

Agenda

Policy and Resources Committee Meeting

Date: Wednesday, 5 February 2025

Time 7.00 pm

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

Membership:

Councillors Mike Baldock (Vice-Chair), Monique Bonney, Lloyd Bowen, Derek Carnell, Charles Gibson, Tim Gibson (Chair), Angela Harrison, James Hunt, Mark Last, Rich Lehmann, Peter Marchington, Richard Palmer, Julien Speed, Ashley Wise and Dolley Wooster.

Quorum = 5

Pages

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2. