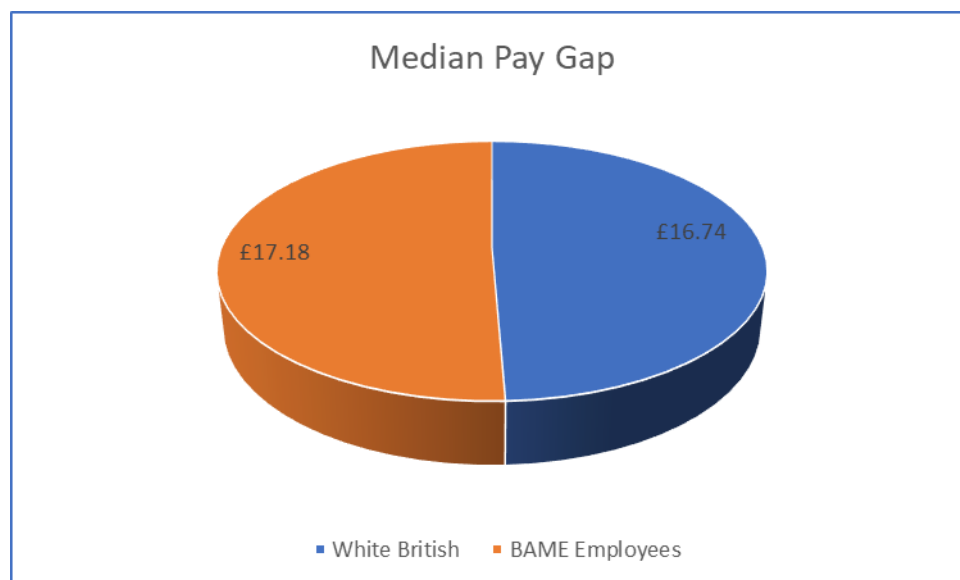


## Ethnicity Pay Gap

The chart below illustrates the average (mean) hourly rate of pay of White British employees compared to all BAME employees.



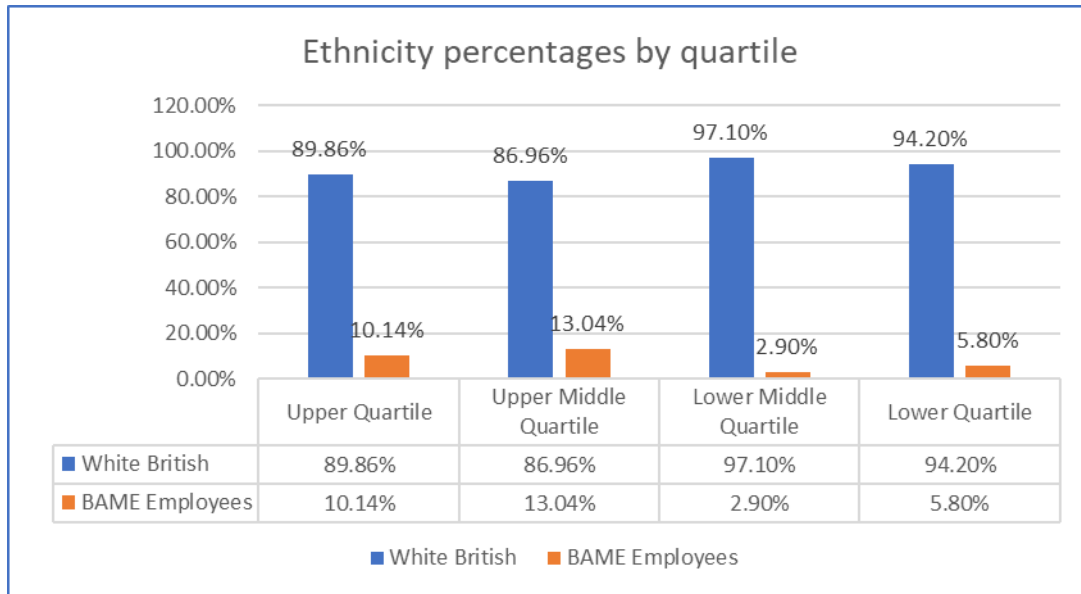
The average pay for a person from a black, Asian, mixed race or other ethnic group is -1.50 per hour than the average pay for a White person. This means that across the workforce BAME staff are paid on average more than White British staff.



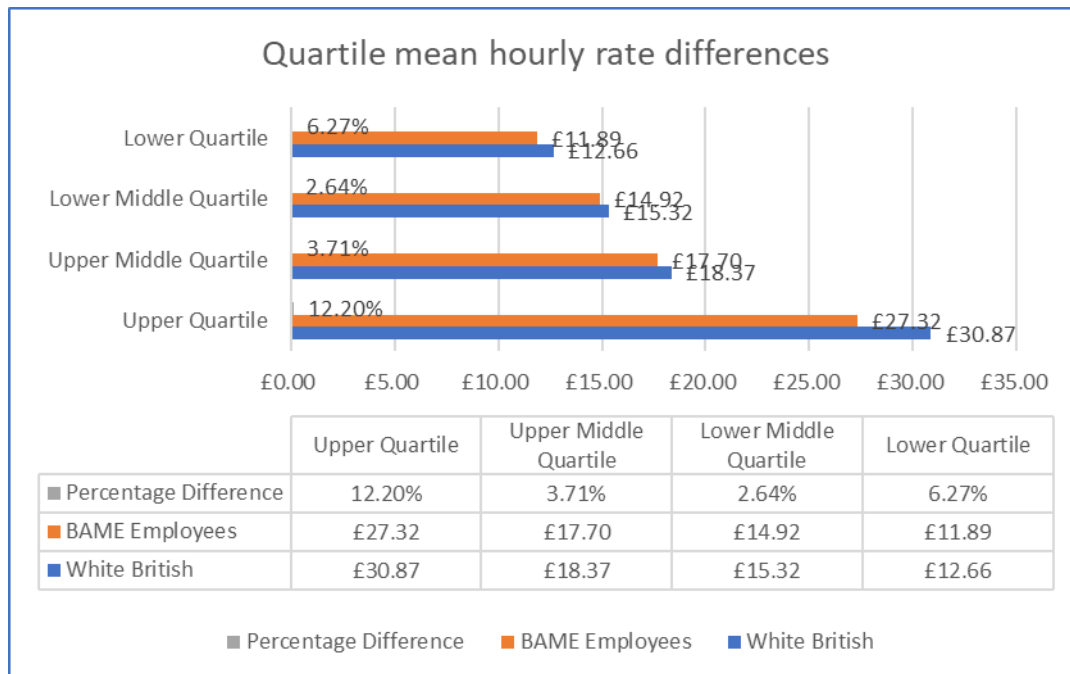
The median ethnicity pay gap is -2.59% which means that the median hourly rate of the black, Asian, mixed race or other ethnic group is slightly higher than the median hourly rate of our White colleagues.

## Pay quartiles by ethnicity

The table below shows the percentage of White and BAME staff in each quartile.



The table below shows the hourly rate difference for each quartile. In every single quartile the hourly rate for White British staff is slightly higher than that of BAME employees.





## **Bonus Pay**

There are no BAME employees in receipt of Bonus Pay. Bonus Pay is made up of vouchers given to staff for long service awards after 10 years of employment.

## **Summary**

The ethnicity pay gap (mean) of Swale Borough Council's workforce is currently -1.50%. This means that on average, White staff working at Swale Borough Council are paid -1.50% less than staff from black, Asian, mixed race or other ethnic groups. The table above shows that the hourly rate pay differences for each quartile are slightly higher for White British staff compared to BAME staff.

The median ethnicity pay gap is currently -2.67%. This means that the median (the middle point of all staff in ascending order by pay) pay point of all White staff is slightly less of all staff from black, Asian, mixed race or other ethnic groups.

## What Steps Do Swale Borough Council Take To Minimise Any Gender and Ethnicity Pay Gap?

Swale Borough Council is committed to providing a fair and balanced work environment to all employees, with equal opportunities provided for everyone. The Council's leadership team monitors its workforce statistics on a quarterly basis which includes information on staff turnover and exit information, recruitment, employee relations matters and the equalities profile. This regular monitoring ensures that trends can be identified, and appropriate action taken if there are areas of concern.

Swale Borough Council has a number of policies relating to pay that ensure transparency, fairness and equity. These include:

- Job evaluation scheme (Ibucon) for all roles. This is a significant part of ensuring gender-neutral in the assessment of roles as it takes no account of individuals and is purely based on the job role and its requirements;
- A well-designed pay scale with no overlapping grades and a restricted number of incremental points;
- Formal authorisation processes for the change in pay;
- A clear policy at appointment which should be at the first point of grade;
- An equal pay approved Market Supplement Policy;
- Enhanced Shared Parental Pay to mirror Maternity Pay;
- Exit interviews to gain feedback on employment experiences;
- The provision of Recruitment & Selection training to ensure interviewers have relevant knowledge and an understanding of Equalities and Diversity including unconscious bias;
- Annual workforce equality report that reports on all protected characteristics for employees;
- New management development programme for aspiring managers/ supervisors/ team leaders that provides training to support career development.

### Actions

Swale Borough Council has a clear approach to pay and reward which is well controlled. One of the factors that can influence the gender pay gap is the distribution of males and females within the grades and under-representation of BAME staff. Therefore, the following actions are recommended:

- The recruitment processes to be monitored by the HR team to avoid any unfairness including the wording in advertisements to ensure there is no gender bias.
- To continue raising managers awareness of 'unconscious bias's as part of the recruitment and selection training.
- Review the recruitment process to ensure this is completely unbiased when considering candidates to positions.
- To monitor and review take up of training and development opportunities for staff from ethnic minority backgrounds
- Encourage managers to consider job redesign if there are aspects of a job that prevents or stops employees applying for them on a part-time or flexible basis.
- Provide training to staff on equality, diversity and inclusiveness to increase awareness and understanding of these issues within the workplace
- To encourage and remind employees to update their ethnicity and other equality data in the HR system.

<b>Council Meeting</b>	
<b>Meeting Date</b>	19 February 2025
<b>Report Title</b>	Budget and Council Tax for 2025/26
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement
<b>Lead Officer</b>	Lisa Fillery, Director of Resources Claire Stanbury, Head of Finance and Procurement
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That members note the Director of Resources opinion on the robustness of the budget estimates and the adequacy of reserves.</li> <li>2. That the minutes of the Policy and Resources committee of 5 February 2025 agenda item 5 on the report on the Medium Term Financial Plan and the 2025/26 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 2025/26 Budget and Council Tax.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 At their meeting on 5 February 2025, Policy and Resources Committee recommended the 2025/26 Revenue Budget, the Capital Programme for 2025/26 to 2028/29, and the Medium Term Financial Plan (MTFP) for 2025/26.
- 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 2025/26 as set out in the report to the Policy and Resources Committee on 5 February 2025, 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 (11 February 2025). Should there be any changes to these, members will be informed.

## **2 Background**

- 2.1 As part of the 2025/26 budget setting process, the Policy and Resources Committee first received a report on the budget proposals for 2025/26 and an update on the Medium Term Financial Plan on 27 November 2024. The draft budget, following public consultation, was then considered again by Policy and Resources Committee on 5 February 2025.
- 2.2 The final settlement published on 3 February 2025 confirmed the grants from Central Government, and this was verbally communicated to Policy and Resources committee at the February meeting. There were no changes for Swale to the provisional allocations of the core settlement grants, however the National Insurance Contribution grant was announced and the allocation is £50,000 lower than estimated, which will require a change to the budget presented to P&R on 5 February 2025 to increase the use of reserves from £416,000 to £466,000.

## **3 Proposals**

- 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 Director of Resources), in accordance with the Local Government Act 2003, has produced a statement to confirm her opinion on the robustness of the budget and the adequacy of reserves (App III – App III)
- 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 2025/26 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 2025/26.
- 3.3 Details of the Town and Parish Council Precepts for 2025/26 that had been received at the time of publication are detailed in Appendix I and currently total £2,166,353 and average increase of 10.46% from 2024/25. At the time of writing the council was awaiting the formal confirmation of Hartlip's parish precept, any changes to the details in this report will be updated for Full Council as required.
- 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 and Crime Commissioner.

- 3.5 At the time of writing this report, Kent and Medway Fire and Rescue Authority were due to meet on 18 February 2025. This report is based upon a precept of £4,792,156 which results in a Band D Council Tax of £94.86 (5.51% or £4.95 increase).
- 3.6 The Police and Crime Panel met on 4 February 2025 to consider the budget proposals from the Kent Police and Crime Commissioner. The decision was for a precept of £13,647,492 which results in a Band D Council Tax of £270.15 (5.47% or £14.00 increase).
- 3.7 Kent County Council are due to meet on 13 February 2025 and set their precept. This report is based upon a precept of £85,435,875 resulting in a Band D Council Tax of £1,691.19 (4.989% or £80.37 increase including the 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 recommend by Policy and Resources committee on 5 February 2025.

## **4 Alternative Options Considered and Rejected**

- 4.1 Do nothing – this is not recommended as the Council is legally required to set a balanced budget.

## **5 Consultation Undertaken or Proposed**

- 5.1 The budget proposals were reported to Policy and Resources Committee on 27 November 2025.
- 5.2 An online budget consultation exercise took place from 28 November 2024 to 8 January 2025, the results of which were reported to Policy and Resources committee on 5 February 2025.

## **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The budget proposals support the achievement of the Council's corporate priorities.
Financial, Resource and Property	The report sets out the Council's resourcing position.
Legal, Statutory and Procurement	The Council is required to set a Council Tax and a balanced budget.

Crime and Disorder	Any potential implications will be addressed by service managers in their budget proposals.
Environment and Climate/Ecological Emergency	The proposals support the Climate Change and Ecological motion previously agreed.
Health and Wellbeing	Any potential implications will be addressed by service managers in their budget proposals.
Safeguarding of Children, Young People and Vulnerable Adults	Any potential implications will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Any potential implications will be addressed by service managers in their budget proposals.
Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.

## **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 2025/26  
(ii) Calculation of Band D Council Tax 2025/26
  - Appendix III: Budget report and appendices to Policy and Resources Committee 5 February 2025

## **8 Background Papers**

- 8.1 As detailed in the budget report to the Policy and Resources committee on 5 February 2025.

Council is recommended to resolve as follows:

1. That it be noted that, further to the Officer Delegated decision taken on 3 December 2024, the council calculated:
  - 1.1 the Council Tax Base 2025/26 for the whole Council area as 50,518.20 (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	689.68
Bobbing	1,005.24
Borden	1,143.38
Boughton-Under-Blean	707.36
Bredgar	301.20
Doddington	234.10
Dunkirk	524.80
Eastchurch	842.58
Eastling	157.84
Faversham Town Council	7,450.97
Graveney & Goodnestone	188.10
Hartlip	377.49
Hernhill	320.81
Iwade	1,477.70
Leysdown	1,241.57
Lower Halstow	462.26
Luddenham	42.52
Lynsted	480.02
Milstead	100.68
Minster	5,725.95
Newington	1,068.63
Newnham	158.92
Norton & Buckland	200.35
Oare	182.97
Ospringe	284.93
Queenborough Town Council	902.74
Rodmersham	240.32
Selling	374.56
Sheerness	2,817.10
Sheldwich, Leaveland & Badlesmere	369.45
Stalisfield	110.14
Teynham	993.51
Throwley	144.07
Tonge	466.57
Tunstall	688.77
Upchurch	1,053.94
Warden	509.60
<b>Total Parished Areas</b>	<b>34,040.82</b>

2. That, as a preliminary step, the calculation of the Council Tax requirement for the Council's own purposes for 2025/26 (excluding parish precepts) is £10,439,081 as detailed in the report to Policy and Resources Committee on 5 February 2025.
3. That the following amounts be calculated for the year 2025/26 in accordance with Sections 30 to 36 of the Act:
  - 3.1 £97,002,063 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 £84,396,629 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - 3.3 £12,605,434 being the amount by which the aggregate at 3.1 above exceeds the aggregate at 3.2 above, calculated by the Council 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 £249.52 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 £2,166,353 being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act.
  - 3.6 £206.64 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 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.

<b>Parish / Town Council</b>	<b>£ p</b>
Bapchild	226.62
Bobbing	260.08
Borden	278.82
Boughton-Under-Blean	348.21
Bredgar	248.85
Doddington	246.75
Dunkirk	268.88
Eastchurch	304.29
Eastling	241.64
Faversham Town Council	307.97
Graveney & Goodnestone	279.05
Hartlip	263.72
Hernhill	262.32
Iwade	253.33
Leysdown	274.26
Lower Halstow	289.36
Luddenham	206.64
Lynsted	280.48
Milstead	276.17
Minster	241.64
Newington	264.35
Newnham	240.93
Norton & Buckland	252.71
Oare	292.45
Ospringe	255.77
Queenborough Town Council	286.40
Rodmersham	262.82
Selling	255.55
Sheerness	256.32
Sheldwich, Leaveland & Badlesmere	241.09
Stalisfield	237.86
Teynham	281.12
Throwley	235.97
Tonge	230.22
Tunstall	217.53
Upchurch	256.27
Warden	239.02

3.8 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.

	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	125.90	151.08	176.26	201.44	226.62	276.98	327.34	377.70	453.24
Bobbing	144.49	173.39	202.28	231.18	260.08	317.88	375.67	433.47	520.16
Borden	154.90	185.88	216.86	247.84	278.82	340.78	402.74	464.70	557.64
Boughton-Under-Blean	193.45	232.14	270.83	309.52	348.21	425.59	502.97	580.35	696.42
Bredgar	138.25	165.90	193.55	221.20	248.85	304.15	359.45	414.75	497.70
Doddington	137.08	164.50	191.92	219.33	246.75	301.58	356.42	411.25	493.50
Dunkirk	149.38	179.25	209.13	239.00	268.88	328.63	388.38	448.13	537.76
Eastchurch	169.05	202.86	236.67	270.48	304.29	371.91	439.53	507.15	608.58
Eastling	134.24	161.09	187.94	214.79	241.64	295.34	349.04	402.73	483.28
Faversham Town Council	171.09	205.31	239.53	273.75	307.97	376.41	444.85	513.28	615.94
Graveney & Goodnestone	155.03	186.03	217.04	248.04	279.05	341.06	403.07	465.08	558.10
Hartlip	146.51	175.81	205.12	234.42	263.72	322.32	380.93	439.53	527.44
Hernhill	145.73	174.88	204.03	233.17	262.32	320.61	378.91	437.20	524.64
Iwade	140.74	168.89	197.03	225.18	253.33	309.63	365.92	422.22	506.66
Leysdown	152.37	182.84	213.31	243.79	274.26	335.21	396.15	457.10	548.52
Lower Halstow	160.76	192.91	225.06	257.21	289.36	353.66	417.96	482.27	578.72
Luddenham	114.80	137.76	160.72	183.68	206.64	252.56	298.48	344.40	413.28
Lynsted	155.82	186.99	218.15	249.32	280.48	342.81	405.14	467.47	560.96
Milstead	153.43	184.11	214.80	245.48	276.17	337.54	398.91	460.28	552.34
Minster	134.24	161.09	187.94	214.79	241.64	295.34	349.04	402.73	483.28
Newington	146.86	176.23	205.61	234.98	264.35	323.09	381.84	440.58	528.70
Newnham	133.85	160.62	187.39	214.16	240.93	294.47	348.01	401.55	481.86
Norton & Buckland	140.39	168.47	196.55	224.63	252.71	308.87	365.03	421.18	505.42
Oare	162.47	194.97	227.46	259.96	292.45	357.44	422.43	487.42	584.90
Ospringle	142.09	170.51	198.93	227.35	255.77	312.61	369.45	426.28	511.54
Queenborough Town Council	159.11	190.93	222.76	254.58	286.40	350.04	413.69	477.33	572.80
Rodmersham	146.01	175.21	204.42	233.62	262.82	321.22	379.63	438.03	525.64
Selling	141.97	170.37	198.76	227.16	255.55	312.34	369.13	425.92	511.10
Sheerness	142.40	170.88	199.36	227.84	256.32	313.28	370.24	427.20	512.64
Sheldwich, Leaveland & Badlesmere	133.94	160.73	187.51	214.30	241.09	294.67	348.24	401.82	482.18
Stalisfield	132.14	158.57	185.00	211.43	237.86	290.72	343.58	396.43	475.72
Teynham	156.18	187.41	218.65	249.88	281.12	343.59	406.06	468.53	562.24
Throwley	131.09	157.31	183.53	209.75	235.97	288.41	340.85	393.28	471.94
Tonge	127.90	153.48	179.06	204.64	230.22	281.38	332.54	383.70	460.44
Tunstall	120.85	145.02	169.19	193.36	217.53	265.87	314.21	362.55	435.06
Upchurch	142.37	170.85	199.32	227.80	256.27	313.22	370.17	427.12	512.54
Warden	132.79	159.35	185.90	212.46	239.02	292.14	345.25	398.37	478.04
All other parts of the Council's area	114.80	137.76	160.72	183.68	206.64	252.56	298.48	344.40	413.28

3.9 The total precept per parish for 2025/26 is as follows:

<b>Parish / Town Council</b>	<b>Total Precept £</b>
Bapchild	13,780
Bobbing	53,718
Borden	82,527
Boughton-Under-Blean	100,140
Bredgar	12,714
Doddington	9,390
Dunkirk	32,663
Eastchurch	82,281
Eastling	5,524
Faversham Town Council	755,000
Graveney & Goodnestone	13,620
Hartlip	21,546
Hernhill	17,863
Iwade	69,000
Leysdown	83,956
Lower Halstow	38,240
Luddenham	0
Lynsted	35,446
Milstead	7,000
Minster	200,408
Newington	61,671
Newnham	5,449
Norton & Buckland	9,231
Oare	15,700
Ospringe	14,000
Queenborough Town Council	72,000
Rodmersham	13,500
Selling	18,320
Sheerness	139,962
Sheldwich, Leaveland & Badlesmere	12,728
Stalisfield	3,439
Teynham	74,000
Throwley	4,226
Tonge	11,000
Tunstall	7,500
Upchurch	52,311
Warden	16,500

4. That it be noted that, for the year 2025/26, Kent County Council, the Kent Police and 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 shown below:

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

**Swale Borough Council**

-A	A	B	C	D	E	F	G	H
£114.80	£137.76	£160.72	£183.68	£206.64	£252.56	£298.48	£344.40	£413.28

**Kent County Council**

-A	A	B	C	D	E	F	G	H
£939.55	£1,127.46	£1,315.37	£1,503.28	£1,691.19	£2,067.01	£2,442.83	£2,818.65	£3,382.38

**The Kent Police and Crime Commissioner**

-A	A	B	C	D	E	F	G	H
£150.08	£180.10	£210.12	£240.13	£270.15	£330.18	£390.22	£450.25	£540.30

**Kent and Medway Fire and Rescue Authority**

-A	A	B	C	D	E	F	G	H
£52.70	£63.24	£73.78	£84.32	£94.86	£115.94	£137.02	£158.10	£189.72

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 2025/26 for each of the categories of dwellings shown below:

	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	1,268.23	1,521.88	1,775.53	2,029.17	2,282.82	2,790.11	3,297.41	3,804.70	4,565.64
Bobbing	1,286.82	1,544.19	1,801.55	2,058.91	2,316.28	2,831.01	3,345.74	3,860.47	4,632.56
Borden	1,297.23	1,556.68	1,816.13	2,075.57	2,335.02	2,853.91	3,372.81	3,891.70	4,670.04
Boughton-Under-Blean	1,335.78	1,602.94	1,870.10	2,137.25	2,404.41	2,938.72	3,473.04	4,007.35	4,808.82
Bredgar	1,280.58	1,536.70	1,792.82	2,048.93	2,305.05	2,817.28	3,329.52	3,841.75	4,610.10
Doddington	1,279.41	1,535.30	1,791.19	2,047.06	2,302.95	2,814.71	3,326.49	3,838.25	4,605.90
Dunkirk	1,291.71	1,550.05	1,808.40	2,066.73	2,325.08	2,841.76	3,358.45	3,875.13	4,650.16
Eastchurch	1,311.38	1,573.66	1,835.94	2,098.21	2,360.49	2,885.04	3,409.60	3,934.15	4,720.98
Eastling	1,276.57	1,531.89	1,787.21	2,042.52	2,297.84	2,808.47	3,319.11	3,829.73	4,595.68
Faversham Town Council	1,313.42	1,576.11	1,838.80	2,101.48	2,364.17	2,889.54	3,414.92	3,940.28	4,728.34
Graveney & Goodnestone	1,297.36	1,556.83	1,816.31	2,075.77	2,335.25	2,854.19	3,373.14	3,892.08	4,670.50
Hartlip	1,288.84	1,546.61	1,804.39	2,062.15	2,319.92	2,835.45	3,351.00	3,866.53	4,639.84
Hernhill	1,288.06	1,545.68	1,803.30	2,060.90	2,318.52	2,833.74	3,348.98	3,864.20	4,637.04
Iwade	1,283.07	1,539.69	1,796.30	2,052.91	2,309.53	2,822.76	3,335.99	3,849.22	4,619.06
Leysdown	1,294.70	1,553.64	1,812.58	2,071.52	2,330.46	2,848.34	3,366.22	3,884.10	4,660.92
Lower Halstow	1,303.09	1,563.71	1,824.33	2,084.94	2,345.56	2,866.79	3,388.03	3,909.27	4,691.12
Luddenham	1,257.13	1,508.56	1,759.99	2,011.41	2,262.84	2,765.69	3,268.55	3,771.40	4,525.68
Lynsted	1,298.15	1,557.79	1,817.42	2,077.05	2,336.68	2,855.94	3,375.21	3,894.47	4,673.36
Milstead	1,295.76	1,554.91	1,814.07	2,073.21	2,332.37	2,850.67	3,368.98	3,887.28	4,664.74
Minster	1,276.57	1,531.89	1,787.21	2,042.52	2,297.84	2,808.47	3,319.11	3,829.73	4,595.68
Newington	1,289.19	1,547.03	1,804.88	2,062.71	2,320.55	2,836.22	3,351.91	3,867.58	4,641.10
Newnham	1,276.18	1,531.42	1,786.66	2,041.89	2,297.13	2,807.60	3,318.08	3,828.55	4,594.26
Norton & Buckland	1,282.72	1,539.27	1,795.82	2,052.36	2,308.91	2,822.00	3,335.10	3,848.18	4,617.82
Oare	1,304.80	1,565.77	1,826.73	2,087.69	2,348.65	2,870.57	3,392.50	3,914.42	4,697.30
Ospringe	1,284.42	1,541.31	1,798.20	2,055.08	2,311.97	2,825.74	3,339.52	3,853.28	4,623.94
Queenborough Town Council	1,301.44	1,561.73	1,822.03	2,082.31	2,342.60	2,863.17	3,383.76	3,904.33	4,685.20
Rodmersham	1,288.34	1,546.01	1,803.69	2,061.35	2,319.02	2,834.35	3,349.70	3,865.03	4,638.04
Selling	1,284.30	1,541.17	1,798.03	2,054.89	2,311.75	2,825.47	3,339.20	3,852.92	4,623.50
Sheerness	1,284.73	1,541.68	1,798.63	2,055.57	2,312.52	2,826.41	3,340.31	3,854.20	4,625.04
Sheldwich, Leaveland & Badlesmere	1,276.27	1,531.53	1,786.78	2,042.03	2,297.29	2,807.80	3,318.31	3,828.82	4,594.58
Stalisfield	1,274.47	1,529.37	1,784.27	2,039.16	2,294.06	2,803.85	3,313.65	3,823.43	4,588.12
Teynham	1,298.51	1,558.21	1,817.92	2,077.61	2,337.32	2,856.72	3,376.13	3,895.53	4,674.64
Throwley	1,273.42	1,528.11	1,782.80	2,037.48	2,292.17	2,801.54	3,310.92	3,820.28	4,584.34
Tonge	1,270.23	1,524.28	1,778.33	2,032.37	2,286.42	2,794.51	3,302.61	3,810.70	4,572.84
Tunstall	1,263.18	1,515.82	1,768.46	2,021.09	2,273.73	2,779.00	3,284.28	3,789.55	4,547.46
Upchurch	1,284.70	1,541.65	1,798.59	2,055.53	2,312.47	2,826.35	3,340.24	3,854.12	4,624.94
Warden	1,275.12	1,530.15	1,785.17	2,040.19	2,295.22	2,805.27	3,315.32	3,825.37	4,590.44
All other parts of the Council's area	1,257.13	1,508.56	1,759.99	2,011.41	2,262.84	2,765.69	3,268.55	3,771.40	4,525.68

6. That it be determined the Council's relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZC of the Local Government Finance Act 1992. The principles for the 2025/26 financial year are set out in Annex A of The Referendums Relating to Council Tax Increases (Principles) (England) Report 2025/26. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2025/26 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 2025/26 in Appendix III be approved.

**Council Tax 2025/26**

Our Council Tax requirement is:

	<b>2024/25</b> £	<b>2025/26</b> £
<b>Swale Budget Requirement</b>	<b>24,162,827</b>	<b>25,981,081</b>
Less Revenue Support Grant	(338,000)	(362,000)
Less Business Rates	(11,736,000)	(12,104,000)
Less New Homes Bonus	(674,000)	(988,000)
Less Additional Grants	(1,306,000)	(2,088,000)
<b>Council Tax Requirement</b>	<b>10,108,827</b>	<b>10,439,081</b>
Band D Council Tax	200.70	206.64
Tax Base	<b>50,367.85</b>	<b>50,518.20</b>

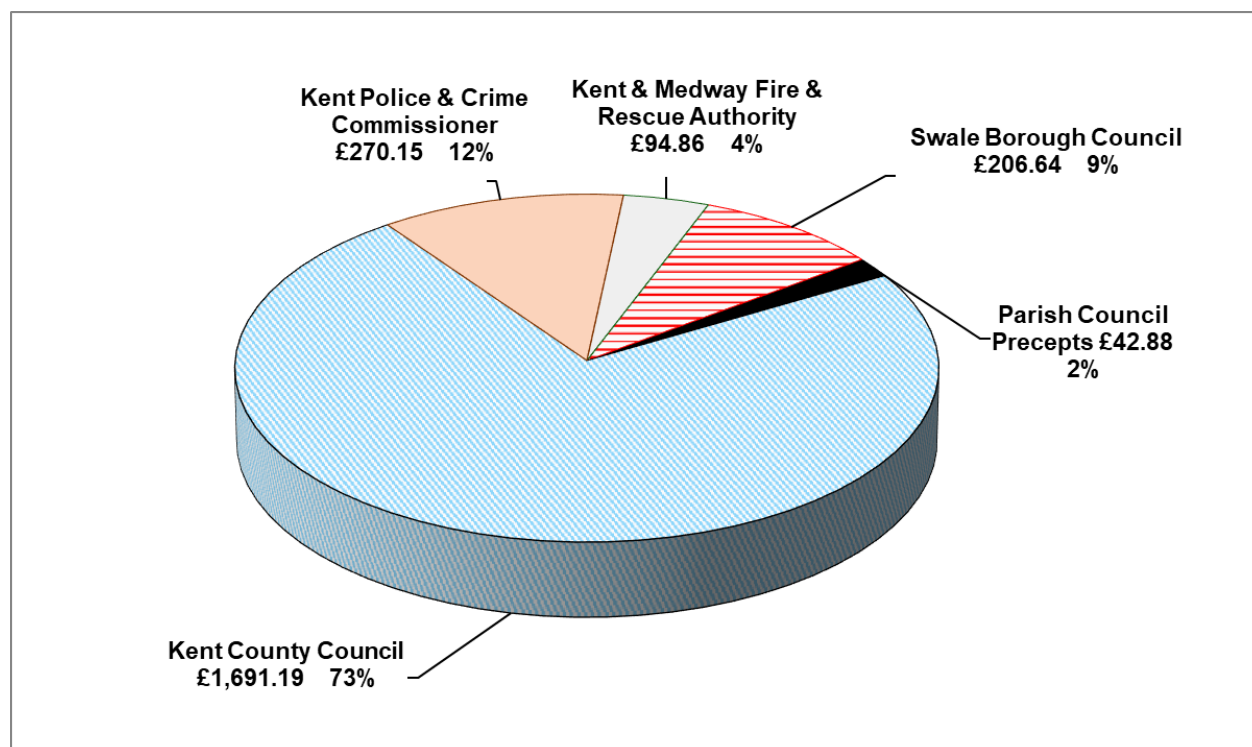
As well as our own Council Tax, we collect on behalf of the other 'precepting authorities', i.e. Kent County Council (4.989%, £80.37 increase including Adult Social Care precept), the Kent and Medway Fire and Rescue Authority (5.51%, £4.95 increase) and the Kent Police and Crime Commissioner (5.47%, £14.00 increase). For a Band D property this equates to an overall increase of 4.879%, £105.26 compared to the increase of 4.756%, £97.96 in 2024/25. 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).

**Calculation of Band D Council Tax 2025/26**

2024/25		Authority	2025/26	
Precept £	Band D Council Tax £		Precept £	Band D Council Tax £
81,133,540	1,610.82	Kent County Council	85,435,875	1,691.19
12,901,725	256.15	Kent Police & Crime Commissioner	13,647,492	270.15
4,528,573	89.91	Kent and Medway Fire and Rescue Authority		94.86
10,108,827	200.70	Swale Borough Council	10,439,081	206.64
<b>108,672,665</b>	<b>2,157.58</b>	<b>BASIC COUNCIL TAX</b>	<b>109,522,448</b>	<b>2,262.84</b>
1,955,342	38.82	Parish Council Precepts*	2,166,353	42.88
110,628,007	2,196.40	Council Tax inc. Parish Precepts	111,688,801	2,305.72

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

**Allocation of Council Tax:**





<b>Policy and Resources Committee Meeting</b>	
<b>Meeting Date</b>	5 <sup>th</sup> February 2025
<b>Report Title</b>	2025/26 Budget and Medium Term Financial Plan and Capital Strategy
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement
<b>Lead Officer</b>	Claire Stanbury, Head of Finance and Procurement
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That all group leaders work together to identify and agree and amendments to the proposed budget  That Policy &amp; Resources Recommends to Council:</li> <li>2. To approve the Administration's 2025/26 revenue budget proposals subject to amendments.</li> <li>3. To approve the proposed Council Tax Band D increase for 2025/26 to £206.64, or to the maximum allowed should the cash limit be increased.</li> <li>4. To approve the Medium Term Financial Plan, subject to amendments.</li> <li>5. To approve the Capital Strategy.</li> <li>6. To approve the capital programme proposals.</li> <li>7. To note the additional amount of Council Tax for Parish Precepts.</li> <li>8. To endorse the Statement (Appendix III) provided by the Director of Resources.</li> <li>9. To approve the minimum revenue provision statement.</li> <li>10. To delegate authority to the Director of Resources to adjust charge out rates within fees and charges as appropriate, where they are based on costs incurred and where legislation changes are made to centrally set charges in year.</li> <li>11. To approve the use of reserves statement as detailed in appendix VII as to ensure reserves are valid and support the assumptions in the MTFs.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Revenue and Capital budget proposals for 2025/26, the Medium Term Financial Plan (MTFP) and the Capital Strategy.
- 1.2 Policy and Resources committee received a budget report on 27 November 2024 prior to the provisional local authority grant settlement announced on 18 December 2024. This report reflects the implications of the settlement, along with any other changes identified since the committee meeting.
- 1.3 This report, if agreed by Policy and Resources committee, will then go forward to Council on 19 February.

## 2 Background

### Provisional Local Government Finance Settlement 2024/25

- 2.1 This year once again is based on a one year settlement only for district councils such as Swale. However, the new government has announced plans to commence the reform of local government funding in the Spring of 2025 including the long awaited reset of the business rate retention system.
- 2.2 The draft settlement published on 18 December announced a one year settlement. New Homes Bonus will continue to be paid, although this will be the final payment. The Services Grant was abolished and our Funding Guarantee Grant was reduced to zero for 2025/26. A Recovery Grant and funding to compensate the additional cost arising from increased National Insurance Contributions (NICs) have been introduced.
- 2.3 The main changes to the draft budget, arising from the provisional settlement are shown in the table below:

<b>Funding Source</b>	<b>Amount £'000 ( ) = increase in grant</b>	<b>Comments</b>
Revenue Support Grant	(18)	Increase arising from rolling in one off smaller grants, plus inflation.
New Homes Bonus	(314)	Increase based on activity
Recovery Grant	(539)	Gain from new grant
Funding Guarantee	1,276	Loss of grant
<b>Core Grant Funding Total</b>	<b>406</b>	<b>Reduction in core grant funding</b>
Homelessness Grant Funding	(393)	Increased grant funding
<b>Overall Change in Government Grant funding</b>	<b>13</b>	<b>Reduction in total grant funding</b>
Extended Producer Responsibility Funding	(1,349)	

- 2.4 New Homes Bonus and the Recovery Grant are reportedly only allocated for 2025/26. As yet, there has been no information in relation to what funding may replace these significant funding streams, increasing risk in future years.
- 2.5 As part of the funding settlement for 2025/26 the government confirmed the new funding stream, subject to the successful delivery of the Extended Producer Responsibility for packaging (pEPR) scheme. As yet we do not have any further details on the burdens arising from the allocation of the grant and again this is an indicative one year allocation.
- 2.6 When the scheme is fully introduced, government assume that local authorities can expect to receive income from the scheme whilst being asked to submit data relevant to their waste collection services. For 2025/26 the Government have guaranteed funding at the amount awarded for Swale, however this is not guaranteed to remain at this level and assessments of waste collection levels and performance compared to other authorities in our waste “group” will determine future allocations. Alongside His Majesty’s Treasury and the Department for Environment, Food and Rural Affairs, MHCLG will be assessing the impact of additional pEPR income on the relative needs and resources of individual local authorities.

### **Staff Pay**

- 2.7 The budget assumes a 3% increase in staff pay as well as increments that are due and the increase in the real living wage.

### **Capital Strategy**

- 2.8 The Capital Strategy sets out the Council’s approach and process to the deployment of capital resources in meeting the Council’s overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.
- 2.9 The proposed Treasury Management Strategy was reported to the Audit Committee on 22 January 2025 and is also reported separately to this meeting. The proposed Capital Programme and its funding are detailed in Appendix VI to this report.
- 2.10 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. The decision to borrow

externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments and the exposure to interest rate and credit risks.

2.11 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 lower 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.

2.12 Council also agreed that in future specific capital projects will have a borrowing limit associated. This limit can be varied by Policy & Resources Committee.

2.13 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.

2.14 Looking ahead to 2025/26 there will be three major capital projects which are reflected in the draft Capital Budget:

2.14.1 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 new homes. The exact arrangements for the drawdown of this funding will follow the detailed planning and procurement phases. The cost of the borrowing will be wholly met by the company. The spend on this project has been profiled so that spend is spread across a number of years to more accurately represent the likely spend pattern.

2.14.2 Purchase of temporary accommodation – the Housing and Health Committee on 17 January 2023 agreed a budget of £11m to purchase up to 50 properties within the borough to accommodate households in need of housing. The purchase of properties will happen over time, as properties become available, so the spend has been profiled over several years, with 2025/26 being the third year. The funding for this project will be a reallocation of temporary accommodation spend to cover the capital financing costs.

2.14.3 Levelling Up Scheme – the council was successful in its bid for funding from the Levelling Up scheme. This project will use funding to improve health, education, leisure and employment opportunities in Sheerness through the Sheerness Revival project. This is expected to be a multi-year capital project, with the spend profiled accordingly. Due to delays in announcing the award of funding, the project has been reprofile the budget into 2025/26.

- 2.15 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The funding of the capital programme is also included in Appendix VI.
- 2.16 Debt is only a temporary source of finance, since loans and leases 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. The Council's policy on MRP is set out in Appendix VIII.
- 2.17 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. 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 £19.8m in the 6 months to 30 September 2024. 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.
- 2.18 For any significant investment the Council will supplement the expertise of Members and Officers with appropriate external specialist advice to ensure that proposals are fully tested, and risks considered.
- 2.19 The Director of Resources believes that the Capital Strategy and Capital Programme proposed are sustainable.

### **3 Proposals**

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

- 3.1 The updated Medium Term Financial Strategy is attached in Appendix I, and the detailed revenue budget proposal is attached in Appendix II.

#### **Balanced Budget Proposals**

- 3.2 The 27 November Policy and Resources report showed a balanced position with £1.533m being used from reserves within 2025/26 to achieve that position.
- 3.3 Along with the changes from the local government settlement, there have been a number of other variations since the 27 November report. These changes have had a positive impact on the budget of £1.190m, the most significant change is the allocation of Extended Producer Responsibility grant to support the

introduction of a new waste scheme aimed to charge producers for the waste that they create. The budget remains balanced by using reserves to the extent of £416k.

- 3.4 The table below shows a summary of all changes to the revenue budget as reported to Policy and Resources committee on 27 November 2024:

<b>Changes since November 2024</b>	<b>2025/26</b>
	£'000
Government grants - core grants	38,700
Government grants pEPR	(1,349,000)
Increased service costs	75,140
Loss of other grants/funding	144,820
Local Plan/Planning costs	582,700
Increased NI contributions	50,000
Additional interest income	(150,000)
Loneliness Project	(36,000)
Additional edition of Inside Swale	(13,100)
Staffing changes	(64,700)
Contribution to/from reserves	(46,900)
Contract savings	(175,000)
Playgrounds reduction	(100,000)
Delay Place work	(100,000)
One year removal of Members grants	(47,000)
<b>Total Changes</b>	<b>(1,190,340)</b>

- 3.5 Detailed revenue budget proposals are attached in Appendix II.

- 3.6 An analysis of the budget risks is detailed in Appendix IX.

### **Council Tax**

- 3.7 The proposals assume an increase of £5.94 (2.96%) in the Band D Council Tax to £206.64.

- 3.8 The Collection Fund and Council Tax base are set out in Appendix IV.

- 3.9 The Council Tax base was set at 50,518.20 by the Director of Resources.

- 3.10 Parish precepts are shown in Appendix V.

- 3.11 In February 2024, this council agreed two changes to the premiums to be charged for council tax with effect from 1 April 2025 as follows:

- A change in the application of a council tax premium on 'long term empty' properties. Currently, if a property has been unoccupied and unfurnished

for 2 years but less than 5 years, then a 100% council tax premium can be applied to the property (Swale Borough Council currently applies this premium in line with the relevant regulations). The Act shortens that 2-year period to 1 year. 'Long term empty' premiums are applied to encourage owners to bring properties back into use, so they are not left empty for extended periods.

- The implementation of a council tax premium on 'second homes'. 'Second homes' are properties which are unoccupied but furnished. For some years now local councils have been able to apply a full council tax charge to second homes. This charge is applied in Swale. The Act allows the councils to apply a 100% council tax premium on second homes (this would mean an owner of a second home in the borough would pay double the normal council tax charge).

### **Fees and Charges**

- 3.12 Proposed fees and charges were set out as part of the draft budget report on 27 November 2024, and these are set out in Appendix XI.
- 3.13 Delegated authority is sought for the Director of Resources to adjust charge out rates to ensure full cost recovery where fees are linked to internal costs.

### **Capital Programme**

- 3.14 The capital budget is attached in Appendix VI.
- 3.15 There have been no changes to the capital budget presented to Policy and Resources committee on 27 November 2024.

### **Robustness of Estimates and Adequacy of Reserves**

- 3.16 The estimated use of reserves is shown in Appendix VII which shows the budget forecast, but all in-year changes will be reflected in closedown and in the Council's financial accounts.
- 3.17 The key principles for the management of reserves moving forward are:
- Maintain reserves to support the Council's budget position and to deal with unexpected one-off events;
  - Funding the Council's strategic priorities; and
  - Fund one-off items of expenditure to support service delivery.
- 3.18 When the Council is considering its budget requirement, Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves and the robustness of the estimates when setting a budget.

- 3.19 What is required is the professional advice of the Director of Resources on these two areas. This responsibility is discharged by way of a certified Statement which can be found at Appendix III (Section 25 Statement). Members are recommended to read the statement thoroughly in order to understand the council's position and to have due regard to the contents when making decisions about the proposed budget.
- 3.20 The Council currently hold a balance of £3.1m as its General Fund balance. Whilst this is currently considered to be appropriate, this does need to increase over time to a target of £4m, representing two months spend. The Council holds earmarked reserves for specific purposes and the remaining unallocated funds form the General Reserve. It is proposed that in the event that the council is accepted on the Devolution Priority Programme, that an amount of £100,000 is ringfenced within the budget contingency reserve to cover costs arising as the council prepares for Devolution and Local Government Reorganisation. The Director of Resources' view is that the level of reserves and balances held by the Council are at a reasonable level overall, and will remain so throughout 2025/26. However, a robust savings plan will need to be established to ensure that the council continues to be able to deliver a sustainable balanced budget from 2025/26 onwards. Earmarked reserves have been rationalised to transfer uncommitted balances to the budget contingency reserve to support a balanced budget position for future years, alongside a deliverable savings programme.
- 3.21 Reserve balances have been reviewed as part of this budget round with some earmarked reserves rationalised and uncommitted balances transferred to the budget contingency reserve to support the assumptions in the Medium Term Financial Strategy. Where 2024/25 expenditure is committed but remains unspent at the end of the financial year, the committed amounts will be allowed to slip into future years.

#### **4 Alternative Options Considered and Rejected**

- 4.1 Do nothing – this is not recommended as the Council is legally required to set a balanced budget.

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

- 5.1 The budget proposals were reported to Policy and Resources Committee on the 27<sup>th</sup> of November 2024.
- 5.2 An online budget consultation exercise took place from 28<sup>th</sup> November 2024 to 8<sup>th</sup> January 2025, and the results are summarised in Appendix X.



## 6 Implications

Issue	Implications
Corporate Plan	The budget proposals support the achievement of the Council's corporate priorities.
Financial, Resource and Property	The report sets out the Council's resourcing position.
Legal, Statutory and Procurement	The Council is required to set a Council Tax and a balanced budget.
Crime and Disorder	Any potential implications will be addressed by service managers in their budget proposals.
Environment and Climate/Ecological Emergency	The proposals support the Climate Change and Ecological motion previously agreed.
Health and Wellbeing	Any potential implications will be addressed by service managers in their budget proposals.
Safeguarding of Children, Young People and Vulnerable Adults	Any potential implications will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Any potential implications will be addressed by service managers in their budget proposals.
Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.

## 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: Director of Resources Section 25 Statement
- Appendix IV: Collection Fund and Council Tax Base
- Appendix V: Parish Precepts
- Appendix VI: Capital Programme and Funding
- Appendix VII: Estimated Use of Revenue Reserves 2024/25 – 2028/29
- Appendix VIII: Minimum Revenue Provision Statement
- Appendix IX: Budget Risks
- Appendix X: Budget Consultation
- Appendix XI: Fees and Charges
- Appendix XII: Proposed Changes Schedules

## **8 Background Papers**

Policy and Resources papers 27 November 2024.

# Budget and Medium Term Financial Strategy 2025/26 to 2028/29

Swale Borough Council

## Contents

1. Medium Term Financial Strategy (MTFS)
2. Corporate Plan
3. Context
4. Global and national Pressures
5. Local Pressures
6. Inflation
7. Funding changes
8. Income
9. Links to other strategies
10. Looking forward
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Chart 1: Inflation Forecasts November 2024

Chart 2: Council Tax Shares

Chart 3: Reserve Balance Projections

Chart 4: Capital Programme 2025/26

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Table 1: Projected Council Tax Income Growth

Table 2: Deficit Forecasts as per 2023/24 Budget

Table 3: Updated Deficit Forecasts Based on Updated Settlement Assumptions

# 1. Medium Term Financial Strategy (MTFS)

*The document that guides the Council's strategic financial planning and forecasting*

- 1.1 Swale Borough Council's Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes and helps ensure a focus on the Council's medium term budget position. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps. It is the method by which the Council translates its long-term goals into action by considering;
- Where the Council is now
  - Where the Council wants to be
  - What the Council's plans are to get there
- 1.2 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It also provides a link between the Council's long-term service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?' The aim should be to provide a framework to support and inform the medium-term planning considerations and the budget setting process. Essentially the MTFS should include consideration of a broad range of factors that influence the Council's long-term financial success.

## The MTFS Aims to:

- Provide a high-level assessment of the resources available to support the Corporate Plan outcomes, outlining the high-level funding projections for the following four financial years (beyond the current year);
  - Explore the financial context in which the Council operates, considering a number of local and national factors. These will include known spending pressures and commitments, along with forecast future funding reductions and the impact of the national economic outlook;
  - Explore the demands on the capital programme both in terms of ambition and resources along with the impact on the revenue account and reserve levels held by the Council;
  - Highlight how the Strategy links in with and supports other Council strategies and policies;
  - Assess the risks on which the Plan is based;
  - Provide preparatory work for the following year's budget;
  - Address the sustainability of the Council's financial position.
- 1.3 The MTFS is fundamentally linked to the Corporate Plan 2023-2027 that was adopted by full council on 4 April 2024.
- 1.4 The Council is currently projecting a deficit position from 2024/25 onwards. Forecasting the deficit highlights the growing gap between the Council's expenditure requirements and the income that can be generated. The future year projections can be found within Appendix II.

## 2. Corporate Plan 2023 - 2027

*'Learning from the past, focusing on the future'*

2.1 The corporate plan was adopted in April 2024, following consideration by service and area committees and a public consultation exercise. The plan states the vision of the council to learn from the past and focus on the future. It showcases the achievements of the council over the past few years and documents the priorities for the period to 2027.

### 2.2 Our priorities

- Community – To enable our residents to live, work and enjoy their leisure time safely in our borough and to support community resilience
- Economy – Working with our businesses and community organisations to work towards a sustainable economy which delivers for local people.
- Environment - Working with our businesses and community organisations to work towards a sustainable economy which delivers for local people.
- Health and Housing - To aspire to be a borough where everyone has access to a decent home and improved health and wellbeing.
- Running the Council - Working within our resources to proactively engage with communities and outside bodies to deliver in a transparent and efficient way

### 2.3 Our leadership qualities

In order to deliver our priorities and objectives the Council needs strong, positive leadership and this is embodied within our leadership qualities as follows;

- Leadership at all levels
- Performance
- Ambition
- Customer Care
- Teamwork

### 2.3 Our Values

Our values represent the beliefs and expected behaviour of everyone working for Swale. There is currently a project to refresh our values, which aim to support quality services, our current values are;

- **Fairness** - being objective to balance the needs of all those in our community
- **Integrity** - being open, honest and taking responsibility
- **Respect** - embracing and valuing the diversity of others
- **Service** - delivering high quality, cost effective public service
- **Trust** - delivering on our promises to each other, customers and our partners

### 2.4 'One Team' Team Approach

In order to deliver high quality services, we need to have excellent teams to deliver them. We recognise that our staff are our most important resource at the heart of the services we provide. We are committed to investing in staff and their development so that we have well trained and supported employees, providing professional services and who are happy and motivated in their work. The One Team approach also includes Members to ensure we work closely together to deliver our priority outcomes

and that their training needs are also met as part of their ongoing development. We are developing a member/officer protocol to improve levels of collaboration, mutual understanding and tone of communication between members and staff.

### 3. Context

*Demographic and landscape issues that set the scene for the budget and financial strategy*

- 3.1 For such a relatively small area, the borough is a remarkably diverse place, including the historic market town of Faversham, the traditional seaside resort of Sheerness and the more industrial market town of Sittingbourne. In recent years Sittingbourne has been the focus of major council-led redevelopment, with current schemes the Levelling Up Fund project, being focused on Sheerness. The Council's urban centres are connected both physically and culturally by the borough's extensive and important rural areas, accounting for around a quarter of the population, which take in several protected wildlife habitats and part of the Kent Downs area of outstanding natural beauty.
- 3.2 Swale's demographic make-up is no less diverse than its geography, including a mix of affluent and less affluent communities, but in general the area is less well-off than is typical for the south-east, and there are some concentrated pockets of severe socioeconomic disadvantage to be found in locations across the borough. While the causes of this are deep-rooted and complex, the outcome is that a proportion of our residents suffer from entrenched inequality and a lack of opportunities which the council needs to do what it can to address.
- 3.3 The indices of multiple deprivation are calculated by government based on a range of measures of poverty and associated disadvantage. The latest data we have on deprivation is from the 2021 census. Previously published data from 2019 reported that the borough was the 69th most disadvantaged of 317 shire districts in England, and the second most disadvantaged in Kent. The 2021 census data shows no change to that position.
- 3.4 Over recent decades, Swale has seen a successful diversification of its economy, which now has key strengths in manufacturing and distribution, as well as high-skilled activities including cutting-edge technology and life sciences. However, it remains the case that much of the borough's employment, including employment created in the last few years, is at the lower end of the skills spectrum.

### 4. Global and National Pressures

*Some financial pressures are driven nationally and indeed globally and are beyond the control of the Council. Some of these which impact Swale are shown below*

#### Global issues

- 4.1 The Net Zero agenda represents a significant global issue, not just a national or local one and at the present time some of the emerging green technologies, which are undoubtedly the way to go for the future, can be significantly more expensive to deliver at the current time. Energy prices remain high, and this continues to impact on costs for some of our service areas.

### **Political**

- 4.2 The general election in July resulted in election of the first Labour led government since 2010. The local government finance policy statement 2025 to 2026 published in late November 2024 laid out the new government's proposals to fundamentally improve the way councils are funded, including a 'reset' of business rate retention scheme. Details are due to be consulted on early in 2025, with implementation of the reforms beginning through a multi-year settlement for 2026-27.

### **Central Government Funding**

- 4.3 We were hoping this year for a multi-year settlement, but following the publication of the local government policy statement and the draft local government finance settlement we have another one year settlement for 2025/26 with a promise of multi-year settlements from 2026/27.
- 4.4 The 2025/26 draft settlement published on 18 December detailed the central government grant allocations for 2025/26. The settlement included the continuation of the New Homes Bonus for one final year, the abolishment of the services grant, reduction of the Funding Guarantee grant to zero and the introduction of a Recovery Grant. A further grant is to be awarded to compensate for the cost arising from the increased employer National Insurance Contributions (NICs), at the time of writing the amounts have not been published but indications are that there is a risk that it will not cover the total additional cost arising from the NIC changes.
- 4.5 As part of the funding settlement for 2025/26 the government confirmed the new funding stream, subject to the successful delivery of the Extended Producer Responsibility for packaging (pEPR) scheme. As yet we do not have any further details on the burdens arising from the allocation of the grant and again this is an indicative one year allocation.
- 4.6 The position for Swale with regards to the business rates reset remains unclear, however as previously reported there is a significant risk to the council around the potential loss of business rate growth within our base budget. Indications are that transitional funding will be available to councils that are negatively impacted by the reset and so the current budget assumes a neutral position for business rates.

### **Inflation**

- 4.7 Inflation has reduced significantly over the last year with the September 2024 CPI position falling to 1.7%, although this has increased to 2.4% in December 2024. Wage inflation remains higher in comparison. Many of the Council's contracts are linked to inflation indices, so we are having to pay more just to stand still. Given that contracts costs are reviewed annually, it also means there is a lag before the increases are applied. This means that there is a delay in terms of cost increases, but also a delay in seeing the effects of falling inflation.
- 4.8 This Medium-Term Financial Plan assumes inflation increases at between 2 and 3% for the coming financial year, remaining at 3% from 2026/27. Future year assumptions will be updated annually as part of the review of our plan over the medium term.
- 4.9 Inflation is difficult to predict in the current situation, and the table below demonstrates the impact that changes in these assumptions for contracts and staffing costs could have on the budget assumptions.



## 4.10

Year	-1%	Estimated increase	+1%
2025/26	1,287,470	1,300,092	1,312,715
2026/27	1,322,094	1,333,095	1,344,096
2027/28	1,344,536	1,367,088	1,389,860
2028/29	1,367,427	1,402,101	1,437,454

**Interest Rates**

- 4.11 After a period of increasing interest rates, these are now starting to decrease, albeit at a much slower rate, with forecasts suggesting that rates will continue to fall slowly throughout 2025.
- 4.12 The current level of interest rates is having a positive impact on the council's treasury management position, with interest receipts on cash holdings being higher than the cost of the current borrowing position.
- 4.13 However, the downside to the higher interest rates is that it has meant assumptions on the cost of financing our capital programme have increased, and we need to keep this position under review to ensure that capital schemes remain affordable. Any changes that impact on the budget framework will be reported to committee for further decisions to be taken on whether to continue with the current scheme.

**5 Local Pressures**

*These arise from local circumstances and demand for services. The financial effects of these must be dealt with by the Council, as there is often no external funding*

**Local Economic changes**

- 5.1 Swale derives significant sums of income from fees and charges for services such as car parking and planning. These will be affected by factors outside the Council's control, such as consumer confidence, the general health of the economy and the cost-of-living crisis.

**Waste Management**

- 5.2 As Members will be aware the new waste contract started in March 2024. The budget position includes provision for the new contract price and the capital financing of the vehicle fleet.
- 5.3 The government are preparing for the roll out of the Extended Producer Responsibility initiative that aims to transfer the cost of collecting and disposing of recycling waste to the organisations that are responsible for producing it. Local authority payments were due to start in 2024/25 but this has been delayed until 2025/26. As reported above the grant allocations have been published but the position regarding any new burdens resulting in the scheme are still to be determined.

**Temporary accommodation**

- 5.4 The council has a duty to provide emergency/temporary accommodation (TA) for homeless households whilst assessing their case and/or ahead of securing more

permanent accommodation. A range of accommodation is currently used to cover this duty: some units owned by Swale, some units owned by housing associations, nightly let self-contained and shared accommodation and rooms in hotels/bed and breakfast accommodation.

- 5.5 Whilst some of the costs of this accommodation are covered by housing benefit this is only payable up to 90% of the 2011 Local Housing Allowance (LHA) which is the amount set by government that can be covered by housing benefit. The difference between the actual cost and housing benefit levels is borne by the council. This has been increasing over recent years, with growth having been built into the current budget assumptions. Officers are working hard to reduce the requirement for temporary accommodation with the number of households in TA as at the end of December 2024 being 273 compared to 304 at the same time last year. Despite the success of the team in reducing the number of households in TA the impact of higher interest rates is being seen in significant price increases from landlords.
- 5.6 As well as the costs to Swale, demand for TA in Kent is exceptionally high and often there are limited options, placements regularly occur outside the Borough. Many of the current TA options are not ideal for what are vulnerable households, accommodation that is not self-contained, not within Borough and is used for increasingly lengthy periods (we currently have 54 households that have been in TA for over 2 years).
- 5.7 Members agreed a project for the Council to purchase a number of properties that can be used to house those in need of TA. This will help to control the spiraling costs, although it is not a panacea for this problem. The project has been progressing well, with 38 properties now purchased, and a further 4 due to complete this month.

### **Supported Accommodation**

- 5.8 A further pressure to the budget position is the loss of housing benefit subsidy on placements in certain types of supported accommodation. Where the placement is not made to a landlord that is not a registered charity or a registered social landlord, the council is only able to reclaim 60% of the housing subsidy awarded to tenants. The growing number of placements in this type of accommodation is adding significant pressure to the budget.

### **Local Council Tax Support Schemes (LCTS)**

- 5.9 The LCTS scheme was implemented in April 2013 as a replacement to Council Tax Benefit. This change was part of wider welfare reforms to reduce expenditure, giving responsibility of the replacement scheme to Local Councils. LCTS schemes should encourage people into work and be based on the ability to pay. Previously the Council Tax Benefit scheme was 100% funded through subsidy paid to the Council from the Department for Work and Pensions (DWP).
- 5.10 From April 2013 each billing authority was given the discretion to set their own scheme, although at the outset the government did stipulate that the scheme would not change the 100% maximum support for low-income pensioners i.e. they would receive the same level of support as they did under the system of Council Tax Benefit. Funding for LCTS is no longer received as a separate subsidy grant but is now within the overall Local Government Funding system as non ring-fenced funding within the Revenue Support Grant (RSG) and baseline funding level. The local scheme (for Swale) has changed several times since the introduction of LCTS in 2013/14.
- 5.11 In April 2023 the Council introduced a banded council tax reduction scheme which aimed to simplify the understanding and processing of the previous scheme. Full

council are due to approve the scheme for 2025/26 in due course.

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

- 5.12 The Internal Drainage Board Levy has been proposed for 2025/26 with an increase of 3%, plus a property adjustment. The levy position is just over £1m for Swale, and the Council has no control over the setting of this levy. Following significant lobbying from local government colleagues, the impact of increases to internal drainage board levies was acknowledged by the Government in 2023/24 with the introduction of the Internal Drainage Board Levies grant. This grant was awarded to 15 local authorities to provide additional and exceptional one-off funding to councils most affected by increases in Internal Drainage Board Levies. Swale received £40k of this grant in 2023/24. A further one-year grant was announced for 2024/25, but Swale were not awarded an allocation from this round of funding.
- 5.13 Government is now recognising that the pressure these levies apply to collection authorities is an ongoing issue and MHCLG will work with DEFRA and the local government sector to implement a long-term solution, although no plans have yet been released. The Leader and the Director of Resources are representing Swale on a LGA Special Interest Group that are hoping to change the way that the current drainage board levy precept process impacts on the local government financial position.

### **Workforce**

- 5.14 We recognise that our staff are our most important resource at the heart of the services we provide. We currently have around 255 full time equivalent posts and 300 actual members of staff. Our pay bill is our most significant area of direct spend and stands at £13.9m including pension contributions of £2.9m as per the 2024/25 budget. The pension fund is administered by Kent County Council (KCC), employee contribution rates are set by Government and range from 5.5% to 12.5%. The fund actuary Barnett Waddingham sets the employer contribution rate, currently 20.5%, plus an annual fixed sum.
- 5.15 The Fund is valued once every three years and the valuation as at 31 March 2022 disclosed a net deficit of £8.46m on Swale's share of the fund, a reduction of £7m from the 2019 valuation deficit of £15.5m due largely to increases in annual investment returns. The change in contribution rates because of the March 2022 valuation took effect from 1 April 2023. The contribution rate increased from 18.5% to 20.5% but the back funding element decreased.
- 5.16 The chancellor's budget announced increases to National Insurance contributions for employers, however the announcement also included an offset for public service organisations indicating that this increase will be covered by funding from central government. However, indications are that the proposed grant allocations will not cover the full cost of the increase and so the budget includes growth to cover the shortfall.

## **6. Inflation**

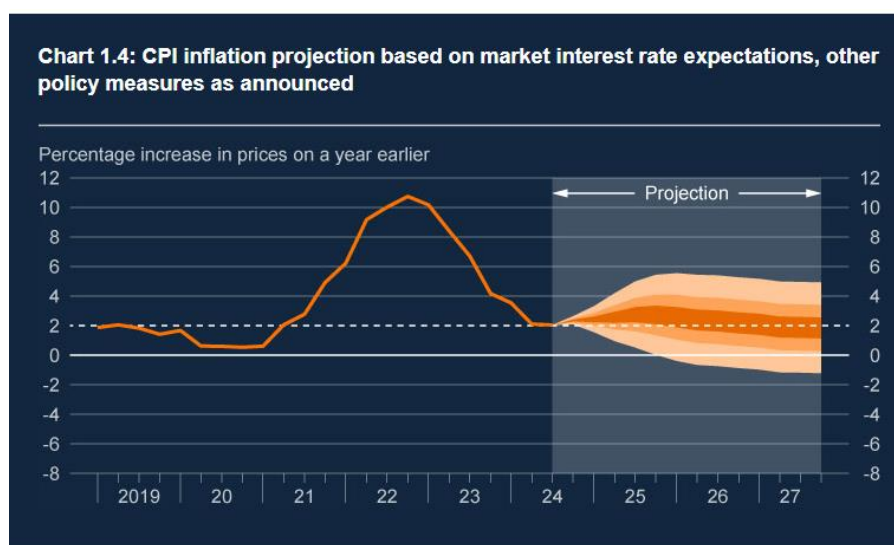
*Inflation is the rate prices for goods and services that the Council buys are expected to rise.*

- 6.1 Inflation is significantly eroding the Council's spending power. Although inflation has fallen, reaching a low of 1.7% at the end of September 2024, there is a long-lasting impact

from the high levels of inflation experienced over the last two years.

- 6.2 The Bank of England's Monetary Policy Committee (MPC) are slowly reducing the bank base rate of interest as inflation falls and stabilises, but the reduction in interest is slow in order to monitor the impact of other shocks to the economy or increases in energy or import prices.
- 6.3 The Council assumes in this financial strategy that inflation will broadly follow the pattern in the graph below as outlined by the Bank of England with general price increases being assumed at around 2-3% for 2025/26. There are also some areas and contracts, such as the waste contract, which use different indices to calculate annual increases, and these are taken account of where appropriate.

**Chart 1 – MPC Forecasts November 2024**



Source: Bank of England Monetary Policy Report November 2024

- 6.4 **Staff Pay** – The Council is not part of a National Joint Council (NJC) national pay agreement, so any increases are set and agreed locally in negotiation with the Union. The current financial plan makes provision for a pay award next financial year and pay negotiation discussions with the union commenced in October 2024. The budget also includes provision for turnover savings (for staff leaving and temporarily vacant posts etc) of 2%. As a guide a 1% increase equates to approximately £126,000 annually.
- 6.5 **Income (fees and charges)** – As in the previous year, increases in the fees and charges for 2025/26 are being recommended for an increase in line with our inflationary and cost of living increases.

## 7 Funding changes

*Local Government is currently going through a significant period of change in terms of the way it is funded and the way the funding elements are to be calculated for the future*

### Local Government Funding Settlement Funding – last year's forecasts

- 7.1 The settlement is issued by the Ministry of Housing, Communities and Local Government (MHCLG) and for Swale comprises several elements including Revenue

Support Grant (RSG), New Homes Bonus (NHB), Baseline Funding Level (via the Business Rates Retention Scheme) and Council Tax (through the setting of referendum principles) but has more recently also included the Services Grant and a Funding Guarantee Grant. The Settlement confirmed some additional one-off grant funding for 2024/25, and a further year's allocation of New Homes Bonus. Unfortunately, the settlement was once again for one year only, despite some indications that there would be a return to a multi-year settlement. RSG is an un ring-fenced grant which can be spent on services at Swale's discretion.

### Settlement Funding

- 7.2 The Chancellor delivered her Autumn Statement on 30 October 2024. The Autumn Statement responds to the OBR forecasts and sets out the medium-term path for public finances. A number of announcements were made in relation to taxation plans, social care funding, and changes to National Insurance contributions for employers. The key issues for Swale and district authorities in general centered around changes to business rate relief for the retail, hospitality and leisure sector and freezing the business rate multiplier for small businesses.
- 7.3 As reported in section 4 above this year's provisional local government finance settlement was once again a single year allocation. The local government policy paper set out the government's proposals for local government finance reform which includes the introduction of multi-year settlements from 2026/27.
- 7.4 The 2025/26 draft settlement saw the continuation of the New Homes Bonus for one final year, the introduction of a Recovery grant and the discontinuation of the Services and we received no Funding Guarantee grants. The governments measure of core spending power includes the grant allocations and assumptions around increases in business rates and council tax income.
- 7.5 The assumptions for business rates are in line with our draft budget for 2025/26, however the budget includes a reduction in the council tax assumptions due to the loss of grant income from KCC.
- 7.6 The main changes arising from the provisional settlement are as follows

<b>Funding Source</b>	<b>Amount £'000 ( ) = increase in grant</b>	<b>Comments</b>
Revenue Support Grant	(18)	Increase arising from rolling in one off smaller grants, plus inflation.
New Homes Bonus	(314)	Increase based on activity
Recovery Grant	(539)	Gain from new grant
Funding Guarantee	1,276	Loss of grant
<b>Core Grant Funding Total</b>	<b>406</b>	<b>Reduction in core grant funding</b>
Homelessness Grant Funding	(393)	Increased grant funding
<b>Overall Change in Government Grant funding</b>	<b>13</b>	<b>Reduction in total grant funding</b>
Extended Producer Responsibility Funding	(1,349)	

### *District Council Band D Increases*

- 7.3 The previous settlement saw the Chancellor use council tax increases to help manage the funding gap within local government which brought in changes to increase the core Band D threshold from 1.99% to 2.99%. This applies to all classes of authority and has been extended for another year to 2025/26. Announcements made to date are that the £5 cash threshold will also still apply, although this is now lower than the 2.99% increase allowed for most authorities.
- 7.4 The forecasts within this MTFP assume council tax increase of 2.96% for modelling purposes and coupled with growth forecasts in the tax base resulted in income projections of around £10.439m for 2025/26, which is growth of £330k based on the 2024/25 position. This charge equates £206.64 for an average Band D property, which is an increase of just over 11p a week for Swale's element of the council tax. It should be noted that, while this information would be used at this point for modelling purposes now, the council tax will not actually be agreed and set until the Full Council budget setting meeting in February 2025.
- 7.5 Lower tier councils are highlighting the need to increase the cash limit, as the £5 increase is now lower than the percentage increase for almost all authorities, and as such is becoming irrelevant.
- 7.6 If the cap was increased to 5% or £10, the following additional income could be generated;

<b>Band D increase</b>	<b>£ increase</b>	<b>Additional Council Tax Estimate</b>	<b>Increased Estimate</b>
2.96%	5.94	330,300	
3.99%	8.01	434,826	104,526
4.98%	9.99	534,852	100,026

- 7.7 Just for information a £10 increase would equate to 19p a week or 2.7p a day .

## **8 Income**

*The Council derives a limited amount of funding from Central Government, the main sources of income are locally raised taxes, fees and charges and specific grants. This section focuses on how the Council is funded and how this will continue to change over the coming years*

### **Business Rates Retention**

- 8.1 Since the 2013/14 financial year, local government has been able to retain 50% of the growth in the local business rates income to support services. As part of a manifesto commitment, the Government pledged to allow Councils more control locally over their finances, and as part of this began to plan for an eventual system of 100% local retention of business rates growth. In exchange for this, Councils would have to forgo certain grants received from Central Government. Following the snap General Election in

2017 and a period of uncertainty around the new Business Rates Retention Scheme, MHCLG had previously confirmed a local 75% share from April 2020, however these potential changes continue to slip, but recent announcements indicate that we can expect consultation on changes this year.

- 8.2 The income from the current system is shared based on 50% being returned to Central Government, 40% being retained by Swale with 10% going to the County. However, while technically Swale's share is projected to be around £24m after the tariff and levy payments are made the net income to Swale reduces to around £11.7m for 2024/25 and just over £12.1m for 2025/26. Business Rates growth has now been built into the base budget, creating this increase, but this does create a greater risk when Business Rates reset finally takes place.
- 8.3 The budget position for 2025/26 includes the proposal to maximise the use of the Business Rates Growth Fund element of the business rates pool as the annual contributions from this element of the pool can be used to support existing council expenditure.
- 8.4 The government have announced that their reform of local government finances will include a 'reset' of business rate system early in 2025. Given the level of growth achieved in business rates for Swale, it is anticipated that this will have a negative impact. We are expecting some form of transitional grant relief which again at the current stage is unknown, so this issue continues to be monitored until we have greater clarity.

#### **Kent Business Rates Pooling Arrangements**

- 8.5 Local authorities can enter arrangements with other Councils to pool their business rates. Legislation allows councils to voluntarily enter a business rates retention pool. Councils within a pool are treated as a single entity with tariffs and top ups netted off and a single levy rate applied. In two tier areas this creates the potential for the levy paid by Borough Councils being reduced thus retaining more resources in the local area. Swale has been a member of the Kent Business Rates Pool since 2015/16, the pool must reapply to MHCLG each year for the arrangements to continue. There is still an option for the pool not to proceed up to 28 days after the Local Government Finance Settlement is received. At the Policy and Resources Committee meeting held on 28 September 2022 delegation was given to the Leader and the Director of Resources in consultation with the opposition group leaders to continue membership of the pool unless there was a significant change in circumstances. On this basis Swale is continuing to remain in the Kent Pool.

#### **New Homes Bonus (NHB)**

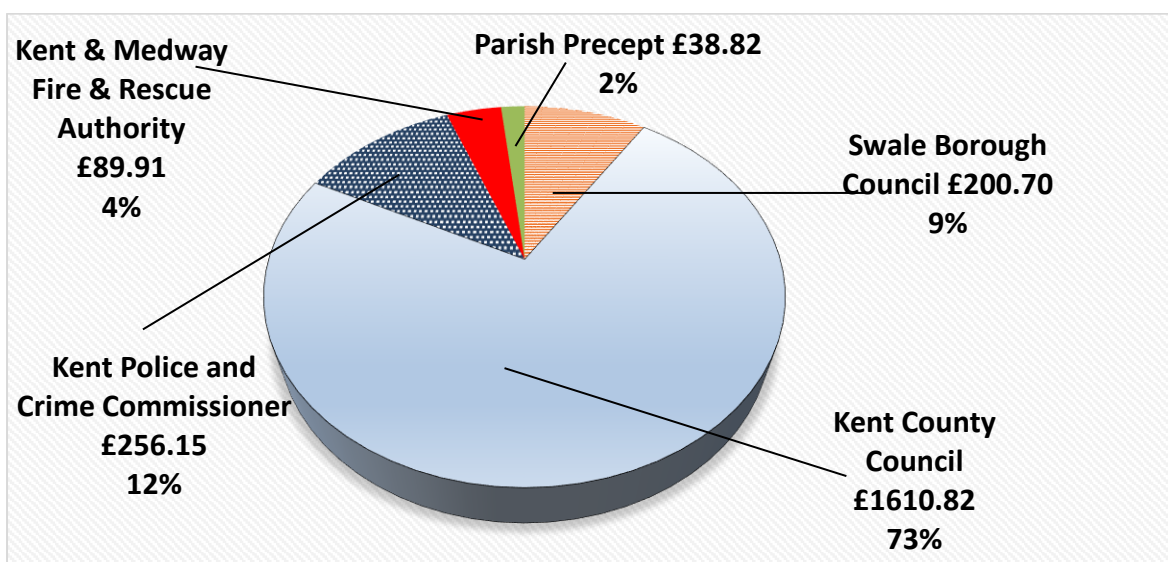
- 8.6 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area. The bonus was originally paid as an un-ringfenced grant for six years and was paid based on the net additional homes plus an additional supplement of £350 per affordable dwelling. The payment is then split between local authority tiers: 80% to lower tier (Swale) and 20% to upper tier (KCC).
- 8.7 Since its initial introduction the payment mechanism has undergone two fundamental changes which have significantly impacted on the income received by Swale. The first was the transition from payments rolled up over a 6-year period up to 2016/17 (for which the Council received £12.3m) to 5 years in 2017/18 to the new 'floor' of 4 years from 2018/19 onwards. The second was in 2017/18 when a national baseline of 0.4% (based on borough property numbers) was introduced which attracted no bonus funding. The allocation of New Homes Bonus Grant for 2025/26 is still uncertain as last year's

settlement confirmed an additional one year agreement only for 2024/25. No further announcements were made in relation to the New Homes Bonus in the Chancellor's autumn budget statement. The allocation for 2025/26 was an increase in grant of £314,000 to a total of £988,000. On the face of it this was good news, however the overall position on grant funding was a reduction of £30,000.

### Council Tax

- 8.8 Swale is the billing authority for the borough, this means that Swale send out the Council Tax bills to residents and collect the Council Tax, but most of this is then distributed to the County Council and Kent Police Authority with a further element then going to town and parishes councils. The relative splits are shown within the chart below.
- 8.9 The charge on a Band D property which is retained by Swale is currently £200.70 (£194.94 2023/24) based on a tax base of 50,367.85 (49,673.46 2023/24). Any increases on this amount are restricted by a cap put in place by the Government, but as discussed above this amount is 3% or £5, whichever is the greater, without undertaking a referendum on the proposals. This generates an extra £330k (including tax base growth assumptions) over the 2024/25 income levels.

#### 8.10 Chart 2 – Council Tax split 2024/25



- 8.11 Within the MTFs, it is assumed that Swale will increase its precept by 2.96% annually from next year. This table highlights the impact of the assumed increases within the charts below.

**Table 1 – Projected council tax income growth**

Council Tax	2025/26	2026/27	2027/28	2028/29
Tax Base	50,518.20	51,023.27	51,533.61	52,048.95
Band D Council Tax	£ 206.64	£ 212.76	£ 219.06	£ 225.55
Council Tax	<b>£10.439m</b>	<b>£10.856m</b>	<b>£11.289m</b>	<b>£11.740m</b>



### Fees and charges

- 8.12 The Council has limited means to charge for some of the services it provides. Some of these charges are set by central government, but the Council has discretion over the levels of others. Of the c£12.5m gross income budgeted for 2024/25, the most significant areas include waste and recycling (£1.6m) which includes things such as garden bins and bulky waste collection, car parking income (£3.5m), commercial rents (£2.1m) and planning and building control income (£2.4m). It should however be noted that there are also significant costs associated with generating some of this income, such as the car park maintenance and enforcement, the waste contract etc.
- 8.13 As part of the Council's drive to close the budget gap fees and charges have been reviewed. Where feasible, and within our control, inflationary increases have been applied. However, where it is felt that market forces allow, there are some above inflation increases proposed. A more comprehensive review will take place to ensure that we are covering our costs where possible.
- 8.14 It is important that the fees and charges are structured in such a way that they support the sustainability of the budget position in the medium to long term, and protect the vital frontline services.

## 9 Links to other strategies

The MTFS is fundamentally linked to and underpins several the Council's key strategy and policy documents

- 9.1 The most significant linkage with the MTFS is with the Council's Corporate Plan and this is discussed in detail above. There are however several other strategies and policies supported by the MTFS.

### Capital Strategy

- 9.2 The Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating the strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.
- 9.3 The Strategy is reviewed on an annual basis to reflect the changing needs and priorities of the Council including residents, businesses and places. The aim of the Strategy is to provide a framework within which the Council's capital investment plans will be prioritised and delivered. The Strategy is the foundation of proper long-term planning of capital investment and how it is to be delivered.
- 9.4 The Strategy's principal objective is to deliver an affordable programme that is consistent with the Council's priorities and objectives. This Strategy is intended to be used by all stakeholders to show how the Council prioritises and makes decisions on capital investment and how this investment supports the Council's priorities and ambitions.
- 9.5 The capital programme approved by Full Council in February 2024 included £33.2m investment in 2023/24 with £31.5m in 2024/25 and £10.6m 2025/26. This is funded

through a mixture of capital receipts and reserves, internal/external borrowing and s106 contributions and other grants. The timing of projects will be monitored, and the budget reprofiled as appropriate at the end of each financial year.

- 9.6 The capital programme for 2024/25 includes the Sheerness Revival project which is being primarily funded by the Levelling Up Fund, and the purchase of properties to use for temporary accommodation. Any revenue implications of these are already included in the MTFS assumptions for 2024/25 and future years as appropriate.

The key principles of the Strategy are;

- 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.

### **Treasury Management Strategy Statement 2024/25**

- 9.7 The Council's Treasury Management Strategy Statement is intrinsically linked with the Capital Strategy and the capital programme, the latest report can be accessed on the Council's website [here](#). The strategy manages the Council's investments, cash flows, banking, money market and capital market transactions.
- 9.8 The treasury management budget supports the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations and understands the revenue implications of all capital decisions.
- 9.9 This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. When it is prudent and economic, any debt previously incurred may be restructured to meet the Council's risk or cost objectives.
- 9.10 The Council receives and approves reports throughout the year;
- Before the start of the financial year, the updated Treasury Management Strategy Statement which includes the Minimum Revenue Provision (MRP) policy statement; how investments and borrowings are to be organised (including prudential indicators); and an Investment Strategy;
  - Quarterly treasury management assurance reports to update Council with the progress of the capital position; adherence to the treasury management strategy and whether any policies require revision and;
  - At the end of the financial year, a treasury management outturn report to provide details of actual indicators compared to the estimates within the strategy.

### **Property Asset Strategy**

- 9.11 The Property Asset Strategy is set within the wider context on the Council's strategic priorities and seeks to align and review the asset base with the Council's corporate goals and objectives. The current Strategy was approved by Regeneration and Property Committee on 14 November 2023. The strategy can be found [here agenda item 5 on page 5](#).

- 9.12 The Strategy provides the framework that will guide the Council's future strategic property decisions and ensure there is a consistent way of managing the Council's land and assets. The Strategy is likely to make recommendations regarding the rationalisation of the property portfolio, and to secure additional investment income from the let estate and property investments, and future budgets will reflect this.

### **Commissioning and Procurement Policy**

- 9.13 The Commissioning and Procurement Policy establishes the Council's strategic approach to procurement. The Policy should be read in conjunction with the Finance Code of Practice, Contract Procedure Rules and Scheme of Delegation within the Council's Constitution. It emphasises the increasing importance of using procurement to support wider social, economic and environmental objectives, in ways that offer real long term benefit.
- 9.14 The Council recognises the importance of a strong and vibrant local economy and the role it can play in stimulating local markets. The website has been developed to provide potential suppliers with a host of information in relation to the Council's procurement processes, which includes a portal advertising all current tender opportunities. To deliver an agile service the Council uses an electronic tendering system.
- 9.15 The strategy provides a corporate focus for procurement, embracing the Council's commitment to strategic procurement and its alignment with corporate objectives and values. The document is not intended to be a "user manual", although the principles contained within the strategy should be applied to all facets of procurement activity. Additional detail regarding the Council's procurement processes can be found within the Contract Procedure Rules and there are user guides available on the intranet.
- 9.16 Social value is the positive impact an organisation has further to the activities it carries out. These can be economic, social and environmental impacts. The Council recognises that Social Value can significantly help it in meeting its priorities and aspirations for the borough by supporting good jobs, better incomes and wellbeing, increased skill levels, higher value economy and higher productivity levels. The Commissioning and Procurement Policy is one of the underpinning strategies that supports the Council's priorities.
- 9.17 The Commissioning and Procurement policy has been updated to reflect the new Procurement Act, which becomes law in February 2025. The new policy was approved by the Policy and Resources committee in November 2024.

## **10 Looking forward**

*In the context of these pressures and reduced funding, the Council has produced a forecast for spend for Capital and Revenue purposes and anticipated use of Reserves*

- 10.1 The resources position has been updated with the best information currently available against the previous budget forecasts below. The business rates and Fair Funding reviews have been further delayed and the Council is experiencing significant spending pressures in future years which is further compounded with the uncertainty around central government funding.

**Table 2 – Deficit forecasts as per the 2024/25 budget**

<b>Funding forecasts Feb 2024</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
	£'000	£'000	£'000	£'000
Base budget & reserve contributions	25,572	25,879	27,492	27,867
Revenue Support Grant (RSG)	(338)	(345)	(352)	(359)
Business Rates	(11,736)	(12,004)	(12,279)	(12,279)
New Homes Bonus	(674)	0	0	0
Services Grant	(27)	0	0	0
Kent Pool Growth Fund (Business Rates)	(855)	(855)	(855)	(855)
Council Tax	(10,109)	(10,410)	(10,828)	(11,262)
Uncertain government grants	0	(27)	(27)	(27)
Funding Guarantee	(1,100)	0	0	0
<b>Projected use of reserves/savings</b>	<b>733</b>	<b>2,238</b>	<b>3,151</b>	<b>3,085</b>

10.2 Following the updates to the current MTFP, the table below has been updated to show the revised funding position, with the future year's deficit peaking at £4.9m in 2028/29. If the business rates reset takes place, this deficit could increase significantly.

**Table 3 – Updated deficit forecasts based on updated assumptions for 2025/26**

<b>Updated funding forecasts January 2025</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	£'000	£'000	£'000	£'000	£'000
Internal Drainage Board Levy	1,000	1,049	1,101	1,101	1,101
Base budget & reserve contributions	24,751	26,003	27,025	27,900	29,200
Revenue Support Grant (RSG)	(338)	(362)	(369)	(376)	(376)
Extended Producer Responsibility Grant	0	(1,349)	0	0	0
Business Rates	(11,736)	(12,104)	(12,379)	(12,379)	(12,379)
New Homes Bonus	(674)	(988)	0	0	0
Services Grant	(30)	0	0	0	0
Funding Guarantee Grant	(1,276)	0	0	0	0
Recovery Grant	0	(539)	0	0	0
Kent Pool Growth Fund (Business Rates)	(855)	(855)	(855)	(855)	(855)
Planned use of reserves	(733)	0	0	0	0
Council Tax	(10,109)	(10,439)	(10,856)	(11,289)	(11,740)
<b>(Surplus)/deficit</b>	<b>0</b>	<b>416</b>	<b>3,667</b>	<b>4,102</b>	<b>4,951</b>

10.3 The additional cost pressures in 2025/26 relate mainly to inflationary pressures on pay and contracts, as well as Planning related costs. This is partly offset through savings proposals, increased income forecasts, assumptions on the continuation of central government funding, use of reserves and the use of the Kent Growth Fund business rates to support the base budget. The savings breakdown can be found within Appendix XII.

10.4 It should be noted that the grant projections for 2025/26 are still subject to final agreement so there is still an element of risk around these, but it is the best information currently available.

10.5 Officers have previously undertaken high level analysis of the cost of the statutory and non-statutory functions which the Council undertakes. Statutory functions include things such as waste collection and the payment of benefits, non-statutory areas include things such as the provision of public conveniences and leisure facilities. Very roughly the cost of statutory services is matched by the Council's grants and income from business rates, council tax etc.

### **Reserves**

10.6 The Council holds several 'usable' reserves both for revenue and capital purposes which fall within one of the following categories:

- General Reserve
- Earmarked Reserves
- Ringfenced Reserves
- Capital Receipts Reserve

10.7 The *General Reserve* is held for two main purposes:

- to provide a working balance to help cushion the impact of uneven cashflows and avoid temporary borrowing and;
- a contingency to help cushion the impact of unexpected events or emergencies.

10.8 As part of setting the budget each year the adequacy of all reserves is assessed along with the optimum level of General Reserve that we should hold. The optimum level of the General Reserve considers a risk assessment of the budget and the context within which it has been prepared.

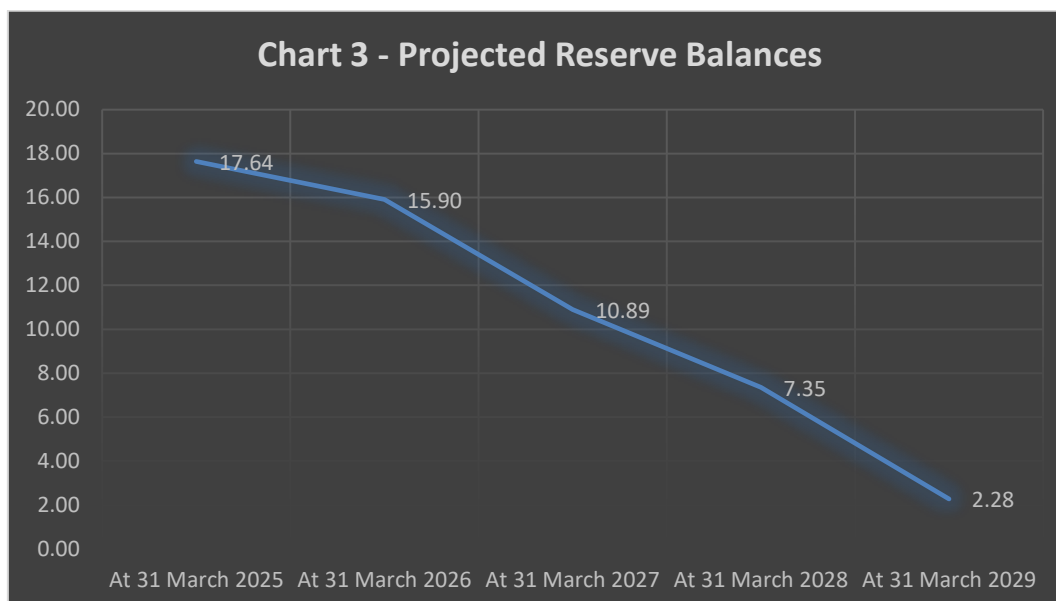
10.9 *Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructuring. A number of contingency reserves are also held by the Council to reduce the impact on Council Tax payers of future uncertain events such as business rate appeals or claw back of benefit subsidy.

10.10 *Ringfenced Reserves* are reserves where funding is allocated for a specific or technical accounting purpose and can only be spent in line with the purpose of that funding and cannot be used to support wider council expenditure unlike our earmarked reserves.

10.11 All reserves, general and earmarked, are reviewed and balances rationalised as part of setting the budget. The review of reserve balances is an ongoing process as reserve funded projects are progressed.

10.12 Use of reserves to balance a budget provides only a short-term solution as the funds can only be used once. They can however be used to smooth the impact of funding gaps over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer-term financial benefit through reduced costs and/or additional income.

10.13 The available earmarked reserves balance, including the General Fund, as at 1 April 2024 stood at £19.5m, the planned use of reserves for the 2024/25 financial year is £1.9m which leaves a forecast balance as at 1 April 2025 of £17.6m. Based on the current medium term budget projections the Council will not have sufficient reserves to help address the budget gap after 2027/28.



## Capital

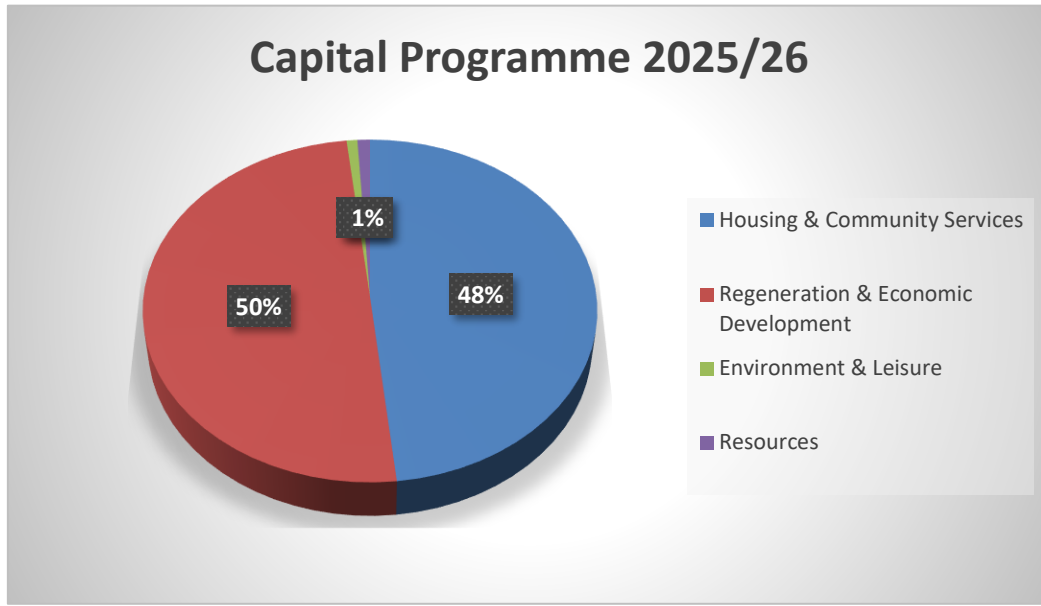
10.14 The capital programme (Appendix VI) shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next four years. As capital expenditure is incurred, a source of finance must be identified through capital receipts, grants and other revenue resources or alternatively through borrowing.

10.15 Any expenditure that is financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). Each year a revenue charge called the Minimum Revenue Provision (MRP) is made to reflect the funding of the CFR by the taxpayer, it is required to be set aside to cover the repayment of debt caused by the need to borrow for capital purposes. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

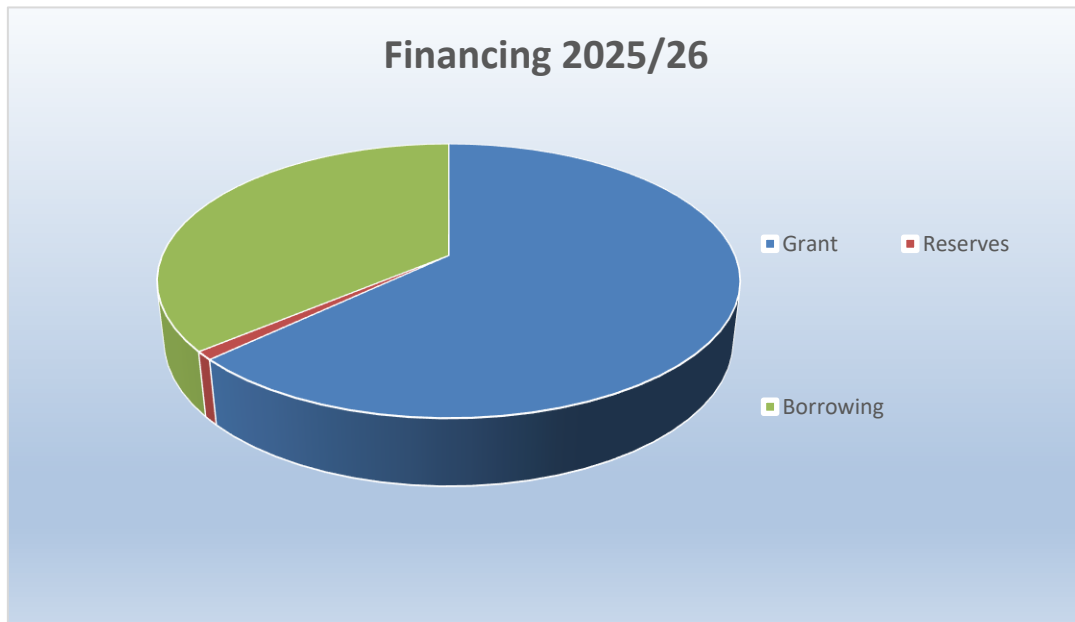
10.16 New projects, which are included in the programme in the future, will need to be financed by MRP if no capital resources such as capital grants or capital receipts from future asset sales are available. Alternatively existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge.

10.17 External borrowing is assumed to finance a portion of the waste vehicle fleet purchase and also the funding for the Rainbow Homes housing provision. The cost of borrowing has increased significantly over the past two years, and although the position has stabilised recently and started to slowly reduce, borrowing rates remain high and are forecast to only reduce slowly and to a higher level than recent years. What this does mean is that any business cases which include borrowing will need to be fundamentally reviewed before any borrowing takes place to ensure the schemes remain affordable and still deliver the anticipated benefits. This includes schemes that have previously been assessed as affordable based on earlier costs of borrowing. Next year's budget is shown below (£21.6m) along with the forecasts to 2028/29.

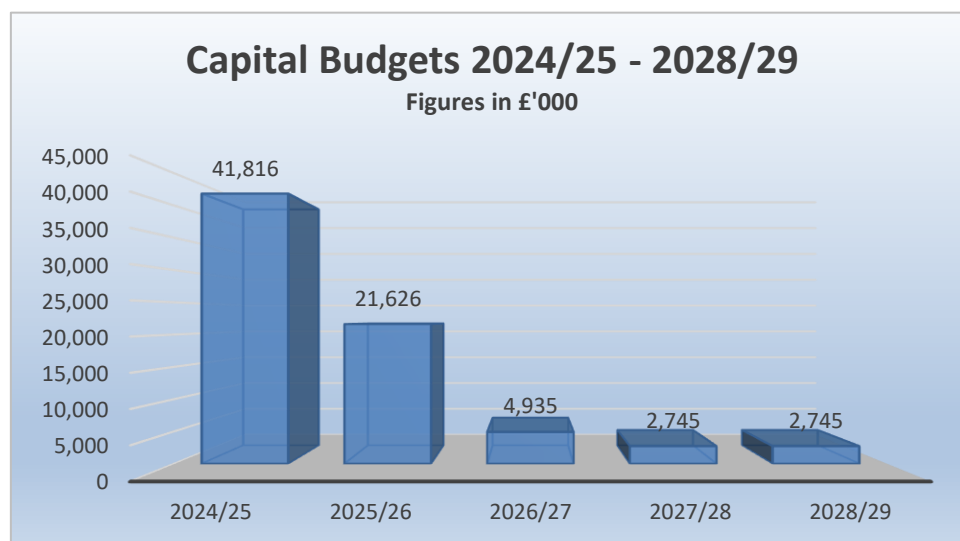
10.18 Chart 4 – Capital Programme 2025/26



10.19 Chart 5 – Capital Programme Funding 2025/26



## 10.20 Chart 6 – Capital Programme Forecast 2024/25 to 2028/29



## 11. Closing the Budget gap

*The Council's strategy for reducing the budget gap covers several work streams as outlined below.*

11.1 Due to the budget pressures being experienced for not only the 2025/26 financial year but also the years following, the Council has had to fundamentally review what services it provides and how they are provided to try and identify savings to help achieve a balanced sustainable budget in future years. The main workstream areas are summarised below.

### Efficiency Review

11.2 As part of the production of these forecasts a detailed budget review has taken place over the summer and autumn to identify efficiencies and additional income to help support frontline services and to balance the Council's financial position. For next year these savings and additional non grant income total around £3.2m (Appendix II), however based on current forecast growth as well, this still leaves a total deficit of £416,000 which will need to be supported from reserves. An Equality Impact Assessment (EQIA) will be undertaken on the proposals where relevant and the council consulted on the draft budget proposals throughout December 2024.

11.3 Once the budget position is approved, work will commence on delivering savings proposals at the earliest opportunity.

11.4 The efficiencies and savings identified have come from a number of areas and include the following;

- Additional income from increased annual demand – car parks, planning etc
- Increased fees and charges
- A freeze in Members allowances
- Reductions in some 3<sup>rd</sup> party grants
- Review of pension and establishment costs to identify savings across service areas
- Continued use of Kent Growth Fund to support base budget
- Reduction in the number of public conveniences



- Alternative funding methods for service delivery
- Service review of historic budgets
- Review of allowance previously included for contract inflation
- Various operational savings – minor budget lines

### **Fees & Charges Review**

- 11.5 A full review of the existing fees and charges was carried out as part of the budget build process for 2024/25 which was updated for the 2025/26 budget report. As detailed above this strategy is recommending an inflationary increase as a minimum in line with the increase in costs that the council is experiencing.
- 11.6 During 2023/24 the council produced a Parking Policy. This was subject to public consultation, and final proposals recommend by the Community Committee on 6 March 2024 were agreed by Policy and Resources on 20 March 2024. The Policy agreed the principles under which the parking service will operate with fees and charges continuing to be reviewed annually as part of the budget setting process. Proposed changes included in the policy were a review of the evening charging policy and a 10p increase in the hourly rates. The current budget allows for a further 10p increase in the hourly rate and an introduction of a 3 hour tariff within the short stay car parks for 2025/26.
- 11.7 Proposals for higher increases to some fees and charges have been included where the underlying cost to the council has significantly increased; where previous charges have been below the statutory maximum charge and where market conditions indicate a higher charge. The proposed fees and charges for 2025/26 can be found within Appendix XI.

### **Financial sustainability**

- 11.8 Financial sustainability and reducing reliance on central government grants is one of the five key themes within the existing Corporate Plan (Running the Council) and is fundamental to this strategy and setting balanced budgets in future years. One of the initiatives will include a review of the way we currently budget for fees and charges structures to ensure we are fully covering our costs. The aspiration is to have a balanced medium-term budget which does not rely on reserves to balance the position.

### **Our investment approach**

- 11.9 There is an ever increasing need for Councils to take a more commercial and business-like approach to all elements of their business. A more commercial approach will directly support the Council's objective of becoming financially sustainable for the future. Part of the strategy development process will involve the identification and prioritisation of a number of internal and external projects which will consider income generation, efficiency and doing things differently. The focus will be on making every pound count for our residents, improving efficiency, investment and increasing social value.
- 11.10 The Local Government Association (LGA) are encouraging Councils to move towards a more commercial culture as a way of developing sustainable self-funding streams that reflect Council's individual priorities and place shaping aspirations. Consequently, the Council needs to think about how it can maximise revenue and efficiencies moving forwards. Swale can already evidence its commercial approach through the delivery of the Bourne Place development and will continue to develop these opportunities.

### **Property Investment and New Ways of Working**

- 11.11 Opportunities for investment in property, whether direct or indirect, continue to be considered to achieve either a direct income stream from the asset or improved returns

on investment. A programme of asset valuations and condition surveys has taken place and the results will help us better understand the challenges faced in terms of maintaining and improving our asset base over the medium to long term to ensure that it remains fit for purpose, delivering income for the Council where appropriate.

- 11.12 Opportunities for the most efficient utilisation of the Council's assets and maximising returns where appropriate are vital. Indirect property investments via treasury instruments, such as the purchase of pooled property funds, can potentially provide a return in terms of a regular income and growth in the value of the investment. Under the Treasury Management Strategy, the Council has made the LAMIT Pooled Property Fund, which invests exclusively in various property assets with the aim of achieving a regular income and growth in the value of the investment.
- 11.13 The Council can choose to use its capital resources to finance a programme of asset investment which aims to deliver long-term revenue streams for the Council and work on an ongoing basis is required to identify the most appropriate projects. This strategy of direct property investment can ensure a secondary benefit to the district as it is possible to generate an economic growth benefit when the investment is located within the borough. This is, however, more resource intensive to manage than externalising these investments.
- 11.14. With the development of hybrid working, we have taken the opportunity to rationalise office space. Work is ongoing to rent out our surplus office space and work with other partner organisations and indeed the private sector. There may also maybe opportunities to work with other partners under the government's [One Public Estate](#) agenda.

### **Digital Transformation**

- 11.15 The Council needs to consider how digital transformation can support the business in the future and deliver more for our residents, identifying changes to service delivery from the implementation of new technology and changes to business processes. It is anticipated that the overall programme will be delivered over a number of years and as projects are rolled out there will be changes to working practices which will help to deliver efficiencies.
- 11.16 The key to this work in the future should really focus on 'putting our customers at the heart of everything we do'. This will undoubtedly lead to efficiencies and potential cashable savings but the direction of travel should be to improve our services for our customers first and foremost because that's the right thing to do. It will also mean that staff can spend longer prioritising 'added value activities' rather than getting bogged down with inefficient paper-based processes.

### **Shared Services, collaboration and selling services**

- 11.17 Creating efficiencies through shared services or joint working continues to be a priority. Identifying such opportunities must therefore continue at a local level, ensuring that realistic and deliverable benefits can be achieved. Again this is an avenue which Swale is already heavily involved in, including activities like the joint waste procurement but could involve a range of other joint procurement opportunities. The council is now working with Maidstone on a shared Emergency Planning resource which provides significant resilience to this vital area of work.
- 11.18 Identifying opportunities to work alongside other public sector partners and organisations to deliver services, such as through our successful Mid Kent Services shared service arrangements, will continue to form an important part of our efficiency strategy.

Opportunities for further sharing arrangements continue to be developed with recent transfer of the Revenues and Benefits Service to MKS.

### **Growing Business Rates and New Homes Bonus**

- 11.19 Under the previous allocation method of New Homes Bonus (NHB) there was a direct financial benefit to the Council from growth in homes through the NHB funding and through increasing the council tax base and additional income generated from council tax. Whilst new housing growth has had an impact on the demand for local services, there will still be a net gain in terms of overall income for delivery while the NHB remains. We do however know that the NHB system is due to be replaced although at the present time it is not clear what with and so our grant funding position remains uncertain.
- 11.20 For similar reasons growing the business rates base will have a direct impact on the level of business rates income retained locally. Equally, maintaining existing business rates remains a priority in that decline in business rates will reduce the amount of income retained. However, as with the NHB the reform and any localisation of business rates continues to be delayed along with the Fair Funding review.

### **Council Tax**

- 11.21 The increased flexibilities around council tax discounts and increases following the removal of the tax freeze grant in 2016/17 provides a further potential income stream. Further review of the current level of discounts can also provide additional income, recommendations on the level of council tax discounts will be reported for approval as part of the budget reports for 2025/26.

### **New opportunities**

- 11.22 Given the current uncertainties around the cost-of-living crisis, global events and the economy in general, as well as the current landscape of local councils reporting financial difficulties, Local Government funding and funding mechanisms are overdue for review and the outcome from this remains a significant risk for the Council's medium term financial assumptions. It will be essential to identify new opportunities to either increase income, increase efficiency through the redesign of services, explore new partnership models for service delivery etc and this will be one of the main challenges over the medium term.
- 11.23 While the Council's reserves do provide some level of comfort over the short term and could be used to address budget deficits this is not a sustainable financial strategy for the medium to long term. As mentioned earlier within the report the reserves are forecast to be depleted by 2028/29 so this would not even be an option.

### **Lobbying and consultation**

- 11.24 The Council will continue to lobby central government in terms of increased funding allocations and continued relaxation/increased flexibility in terms of the council tax referendum principles which will be one of the things required if income raising and decision making is ever to be truly local. We will also continue to respond to all relevant consultations and surveys, in particular in relation to the business rates and local government finance reform.
- 11.25 Members will need to support the efficiency agenda in future years and support officers to deliver a balanced budget position over the medium term as use of one-off reserves to balance the budget deficit is not sustainable.

## 12. Conclusions

*How will this help shape our future budget and financial projections?*

- 12.1 While the Council's reserves do provide some level of comfort over the short term and could be used to address budget deficits this is not a sustainable financial strategy for the medium to long term, and as mentioned earlier within the report the earmarked reserves will be fully depleted by 2028/29 if ongoing savings are not found for the base budget.
- 12.2 Previous budget forecasts made back in February 2024 were made at a time of significant uncertainty in terms of future Government finances due to the Fair Funding and Business Rates Review. This uncertainty remains for 2025/26 along with additional levels of complexity in terms of future inflation forecasts and potential impacts on the economy, suppliers, and contracts. Although multi-year settlements are expected, that is reported to be from 2026/27 onwards.
- 12.3 The updated high level funding forecasts within the strategy build on previous figures from the 2024/25 Budget setting exercise in February which were made within this context, at which time we were forecasting future year deficits which were increasing year on year to around £5.4m by 2028/29.
- 12.4 The MTFS and budget forecasts include the latest information available and it should however be noted that some of the assumptions may need to be when the final settlement figures are confirmed.
- 12.5 As part of the production of these forecasts a detailed budget review has taken place over previous months to identify efficiencies and additional income to help support frontline services and to balance the Council's financial position. For next year these total around £3.2m (Appendix II), and are supported by a number of increases to fees and charges (Appendix XI), however based on current forecasts this still leaves a deficit of £416,000 which will need to be supported from reserves.
- 12.6 The Council is still projecting a deficit position from 2025/26 onwards but due to the funding changes, forecasting the future years deficits remains difficult. Use of reserves does however allow the Council time to plan mitigating actions more effectively, meaning we are more likely to be successful, however this is not a sustainable position if permanent savings are not identified.
- 12.7 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is reasonably practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts and are included within Appendix IX.
- 12.8 At the current time the key messages are as follows;
- Estimated budget gap of £416,000 for 2025/26 even with current savings and fee increases
  - We can deliver our statutory services with current income levels but nothing more
  - To fund non-statutory services we need to find more income/savings/reserves
  - Our reserves will help set a balanced budget for the next 3 years but not after 2027/28
  - Funding from reserves is not a sustainable way to manage our budget

- We need to identify more efficiencies and income to make the budget sustainable
- The current projections are based on a number of assumptions which can and do change

12.9 In conclusion, it is still not clear how the various reviews and the ongoing economic pressures will impact on local government funding, but officers will continue working on the forecasts between now and the point at which the council tax is set in February 2025, by which time the Settlement figures will have been finalised.

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## Detailed Revenue Budget Proposals

Appendix II

Service	2024/25	Growth	Savings	Income Changes	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	782	0	(100)	0	682	782	782	782
Communications & Policy	358	0	0	0	358	358	358	358
Elections, Democratic Services & Information Governance	1,146	0	(0)	0	1,145	1,185	1,185	1,185
Housing & Community	5,328	47	(102)	(450)	4,824	4,871	4,871	4,871
Planning	409	1,165	(30)	(120)	1,423	441	381	381
Environment & Leisure	9,225	1,321	(747)	(445)	9,354	9,899	9,434	9,234
Regeneration & Economic Development	(382)	62	(30)	(216)	(567)	(598)	(598)	(598)
Finance & Procurement	764	0	(10)	0	754	829	829	829
MKS Revenues & Benefits	153	346	0	0	499	499	499	499
MKS Environmental Health	614	76	0	(3)	687	710	710	710
MKS Information Technology	1,339	90	0	0	1,429	1,584	1,584	1,584
MKS Internal Audit	158	7	0	0	165	172	172	172
MKS Human Resources	472	20	0	0	492	513	513	513
MKS Legal	678	22	0	0	700	723	723	723
Corporate Overheads & Capital Financing	3,648	293	(440)	(150)	3,352	3,302	3,302	3,302
Collection Fund Surplus/Deficit	45	0	0	0	45	45	45	45
Pay & Inflation	0	1,047	(250)	0	797	1,805	3,205	4,705
Fees & Charges	0	0	0	(151)	(151)	(151)	(151)	(151)
<b>Sub Total Base Budget</b>	<b>24,736</b>	<b>4,495</b>	<b>(1,709)</b>	<b>(1,534)</b>	<b>25,987</b>	<b>26,969</b>	<b>27,844</b>	<b>29,144</b>
Drainage Board	1,000	49	0	0	1,049	1,101	1,101	1,101
Contribution to Reserves	15	0	0	0	15	56	56	56
Contribution from Reserves	0	0	0	0	0	0	0	0
Uncertain Government Grants	0	27	0	(27)	0	0	0	0
Use of Business Rates Pool Reserve	(855)	0	0	0	(855)	(855)	(855)	(855)
Cumulative Savings Required	(733)	(4,571)	1,709	3,179	(416)	(3,667)	(4,102)	(4,951)
<b>Grants</b>								
Revenue Support Grant	(338)	0	0	(24)	(362)	(369)	(376)	(376)
Extended Producer Responsibility Grant	0	0	0	(1,349)	(1,349)	0	0	0
Business Rates - Gross	(11,736)	0	0	(368)	(12,104)	(12,379)	(12,379)	(12,379)
Services Grant	(30)	0	0	30	0	0	0	0
New Homes Bonus	(674)	0	0	(314)	(988)	0	0	0
Funding Guarantee Grant	(1,276)	0	0	1,276	0	0	0	0
Recovery Grant	0	0	0	(539)	(539)	0	0	0
<b>Council Tax requirement</b>	<b>10,109</b>	<b>0</b>	<b>0</b>	<b>330</b>	<b>10,439</b>	<b>10,856</b>	<b>11,289</b>	<b>11,740</b>

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### **‘SECTION 25’ STATEMENT ON THE ROBUSTNESS OF THE ESTIMATES AND THE ADEQUACY OF THE RESERVES**

#### **1. Introduction**

- 1.1 The council has a legal duty to set a balanced budget and must take all reasonable factors into account when doing so. Section 25 of the Local Government Act 2003 requires that a local authority’s Chief Finance Officer (Section 151 Officer) must report to Full Council on the following elements of the budget proposals when the Budget is being considered and the Council Tax is being set:
- the robustness of the estimates made for the purposes of the budget calculations; and
  - the adequacy of the proposed financial reserves.
- 1.2 This statement is given in respect of the 2025/26 budget setting process for Swale Borough Council and sets out my view as Section 151 officer as to the robustness of the proposed budget for 2025/26, the medium term financial plan, and the adequacy of reserves. It needs to be considered alongside the wider context contained with the budget report. Cost pressures are not being offset by increases in government funding or by relaxing the limits on council tax setting or on statutory fees and charges. The council is faced with using reserves to balance the budget in the short term, but permanent savings to costs and services will be required in the medium term to align expenditure with income and resources.
- 1.3 This council has a robust track record of sound financial reporting and delivery of unqualified financial statements, however the audit findings reported by our external auditor Grant Thornton for both the main audit and the value for money audit have highlighted the need to develop a savings delivery plan to reduce the reliance on reserves and promote sustainability.

#### **2. Robustness of estimates**

- 2.1 The council has a good track record of managing within budget and the budget for 2025/26 shows a balanced position, however once again this relies on a contribution from reserves to deliver the balanced position. Details of how this has been achieved are set out in the budget report, which also forecasts that the future years’ position will worsen as costs increase and external funding remains uncertain and is estimated to reduce.
- 2.2 The announcement by the government that the long-awaited reform of local government funding is scheduled to begin ahead of the settlement for 2026/27 is welcome news as the plan is to “direct funding where is it most needed, based on an up-to-date assessment of need and local resources”. Swale received a share of the new Recovery Grant for 2025/26, with awards based on deprivation statistics it is hoped that this is an indication that funding will be made available in the future. However, this is offset with the announcement of the business rate reset, which is a significant risk to Swale given the level of growth achieved since the localisation of business rates. Assurance has been given that transitional arrangements will be in place for councils

## Appendix III

most affected by the reset and so the current medium term plan assumes no change to the business rate income estimate at this time.

- 2.3 The significant budget gaps estimated from 2026/27 onwards need to be addressed by taking difficult decisions to reduce expenditure and service delivery, manage growth expectations to help facilitate the delivery of a balanced and sustainable budget position. The underlying principle of the corporate plan is one of financial sustainability and so members need to ensure that decisions taken on setting a budget adhere to this principle.
- 2.4 The drafting of the budget is subject to a range of risk factors, these are reported in more detail in Appendix IX.

### 3. Adequacy of Reserves

- 3.1 Appendix VII details the planned use of reserves over the period of the medium term financial plan. It is not a sustainable position beyond 2027/28 when the council's reserves will be depleted if a deliverable savings plan is not put in place. Some of the risk to the use of reserves is due to the uncertainty of government funding and assumes a loss of one off grant allocations and so could be mitigated once the outcome of the reform of local government funding is known.
- 3.2 It is my advice however, that ongoing budget savings need to be made to address the ongoing budget gap that will not be resolved with funding reform as the council's reserves will not sustain the council beyond 2027/28. A robust savings plan needs to be developed to support the drafting of the MTFP for 2026/27 to avoid future consideration of the need to issue a section 114 notice. Section 114 of the Local Government Finance Act 1988 provides the mechanism for the S151 Officer to halt council expenditure when resources are no longer sufficient to maintain or achieve a balanced financial position. The S151 Officer would only take this course of action when all options to stabilise the council's financial position had been unsuccessful.
- 3.3 This statement is drafted with consideration of the CIPFA Local Authority Resilience Index which shows the council's position on a range of measures associated with financial risk. The general findings of the 2024 index show a decrease in the level of reserves held by councils. The change in reserve balances for Swale put the council at the higher end of the risk indicators for financial stress.
- 3.4 The recent announcements regarding Local Government Devolution and Reorganisation and Kent and Medway's expression of interest to join the priority programme for strategic authorities should not be used as excuse for the council to deplete reserves in lieu of making the savings required to reduce the budget gap. The residents and businesses of Swale will continue to live and work in the borough, and will continue to require the support of their local council whatever the name or makeup of that council may be. The government have made it clear that running down of reserves and disposal of assets ahead of a planned reorganisation will not be acceptable and plan to introduce regulation to introduce spending limits and controls around disposals to address this risk.

## Appendix III

### 4. Conclusion

- 4.1 I am of the opinion that the approach taken to the developing the 2025/26 budget meets the requirements contained within the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of reserves for the coming financial year. However this council needs to development a savings plan to address the ongoing budget gap for future years to ensure that the need to issue a s114 notice remains remote.

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## COLLECTION FUND AND COUNCIL TAX BASE

### Tax Base

The tax base for 2025/26 is 50,518.20.

### 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 2024, notifying Kent County Council, the Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions. The declared surplus of £331,000 is shared as follows:

	<b>£'000</b>
Central Government	367
Kent County Council	(229)
The Police and Crime Commissioner for Kent	(47)
Kent & Medway Towns Fire & Rescue Authority	(9)
Swale Borough Council	249
<b>Total</b>	<b>331</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.

### 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 19 February 2025.

### Parish Council Precepts

Parish Council precept demands have been submitted during January 2025 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

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## Parish Precepts 2025-26

Parish / Town Council	Additional Council Tax for Band D 2024/25 £	Tax Base 2025/26	Parish Precept 2025/26 £	Additional Council Tax for Band D 2025/26 £	Additional Council Tax for Band D 2025/26 % change
Bapchild	23.28	689.68	13,780	19.98	-14.18%
Bobbing	52.58	1,005.24	53,718	53.44	1.64%
Borden	68.56	1,143.38	82,527	72.18	5.28%
Boughton-under-Blean	127.97	707.36	100,140	141.57	10.63%
Bredgar	41.38	301.20	12,714	42.21	2.01%
Doddington	38.20	234.10	9,390	40.11	5.00%
Dunkirk	53.77	524.80	32,663	62.24	15.75%
Eastchurch	84.54	842.58	82,281	97.65	15.51%
Eastling	35.00	157.84	5,524	35.00	0.00%
Faversham Town Council	90.25	7,450.97	755,000	101.33	12.28%
Graveney & Goodnestone	70.47	188.10	13,620	72.41	2.75%
Hartlip	54.15	377.49	TBC	TBC	TBC
Hernhill	56.23	320.81	17,863	55.68	-0.98%
Iwade	41.82	1,477.70	69,000	46.69	11.65%
Leysdown	31.25	1,241.57	TBC	TBC	TBC
Lower Halstow	83.03	462.26	38,240	82.72	-0.37%
Luddenham		42.52	0	0.00	0.00%
Lynsted	66.85	480.02	35,446	73.84	10.46%
Milstead	74.37	100.68	7,000	69.53	-6.51%
Minster	35.00	5,725.95	200,408	35.00	0.00%
Newington	56.03	1,068.63	61,671	57.71	3.00%
Newnham	34.29	158.92	5,449	34.29	0.00%
Norton & Buckland	43.50	200.35	9,231	46.07	5.91%
Oare	84.85	182.97	15,700	85.81	1.13%
Ospringe	38.73	284.93	14,000	49.13	26.85%
Queenborough Town Council	78.85	902.74	72,000	79.76	1.15%
Rodmersham	54.30	240.32	13,500	56.18	3.46%
Selling	45.74	374.56	18,320	48.91	6.93%
Sheerness Town Council	49.38	2,817.10	139,962	49.68	0.61%
Sheldwich, Leaveland & Badlesmere	29.13	369.45	12,728	34.45	18.26%
Stalisfield	30.31	110.14	3,439	31.22	3.00%
Teynham	65.78	993.51	74,000	74.48	13.23%
Throwley	28.46	144.07	4,226	29.33	3.06%
Tonge	17.12	466.57	11,000	23.58	37.73%
Tunstall	10.71	688.77	7,500	10.89	1.68%
Upchurch	45.90	1,053.94	52,311	49.63	8.13%
Warden	32.59	509.60	TBC	TBC	TBC
<b>Total</b>	<b>1,874.37</b>	<b>34,040.82</b>	<b>2,044,351.00</b>	<b>1,862.70</b>	<b>2.05</b>

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Scheme	Funding Source	Scheme			2024/25 Budget			2025/26 Budget		
		Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
CCTV Replacement	Reserves	60	(60)	0	0	0	0	0	0	0
Disabled Facilities Grants	Grant	Ongoing programme			7,283	(7,283)	0	2,725	(2,725)	0
Local Housing Company	Borrowing/reserves	23,250	(1,373)	21,877	13,263	(250)	13,013	7,800	(250)	7,550
Dolphin Barge Museum & Skatepark	Capital receipts	104	(104)	0	0	0	0	0	0	0
Purchase of Temporary Accommodation	Borrowing/grant	11,000	(437)	10,563	10,180	(306)	9,874	0	0	0
Local Authority Housing Fund (Bridging)	Grant	464	(464)	0	325	(325)	0	0	0	0
<b>Housing &amp; Community Services</b>		<b>34,878</b>	<b>(2,439)</b>	<b>32,440</b>	<b>31,051</b>	<b>(8,164)</b>	<b>22,887</b>	<b>10,525</b>	<b>(2,975)</b>	<b>7,550</b>
Faversham Creek Basin Regeneration	Capital receipts	200	(200)	0	200	0	200	0	0	0
High Streets	Reserves	584	(584)	0	57	(57)	0	0	0	0
Swale House Refurbishment	Borrowing	2,100	0	2,100	21	0	21	0	0	0
Rural England Prosperity Projects	Grant	503	(503)	0	377	(377)	0	0	0	0
UKSPF	Grant	186	(186)	0	149	(149)	0	0	0	0
Levelling Up Scheme	Grant/reserves	20,509	(20,445)	64	8,117	(8,117)	0	10,891	(10,891)	0
Wayfinding Signage - Faversham	Reserves	49	(49)	0	4	(4)	0	0	0	0
<b>Regeneration &amp; Economic Development</b>		<b>24,131</b>	<b>(21,967)</b>	<b>2,164</b>	<b>8,925</b>	<b>(8,704)</b>	<b>221</b>	<b>10,891</b>	<b>(10,891)</b>	<b>0</b>
Beach Huts	Capital receipts	143	(143)	0	143	(143)	0	0	0	0
Waste Vehicle Fleet	Borrowing/capital receipts	7,035	(2,000)	5,035	789	0	789	0	0	0
Gunpowder Works Oare Faversham	s106/reserves	30	(30)	0	30	(30)	0	0	0	0
Leisure Centre Improvements	Borrowing	287	0	287	287	0	287	0	0	0
Barton's point drainage	Reserves	52	(52)	0	52	(52)	0	0	0	0
Play Area Improvements	s106/reserves	Ongoing programme			338	(338)	0	181	(181)	0
Milton Rec Tennis Courts	Grant/reserves	26	(26)	0	19	(19)	0	0	0	0
<b>Environment &amp; Leisure</b>		<b>7,573</b>	<b>(2,251)</b>	<b>5,322</b>	<b>1,658</b>	<b>(582)</b>	<b>1,076</b>	<b>181</b>	<b>(181)</b>	<b>0</b>
ICT Replacement	Reserves	Ongoing programme			112	(112)	0	100	(100)	0
Finance System Upgrades	Reserves	180	(180)	0	70	(70)	0	110	(110)	0
<b>Resources Total</b>		<b>180</b>	<b>(180)</b>	<b>0</b>	<b>182</b>	<b>(182)</b>	<b>0</b>	<b>210</b>	<b>(210)</b>	<b>0</b>
<b>Grand Total</b>		<b>66,762</b>	<b>(26,836)</b>	<b>39,926</b>	<b>41,816</b>	<b>(17,632)</b>	<b>24,184</b>	<b>21,807</b>	<b>(14,257)</b>	<b>7,550</b>

Scheme	2026/27 Budget			2027/28 Budget			2028/29 Budget		
	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
CCTV Replacement	60	(60)	0	0	0	0	0	0	0
Disabled Facilities Grants	2,725	(2,725)	0	2,725	(2,725)	0	2,725	(2,725)	0
Local Housing Company	2,000	(250)	1,750	0	0	0	0	0	0
Dolphin Barge Museum & Skatepark	0	0	0	0	0	0	0	0	0
Purchase of Temporary Accommodation	0	0	0	0	0	0	0	0	0
Local Authority Housing Fund (Bridging)	0	0	0	0	0	0	0	0	0
<b>Housing &amp; Community Services</b>	<b>4,785</b>	<b>(3,035)</b>	<b>1,750</b>	<b>2,725</b>	<b>(2,725)</b>	<b>0</b>	<b>2,725</b>	<b>(2,725)</b>	<b>0</b>
Faversham Creek Basin Regeneration	0	0	0	0	0	0	0	0	0
High Streets	0	0	0	0	0	0	0	0	0
Swale House Refurbishment	0	0	0	0	0	0	0	0	0
Rural England Prosperity Projects	0	0	0	0	0	0	0	0	0
UKSPF	0	0	0	0	0	0	0	0	0
Levelling Up Scheme	0	0	0	0	0	0	0	0	0
Wayfinding Signage - Faversham	0	0	0	0	0	0	0	0	0
<b>Regeneration &amp; Economic Development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Beach Huts	0	0	0	0	0	0	0	0	0
Waste Vehicle Fleet	0	0	0	0	0	0	0	0	0
Gunpowder Works Oare Faversham	0	0	0	0	0	0	0	0	0
Leisure Centre Improvements	0	0	0	0	0	0	0	0	0
Barton's point drainage	0	0	0	0	0	0	0	0	0
Play Area Improvements	65	(65)	0	0	0	0	0	0	0
Milton Rec Tennis Courts	0	0	0	0	0	0	0	0	0
<b>Environment &amp; Leisure</b>	<b>65</b>	<b>(65)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
ICT Replacement	150	(150)	0	20	(20)	0	20	(20)	0
Finance System Upgrades	0	0	0	0	0	0	0	0	0
<b>Resources Total</b>	<b>150</b>	<b>(150)</b>	<b>0</b>	<b>20</b>	<b>(20)</b>	<b>0</b>	<b>20</b>	<b>(20)</b>	<b>0</b>
<b>Grand Total</b>	<b>5,000</b>	<b>(3,250)</b>	<b>1,750</b>	<b>2,745</b>	<b>(2,745)</b>	<b>0</b>	<b>2,745</b>	<b>(2,745)</b>	<b>0</b>

<b>Estimated Use of Reserves 2024/25 - 2028/29</b>									
	<b>Balance 2024/25</b>	<b>Est use 2025/26</b>	<b>Balance 2025/26</b>	<b>Est use 2026/27</b>	<b>Balance 2026/27</b>	<b>Est use 2027/28</b>	<b>Balance 2027/28</b>	<b>Est use 2028/29</b>	<b>Balance 2028/29</b>
<b>General Fund Balance</b>	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)	3,103,000	0
<b>Earmarked Reserves</b>									
Building Maintenance Fund	(640,174)	70,000	(570,174)	70,000	(500,174)	70,000	(430,174)	70,000	(360,174)
Repair & Replacement Reserves	(598,857)	110,000	(488,857)	175,000	(313,857)	50,000	(263,857)	(65,000)	(328,857)
Civil Parking Enforcement Reserve	(75,090)	25,000	(50,090)	28,397	(21,693)	0	(21,693)	0	(21,693)
General Reserve A/C	(232,862)	100,000	(132,862)	0	(132,862)	0	(132,862)	132,862	0
Local Plan Reserve	(431,576)	227,600	(203,976)	155,000	(48,976)	48,976	0	0	0
Stay Put Grants Reserve	0	0	0	0	0	0	0	0	0
Staffing costs Reserve	(142,199)	42,199	(100,000)	50,000	(50,000)	50,000	(0)	0	(0)
Homeless/Housing Reserve	(52,729)	25,000	(27,729)	25,000	(2,729)	0	(2,729)	0	(2,729)
Council Tax/Housing Benefits Reserve	(708,474)	350,000	(358,474)	30,778	(327,696)	0	(327,696)	327,696	0
Waste & Street Cleansing Reserve	(595,952)	178,634	(417,318)	131,000	(286,318)	81,000	(205,318)	205,318	0
Business Rates Volatility Reserve	(3,870,414)	1,040,000	(2,830,414)	1,650,000	(1,180,414)	1,180,414	0	0	0
Electoral Registration Reserve	(50,000)	(65,000)	(115,000)	(65,000)	(180,000)	135,000	(45,000)	(65,000)	(110,000)
Preceptors CT Support Reserve	0	0	0	0	0	0	0	0	0
Financial Services Reserve	(160,000)	110,000	(50,000)	0	(50,000)	0	(50,000)	0	(50,000)
Kent Pool Economic Development Business Rates Reserve	(2,862,019)	400,000	(2,462,019)	900,000	(1,562,019)	457,000	(1,105,019)	1,105,019	0
Housing & Commercial Growth Business Rates Fund	(979,027)	150,000	(829,027)	829,027	0	0	0	0	0
Environmental Initiatives Reserve	(181,975)	45,000	(136,975)	45,000	(91,975)	45,000	(46,975)	45,000	(1,975)
Heritage Strategy Reserve	0	0	0	0	0	0	0	0	0
Visitor Economy Strategy Reserve	(50,000)	50,000	0	0	0	0	0	0	0
Covid Recovery	0	0	0	0	0	0	0	0	0
Budget Contingency Reserve	(1,991,295)	(1,381,652)	(3,372,947)	932,000	(2,440,947)	1,423,690	(1,017,257)	(16,648)	(1,033,905)
Other earmarked reserves	(915,136)	259,589	(655,546)	54,553	(600,993)	0	(600,993)	233,900	(367,093)
<b>Total Earmarked (Excl General Fund)</b>	<b>(14,537,781)</b>	<b>1,736,371</b>	<b>(12,801,410)</b>	<b>5,010,755</b>	<b>(7,790,655)</b>	<b>3,541,079</b>	<b>(4,249,575)</b>	<b>1,973,148</b>	<b>(2,276,427)</b>
<b>Total earmarked plus general fund</b>	<b>(17,640,781)</b>	<b>1,736,371</b>	<b>(15,904,410)</b>	<b>5,010,755</b>	<b>(10,893,655)</b>	<b>3,541,079</b>	<b>(7,352,575)</b>	<b>5,076,148</b>	<b>(2,276,427)</b>
<b>Ring Fenced/accounting/collection fund</b>									
Collection fund & grants in advance	(120,968)	50,000	(70,968)	30,000	(40,968)	30,000	(10,968)	10,968	0
Accounting adjustments & smoothing	(331,324)	1,000	(330,324)	250,000	(80,324)	0	(80,324)	0	(80,324)
	<b>(452,292)</b>	<b>51,000</b>	<b>(401,292)</b>	<b>280,000</b>	<b>(121,292)</b>	<b>30,000</b>	<b>(91,292)</b>	<b>10,968</b>	<b>(80,324)</b>

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## 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 April 2024.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP, but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Council's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

For 2025/26 it is recommended that:

- For capital expenditure incurred before 1<sup>st</sup> April 2008, and for supported capital expenditure incurred on or after that date, MRP will, under delegated authority, be calculated using the Annuity Method over 50 years.
- For unsupported capital expenditure incurred from 1 April 2008 MRP will, under delegated authority, be calculated by charging the expenditure over the expected useful life of the relevant asset, starting in the year after the asset becomes operational, or as the principal repayment on an annuity with an annual interest rate determined by the loan rate, whichever method is most appropriate.
- Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.
- For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

### Capital Loans

- For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value of any repayments of loan principal received during the year, with the capital receipts so arising applied to finance the expenditure instead.

### Minimum Revenue Provision Statement

- For capital expenditure on loans to third parties which were made primarily for service purposes, the Council will make nil MRP except as detailed below for expected credit losses. Instead, the Council will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.
- For capital loans made on or after 7 May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.
- For capital loans made before 7 May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

Capital expenditure incurred during 2025/26 will not be subject to a MRP charge until 2026/27 or later.

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

### Capital Receipts

Proceeds from the sale of capital assets are classed as capital receipts, and are typically used to finance new capital expenditure. Where the Council decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Council's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.

# 1. Risk Assessment

*The Council takes a measured risk-based approach to the budget setting process*

- 1.1 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is reasonably practical. These are reviewed each year as part of the refresh of the MTFs and future year's budget forecasts. The key strategic financial risks to be considered in developing the MTFs are included within the table below.
- 1.2 Medium term financial planning, set against a backdrop of severe reductions in Government funding and unprecedented economic challenges, both nationally and globally, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the spending pressures (waste/homelessness) and the future funding position for local government following ongoing delays with things such as the Fair Funding Review. All of these issues are placing further pressure on the council in the delivery of a balanced budget, without impacting on frontline services.
- 1.3 There were issues for the first few months of the implementation of the new waste contract and a rerouting exercise was undertaken in September to help address the problem with continued missed bins. A special meeting of the Environment and Climate Change Committee has been scheduled to scrutinise the contract implementation. The scale of the waste and street cleansing contract will always provide an element of risk to the council, but there are measures in place to minimise the impact of that risk.
- 1.4 A return to recession would present further risk to the budget position, in particular significant areas of income such as lettings income, planning fees and car park income that are linked directly to economic demand. Although a recession has so far been avoided and interest rates are now beginning to fall there remains a risk to future impact on the council's income streams.
- 1.5 Uncertainty around current and future local government finance policy will undoubtedly affect our finances over the coming years but hopefully this will become more stable following this year's general election.
- 1.6 Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the borough.
- 1.7 As part of strengthening the financial management of the Council, we will be looking to deliver a medium term financial policy that details future savings beyond 2025-26 to show how the budget will remain balanced over the four year period.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
Future available resources less than assumed.	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2026/27 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as well as

			using regional network contacts to inform modelling.
Escalating costs of local plan and planning service	Likely	High	Ongoing recruitment delays are adding significant cost to the service with the use of locums. The additional requirements for evidence to support the local plan is also adding pressure to the budget position. The expected additional cost of the Highsted Park call in by the Secretary of State will also need to be considered.
Efficiency/transformation initiatives not delivered	Possible	High	The MTFS is currently forecasting significant budget gaps, peaking at £5.4m in 2028/29. Use of one-off reserves to help plug these gaps is not sustainable.
Planned savings not delivered	Possible	High	The MTFS contains budget changes resulting from agreed service changes. Ongoing monitoring of the achievement of these, through regular budget monitoring, will help identify any issues.
Uncertainty around government grant funding	Likely	High	The MTFS is currently forecasting government grant funding of £2.3m in 2025/26. However, the position for 2026/27 remains uncertain due to the settlement review and business rate reset now scheduled for spring 25. There may be transitional support available, but this is currently an unknown.
Uncertainty around county council funding	Likely	High	A number of council services are supported through funding from KCC. If the funding is removed, the burden will fall to Swale and increase the budget gap, if service savings cannot be made to offset the loss of grant funding. Managers are working closely with KCC to manage the risk to finances and service delivery.



Deadline pressure on capital project funding	Possible	Medium	Delays in funding announcements, without extensions to project end dates creates risk that projects may not receive the full funding award. Project Managers are in constant contact with government to raise the awareness of this issue and to request extensions to the end date where possible.
Overreliance on reserve contributions supporting base budget deficits which is not a sustainable position.	Likely	High	Early preparation of 2026/27 MTFS to address the ongoing budget gap and deliver a sustainable base budget position.
Volatility of business rates funding given uncertainty around impact of appeals.	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning.
Pay Awards, fee increases and price inflation higher than assumed.	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and fees. Where pay awards have been agreed these will be factored into the future estimates.
Future spending plans underestimated.	Possible	Medium	Service planning process identifies future budget pressures, and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.
Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.
Income targets not achieved.	Possible	Medium	Regular budget monitoring and reporting takes place. Review of fees and charges included within the budget build process.
Budget monitoring not effective.	Unlikely	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Track record of delivering budget.

Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting, medium-term planning, review of fixed term funding and posts completed.
Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions.
Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2025/26 will be incorporated into the budget.
Collection rates for retained business rates and council tax lower than anticipated.	Possible	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.
Unexpected costs arising from Devolution/Local Government Reorganisation	Likely	High	Evidence from other local government reorganisation projects suggest the cost of delivery are significant. We await the outcome of the Government's assessment of the devolution priority applications to fully assess the implications of this risk.
All MTFS risks not adequately identified.	Unlikely	Low	Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.

## Budget consultation survey results

### Background

Following the agreement of the Policy and Resources Committee on 27 November, a consultation was launched on draft proposals for the council's budget for the financial year 2025/26.

This consultation ran for 6 weeks, and responses were encouraged through news release, social media posts, letters to Town and Parish councils, awareness at area committees, and the council website.

There were:

- 1,339 views of the consultation page on the council's website
- Social media activity promoting the consultation reached 2,928 people

The consultation asked people to read key budget documents and then respond to 12 questions.

The consultation closed at 5pm on Wednesday 8 January, having received 18 responses.

### Results – Summary

There was an improvement in the responses this year, in that there were fewer suggestions that are outside of Swale Borough Council's control. However, there were still some responses that, whether the suggestion is good or not, are beyond the gift of Swale BC to implement.

#### Q1

The council needs to prepare a balanced budget so that its costs are met by income. The council intends to increase its income. How would you suggest we might do that?

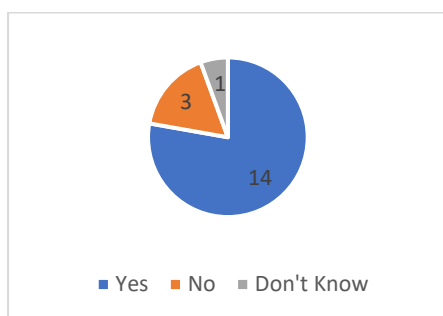
There were 15 responses to this question, with very little in the way of strong themes coming through:

- 3 respondents suggested increasing Council Tax, whilst 1 suggested a Council Tax decrease.
- 2 respondents suggested increasing parking fees, whilst 1 suggested they should be reduced.
- 2 respondents suggested increasing enforcement activity in relation to parking, issuing more fines as a result.
- 2 respondents suggested speaking to town and parish councils to help them reduce their costs.
- Other suggestions included:
  - Stopping councillor expenses
  - Shared Chief Executive arrangement, review of senior salaries, reviewing posts before recruiting to vacancies
  - Encourage involvement by locals and businesses in exchange for better services
  - Selling under-used car parks
  - Additional income from under-occupied offices and buildings

- More family friendly community events
- Reducing Housing Benefit fraud
- Cut down on wasted expenditure
- Lobby Government for more support at a local level
- Business Rates relief for new businesses
- Turn waste into compost, and sell the compost
- Concessions for events filming rights
- Reduce or remove grants to charities
- Fine contractors who fail to deliver services
- Consider the use of volunteers
- Delivery of new builds allocated to Swale BC.

**Q2**

Do you believe the council should reduce its spending?

**Q3**

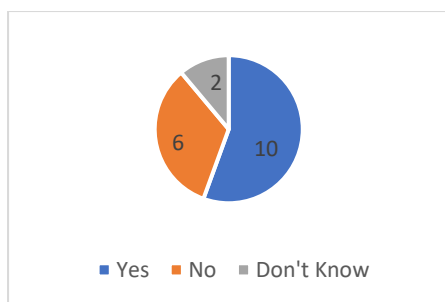
Which services would you reduce?

There were 15 responses to this question:

- 5 made suggestions to reduce costs in salaries, consultants, and expenses
- 2 suggested saving money in relation to Planning services
- 2 suggested saving money in relation to homelessness and Housing Benefits
- 2 suggested no services should be reduced
- Other suggestions included:
  - Waste collection and recycling
  - Asking the local community and businesses to get involved in eg litter picking
  - Leisure services
  - Non statutory services
  - Non-essential grants
  - Public conveniences (where surplus to requirements).

**Q4**

Do you believe the council should reduce its spending on some services to be able to spend more on others?

**Q5**

Which services would you reduce spending on?

There were 12 responses to this question, with very little in the way of a consistent theme:

- 2 suggested reductions in staff pay or councillor expenses
- 2 suggested a reduction in the spend on Housing Benefits
- 2 suggested a reduction in leisure service costs
- Other suggestions included:
  - Waste collection and recycling
  - Days out
  - Non statutory services
  - Producing surveys
  - Car parks.

**Q6**

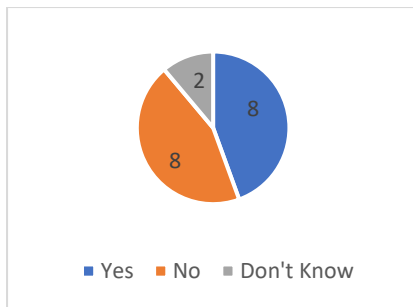
Which services would you spend more on?

There were 15 responses to this question, with a wide range of suggestions made:

- 3 suggested spending more on parks and open spaces
- 2 suggested improving the spend on leisure facilities
- 2 included suggestions around street cleansing
- Other suggestions included:
  - Reducing Council Tax
  - Local Plan progression
  - Supporting the elderly and disabled
  - Safer streets
  - Housing
  - Schools
  - Local companies, CICs and charities that support the work of SBC
  - All essentials
  - None.

**Q7**

Do you agree that we should recover the costs of a service through the fees and charges for that service wherever possible?

**Q8**

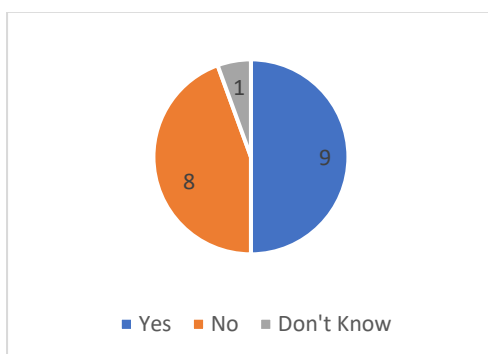
Please use the box below to let us have any views on the proposed increases to the fees and charges.

There were 12 responses to this question, with many of the responses relating to parking fees:

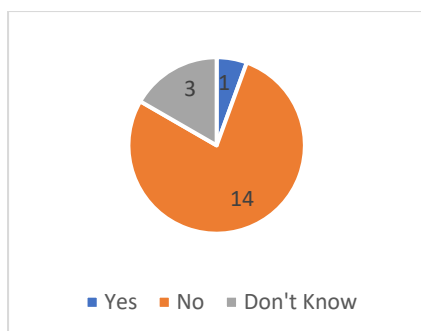
- 6 respondents felt parking fees are already too high, 1 felt they should be increased, and 1 was undecided on the matter
- 1 respondent welcomed 3 hour parking proposal
- 1 respondent felt a short stay car parking fee should be introduced
- Other suggestions included:
  - Don't get value for money from garden waste bin all year round
  - Can bigger taxi firms pay an increased fee?
  - Local land charges need to be considered carefully
  - Sell compost from brown bin contents
  - Introduction of ANPR for car parks
  - Increased charges to property developers for Planning
  - Reduce internal costs and wastage.

**Q9**

The annual Band D Council Tax for Swale Council for this year is £200.70 and the suggested increase for 2025/26 is £5.94. In the current financial circumstances do you think that this is an appropriate amount to charge?

**Q10**

If the government gave us more flexibility to increase the charge beyond 2.99% to help support the council's budget would you be supportive?

**Q11**

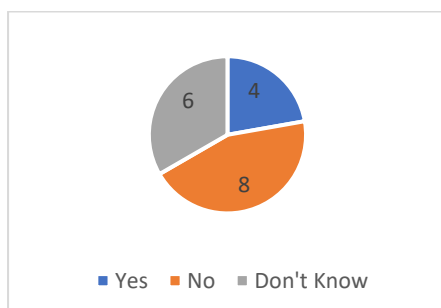
Please use the box below to let us have any views on the capital programme proposals.

There were 10 responses to this question. Suggestions included:

- Creating affordable rental homes
- Sale and lease back of Swale House
- Consider alternative use of properties for staff
- Only carry out capital projects that are grant funded
- Reduce all non-essential capital spend
- Invest in children and elderly adult services
- Invest in children's play areas
- Invest in climate change.

**Q12**

Do you agree with the savings proposals outlined in the report?

**Q13**

Please use the box below to let us have any views on the savings proposals.

There were 10 responses to this question, with a range of views, including:

- Disagree with savings from disposal of green spaces, public conveniences and climate change
- Approve the "big-ticket" savings options
- Encourage big businesses into the area
- Freezing councillor salaries
- Reduction in Chief Executive and corporate overhead costs.

**Results – Detailed**

The responses from each free text question are set out below.

**Q1**

The council needs to prepare a balanced budget so that its costs are met by income. The council intends to increase its income. How would you suggest we might do that?

There were 15 responses to this question.

Suggestions were:

- I do not mind the increases in council tax or parking fees. My concerns are that these increases are not being spent in the right places.
- Two choices – increased revenue or cut expenditure. As the latter has been exhausted, I recommend:
  - Increasing Council Tax by the maximum permitted without a local referendum
  - Explore an increase over the referendum threshold
  - Modest increases to other elective services, such as parking etc.
- Stop all expenses for councillors
- Where possible the council considers a shared chief executive across different local authorities. This was undertaken some years ago by Gravesham Council alongside Tonbridge and Malling Council. Consideration for the vehicle fleet that is currently under the council's ownership are there cost savings that can be made from or in and around this fleet? Please consider asking Traffic Enforcement officers to not just police the car parks around the Faversham area but also look outside of the town centre this although unpopular is a potential revenue generation project. As has been undertaken within central government look at the churn and replacement of staff. Does a role need to be replaced when someone vacates or are there staff that are able to take on the workload and absorb the amounts. Consider a drive to ask locals and businesses to do their bit in exchange for cleaner streets and areas. What can be undertaken by residents or business owners that the council are currently expected to undertake? Senior figures salary reviews – This is a considerable issue within Local Authorities across the United Kingdom with some earning considerably more from the public purse. Undertake conversations with Parish Councils and others as to how their budgets can be spent more wisely with some of the burden falling on their activities with considerations and improved planning before events or decisions costing a considerable amount are undertaken.
- By selling little used car parks for development thereby reducing on-going maintenance costs and improving the visual appearance of the area. By seeking additional income from under-occupation of Council office/properties.
- The car parking prices in Sheerness are far to high. Reduce them and people will use them more thus generating more income.
- But putting on more event for the community at smaller costs that are family friendly, more fines for parking especially around school would increase income greatly. More investigations in to people whole fraudulently claim housing benefit.
- Cut down on wasted expenditure and expenses and put council tax down to match the drop in standards of the services the Council provides.
- Council tax increases so every resident pays and increase.
- Cut top bosses wages.
- Lobby Government for more support at a local level.
- Give new business (under 5 years old) a break on business rates to encourage more new businesses into Swale. Give everyone with a garden a free brown bin, and



those with no garden a mini brown bin for veg peels etc, which could then be turned into compost, then sell the compost.

- Concession charges for events filming rights, and catering in parks from the private sector. Train your staff in income generation, talk to other councils. Reduce or stop paying out grants via councillors and to charities (supporting charities is not your function). Fine/recover income from contractors who fail to provide services. Talk to parish/town councils about reducing their costs. Consider where volunteers could help.
- Make housing developers ensure 60% of new builds are allocated to Swale BC, thus allowing people in temporary or emergency housing to have a home, therefore paying rent, council tax etc.
- Reduce excess unproductive services and resource.

### Q3

Which services would you reduce?

There were 15 responses to this question.

- Waste collection and recycling. With the shambolic appointment of the new contract they've been unreliable and even gone as far as accruing people of lying in relation to bins being placed outside of properties. I also believe that too much money is being spent on housing benefits and homelessness. In the age where bills are going up for those of us that have jobs and houses it feels like we are being punished for some of others' situations. Granted that some of these are unavoidable but in situations where someone has made themselves homeless or makes no effort to be employed then I feel aggrieved that I have to pay for that.
- Elective services with no wider social benefit should be moved closer to covering their costs.
- None.
- As suggested there are a number of areas where the council could ask the local community and big business to step up and assist in sorting issues like littering. Learning from other Local Authorities is a big step in assisting/learning which services could be reduced or considered for changes.
- Leisure.
- Non statutory services.
- None the community is already running on empty.
- Expenses – Town centre managers – planning officers.
- Housing benefits.
- CEO bonuses. All top bosses wages.
- External consultants & senior management costs.
- Non essential grants. Public conveniences if they are surplus to requirements.
- Amount spent on payments for councillor for travelling expenses, etc.
- Dealing with planning and applications.
- Chief Exec and Human Resources.

### Q5

Which services would you reduce spending on?

There were 12 responses to this question .

- Waste collection and recycling. With the shambolic appointment of the new contract they've been unreliable and even gone as far as accruing people of lying in relation to bins being placed outside of properties. I also believe that too much money is being spent on housing benefits and homelessness. In the age where bills are going up for those of us that have jobs and houses it feels like we are being punished for some of others' situations. Granted that some of these are unavoidable but in situations where someone has made themselves homeless or makes no effort to be employed then I feel aggrieved that I have to pay for that.
- Much expenditure is statutory, so can't be reduced. The answers to qq 6 and 7, respectively, must be political decisions, within the headline mandate from this consultation.
- Jollies and days out.
- I feel without the full desktop study and facts there is not a possibility to answer this as it is too broad a question. Cost savings can be made related to where there are for example fleet vehicles that are not worth repair or there are better alternatives if another or different option considered.
- Leisure.
- Non statutory services to statutory services.
- Producing these silly surveys that we no you will take no notice of.
- Housing benefits.
- CEO bosses. Top bosses wages.
- Leisure centres.
- Payments to councillors for expenses etc and buying new office equipment. I don't update my computer, mobile phone for a new one every year.
- Car parks.

## Q6

Which services would you spend more on?

There were 15 responses to this question.

- The council run gyms and leisure facilities. Swallows swimming pool and changing rooms needs cleaning and the changing room facilities are below par.
- Reduce council tax.
- Again it is difficult to say where more money should be spent this is something that faces all decision makers as there are always winner and losers in this type of scenario.
- Local Plan progression. Failure to be up to date will increasingly see decision making taken away from the Council and determined by the Planning Inspectorate/Government which will be to the severe disadvantage of the area in terms of the scale of development.
- Supporting elderly people.
- Leisure, cleaning the street, cleaning public toilets, safer streets.
- None.
- Littering, fly tipping; street cleaning.
- All essentials
- Parks. A public lido in Sittingbourne would be amazing. Green spaces. Wildflowers on the sides of the A249, etc no need to mow!!!
- Parks and open spaces because they are more visible and have a larger audience.
- Schools, local amenities, housing.

- Care for the elderly, disabled and schools.
- Parks and open spaces.
- Local companies, CIC's and charities that make a difference and complement the work of SBC.

### Q8

Please use the box below to let us have any views on the proposed increases to the fees and charges.

There were 12 responses to this question

- My 'Yes' is qualified. This principle should apply to elective services, such as parking.
- Sack them all.
- Although I broadly agree with the changes being made to things like Parking there is a part of me that also suggests that this will decrease trade in places like Faversham. You only need to look towards Dartford and Gravesend where the high streets are empty of people and shops. There needs to be a reason for people to come to an event or want to come to events. Personally I have not renewed my garden waste bin for the very reason that I want to prevent KCC removing the Faversham Tip for it to be sold to Redrow or similar. I personally also do not feel I was getting value for money from my bin all year around. In the winter months apart from when the real Christmas tree is cut up for recycling there is little use of the bin. Taxi licencing charges freeze is welcome however; could there be the potential to ask those that are bigger businesses to pay a little extra for this service as they will have a bigger monopoly on the smaller firms that operation within Swale areas? 3 Hour parking is welcome especially if you want to use the café's and cars in and around areas like Faversham. This does however; mean car parks like the central will not be seeing the turn over of cars and this will mean some choose not to travel into Faversham and may consider going to Bluewater or further afield where there is free parking. Local Land and search charges need to be considered carefully, if someone is trying to improve their home in the borough or they have a Tree that has a TPO why should they pay the same amount as a multi national house builder looking to make millions on land within the borough?
- No information is provide on the level of activity (number of applications/visits/documents) associated with the fees which makes it difficult to suggest areas for change.
- Car parking fees in Sheerness are far to high, if you reduce them, more people will use them.
- Car parking is expensive enough for a town with nothing in it, it should not go up more.
- Why increase garden waste fees people will just start hiding it in the general and recycling bins. Or fly tipping – THINK ABOUT IT!
- Do no increase car park prices. Will inevitably result in loss of people using the car parks/visiting the town centre etc.
- Parking fees already deter people from local spaces. I think people would visit the high street more often if it was free for the first hour. What happens with the bits from the brown bins? There's a place up north that sells compost from it. There's also a place who's crematorium heats the water in the towns outside swimming pool.

- Car parking fees in Faversham are already unrealistic and too high. A short stay car parking fee should be introduced. ANPR for car parks may reduce staff costs. Why are you freezing tax charges and putting everything else up that makes no sense.
- Car parking is too expensive. Property developers should pay a lot more for planning etc.
- Squeezing the local people is not the answer. Reducing your internal costs and wastage is the answer.

## Q11

Please use the box below to let us have any views on the capital programme proposals.

There were 10 responses to this question.

- We need affordable rental homes, be it for 'locals' (sic) or those displaced from other LA areas. If the property speculators won't supply these homes, then SBC must commission them or impose them as a requirement under 'section 106', which must then be enforced. Ideally, supply and demand would be coordinated and managed with neighbouring councils.
- Don't keep wasting money.
- Is there the possibility that Swale House could be sold and then leased back from the new owner for example this has happened with the MoD building in Whitehall this is on a 100 year lease from the UK Government to Amey. Improvements that are being made to Swale House are welcome and of course I want the staff to work in a building that is comfortable and allows for the best use of both their time and public money. I however; wonder of there are better or even considerations of alternatives within the borough that could be used? Examples of this is flexible working and allowing staff to work in a different area or office. Given that we are all facing more and more asks on resources and money is this a good time for the council to consider only undertaking those works that are funded by grants rather than spending out money this is borrowing or reserves that maybe required or needed elsewhere? Although we all want to see improvements to the borough is there anything that could be added to a nice to have list but this is not essential. I know from my own role that this is being asked to be considered at all levels of the public sector.
- This can only be sensibly resolved when the Government funding position is a little clearer although that is unlikely to be of much assistance in relation to the short to medium position. Unless there is some incredibly proactive, and courageous work undertaken by the Treasury the future of the whole of local government looks to be in jeopardy. No mention is made to the potential cost savings, if any, arising from a move to a single tier governance models for Kent which could happen in 2027 and might influence thinking on what level of resources are left to any incumbent authority.
- Reduce all non essential capital programmes and invest in children and elderly adult services. Sheerness is an area of social deprivation (one of the highest in the UK) requires stimulus for growth.
- Most of the capital expenditure will be vanity projects the information given is lacking detail.
- All new estate developers should have to pay a chunk of cash to the area, there should be hedgehog holes in all fences and all new trees planted should be fruit trees. Preferably non commercial and at risk varieties.

- The childrens play areas are badly in need of capital investment and have been neglected for decades. Areas like climate change investment should also be a high priority.
- All been said before under Conservatives, Labour will be just as bad.
- No comment.

### Q13

Please use the box below to let us have any views on the savings proposals.

There were 10 responses to this question.

- In fact, my answer is 'Yes and no'. I disagree with the 'savings' from, disposing of green spaces, public lavatories and climate change expenditure. These save comparatively small amounts but have a disproportionate impact on our quotidian lives and on visitors to, for example, Sheppey. The real savings, of which I approve, come from the big tick (six-figure) items.
- Leave things as they are.
- Although I have said I broadly agree of which I do these are like any budget that is drafted within the public sector they are based on assumptions. Sadly there is not a place for assumptions and this is where robust cost modelling with as much as possible experts working on this needs to come in to place. There are many assumptions that are made overall around anything in life I assume that I will wake up tomorrow and go to work this is not a guarantee. I would encourage any future savings to be grouped in a way that there are some added percentages and where there is a likelihood of success. Grants can not be relied upon as Swale is in the South East there can also not be an expectation that big business will come and or stay in the borough. Where this could be encouraged is regular communication on plans and then hope that said business sees worth in an area.
- See suggestions for other income.
- Future savings appear to be coming from a rather huge increase in council tax.
- Labour Council and MP are letting us down.
- Given the poor financial position that the council now finds itself in there is probably little choice left but to make savings!
- No salary increases for Councillor.
- As a pensioner already struggling, these proposals will make me homeless and feeling suicidal.
- Chief Exec costs and corporate overheads need to be reduced.

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Housing Services</b>								
<b>Home Inspection for Immigration Application Fee</b>								
Requests received to inspect and provide report on suitability of proposed home in connection with immigration applications	147.08	29.42	176.50	150.33	30.07	180.40	2.21%	Market rate
<b>Staying Put Handyperson Rates</b>								
Hourly rate for a handyperson	14.29	2.86	17.15	14.63	2.93	17.55	2.34%	Market rate
Subsidised hourly rate for a handyperson – client in receipt of benefits	5.29	1.06	6.35	5.42	1.08	6.50	2.39%	Market rate
Private disabled works (household not eligible for Disabled Facilities Grant)	158.70	0.00	158.70	135.17	27.03	162.20	2.21%	Market rate
Disabled Facilities Grant (DFG) fee (statutory % charge)	12.50%			12.50%				Externally set
<b>Alleygate Key</b>								
Fee	19.42	3.88	23.30	19.83	3.97	23.80	2.13%	Market rate
<b>Town Centre Licence</b>								
Licence for large events of 10,000 people or more	582.00	0.00	582.00	495.83	99.17	595.00	2.23%	Market rate
<b>Planning</b>								
<b>Planning Performance Agreements (PPA)</b>								
Central government encourages the use of planning performance agreements (PPA's) for large or complex planning proposals. These are voluntary agreements between us and the applicants which helps to: <ul style="list-style-type: none"> <li>•bring together the developer, the Local Planning Authority and key stakeholders to work in partnership throughout the planning process</li> <li>•ensure complex proposals progress through the process to mutually-agreed timescales</li> <li>•ensure appropriate resources and expertise are provided to advise on complex proposals</li> <li>•provide greater opportunity for dialogue through the planning process and help deliver high-quality development</li> </ul> The cost of the PPA will be calculated based on the complexity and size of the scheme using the relevant officer day rates. Please contact the Planning Department to discuss your requirements and obtain an estimate.								Market rate
<b>Pre Application Advice</b>								
Large major (50+ houses or flats, or commercial over 10,000sqm)	4,370.42	874.08	5,244.50	4,495.83	899.17	5,395.00	2.87%	Cost recovery
Major (10-49 houses or flats)	2,871.25	574.25	3,445.50	2,954.17	590.83	3,545.00	2.89%	Cost recovery
Minor	801.67	160.33	962.00	824.58	164.92	989.50	2.86%	Cost recovery
Householder	291.67	58.33	350.00	300.00	60.00	360.00	2.86%	Cost recovery
Heritage & urban design attendance at meeting per hour	208.33	41.67	250.00	214.17	42.83	257.00	2.80%	Cost recovery
Listed building (householder) - written advice only	100.00	20.00	120.00	102.92	20.58	123.50	2.92%	Cost recovery
Local not-for-profit charities	0.00	0.00	0.00	0.00	0.00	0.00		Cost recovery
Others not in categories above, charged at an hourly rate	Price on application			Price on application				Cost recovery
* Parish Councils, voluntary organisations, national charities or charities that are not 'not-for-profit' will be charged based on development size.								
<b>Complaints made under the High Hedges Legislation</b>								
Standard fee	600.00	0.00	600.00	511.00	102.20	613.20	2.20%	Cost recovery
<b>Planning Portal</b>								
The Planning Portal will be charging a £20 (£16.67 + VAT) service charge payable by applicants on any planning application that attracts a fee. Applications that do not attract a fee will not incur this service charge.								

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Local Land Charges</b>								
<b>Official Searches</b>								
LLC1 only	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
LLC1 only - additional parcel	4.80	0.00	4.80	4.80	0.00	4.80	0.00%	Externally set
Con 29	143.50	28.70	172.20	150.67	30.13	180.80	4.99%	Cost recovery
Con 29 - additional parcel	21.00	4.20	25.20	22.04	4.41	26.45	4.96%	Cost recovery
Standard search (LLC1 & Con29)*	158.50	28.70	187.20	165.67	30.13	195.80	4.59%	Cost recovery
Standard search (LLC1 & Con29) - additional parcel*	25.80	4.20	30.00	26.84	4.41	31.25	4.17%	Cost recovery
Part II enquiry - Con29 questions 4-21	14.17	2.83	17.00	14.88	2.98	17.85	4.98%	Cost recovery
Part II enquiry - Con29 question 22	26.25	5.25	31.50	27.58	5.52	33.10	5.08%	Cost recovery
Additional questions	19.96	3.99	23.95	21.00	4.20	25.20	5.21%	Cost recovery
*VAT applicable only to the Con29 part of the charge.								
<b>Personal Searches</b>								
<b>Enhanced Personal Search</b>								
1.1 (a-l) (Planning)	7.33	1.47	8.80	7.71	1.54	9.25	5.16%	Cost recovery
1.1 (J, K, L) (Building Regulations)	7.33	1.47	8.80	7.71	1.54	9.25	5.16%	Cost recovery
2.1 (b-d)	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.1 Land for public purpose	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.3 Drainage matters	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.5 Railway schemes	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.7 Outstanding Notices	10.50	2.10	12.60	11.04	2.21	13.25	5.16%	Cost recovery
3.8 Building Regulations Contravention	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.9 Enforcement	7.33	1.47	8.80	7.71	1.54	9.25	5.16%	Cost recovery
3.10 CILs	5.00	1.00	6.00	5.25	1.05	6.30	5.00%	Cost recovery
3.12 Compulsory purchase	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.13b Contaminated land	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery
3.13c Contaminated land	3.67	0.73	4.40	3.83	0.77	4.60	4.45%	Cost recovery

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Environment and Leisure</b>								
<b>Car Parks and Season Tickets</b>								
<b>Short Stay (maximum stay 4 hours) 7am - 10pm</b>								
Faversham: Central car park (season tickets for business only), Institute Road car park (no season tickets)								
Sittingbourne: Albany Road, Central Avenue, Crown Quay Lane, Milton High Street(maximum stay 2 hours), The Forum, The Swallows, Swale House (weekends only), The Forum (season tickets business only)								
Sheerness (no season tickets): Rose Street (including land adjacent to Wood Street), Trinity Place, Beachfields								
Up to 30 minutes	0.58	0.12	0.70	0.67	0.13	0.80	14.94%	Market rate
Up to 1 hour	1.17	0.23	1.40	1.25	0.25	1.50	6.84%	Market rate
Up to 2 hours	2.33	0.47	2.80	2.50	0.50	3.00	7.30%	Market rate
Up to 3 hours	N/A	N/A	N/A	3.75	0.75	4.50	N/A	Market rate
Up to 4 hours	4.67	0.93	5.60	5.00	1.00	6.00	7.07%	Market rate
Season ticket per quarter (for business only Central car park, Faversham/ Forum, Sittingbourne)	241.67	48.33	290.00	258.33	51.67	310.00	6.90%	Market rate
Electric vehicle parking/charging per kilowatt hour (kWh)	variable	variable	variable	variable	variable	variable		Market rate
Sittingbourne: East Street car park, Albany Service Road car park								
Maximum stay 1 hour (cashless transactions only)	1.17	0.23	1.40	1.25	0.25	1.50	6.84%	Market rate
<b>Bourne Place Multi-Storey Car Park</b>								
The charge is for ALL parking bays including disabled and parent/child bays between 7am and 10pm.								
Patrons of Light Cinema will have free parking all day on Sundays and after 6pm Mon-Sat. Ticket must be validated at the Light before payment at car park machine								
Up to 30 minutes	0.58	0.12	0.70	0.67	0.13	0.80	14.94%	Market rate
Up to 1 hour	1.17	0.23	1.40	1.25	0.25	1.50	6.84%	Market rate
Up to 2 hours	2.33	0.47	2.80	2.50	0.50	3.00	7.30%	Market rate
Up to 3 hours	3.50	0.70	4.20	3.75	0.75	4.50	7.14%	Market rate
Up to 4 hours	4.67	0.93	5.60	5.00	1.00	6.00	7.07%	Market rate
Up to 5 hours	5.83	1.17	7.00	6.25	1.25	7.50	7.20%	Market rate
Up to a maximum of 6 hours	7.00	1.40	8.40	7.50	1.50	9.00	7.14%	Market rate
Over 6 hours (in one calendar day)	8.17	1.63	9.80	8.75	1.75	10.50	7.10%	Market rate
Lost ticket	8.17	1.63	9.80	8.75	1.75	10.50	7.10%	Market rate
Season ticket per quarter (subject to a maximum capacity)	241.67	48.33	290.00	258.33	51.67	310.00	6.90%	Market rate
Replacement for lost, stolen or destroyed season tickets	10.00	2.00	12.00	10.83	2.17	13.00	8.33%	Market rate
<b>Travelodge</b> (Preferential rate for hotel guests (for 24 hours))	2.50	0.50	3.00	2.50	0.50	3.00	0.00%	Externally set

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Long Stay Car Parks</b>								
<b>Standard tariff 7am - 10pm</b>								
Faversham: Partridge Lane, Queens Hall								
Sittingbourne: Spring Street, Bell Road, Cockleshell Walk								
Sheerness: Albion Place, Beach Street, Cross Street, Trinity Road								
Ship on Shore (9am to 7pm only no evening fee).								
Up to 30 minutes	0.58	0.12	0.70	0.67	0.13	0.80	14.94%	Market rate
Up to 1 hour	1.17	0.23	1.40	1.25	0.25	1.50	6.84%	Market rate
Up to 2 hours	2.33	0.47	2.80	2.50	0.50	3.00	7.30%	Market rate
Up to 4 hours	4.67	0.93	5.60	5.00	1.00	6.00	7.07%	Market rate
Over 4 hours	5.92	1.18	7.10	6.25	1.25	7.50	5.57%	Market rate
Season ticket per month (long stay car park)	90.83	18.17	109.00	97.50	19.50	117.00	7.34%	Market rate
Season ticket per quarter (long stay car park)	241.67	48.33	290.00	258.33	51.67	310.00	6.90%	Market rate
<b>Seasonal Car parks</b>								
Leysdown: Promenade (all day between 1 March and 31 October)								
Up to 1 hour	1.17	0.23	1.40	1.25	0.25	1.50	6.84%	Market rate
Up to 2 hours	2.33	0.47	2.80	2.50	0.50	3.00	7.30%	Market rate
Up to 4 hours	4.67	0.93	5.60	5.00	1.00	6.00	7.07%	Market rate
All day	5.92	1.18	7.10	6.25	1.25	7.50	5.57%	Market rate
<b>Season tickets (to be used at any long stay car park throughout the Borough - excluding Bourne Place MSCP)</b>								
Season per quarter	257.50	51.50	309.00	275.00	55.00	330.00	6.80%	Market rate
Replacement for lost, stolen or destroyed season tickets	10.00	2.00	12.00	10.83	2.17	13.00	8.33%	Market rate
All pay and display car parks – closure of parking bays through events or other activities	Price on application dependent on car park location, type of event (commercial – enthusiast – voluntary/community) and local impact			Price on application dependent on car park location, type of event (commercial – enthusiast – voluntary/community) and local impact			n/a	Market rate

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Residents Only Parking Permits (off street) (5pm-9am evenings, weekends and bank holidays)</b>								
Faversham: Central car park (residents of Cross Lane and Bank Street), Queens Hall (residents of Victoria Place and Dorset Place)								
Sheerness: Albion Place (residents of Harris Road, Portland Terrace and Albion Place), Cross Street (Sheerness town centre residents), Trinity Road (residents of Trinity Road only)								
Per quarter	20.63	4.13	24.75	21.08	4.22	25.30	2.20%	Market rate
Sheerness: Delamark Road car park (residents only).								
Per quarter	15.58	3.12	18.70	15.92	3.18	19.10	2.16%	Market rate
<b>Residents' Parking Permits (on street)</b>								
Per annum (administration charge - no refund)	45.00	0.00	45.00	46.00	0.00	46.00	2.22%	Cost recovery
Visitors permit book (10 days) - for resident permit holders only	11.00	0.00	11.00	11.25	0.00	11.25	2.27%	Cost recovery
Visitors parking permits (per day) - for resident permit holders only	1.10	0.00	1.10	1.10	0.00	1.10	0.00%	Cost recovery
Hourly scratchcards (per hour) - for all others	1.10	0.00	1.10	1.10	0.00	1.10	0.00%	Cost recovery
Hourly scratchcards (per book of 10 hours) - for all others	10.00	0.00	10.00	10.20	0.00	10.20	2.00%	Cost recovery
Business per annum (administration charge - no refund)	45.00	0.00	45.00	46.00	0.00	46.00	2.22%	Cost recovery
Nativity Close (exemption permit concession admin fee - no refund)	30.00	0.00	30.00	30.65	0.00	30.65	2.17%	Cost recovery
Residents/Business/Exemption permit concessions. Replacement permit for lost, stolen or destroyed permits	10.00	0.00	10.00	10.20	0.00	10.20	2.00%	Cost recovery
<b>Dispensation / Waivers</b>								
Maximum 1 day	12.00	0.00	12.00	12.25	0.00	12.25	2.08%	Cost recovery
Maximum 1 week	36.00	0.00	36.00	36.80	0.00	36.80	2.22%	Cost recovery
Maximum 2 weeks	45.00	0.00	45.00	46.00	0.00	46.00	2.22%	Cost recovery
Maximum 1 month	60.00	0.00	60.00	61.30	0.00	61.30	2.17%	Cost recovery
Over 1 month (to a maximum of 3 months) - per month (or part month)	50.00	0.00	50.00	51.10	0.00	51.10	2.20%	Cost recovery
Suspension admin fee	100.00	0.00	100.00	102.20	0.00	102.20	2.20%	Cost recovery

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Sports Facilities</b>								
<b>Tennis Courts</b>								
Unlit court (hourly rate)	5.00	1.00	6.00	5.17	1.03	6.20	3.33%	Market rate
Court with floodlighting (hourly rate)	7.50	1.50	9.00	7.75	1.55	9.30	3.33%	Market rate
Season ticket (3 court bookings of up to 2 hours per session per week)	33.33	6.67	40.00	34.58	6.92	41.50	3.76%	Market rate
<b>With changing facilities and showers</b>								
- Senior	72.00	14.40	86.40	73.58	14.72	88.30	2.20%	Market rate
- Under 18s	24.00	4.80	28.80	24.54	4.91	29.45	2.26%	Market rate
- Under 16s & mini soccer	18.00	3.60	21.60	18.42	3.68	22.10	2.31%	Market rate
<b>With changing facilities only</b>								
- Senior	60.00	12.00	72.00	61.33	12.27	73.60	2.22%	Market rate
- Under 18s	20.00	4.00	24.00	20.46	4.09	24.55	2.29%	Market rate
- Under 16s & mini soccer	16.75	3.35	20.10	17.13	3.43	20.55	2.24%	Market rate
<b>With no facilities</b>								
- Senior	41.00	8.20	49.20	41.92	8.38	50.30	2.24%	Market rate
- Under 18s	17.80	3.56	21.36	18.21	3.64	21.85	2.29%	Market rate
- Under 16s & mini soccer	11.00	2.20	13.20	11.25	2.25	13.50	2.27%	Market rate
If your booking meets all of the rules below, you can choose to save money and not pay VAT on the booking.								
<b>VAT exemption rules</b>								
The booking consists of 10 or more dates.								
Each booking is for the same sport.								
Each booking is in the same place. This condition is still met where a different pitch, court or lane is used (or a different number of pitches, courts or								
The gap between each session is at least 1 day but not more than 14 days (for a gap to be at least 1 day, 24 hours must elapse between the start of each								
The booking is to be paid for as a whole and there is written evidence to the fact. This must include evidence that payment is to be made in full whether or								
The facilities are booked out to a school, club, association or an organisation representing affiliated clubs or constituent associations, such as a local								
The person to whom the facilities are booked has exclusive use of them during the bookings.								
If you want your booking to be VAT exempt, you must make sure that it meets all of the rules above. Because the rules are given to us by the government, we cannot change them.								
All bookings must be paid for in full before the start of the booking. You cannot change VAT exempt bookings once they have been paid for, so you must make sure the dates and times are right for you.								
<b>Allotments</b>								
Plots of 10 rods & pro rata	70.00	0.00	70.00	71.55	0.00	71.55	2.21%	Market rate
Plots of 10 rods & pro rata (OAPs/Disabled)	35.00	0.00	35.00	35.75	0.00	35.75	2.14%	Market rate
Refundable keys deposit	5.00	0.00	5.00	5.10	0.00	5.10	2.00%	Market rate
<b>King George's Pavilion &amp; Faversham Rec Community Room</b>								
Main hall/tea room (hourly rate) (minimum hire 1 hour)								
Mon-Sun (9am-midnight)	12.00	0.00	12.00	12.25	0.00	12.25	2.08%	Market rate
Playgroups (per morning)	30.00	0.00	30.00	30.65	0.00	30.65	2.17%	Market rate
Tea room (for children's parties only) & Faversham Rec Ground Community Room (per hour) minimum 1 hour hire	10.00	0.00	10.00	10.20	0.00	10.20	2.00%	Market rate
Caretaking services – set up and clear away: standard tables and/or chairs	12.46	0.00	12.46	12.75	0.00	12.75	2.33%	Market rate
Refundable deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	Market rate
Bank Holidays, New Year's Eve	Double the standard rate			Double the standard rate			n/a	Market rate

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Cemeteries Burial Fees</b>								
<i>Includes Exclusive Right of Burial for 50 years, Interment, Memorial &amp; Re-inscription Permits</i>								
1 <sup>st</sup> Burial Sittingbourne, Faversham & Murston	2,700.00	0.00	2,700.00	<b>2,760.00</b>	<b>0.00</b>	<b>2,760.00</b>	2.22%	Market rate
1 <sup>st</sup> Burial Sheppey and Iwade	2,475.00	0.00	2,475.00	<b>2,530.00</b>	<b>0.00</b>	<b>2,530.00</b>	2.22%	Market rate
1 <sup>st</sup> Burial if no use of previously purchased grave Sittingbourne, Faversham & Murston	1,350.00	0.00	1,350.00	<b>1,380.00</b>	<b>0.00</b>	<b>1,380.00</b>	2.22%	Market rate
1 <sup>st</sup> Burial if no use of previously purchased grave Sheppey	1,080.00	0.00	1,080.00	<b>1,110.00</b>	<b>0.00</b>	<b>1,110.00</b>	2.78%	Market rate
2 <sup>nd</sup> Burial Sittingbourne, Faversham & Murston	1,080.00	0.00	1,080.00	<b>1,110.00</b>	<b>0.00</b>	<b>1,110.00</b>	2.78%	Market rate
2 <sup>nd</sup> Burial Sheppey and Iwade	900.00	0.00	900.00	<b>920.00</b>	<b>0.00</b>	<b>920.00</b>	2.22%	Market rate
3 <sup>rd</sup> Burial Sittingbourne, Faversham & Murston	900.00	0.00	900.00	<b>920.00</b>	<b>0.00</b>	<b>920.00</b>	2.22%	Market rate
Extended right of burial extension – 10 years	270.00	0.00	270.00	<b>280.00</b>	<b>0.00</b>	<b>280.00</b>	3.70%	Market rate
Extended right of burial extension – 20 years	540.00	0.00	540.00	<b>560.00</b>	<b>0.00</b>	<b>560.00</b>	3.70%	Market rate
Extended right of burial extension – 30 years	815.00	0.00	815.00	<b>840.00</b>	<b>0.00</b>	<b>840.00</b>	3.07%	Market rate
Extended right of burial extension – 40 years	1,080.00	0.00	1,080.00	<b>1,110.00</b>	<b>0.00</b>	<b>1,110.00</b>	2.78%	Market rate
<b>Cremated Remains (all sites)</b>								
<i>(Includes Exclusive Rights to Burial for 50 years, Interment, Memorial &amp; Re-inscription Permit)</i>								
1 <sup>st</sup> Burial	730.00	0.00	730.00	<b>745.00</b>	<b>0.00</b>	<b>745.00</b>	2.05%	Market rate
1 <sup>st</sup> Burial (where no use has been made of previously purchased grave)	265.00	0.00	265.00	<b>275.00</b>	<b>0.00</b>	<b>275.00</b>	3.77%	Market rate
2 <sup>nd</sup> Burial	265.00	0.00	265.00	<b>275.00</b>	<b>0.00</b>	<b>275.00</b>	3.77%	Market rate
3 <sup>rd</sup> Burial	265.00	0.00	265.00	<b>275.00</b>	<b>0.00</b>	<b>275.00</b>	3.77%	Market rate
4 <sup>th</sup> Burial	265.00	0.00	265.00	<b>275.00</b>	<b>0.00</b>	<b>275.00</b>	3.77%	Market rate
Burial of loose ashes	135.00	0.00	135.00	<b>140.00</b>	<b>0.00</b>	<b>140.00</b>	3.70%	Market rate
Extended right of burial extension – 10 years	95.00	0.00	95.00	<b>98.00</b>	<b>0.00</b>	<b>98.00</b>	3.16%	Market rate
Extended right of burial extension – 20 years	185.00	0.00	185.00	<b>190.00</b>	<b>0.00</b>	<b>190.00</b>	2.70%	Market rate
Extended right of burial extension – 30 years	280.00	0.00	280.00	<b>290.00</b>	<b>0.00</b>	<b>290.00</b>	3.57%	Market rate
Extended right of burial extension – 40 years	370.00	0.00	370.00	<b>380.00</b>	<b>0.00</b>	<b>380.00</b>	2.70%	Market rate

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Child Burial</b>								
Under 18 years of age	Covered by Children's Funeral Fund for England. Subject to criteria.			Covered by Children's Funeral Fund for England. Subject to criteria.				
<b>Ancillary Services</b>								
Issue of letter of confirmation where deed is lost	75.00	0.00	75.00	77.00	0.00	77.00	2.67%	Market rate
Use of chapel in Sittingbourne	105.00	0.00	105.00	110.00	0.00	110.00	4.76%	Market rate
Use of chapel in Faversham	145.00	0.00	145.00	150.00	0.00	150.00	3.45%	Market rate
Turfed grave	At cost			At cost			n/a	Market rate
Transfer of deed ownership	75.00	0.00	75.00	77.00	0.00	77.00	2.67%	Market rate
Record search & certificate (each grave)	38.00	0.00	38.00	39.00	0.00	39.00	2.63%	Market rate
Extra cost of large coffin or casket (measuring 30 inches or more)	100.00	0.00	100.00	104.00	0.00	104.00	4.00%	Market rate
Exhumation of coffin	2,800.00	0.00	2,800.00	2,860.00	0.00	2,860.00	2.14%	Market rate
Exhumation of cremated remains	375.00	0.00	375.00	385.00	0.00	385.00	2.67%	Market rate
Other services (vatable)	At cost			At cost			n/a	Market rate
Non-residents of Swale (not living in Swale at time of death or have not been a resident of Swale for at least 15 consecutive years) required to pay double the costs set out above (except child burials)								
<b>Memorial Bench (Seafronts &amp; Green Space, Excludes Cemeteries)</b>								
Memorial bench with basic installation	975.00	195.00	1,170.00	995.83	199.17	1,195.00	2.14%	Market rate
Memorial bench with concrete installation	1,220.00	244.00	1,464.00	1,245.83	249.17	1,495.00	2.12%	Market rate

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Travelling Fairs</b>								
Pitch premium for days open to the public only (per day)	1,100.00	0.00	1,100.00	1,125.00	0.00	1,125.00	2.27%	Market rate
Pitch premium for days open to the public only (per day) Local Operator	365.00	0.00	365.00	375.00	0.00	375.00	2.74%	Market rate
<b>Use of Council Land – Travelling Fairs</b>								
On site fee payable whether or not open to the public (including arrival and departure days)	72.50	0.00	72.50	74.00	0.00	74.00	2.07%	Market rate
On site fee payable whether or not open to the public (including arrival and departure days) Local Operator	24.00	0.00	24.00	24.50	0.00	24.50	2.08%	Market rate
Refundable deposit	735.00	0.00	735.00	751.00	0.00	751.00	2.18%	Market rate
<b>Use of Council Land – Travelling Shows</b>								
On site fee for days open to the public	245.00	0.00	245.00	250.50	0.00	250.50	2.24%	Market rate
On site fee payable when not open to the public (including arrival and departure days)	70.00	0.00	70.00	74.00	0.00	74.00	5.71%	Market rate
Refundable deposit	735.00	0.00	735.00	751.00	0.00	751.00	2.18%	Market rate
<b>Use of Council Land – Events</b>								
On site fee for small commercial events – day usage of open space	250.00	0.00	250.00	255.50	0.00	255.50	2.20%	Market rate
On site fee for large commercial events – day usage of open space	Price on application		Price on application				n/a	Market rate
On site fee for enthusiast event – day usage of open space	125.00	0.00	125.00	128.00	0.00	128.00	2.40%	Market rate
On site fee for community/voluntary event – day usage of open space	0.00		0.00				0.00%	Market rate
Refundable deposit	245.00	0.00	245.00	250.50	0.00	250.50	2.24%	Market rate
<b>Beach Hut Charges</b>								
Locations now at Minster Leas and Leysdown								
Ground rental – beach hut owned	530.00	0.00	530.00	550.00	0.00	550.00	3.77%	Market rate
Annual rental	1,300.00	260.00	1,560.00	1,333.33	266.67	1,600.00	2.56%	Market rate
Weekly rental	94.00	18.80	112.80	100.00	20.00	120.00	6.38%	Market rate
Refundable keys deposit	30.00	0.00	30.00	35.00	0.00	35.00	16.67%	Market rate
Transfer of an owned beach hut licence	A fee of three times the ground rent or 10% of the sale value whichever is greatest		A fee of three times the ground rent or 10% of the sale value whichever is greatest				n/a	Market rate
Purchase of beach hut	Market price		Market price				n/a	Market rate
<b>Access Over Open Space Licence</b>								
Used for residential properties requiring access over our land to undertake works/deliveries etc.								
Standard fee	85.00	0.00	85.00	87.00	0.00	87.00	2.35%	Market rate

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Traffic Regulation Order Applications</b>								
<i>On application (yellow lines and changes to existing orders - advice and scheme design)</i>								
Small (1-30 properties consulted)	1,310.00	0.00	1,310.00	1,360.00	0.00	1,360.00	3.82%	Market rate
Medium (31-50 properties consulted)	1,550.00	0.00	1,550.00	1,600.00	0.00	1,600.00	3.23%	Market rate
Large (51+ properties consulted)	1,910.00	0.00	1,910.00	2,000.00	0.00	2,000.00	4.71%	Market rate
<i>On application (loading bays, single bays)</i>								
Small (1-30 consultations)	620.00	0.00	620.00	650.00	0.00	650.00	4.84%	Market rate
Medium (31-50 consultations)	940.00	0.00	940.00	1,000.00	0.00	1,000.00	6.38%	Market rate
Large (51+ consultations)	1,250.00	0.00	1,250.00	1,350.00	0.00	1,350.00	8.00%	Market rate
<i>TRO drafted (yellow lines and changes to existing orders)</i>								
All size consultations	620.00	0.00	620.00	660.00	0.00	660.00	6.45%	Market rate
<i>TRO drafted (loading bays, single bays)</i>								
All size consultations	310.00	0.00	310.00	340.00	0.00	340.00	9.68%	Market rate
<i>Formal objections received and reported to Swale Joint Transportation Board</i>								
All size consultations	310.00	0.00	310.00	330.00	0.00	330.00	6.45%	Market rate
<i>Progress/implement TRO (yellow lines and changes to existing orders)</i>								
Small (1-30 consultations)	630.00	0.00	630.00	650.00	0.00	650.00	3.17%	Market rate
Medium (31-50 consultations)	750.00	0.00	750.00	800.00	0.00	800.00	6.67%	Market rate
Large (51+ consultations)	900.00	0.00	900.00	950.00	0.00	950.00	5.56%	Market rate
<i>Progress/implement scheme (loading bays, single bays)</i>								
Small (1-30 consultations)	130.00	0.00	130.00	140.00	0.00	140.00	7.69%	Market rate
Medium (31-50 consultations)	130.00	0.00	130.00	140.00	0.00	140.00	7.69%	Market rate
Large (51+ consultations)	130.00	0.00	130.00	140.00	0.00	140.00	7.69%	Market rate
<i>Fixed Fee for including new or amended waiting restrictions into planned TRO</i>								
Inclusion of new or amended waiting restrictions into Traffic Regulation Order	1,320.00	0.00	1,320.00	1,400.00	0.00	1,400.00	6.06%	Market rate
<b>White Bar Markings</b>								
Installation of new white bar marking across vehicle crossing	154.17	30.83	185.00	158.33	31.67	190.00	2.70%	Market rate
Re-painting existing white bar marking across vehicle crossing	129.17	25.83	155.00	133.33	26.67	160.00	3.22%	Market rate
<b>Installation of Advisory Bays on Private Lane (e.g. Disabled Bay in Housing Association Car Park)</b>								
Installation of Advisory Parking Bay on Private Land	116.40	0.00	116.40	125.00	0.00	125.00	7.39%	Market rate
<b>Street Naming &amp; Numbering</b>								
Changing or requesting new property (up to and including 4 units)	90.75	0.00	90.75	95.00	0.00	95.00	4.68%	Cost recovery
New street name	181.50	0.00	181.50	186.00	0.00	186.00	2.48%	Cost recovery
New street developments per property/unit (4 or more properties/units, first 4 charged at full price)	60.50	0.00	60.50	65.00	0.00	65.00	7.44%	Cost recovery
Provision of historical information relating to street naming & numbering	36.30	0.00	36.30	40.00	0.00	40.00	10.19%	Cost recovery
Changing street name	847.00	0.00	847.00	870.00	0.00	870.00	2.72%	Cost recovery

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Garden Waste Subscription (brown bins – domestic)</b>								
Fortnightly collection of garden waste (excluding Christmas where service is suspended for 2 weeks). Fee includes hire of bin. Price is per annum	59.00	0.00	59.00	<b>62.00</b>	<b>0.00</b>	<b>62.00</b>	5.08%	Market rate
<b>Bulky Waste Collections</b>								
Charge covers up to 4 bulky items. If white goods, charge covers only one item.	32.50	0.00	32.50	<b>33.20</b>	<b>0.00</b>	<b>33.20</b>	2.15%	Market rate
<b>Clinical Waste Collection</b>								
Residents receive up to 2 free collections per annum then any subsequent collections will be charged at the following rates per collection	3.50	0.00	3.50	<b>3.60</b>	<b>0.00</b>	<b>3.60</b>	2.86%	Cost recovery
<b>Wheeled Bins for new developments</b>								
Wheeled bins 140 litre	47.90	0.00	47.90	<b>49.00</b>	<b>0.00</b>	<b>49.00</b>	2.30%	Cost recovery
Wheeled bins 180 litre	54.20	0.00	54.20	<b>55.40</b>	<b>0.00</b>	<b>55.40</b>	2.21%	Cost recovery
Wheeled bins 240 litre	54.20	0.00	54.20	<b>55.40</b>	<b>0.00</b>	<b>55.40</b>	2.21%	Cost recovery
Wheeled bins 1,100 litre	525.90	0.00	525.90	<b>537.50</b>	<b>0.00</b>	<b>537.50</b>	2.21%	Cost recovery
Food waste container 23 litre	12.60	0.00	12.60	<b>12.90</b>	<b>0.00</b>	<b>12.90</b>	2.38%	Cost recovery
Kitchen caddy 5 litre	6.40	0.00	6.40	<b>6.50</b>	<b>0.00</b>	<b>6.50</b>	1.56%	Cost recovery
Bin repairs	15.00	0.00	15.00	<b>15.50</b>	<b>0.00</b>	<b>15.50</b>	3.33%	Market rate
Replacement domestic 180 litre or 240 litre refuse or recycling bin if damaged, lost or stolen (unless damaged during emptying by contractor). This fee includes delivery of new bin and removal/ disposal of old bin.	32.00	0.00	32.00	<b>32.70</b>	<b>0.00</b>	<b>32.70</b>	2.19%	Market rate
Note: Wheeled bins are non-vatable when supplied directly to a householder for domestic/household waste								
<b>Additional Litter Bins (each)</b>								
145 litre galvanised (fee does not include emptying the bin)	530.00	106.00	636.00	<b>541.67</b>	<b>108.33</b>	<b>650.00</b>	2.20%	Market rate
Annual emptying cost	130.00	0.00	130.00	<b>168.00</b>	<b>0.00</b>	<b>168.00</b>	29.23%	Cost recovery
<b>Bin Store Clearance</b>								
Per occasion	200.00	0.00	200.00	<b>204.00</b>	<b>0.00</b>	<b>204.00</b>	2.00%	Market rate
<b>Wheeled Bins for Community Events</b>								
Provision of wheeled bins for events (cost per occasion) – delivery/ collection charge	122.00	0.00	122.00	<b>125.00</b>	<b>0.00</b>	<b>125.00</b>	2.46%	Market rate
Wheeled bin hire (cost per bin)	15.50	0.00	15.50	<b>16.00</b>	<b>0.00</b>	<b>16.00</b>	3.23%	Market rate
Servicing of bins during event	Price on application			Price on application			0.00%	Market rate

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Radar Key for Disabled Toilets</b>								
Fee	3.50	0.00	3.50	3.50	0.00	3.50	0.00%	Market rate
<b>Environmental – Fixed Penalty Notices (FPN)</b>								
Fly tipping (level 1)* - single item or black bag, no criteria from level 2 met	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Fly tipping (level 2) - multiple items, or multiple locations, or hazardous waste, or blocking access, or specialist equipment required to clear any item	1,000.00	0.00	1,000.00	1000.00	0.00	1,000.00	0.00%	Externally set
Littering (level 1)** - single item of litter eg cigarette butt, no criteria from level 2 met	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Littering (level 2) - repeated offence, multiple items, littering from vehicles, hazardous waste, littering into a watercourse	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
Householders/Commercial duty of care – lack of care in disposal of waste*	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Refuse left out inappropriately	80.00	0.00	80.00	80.00	0.00	80.00	0.00%	Externally set
Graffiti	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Fly posting	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Waste carrier offences	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Failure to comply with a Community Protection Notice	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Breach of any Public Space Protection Orders (PSPOs)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
<b>*Reduced to £450 if paid in full within 14 days</b>								
<b>**Reduced to £150 if paid in in full within 14 days</b>								

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Animal Welfare Licensing</b>								
The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 came into force on 1 October 2018. Charges have been calculated using the Local Government Association guidance document on locally set licence fees ('Open for Business').								
<b>Part A</b> - Covers the application and authorisation process.								
<b>Part B</b> - Is the cost for administering and enforcing the legislative framework.								
<b>Boarding in Kennels for Dogs, Boarding for Cats, Day Care for Dogs, Home Boarding for Dogs, Breeding Dogs and Selling Animals as Pets</b> (This fee applies to both arranging the provision of accommodation for other people's dogs and/or host families where dogs are boarded within the Borough.)								
<b>Part A</b> <sup>1</sup>	263.50	0.00	263.50	<b>269.00</b>	<b>0.00</b>	<b>269.00</b>	2.09%	Cost recovery
<b>Part B</b>								
1 Star and 2 Star establishments - 1 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals (i.e fish, reptiles, cats, dogs etc).	212.00	0.00	212.00	<b>217.00</b>	<b>0.00</b>	<b>217.00</b>	2.36%	Cost recovery
1 Star and 2 Star establishments - 1 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches)	233.00	0.00	233.00	<b>238.00</b>	<b>0.00</b>	<b>238.00</b>	2.15%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals).	352.00	0.00	352.00	<b>360.00</b>	<b>0.00</b>	<b>360.00</b>	2.27%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches).	387.00	0.00	387.00	<b>396.00</b>	<b>0.00</b>	<b>396.00</b>	2.33%	Cost recovery
5 Star establishments - 3 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals).	494.00	0.00	494.00	<b>505.00</b>	<b>0.00</b>	<b>505.00</b>	2.23%	Cost recovery
5 Star establishments - 3 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches).	543.00	0.00	543.00	<b>555.00</b>	<b>0.00</b>	<b>555.00</b>	2.21%	Cost recovery
Charge for each additional 'group' of animals being sold as pets (i.e fish, reptiles, dogs, cats etc)	30.00	0.00	30.00	<b>31.00</b>	<b>0.00</b>	<b>31.00</b>	3.33%	Cost recovery
<b>Hiring of Horses</b>								
<b>Part A</b> <sup>1</sup>	263.50	0.00	263.50	<b>269.00</b>	<b>0.00</b>	<b>269.00</b>	2.09%	Cost recovery
<b>Part B</b>								
1 Star and 2 Star establishments - 1 year licence (1 - 10 horses) <sup>3</sup>	212.00	0.00	212.00	<b>217.00</b>	<b>0.00</b>	<b>217.00</b>	2.36%	Cost recovery
1 Star and 2 Star establishments - 1 year licence (11 or more horses) <sup>3</sup>	233.00	0.00	233.00	<b>238.00</b>	<b>0.00</b>	<b>238.00</b>	2.15%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (1 - 10 horses) <sup>2</sup>	352.00	0.00	352.00	<b>360.00</b>	<b>0.00</b>	<b>360.00</b>	2.27%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (11 or more horses) <sup>2</sup>	387.00	0.00	387.00	<b>396.00</b>	<b>0.00</b>	<b>396.00</b>	2.33%	Cost recovery
5 Star establishments - 3 year licence (1 - 10 horses) <sup>2</sup>	494.00	0.00	494.00	<b>505.00</b>	<b>0.00</b>	<b>505.00</b>	2.23%	Cost recovery
5 Star establishments - 3 year licence (11 or more horses) <sup>2</sup>	543.00	0.00	543.00	<b>555.00</b>	<b>0.00</b>	<b>555.00</b>	2.21%	Cost recovery

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Keeping or Training Animals for Exhibition</b>								
<b>Part A</b>								
For a 3 year licence <sup>1</sup>	264.00	0.00	264.00	270.00	0.00	270.00	2.27%	Cost recovery
<b>Part B</b>								
For a 3 year licence <sup>3</sup>	494.00	0.00	494.00	505.00	0.00	505.00	2.23%	Cost recovery
<b>Dangerous Wild Animal Licence</b>								
<b>Part A</b>								
For a 2 year licence <sup>1</sup>	263.50	0.00	263.50	269.00	0.00	269.00	2.09%	Cost recovery
<b>Part B</b>								
For a 2 year licence <sup>3</sup>	352.00	0.00	352.00	360.00	0.00	360.00	2.27%	Cost recovery
<b>Zoo Licence</b> (Please discuss your application with the Animal Control Officer prior to applying for a licence.)								
<b>Part A</b>								
For a 4 year licence <sup>2</sup>	1,186.00	0.00	1,186.00	1,215.00	0.00	1,215.00	2.45%	Cost recovery
<b>Part B</b>								
For a 4 year licence <sup>3</sup>	656.00	0.00	656.00	670.00	0.00	670.00	2.13%	Cost recovery
<sup>1</sup> Plus vet fees based upon an hourly rate (including travel time)								
<sup>2</sup> Plus vet fees for an initial inspection based upon an hourly rate (including travel time)								
<sup>3</sup> Plus annual vet fees based upon an hourly rate (including travel time)								
<b>Other Charges</b>								
Licence renewals	charged as new applications			charged as new applications			n/a	
Request for re-inspection (for all licences) (plus vet fees if applicable)	112.00	0.00	112.00	114.50	0.00	114.50	2.23%	Cost recovery
<b>Requests for Variations</b>								
Administration amendment only	42.50	0.00	42.50	43.40	0.00	43.40	2.12%	Cost recovery
Inspector visit (if required) (additional to administration charge)	70.00	0.00	70.00	72.00	0.00	72.00	2.86%	Cost recovery
Vet fees	hourly rate plus travel time			hourly rate plus travel time			n/a	
<b>Stray Dog Collection</b>								
Statutory charge as per legislation	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Additional fee for collecting/returning stray dogs	42.00	0.00	42.00	43.00	0.00	43.00	2.38%	Market rate
Out of hours additional fee for collecting/ returning stray dogs	54.00	0.00	54.00	55.00	0.00	55.00	1.85%	Market rate
Transport fee for returning dog to owner after a kennel stay	36.00	0.00	36.00	37.00	0.00	37.00	2.78%	Market rate
Kennel stay fee per night	25.50	0.00	25.50	26.00	0.00	26.00	1.96%	Market rate
*If we are unable to return a dog to the owner straight away and the dog is taken to the kennels, then the dog owner will be charged the cost of kennelling the dog.								

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Environmental Health</b>								
<b>Food Export Certificate</b>								
For businesses already in receipt of Export Health Certificate (EHC) issued by Swale BC	146.00	0.00	146.00	149.00	0.00	149.00	2.05%	Market rate
For new businesses applying for export certificates	302.00	0.00	302.00	310.00	0.00	310.00	2.65%	Market rate
Admin charge for changes to certificate	29.00	0.00	29.00	31.00	0.00	31.00	6.90%	Market rate
Sampling associated with Export Health Certificates (per hour)	70.83	14.17	85.00	74.17	14.83	89.00	4.71%	Market rate
EHC for transit to destination country	42.00	0.00	42.00	43.00	0.00	43.00	2.38%	Market rate
<b>Voluntary Surrender of Food</b>								
Charge for food unfit for human consumption or unsuitable for sale	247.00	0.00	247.00	254.00	0.00	254.00	2.83%	Cost recovery
<b>Chartered Institute of Environmental Health (CIEH) Level 2 Award Training in Food Safety in Catering</b>								
<b>Food Hygiene Rating Scheme</b>								
Fee to food businesses for re-inspection and re-scoring	205.00	0.00	205.00	210.00	0.00	210.00	2.44%	Market rate
<b>Food Business Advice</b>								
Food hygiene advice (per hour)	70.83	14.17	85.00	89.00	0.00	89.00	4.71%	Market rate
<b>Registration Fee under the Local Government (Miscellaneous Provision) Act</b> (Relates to establishments offering cosmetic piercing, electrolysis, tattooing or acupuncture)								
Standard fee	354.00	0.00	354.00	362.00	0.00	362.00	2.26%	Cost recovery
Supplementary treatment registration fee (for additional beauty treatment registration inspection either at or after initial registration)	64.00	0.00	64.00	66.00	0.00	66.00	3.13%	Cost recovery
Tattoo and Beauty Treatment Events (falling within the Local Government (Miscellaneous Provisions) Act)	222.00	0.00	222.00	228.00	0.00	228.00	2.70%	Cost recovery
Tattoo and Beauty Treatment Event charge for Artists (new artist registrations)	35.00	0.00	35.00	36.00	0.00	36.00	2.86%	Cost recovery
<b>Requests for Environmental Information (e.g. Contaminated land)</b>								
Charge per hour	23.00	4.60	27.60	22.50	4.50	27.00	-2.17%	Market rate
<b>Requests for Enhanced Environmental Information for Contaminated Land and Professional Opinion</b>								
Charge per hour	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Charges for photocopying apply at 10p per page plus postage								
<b>Pre-Application Consultation for Environmental Health Advice for Acoustics, Air Quality, Contaminated Land Assessments</b>								
Charge per hour	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
<b>Private Water Supplies Regulations 2016 &amp; 2018 Amendments</b>								
Risk assessment (hourly rate)	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Sampling (hourly rate)	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Investigation (hourly rate)	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Derogation request	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Analysis – Group A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Analysis – Group B	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Analysis – audit monitoring	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Housing &amp; Community Services</b>								
<b>Taxi Licensing</b>								
Vehicle licence for 1 year	290.00	0.00	290.00	290.00	0.00	290.00	0.00%	Cost recovery
Private Hire operator licence valid for 5 years	430.00	0.00	430.00	430.00	0.00	430.00	0.00%	Cost recovery
Licence and plate for temporary hire vehicle	40.00	0.00	40.00	40.00	0.00	40.00	0.00%	Cost recovery
Knowledge test – initial	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Cost recovery
Knowledge test – re-sit	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Cost recovery
Dual / Private Hire Drivers Badge for 1 year (for medical or over 70 years of age)	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Cost recovery
Upgrade Private Hire Drivers Badge to a Dual Badge	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Cost recovery
Dual / Private Hire Drivers Badge for 3 years	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Cost recovery
Non-refundable plate fee (plate number only issued once)	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Cost recovery
Replacement plate	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Cost recovery
Change of address	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Change of ownership licensed vehicle	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Cost recovery
Dual / Private Hire Drivers badge replacement	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Replacement paper licence certificate	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Change of vehicle on an existing plate	80.00	0.00	80.00	80.00	0.00	80.00	0.00%	Cost recovery
<b>Street Trading Licensing</b>								
Annual consents (not events)	151.30	0.00	151.30	155.00	0.00	155.00	2.45%	Market rate
6 month consents (not events)	75.65	0.00	75.65	77.50	0.00	77.50	2.45%	Market rate
One off consent	10.60	0.00	10.60	11.00	0.00	11.00	3.77%	Market rate
Assistants Badge	17.45	0.00	17.45	18.00	0.00	18.00	3.15%	Market rate
<b>Gambling Licensing</b>								
<b>New Applications/Applications for Provisional Statement</b>								
Small casino	8,000.00	0.00	8,000.00	8,000.00	0.00	8,000.00	0.00%	Externally set
Large casino	10,000.00	0.00	10,000.00	10,000.00	0.00	10,000.00	0.00%	Externally set
Bingo club	3,500.00	0.00	3,500.00	3,500.00	0.00	3,500.00	0.00%	Externally set
Betting premises	3,000.00	0.00	3,000.00	3,000.00	0.00	3,000.00	0.00%	Externally set
Tracks	2,500.00	0.00	2,500.00	2,500.00	0.00	2,500.00	0.00%	Externally set
Family entertainment centres	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Adult gaming centre	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Temporary use notice	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
<b>Licence Applications (Provisional Statement Holders)</b>								
Small casino	3,000.00	0.00	3,000.00	3,000.00	0.00	3,000.00	0.00%	Externally set
Large casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centre	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Annual Fee</b>								
Small casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Large casino	10,000.00	0.00	10,000.00	10,000.00	0.00	10,000.00	0.00%	Externally set
Bingo club	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Betting premises	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Tracks	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Family entertainment centres	750.00	0.00	750.00	750.00	0.00	750.00	0.00%	Externally set
Adult gaming centre	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
<b>Application to Vary</b>								
Small casino	4,000.00	0.00	4,000.00	4,000.00	0.00	4,000.00	0.00%	Externally set
Large casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Bingo club	1,750.00	0.00	1,750.00	1,750.00	0.00	1,750.00	0.00%	Externally set
Betting premises	1,500.00	0.00	1,500.00	1,500.00	0.00	1,500.00	0.00%	Externally set
Tracks	1,250.00	0.00	1,250.00	1,250.00	0.00	1,250.00	0.00%	Externally set
Family entertainment centres	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Adult gaming centre	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Copy licence	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Notification of change	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
<b>Application to Transfer a Licence</b>								
Small casino	1,800.00	0.00	1,800.00	1,800.00	0.00	1,800.00	0.00%	Externally set
Large casino	2,150.00	0.00	2,150.00	2,150.00	0.00	2,150.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centres	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
<b>Application for Re-instatement</b>								
Small casino	1,800.00	0.00	1,800.00	1,800.00	0.00	1,800.00	0.00%	Externally set
Large casino	2,150.00	0.00	2,150.00	2,150.00	0.00	2,150.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centres	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
<b>Sex Establishment Licensing (sex shop, sex cinema and sex encounter venue)</b>								
Application fee and 1 <sup>st</sup> licence	5,262.50	0.00	5,262.50	5,380.00	0.00	5,380.00	2.23%	Market rate
Annual licence renewal	817.00	0.00	817.00	835.00	0.00	835.00	2.20%	Market rate
Application to vary	943.00	0.00	943.00	965.00	0.00	965.00	2.33%	Market rate
Transfer of licence	36.00	0.00	36.00	37.00	0.00	37.00	2.78%	Market rate
Duplicate licence	18.10	0.00	18.10	18.50	0.00	18.50	2.21%	Market rate

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Scrap Metal Dealers Licensing</b>								
Site licence	566.00	0.00	566.00	578.00	0.00	578.00	2.12%	Cost recovery
Site licence renewal	540.65	0.00	540.65	552.50	0.00	552.50	2.19%	Cost recovery
Collections licence, grant or renewal	264.50	0.00	264.50	270.00	0.00	270.00	2.08%	Cost recovery
Variation – collector to site	91.00	0.00	91.00	93.00	0.00	93.00	2.20%	Cost recovery
Variation – site to collector	66.65	0.00	66.65	68.00	0.00	68.00	2.03%	Cost recovery
Variation (minor administration, such as change of address)	42.35	0.00	42.35	43.50	0.00	43.50	2.72%	Cost recovery
Change of site manager	127.00	0.00	127.00	130.00	0.00	130.00	2.36%	Cost recovery
<b>Pleasure Boat Licence</b>								
Licence	174.60	0.00	174.60	178.50	0.00	178.50	2.23%	Market rate
<b>Pavement Licence</b>								
Application Fee	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
Renewal Fee	350.00	0.00	350.00	350.00	0.00	350.00	0.00%	Externally set
<b>CCTV Services</b>								
<b>Swale Radio Link Annual Charge</b>								
Charities	150.00	30.00	180.00	150.00	30.00	180.00	0.00%	Market rate
Independent Businesses	200.00	40.00	240.00	200.00	40.00	240.00	0.00%	Market rate
Large Organisation	350.00	70.00	420.00	350.00	70.00	420.00	0.00%	Market rate
<b>Third Party Service Charges</b>								
Insurance Company Footage Review	74.04	14.81	88.85	75.83	15.17	91.00	2.42%	Market rate
CCTV Services which may include design, installation, monitoring, maintenance, upgrades and decommissioning	Price on application			Price on application			n/a	Market rate
<b>Legal</b>								
<b>Legal Charges for Third Parties</b>								
Hourly rate (no VAT)	271.00	0.00	271.00	277.00	0.00	277.00	2.21%	Market rate
Hourly rate (when VAT applicable)	271.00	54.20	325.20	276.67	55.33	332.00	2.09%	Market rate
Note: VAT may be chargeable depending on the nature of the transaction. VAT is not payable in relation to most income (as most income is S106 related, which derives from a statutory function) but VAT is payable in certain circumstances, e.g. charging for provision of extra copies of documents.								
<b>Revenues &amp; Benefits</b>								
Council Tax liability orders	66.00	0.00	66.00	67.50	0.00	67.50	2.27%	Cost recovery
Council Tax summons	47.30	0.00	47.30	48.50	0.00	48.50	2.54%	Cost recovery
Business rates liability order	66.00	0.00	66.00	67.50	0.00	67.50	2.27%	Cost recovery
Business rates summons	47.30	0.00	47.30	48.50	0.00	48.50	2.54%	Cost recovery



	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Property</b>								
<b>Room Hire of Swale House</b>								
<b>Non-Commercial</b>								
Council chamber (half day)	87.29	17.46	104.75	<b>89.17</b>	<b>17.83</b>	<b>107.00</b>	2.15%	Market rate
Council chamber (full day)	145.46	29.09	174.55	<b>148.75</b>	<b>29.75</b>	<b>178.50</b>	2.26%	Market rate
Committee room (half day)	58.21	11.64	69.85	<b>59.58</b>	<b>11.92</b>	<b>71.50</b>	2.36%	Market rate
Committee room (full day)	87.29	17.46	104.75	<b>89.17</b>	<b>17.83</b>	<b>107.00</b>	2.15%	Market rate
Assembly room (half day)	43.63	8.73	52.36	<b>45.00</b>	<b>9.00</b>	<b>54.00</b>	3.14%	Market rate
Assembly room (full day)	72.79	14.56	87.35	<b>74.58</b>	<b>14.92</b>	<b>89.50</b>	2.46%	Market rate
<b>Commercial</b>								
Council chamber (half day)	174.58	34.92	209.50	<b>178.33</b>	<b>35.67</b>	<b>214.00</b>	2.15%	Market rate
Council chamber (full day)	290.96	58.19	349.15	<b>297.50</b>	<b>59.50</b>	<b>357.00</b>	2.25%	Market rate
Committee room (half day)	116.38	23.28	139.66	<b>119.17</b>	<b>23.83</b>	<b>143.00</b>	2.39%	Market rate
Committee room (full day)	174.58	34.92	209.50	<b>178.33</b>	<b>35.67</b>	<b>214.00</b>	2.15%	Market rate
Assembly room (half day)	87.29	17.46	104.75	<b>89.17</b>	<b>17.83</b>	<b>107.00</b>	2.15%	Market rate
Assembly room (full day)	145.46	29.09	174.55	<b>148.75</b>	<b>29.75</b>	<b>178.50</b>	2.26%	Market rate
<b>Landlord's Consent Fee</b>								
Assignments, subletting, charging *	423.21	84.64	507.85	<b>432.50</b>	<b>86.50</b>	<b>519.00</b>	2.20%	Market rate
Alterations *	423.21	84.64	507.85	<b>432.50</b>	<b>86.50</b>	<b>519.00</b>	2.20%	Market rate
Commercial wayleaves / easements*	925.75	185.15	1,110.90	<b>945.83</b>	<b>189.17</b>	<b>1,135.00</b>	2.17%	Market rate
Parking space licences	200.00	40.00	240.00	<b>204.17</b>	<b>40.83</b>	<b>245.00</b>	2.08%	Market rate

\* VAT is only applicable if the rent is subject to VAT.

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>FEES AND CHARGES SET NATIONALLY BY THE GOVERNMENT</b>								
<b>Housing</b>								
<b>Houses in Multiple Occupation Licensing</b>								
<b>New Application</b>								
Non-accredited landlord	838.35	0.00	838.35	<b>857.00</b>	<b>0.00</b>	<b>857.00</b>	2.22%	Cost recovery
Accredited landlord	712.55	0.00	712.55	<b>728.00</b>	<b>0.00</b>	<b>728.00</b>	2.17%	Cost recovery
<b>Renewal of Application</b>								
Non-accredited landlord	657.00	0.00	657.00	<b>671.00</b>	<b>0.00</b>	<b>671.00</b>	2.13%	Cost recovery
Accredited landlord	558.60	0.00	558.60	<b>571.00</b>	<b>0.00</b>	<b>571.00</b>	2.22%	Cost recovery
<b>Mobile Home Site Licence Fee</b>								
<b>New Mobile Home Site Licence Application Fee</b>								
1-5 mobile homes on site	181.55	0.00	181.55	<b>186.00</b>	<b>0.00</b>	<b>186.00</b>	2.45%	Cost recovery
6-24 mobile homes on site	249.15	0.00	249.15	<b>255.00</b>	<b>0.00</b>	<b>255.00</b>	2.35%	Cost recovery
25-99 mobile homes on site	316.85	0.00	316.85	<b>324.00</b>	<b>0.00</b>	<b>324.00</b>	2.26%	Cost recovery
100+ mobile homes on site	364.25	0.00	364.25	<b>372.00</b>	<b>0.00</b>	<b>372.00</b>	2.13%	Cost recovery
<b>Annual Mobile Home Site Inspection Fee</b>								
Relevant sites occupied solely by owners and family members	No charge		No charge		No charge			Cost recovery
1-5 mobile homes on site	No charge		No charge		No charge			Cost recovery
6-24 mobile homes on site	204.10	0.00	204.10	<b>208.60</b>	<b>0.00</b>	<b>208.60</b>	2.20%	Cost recovery
25-99 mobile homes on site	244.40	0.00	244.40	<b>249.80</b>	<b>0.00</b>	<b>249.80</b>	2.21%	Cost recovery
100+ mobile homes on site	295.10	0.00	295.10	<b>301.60</b>	<b>0.00</b>	<b>301.60</b>	2.20%	Cost recovery
<b>Fee to Transfer or Amend Mobile Home Site Licence</b>								
Transfer or amend mobile home site licence	153.50	0.00	153.50	<b>156.90</b>	<b>0.00</b>	<b>156.90</b>	2.21%	Cost recovery
<b>Fee for the Deposit of Mobile Home Site Rules</b>								
Deposit of mobile home site rules	216.35	0.00	216.35	<b>221.10</b>	<b>0.00</b>	<b>221.10</b>	2.20%	Cost recovery
<b>Smoke and Carbon Monoxide Regulations 2015</b>								
Fine level progresses to maximum fine permitted (1st offence £1,500, 2nd £2,500, 3rd £5,000)								
Penalty charge for non-compliance of Smoke or CO Alarm Regulations	5,290.00	0.00	5,290.00	<b>5,406.00</b>	<b>0.00</b>	<b>5,406.00</b>	2.19%	Cost recovery
<b>The Redress Scheme for Lettings Agency Work &amp; Management Work Order 2014</b>								
Fine level progresses to maximum fine permitted (1st offence £2,500, 2nd £5,000)								
Penalty charge for non-compliance of Redress Scheme for Letting Agents Order	5,290.00	0.00	5,290.00	<b>5,406.00</b>	<b>0.00</b>	<b>5,406.00</b>	2.19%	Cost recovery

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Non-Compliance with Minimum Energy Standards in Private Rented Properties</b>								
<b>Breaching the ban on letting a property with an F or G rating for less than 3 months (Statutory Maximum £2,000)</b>								
First offence £1,000 (or £750 if paid within 21 days)	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
<b>Breaching the ban on letting a property with an F or G rating for more than three months (Statutory Maximum £4,000)</b>								
First offence £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
All other offences £4,000 (or £3,000 if paid within 21 days)	4,000.00	0.00	4,000.00	4,000.00	0.00	4,000.00	0.00%	Externally set
<b>Registering false or misleading information on the Private Rented Sector Exemptions Register (Statutory Maximum £1,000)</b>								
First offence £500 (or £375 if paid within 21 days)	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
<b>Failing to provide information to the council demanded by a Compliance Notice (Statutory Maximum £2,000)</b>								
First offence £1,000 (or £750 if paid within 21 days)	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
<b>Planning</b>								
Planning Fees	<a href="https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf">The full details of current Planning fees can be found on https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf</a>							
<b>Environmental Health</b>								
<b>Public Health Control of Diseases Act 1984</b>								
Various Fixed Penalty Notices (FPN's) issued under the Coronavirus legislation								
<b>Pollution Prevention Control (PPC)</b>								
<b>A2 Process Application Fees</b>								
A2 New application	3,363.00	0.00	3,363.00	3,363.00	0.00	3,363.00	0.00%	Externally set
Additional fee for operating without a permit (A2 and Standard Part B)	1,188.00	0.00	1,188.00	1,188.00	0.00	1,188.00	0.00%	Externally set
<b>A2 Process Subsistence Fees</b>								
A2 Low	1,447.00	0.00	1,447.00	1,447.00	0.00	1,447.00	0.00%	Externally set
A2 Medium	1,610.00	0.00	1,610.00	1,610.00	0.00	1,610.00	0.00%	Externally set
A2 High	1,747.00	0.00	1,747.00	1,747.00	0.00	1,747.00	0.00%	Externally set
A2 Low (E-PRTR)	1,551.00	0.00	1,551.00	1,551.00	0.00	1,551.00	0.00%	Externally set
A2 Medium (E-PRTR)	1,715.00	0.00	1,715.00	1,715.00	0.00	1,715.00	0.00%	Externally set
A3 High (E-PRTR)	2,438.00	0.00	2,438.00	2,438.00	0.00	2,438.00	0.00%	Externally set
<b>Part B Process Application Fees</b>								
Part B (Standard Process)	1,650.00	0.00	1,650.00	1,650.00	0.00	1,650.00	0.00%	Externally set
<b>Part B Standard Process Subsistence Fees</b>								
Part B Subsistence low	772.00	0.00	772.00	772.00	0.00	772.00	0.00%	Externally set
Part B Subsistence medium	1,161.00	0.00	1,161.00	1,161.00	0.00	1,161.00	0.00%	Externally set
Part B Subsistence high	1,747.00	0.00	1,747.00	1,747.00	0.00	1,747.00	0.00%	Externally set

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Part B Reduced Fee Application Fees (including car re-sprayers)</b>								
Reduced fee application fee	362.00	0.00	362.00	362.00	0.00	362.00	0.00%	Externally set
<b>Part B Reduced Fee Subsistence Fees (including car re-sprayers)</b>								
Reduced fee subsistence low	228.00	0.00	228.00	228.00	0.00	228.00	0.00%	Externally set
Reduced fee subsistence medium	365.00	0.00	365.00	365.00	0.00	365.00	0.00%	Externally set
Reduced fee subsistence high	548.00	0.00	548.00	548.00	0.00	548.00	0.00%	Externally set
<b>Petrol Vapour Recovery I and Dry Cleaners Application Fees</b>								
PVR I & DC New Application	155.00	0.00	155.00	155.00	0.00	155.00	0.00%	Externally set
<b>Petrol Vapour Recovery I and Dry Cleaners Subsistence Fees</b>								
PVR I and DC subsistence fees low	79.00	0.00	79.00	79.00	0.00	79.00	0.00%	Externally set
PVR I and DC subsistence fees medium	158.00	0.00	158.00	158.00	0.00	158.00	0.00%	Externally set
PVR I and DC subsistence fees high	237.00	0.00	237.00	237.00	0.00	237.00	0.00%	Externally set
<b>Petrol Vapour Recovery I &amp; II Combined Application Fees</b>								
PVR I & II Application Fees	257.00	0.00	257.00	257.00	0.00	257.00	0.00%	Externally set
<b>Petrol Vapour Recovery I &amp; II Combined Subsistence Fees</b>								
PVR I & II Subsistence low	113.00	0.00	113.00	113.00	0.00	113.00	0.00%	Externally set
PVR I & II Subsistence medium	226.00	0.00	226.00	226.00	0.00	226.00	0.00%	Externally set
PVR I & II Subsistence high	341.00	0.00	341.00	341.00	0.00	341.00	0.00%	Externally set
<b>Part B Mobile Concrete Crusher Plant – Application Fee per Number of Permits</b>								
1 – 2	1,650.00	0.00	1,650.00	1,650.00	0.00	1,650.00	0.00%	Externally set
3 – 7	985.00	0.00	985.00	985.00	0.00	985.00	0.00%	Externally set
8 or more	498.00	0.00	498.00	498.00	0.00	498.00	0.00%	Externally set
<b>Part B Mobile Concrete Crusher Plant – Subsistence Fee per Number of Permits</b>								
1 – 2 Low	626.00	0.00	626.00	626.00	0.00	626.00	0.00%	Externally set
1 – 2 Medium	1,034.00	0.00	1,034.00	1,034.00	0.00	1,034.00	0.00%	Externally set
1 – 2 High	1,551.00	0.00	1,551.00	1,551.00	0.00	1,551.00	0.00%	Externally set
3 – 7 Low	385.00	0.00	385.00	385.00	0.00	385.00	0.00%	Externally set
3 – 7 Medium	617.00	0.00	617.00	617.00	0.00	617.00	0.00%	Externally set
3 – 7 High	924.00	0.00	924.00	924.00	0.00	924.00	0.00%	Externally set
8 or over Low	198.00	0.00	198.00	198.00	0.00	198.00	0.00%	Externally set
8 or over Medium	316.00	0.00	316.00	316.00	0.00	316.00	0.00%	Externally set
8 or over High	473.00	0.00	473.00	473.00	0.00	473.00	0.00%	Externally set
<b>Late Payment of Subsistence Fee</b>								
All Permits	52.00	0.00	52.00	52.00	0.00	52.00	0.00%	Externally set
<b>Operating without a Permit Fee</b>								
Reduced Fee Activities	71.00	0.00	71.00	71.00	0.00	71.00	0.00%	Externally set
Standard Part B and A2	1,188.00	0.00	1,188.00	1,188.00	0.00	1,188.00	0.00%	Externally set

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Electoral Services</b>								
<b>Purchase of Electoral Register</b>								
<b>Full Register and the Notices of Alteration</b>								
Hard copies (standard charge) plus charge (a) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(a) charge for each 1,000 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (b) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(b) charge for each 1,000 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
<b>List of Overseas Electors</b>								
Hard copies (standard charge) plus charge (c) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(c) charge per 100 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (d) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(d) charge per 100 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
<b>Open (Edited) Register</b>								
<i>(Available for purchase by anyone)</i>								
Hard copies (standard charge) plus charge (e) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(e) charge per 1,000 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (f) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(f) charge per 1,000 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
<b>Marked Polling Station and Absent Voter Registers</b>								
Hard copies (standard charge) plus charge (g) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(g) charge per 1,000 entries	2.00	0.00	2.00	2.00	0.00	2.00	0.00%	Externally set
Data format (standard charge) plus charge (h) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(h) charge per 1,000 entries	1.00	0.00	1.00	1.00	0.00	1.00	0.00%	Externally set
<b>Housing and Community Services</b>								
<b>Liquor Licensing</b>								
<b>Main Application Fees for Premises and Personal Liquor Licensing</b>								
Rateable Value B and A	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Rateable Value B and B	190.00	0.00	190.00	190.00	0.00	190.00	0.00%	Externally set
Rateable Value B and C	315.00	0.00	315.00	315.00	0.00	315.00	0.00%	Externally set
Rateable Value B and D	450.00	0.00	450.00	450.00	0.00	450.00	0.00%	Externally set
Rateable Value B and E	635.00	0.00	635.00	635.00	0.00	635.00	0.00%	Externally set
<b>Main Annual Charge for Premises and Personal Liquor Licensing</b>								
Rateable Value B and A	70.00	0.00	70.00	70.00	0.00	70.00	0.00%	Externally set
Rateable Value B and B	180.00	0.00	180.00	180.00	0.00	180.00	0.00%	Externally set
Rateable Value B and C	295.00	0.00	295.00	295.00	0.00	295.00	0.00%	Externally set
Rateable Value B and D	320.00	0.00	320.00	320.00	0.00	320.00	0.00%	Externally set
Rateable Value B and E	350.00	0.00	350.00	350.00	0.00	350.00	0.00%	Externally set
Personal licence for alcohol	37.00	0.00	37.00	37.00	0.00	37.00	0.00%	Externally set
Personal licence change	10.50	0.00	10.50	10.50	0.00	10.50	0.00%	Externally set
Premises licence change	23.00	0.00	23.00	23.00	0.00	23.00	0.00%	Externally set
Transfers	23.00	0.00	23.00	23.00	0.00	23.00	0.00%	Externally set
Temporary events	21.00	0.00	21.00	21.00	0.00	21.00	0.00%	Externally set
Register of interests	21.00	0.00	21.00	21.00	0.00	21.00	0.00%	Externally set

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Licensed Premises Gaming Machine Permit</b>								
Grant	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Existing operator grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Transfer	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Annual fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
<b>Licenses Premises Automatic Notification Process</b>								
On notification	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
<b>Club Gaming Permits</b>								
Grant	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Grant (Club Premises Certificate holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Renewal fee	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Renewal (Club Premises Certificate Holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Annual Fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
<b>Club Machine Permits</b>								
Grant	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Grant (Club Premises Certificate holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Renewal fee	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Renewal (Club Premises Certificate Holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Annual Fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
<b>Family Entertainment Centre Gaming Machine Permits</b>								
Application fee	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Renewal fee	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Transitional application fee	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
<b>Prize Gaming Permits</b>								
Grant	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Renewal	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Annual Fee	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
<b>Small Lottery Registration</b>								
Grant	40.00	0.00	40.00	40.00	0.00	40.00	0.00%	Externally set
Annual Fee	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
<b>Environment &amp; Leisure</b>								
<b>Civil Parking Enforcement - Penalty Charge Notices (rate depends on offence)</b>								
<b>Lower Penalty System</b>								
Up to 14 Days	25.00	0.00	25.00	<b>25.00</b>	<b>0.00</b>	<b>25.00</b>	0.00%	Externally set
14 days to 56 days	50.00	0.00	50.00	<b>50.00</b>	<b>0.00</b>	<b>50.00</b>	0.00%	Externally set
57 days to 70 days	75.00	0.00	75.00	<b>75.00</b>	<b>0.00</b>	<b>75.00</b>	0.00%	Externally set
After 70 days	82.00	0.00	82.00	<b>82.00</b>	<b>0.00</b>	<b>82.00</b>	0.00%	Externally set
<b>Higher Penalty System</b>								
Up to 14 days	35.00	0.00	35.00	<b>35.00</b>	<b>0.00</b>	<b>35.00</b>	0.00%	Externally set
14 days to 56 days	70.00	0.00	70.00	<b>70.00</b>	<b>0.00</b>	<b>70.00</b>	0.00%	Externally set
57 days to 70 days	105.00	0.00	105.00	<b>105.00</b>	<b>0.00</b>	<b>105.00</b>	0.00%	Externally set
After 70 days	112.00	0.00	112.00	<b>112.00</b>	<b>0.00</b>	<b>112.00</b>	0.00%	Externally set
<b>Environmental Fixed Penalty Notices</b>								
Anti Idling (failure to turn off engine once requested to do so)	20.00	0.00	20.00	<b>20.00</b>	<b>0.00</b>	<b>20.00</b>	0.00%	Externally set
Abandoning a vehicle	200.00	0.00	200.00	<b>200.00</b>	<b>0.00</b>	<b>200.00</b>	0.00%	Externally set
Repairing vehicles on a road (or) exposing vehicles for sale on a road	100.00	0.00	100.00	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	0.00%	Externally set
Smoking in a smoke free premises or vehicle	50.00	0.00	50.00	<b>50.00</b>	<b>0.00</b>	<b>50.00</b>	0.00%	Externally set
Failure to display no smoking signs in smoke free premises or vehicle	200.00	0.00	200.00	<b>200.00</b>	<b>0.00</b>	<b>200.00</b>	0.00%	Externally set
Smoking in an enclosed vehicle carrying a person under 18	50.00	0.00	50.00	<b>50.00</b>	<b>0.00</b>	<b>50.00</b>	0.00%	Externally set
<sup>1</sup> Increases to £40 if not paid within 28 days								
<sup>2</sup> Reduced to £30.00 if paid within 15 days								
<sup>3</sup> Reduced to £150.00 if paid within 15 days								

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<b>Growth assumptions 2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Growth assumptions previously agreed	1,764,000	1,924,000	700,000	
Contract cost increases	515,570	(55,000)	(55,000)	
Increased cost of services	268,170			
Increased costs of capital	75,000			
Local Plan/Planning Appeals/Planning	1,180,700	(1,140,700)		
Unachievable income targets	144,000			
Inflation Assumptions	0	0	700,000	800,000
Staffing increases	47,000			
Contribution to reserve	10,000	60000		
Car Park running costs	144,600			
Supported Housing Subsidy costs	200,000			
Loss of grants	171,820			
Increase in NI contributions	50,000			
<b>Total Growth</b>	<b>4,570,860</b>	<b>788,300</b>	<b>1,345,000</b>	<b>800,000</b>

<b>Savings Assumptions 2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Agreed Feb 2024	(930,000)	(200,000)	(265,000)	
Unachievable saving (homelessness)	200,000	200,000		
Contract savings delayed/rejected	345,000	0	(145,000)	(200,000)
Efficiency and Service Review	(291,560)	25,000		
Use of reserves	(13,000)			
External grant review	(48,000)			
Public Convenience Reduction	(33,500)			
Climate change project costs	(30,000)			
Disposal of Greenspaces Asset	(11,000)			
Pension and Establishment review	(380,000)			
Contract inflation review	(250,000)			
Playground Reduction	(100,000)			
Delay to Place Work	(100,000)	100,000		
One year Freeze - Members Grants	(47,000)	47,000		
<b>Total savings</b>	<b>(1,689,060)</b>	<b>172,000</b>	<b>(410,000)</b>	<b>(200,000)</b>

<b>Income assumptions 2025/26</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
Income assumptions agreed Feb 24	(597,260)	(392,895)	(67,033)	0
Government grants	(1,334,000)	2,875,600	0	0
Additional Fees & Charges	(619,825)	0	0	0
Property rent assumptions	(48,000)			
Additional income	(150,000)	150,000		
Business Rates Growth	(100,000)			
<b>Total income</b>	<b>(2,849,085)</b>	<b>2,632,705</b>	<b>(67,033)</b>	<b>0</b>

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<b>Council Meeting</b>	
<b>Meeting Date</b>	19 February 2025
<b>Report Title</b>	<b>Treasury Management Strategy 2025/26</b>
<b>EMT Lead</b>	Lisa Fillery, Director of Resources
<b>Head of Service</b>	Claire Stanbury, Head of Finance and Procurement
<b>Lead Officer</b>	Claire Stanbury, Head of Finance and Procurement Olga Cole, Management Accountant
<b>Classification</b>	Open
<b>Recommendations</b>	1. To approve the Treasury Management Strategy 2025/26 and the Prudential and Treasury Management Indicators.

## 1. Purpose of Report and Executive Summary

- 1.1 Treasury management is the management of the Council’s cash flows, borrowing and investments, and the associated risks. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council’s prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council’s legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

## 2. External Context

- 2.1 **Economic background:** The impact on the UK from the government’s Autumn Budget, slower expected interest rate cuts, modestly weaker economic growth over the medium term, together with the impact from President-elect Trump’s second term in office and uncertainties around US domestic and foreign policy, will be major influences on the Council’s treasury management strategy for 2025/26.
- 2.2 The Bank of England’s (BoE) Monetary Policy Committee (MPC) held Bank Rate at 4.75% at its meeting in December 2024, having reduced it to that level in November and following a previous 25bp cut from the 5.25% peak at the August MPC meeting. At the December meeting, six Committee members voted to maintain Bank Rate at 4.75% while three members preferred to reduce it to 4.50%.

- 2.3 The November quarterly Monetary Policy Report (MPR) expected Gross Domestic Product (GDP) growth to pick up to around 1.75% (four-quarter GDP) in the early period of the BoE's forecast horizon before falling back. The impact from the Budget pushes GDP higher in 2025 than was expected in the previous MPR, before becoming weaker. Current GDP growth was shown to be zero (0.0%) between July and September 2024, and 0.4% between April and June 2024, a further downward revision from the 0.5% rate previously reported by the Office for National Statistics (ONS).
- 2.4 ONS figures reported the annual Consumer Price Index (CPI) inflation rate at 2.6% in November 2024, up from 2.3% in the previous month and in line with expectations. Core CPI also rose, but by more than expected, to 3.6% against a forecast of 3.5% and 3.3% in the previous months. The outlook for CPI inflation in the November MPR showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget, and a projected margin of economic slack. Over the medium-term, once these pressures ease, inflation is expected to stabilise around the 2% target.
- 2.5 The labour market appears to be easing slowly, but the data still requires treating with some caution. The latest figures reported the unemployment rate rose to 4.3% in the three months to October 2024, while economic inactivity fell to 21.7%. Pay growth for the same period was reported at 5.2% for both regular earnings (excluding bonuses) and for total earnings. Looking ahead, the BoE MPR showed the unemployment rate is expected to increase modestly, rising to around 4.5%, the assumed medium-term equilibrium unemployment rate, by the end of the forecast horizon.
- 2.6 **Credit outlook:** Credit Default Swap (CDS) prices have typically followed a general trend downwards during 2024, reflecting a relatively more stable financial period compared to the previous year. Improved credit conditions in 2024 have also led to greater convergence in CDS prices between ringfenced (retail) and non-ringfenced (investment) banking entities again.
- 2.7 Higher interest rates can lead to a deterioration in banks' asset quality through increased loan defaults and volatility in the value of capital investments. Fortunately, the rapid interest rate hikes during this monetary tightening cycle, while putting some strain on households and corporate borrowers, has not caused a rise in defaults, and banks have fared better than expected to date, buoyed by strong capital positions. Low unemployment and robust wage growth have also limited the number of problem loans, all of which are positive in terms of creditworthiness.
- 2.8 Moreover, while a potential easing of US financial regulations under a Donald Trump Presidency may aid their banks' competitiveness compared to institutions in the UK and other regions, it is unlikely there will be any material impact on the underlying creditworthiness of the institutions on the counterparty list maintained by Arlingclose, the Council's treasury adviser.

- 2.9 Overall, the institutions on our adviser Arlingclose’s counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

### 3. Background

#### Interest Rate Forecast and Market Outlook

- 3.1 **Interest rate forecast (December 2024):** The Council’s treasury management adviser Arlingclose forecasts that The Bank of England’s Monetary Policy Committee will continue reducing Bank Rate through 2025, taking it to around 3.75% by the end of the 2025/26 financial year. The effect from the Autumn Budget on economic growth and inflation has reduced previous expectations in terms of the pace of rate cuts as well as pushing up the rate at the end of the loosening cycle.
- 3.2 Arlingclose expects long-term gilt yields to remain broadly at current levels on average (amid continued volatility), but to end the forecast period modestly lower compared to now. Yields will continue to remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will be short-term volatility due to economic and (geo)political uncertainty and events.

Official Bank Rate	Curr ent	Mar- 25	Jun- 25	Sep- 25	Dec- 25	Mar- 26	Jun- 26	Sep- 26	Dec- 26	Mar- 27	Jun- 27	Sep- 27	Dec- 27
	%	%	%	%	%	%	%	%	%	%	%	%	%
Upside Risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside Risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75

- 3.3 For the purpose of setting the 2025/26 budget, it has been assumed that new treasury investments will be made at an average rate of 4.20%, and that new short-term loans will be borrowed at an average rate of 5.25%.
- 3.4 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then an assessment of savings will be made with a view to transferring an appropriate amount to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years, or to smooth the impact of investment valuation losses. Transfers to reserves will be brought before the Policy and Resources Committee for approval.

#### Borrowing Strategy

- 3.5 **Objective:** 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. The flexibility to renegotiate loans should the Council’s long-term plans change is a secondary objective.

- 3.6 The Council currently holds £10 million of loans, as part of its strategy for funding previous years' capital programmes. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £57.5 million.
- 3.7 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. Recently this has been funded from borrowing from other Local Authorities and the Public Works Loans Board (PWLB), which is part of the Debt Management Office which is part of the Treasury. Borrowing from PWLB can be for up to 50 years at rates which are below commercial rates.
- 3.8 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past, but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators, see below.
- 3.9 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 against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.10 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.
- 3.11 **Sources of Borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB Lending facility (formerly the Public Works Loan Board)
  - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
  - 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)
  - Capital market bond investors

- Retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

3.12 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
- Similar Asset Based Finance

3.13 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>
North Northamptonshire Council	5	6.05 %	26/02/2024	08/01/2025	11 months
PWLB	5	5.33%	19/03/2024	31/08/2025	18 months
<b>Total</b>	<b>10</b>				

### **Capital Programme**

3.14 The capital program contains a number of projects that will need to be funded from borrowing. The anticipated breakdown of capital funding is detailed in Appendix I. The Director of Resources has delegation to make borrowing decision as and when required to ensure best value is obtained and risks are minimised.

3.15 Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

3.16 Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. As we currently don't have any long-term loans, this would not be applicable to 2025-26.

### **Treasury Investment Strategy**

3.17 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 ranged between £4.5 and £38.5 million, with an average balance of £23.3 million, and levels are expected to be slightly lower in the forthcoming year.

- 3.18 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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 3.19 The Council largely uses Money Market Funds and the Debt Management office for short-term investments. The only long-term investment remains the £3 million in the Church, Charities and Local Authorities (CCLA) Property Fund.
- 3.20 The CIPFA Code doesn’t permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 3.21 **Environmental, Social and Governance Policy (ESG):** considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 3.22 **Business models:** Under the International Financial Reporting Standard (IFRS) 9 the accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 3.23 **Approved Counterparties:** The Council could make use of the following counterparties for both Treasury and Non Treasury investments:

<b>Treasury Investments</b>	
UK Government	Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government’s ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years



Local Authorities and other Government entities	Loans to, and bonds and bills issued or guaranteed by, other 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
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.
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, including exchange traded funds, that 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 can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
Real Estate Investment Trusts	Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
Registered Providers (unsecured)	Loans to, and bonds issued or guaranteed by, registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing in England. As providers of public services, they retain the likelihood of receiving government support if needed.

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, secured deposits, 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.
Other Investments	This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
<b>Non-Treasury Investments</b>	
Non-Treasury Investments	The Council invests in property in the borough and will, where there are opportunities, consider further investment, where this is primarily related to the functions of the Council such as service delivery and regeneration. However, the Council will not borrow to invest primarily for financial return.

- 3.24 The Council will retain the CCLA property fund and keep the remaining monies primarily in Money Market Funds and the Debt Management Account Deposit Facility (DMADF) (an investment facility operated by the UK Government) or other counterparties in table 4.1. The Head of Finance and Procurement 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.
- 3.25 Currently the Council makes no direct investments in equities or corporate bonds. If this changed in the year the Head of Finance and Procurement will ensure that investments are consistent with the Council's health and climate change objectives.
- 3.26 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.
- 3.27 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") 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.

3.28 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, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. 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.

3.29 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, 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, or with other local authorities. This will cause investment returns to fall, but will protect the principal sum invested.

3.30 The Council currently has the following Investments:

<b>Counterparty</b>	<b>Average Rate %</b>	<b>Balance Invested at 30 November 2024 £'000</b>
Invesco Money Market Fund	4.76	3,000
DWS (Deutsche) Money Market Fund	4.65	3,000
Goldman Sachs Money Market Fund	4.65	3,000
Aberdeen Standard Money Market Fund	4.73	3,000
Black Rock Money Market Fund	4.75	3,000
Morgan Stanley Money Market Fund	4.72	3,000
SSGA Money Market Fund	4.70	3,000
JP Morgan	4.64	3,000
CCLA Property Fund	4.83	3,000
DMADF (Bank of England)	4.70	3,900
<b>Total Investments</b>		<b>30,900</b>

3.31 The definition of investments in CIPFA's revised Codes now covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return.

3.32 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.

3.33 At 31 March 2024 the Council held £3.896 million of longstanding investments in 11 directly owned properties within the borough. These investments generated £0.2 million of investment income for the Council in 2023/24 after taking account of direct costs, representing a rate of return of 5.7%. No significant change in this Investment is anticipated in 2025/26.

3.34 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.

3.35 The loans made by the Council are shown below:

	<b>31 March 2024</b>
	<b>£'000</b>
Housing repair loans	1,747
Rent Deposit Scheme	136
Opportunities for Sittingbourne Limited	118
Other debtors	54
<b>Total</b>	<b>2,055</b>

3.36 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 2023/24 was £113,000. The loss allowance has been 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.

3.37 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.

## 4. Proposal

4.1 **Approved counterparties:** 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>Time Limit</b>	<b>Cash Limits</b>
The UK Government	50 years	Unlimited
Local Authorities and other government entities	25 years	£3m
Major UK banks / building societies unsecured deposits*	13 months	£3m
Money Market Funds*	n/a	£3m each
Strategic Pooled Funds	n/a	£3m each
CCLA Property Fund	n/a	£3m
Registered providers (unsecured) *	5 years	£3m in aggregate
Secured Investments *	25 years	£3m in aggregate
Other Investments *	5 years	£3m in aggregate
Non treasury investments	As per credit advice	To be agreed on a case by case basis

This table must be read in conjunction with the notes below.

\* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

- 4.2 The Director of Resources in consultation with the Chair of Policy and Resources committee may consider longer duration depending on market conditions.
- 4.3 The Council may also purchase property for investment purposes, but the Council will not borrow to invest primarily for financial return. The Council 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, in line with existing policies and where there is a sound business case.
- 4.4 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 4.5 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 4.6 The Head of Finance and Procurement ensures that any commercial deals meet the regulatory requirements and the CIPFA prudential framework.
- 4.7 The Council has retained its professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services, but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Head of Finance and Procurement believes this to be the most appropriate status.

### **Treasury Adviser**

- 4.8 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.

4.9 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.

## 5. Alternative Options

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

5.2 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources 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
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however, long-term interest costs may be less certain

## 6. Consultation Undertaken or Proposed

6.1 Consultation has been undertaken with Arlingclose, the Council's treasury advisors.

## 7. 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 Corporate Plan priority of Running the Council.

<b>Issue</b>	<b>Implications</b>
Financial, Resource and Property	The budget for net investment income in 2025/26 is £(104,670).
Legal, Statutory and Procurement	Government and CIPFA requirements complied with.
Crime and Disorder	Not applicable
Environment and Climate/Ecological Emergency	Not applicable
Health and Wellbeing	Not applicable
Safeguarding of Children, Young People and Vulnerable Adults	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

## 8. Appendices

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

- Appendix I Treasury Management Prudential Indicators

## 9. Background Papers

None

### Acronyms Used:

BoE	The Bank of England
CCLA	Church, Charities and Local Authorities
CFR	Capital Financing Requirement
CIPFA	The Chartered Institute of Public Finance and Accountancy
DMADF	Debt Management Account Deposit Facility
MHCLG	Ministry of Housing, Communities and Local Government
PWLB	Public Works Loan Board

## Treasury Management Prudential 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>2024/25 Revised</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Financing Requirements	52,113	74,800	80,500	80,300
Gross External Debt (incl leases)	(10,000)	(37,500)	(48,000)	(50,500)
<b>Internal Borrowing</b>	<b>42,113</b>	<b>37,300</b>	<b>32,500</b>	<b>29,800</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 2025/26 Budget Report to Policy and Resources Committee.)

<b>Capital Expenditure and Financing</b>	<b>2024/25 Revised</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total Expenditure</b>	<b>41,816</b>	<b>21,626</b>	<b>4,935</b>	<b>2,745</b>
Section 106 Contribution	338	0	0	0
Grants	16,076	13,616	2,725	2,725
Capital receipts	343	0	0	0
Reserves	825	210	210	20
Borrowing	24,234	7,800	2,000	0
<b>Total Financing</b>	<b>41,816</b>	<b>21,626</b>	<b>4,935</b>	<b>2,745</b>



## Treasury Management Prudential 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.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
<b>General Fund Total</b>	4.48%	5.64%	6.55%	6.44%

### 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).

Authorised Limit for External Debt	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000
Borrowing	55,000	55,000	65,000	67,500
Other long-term liabilities	2,500	2,500	2,500	2,500
<b>Total</b>	<b>57,500</b>	<b>57,500</b>	<b>67,500</b>	<b>70,000</b>

## Treasury Management Prudential 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 leases and other liabilities that are not borrowing but form part of the Council's debt.

<b>Operational Boundary</b>	<b>2024/25 Revised £'000</b>	<b>2025/26 Estimate £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>
Borrowing	45,000	45,000	55,000	57,000
Other long-term liabilities	1,000	1,000	1,000	1,000
<b>Total Operational Boundary</b>	<b>46,000</b>	<b>46,000</b>	<b>56,000</b>	<b>58,000</b>

**Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£(180,000)
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£180,000

## 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 2025/26 %</b>	<b>Upper Limit for 2025/26 %</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

Time period starts on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

## Treasury Management Prudential Indicators

## Long-term treasury management investments

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 prudential limits on the long-term treasury management investments will be:

Price Risk Indicator	2025/26	2026/27	2027/28	No Fixed
	Estimate	Estimate	Estimate	Date
	£'000	£'000	£'000	£'000
Limit on principal invested longer than 1 year	10,000	10,000	10,000	10,000

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with as these are considered short-term.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

## Prudential Indicator: Liability benchmark

	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	52.1	74.8	80.5	80.3	78.1
Less: Balance sheet resources	(55.4)	(52.1)	(50.6)	(47.6)	(47.7)
<b>Net loans requirement</b>	<b>(3.3)</b>	<b>22.7</b>	<b>29.9</b>	<b>32.7</b>	<b>30.4</b>
Plus: Liquidity allowance	10	10	10	10	10
<b>Liability benchmark</b>	<b>6.7</b>	<b>32.7</b>	<b>39.9</b>	<b>42.7</b>	<b>40.4</b>

The long-term liability benchmark above assumes capital expenditure funded by borrowing, minimum revenue provision on new capital expenditure based on income, expenditure and reserves all increasing by inflation and appropriate asset life values (8 years for waste vehicles, 50 years for all other assets).

### Treasury Management Prudential Indicators

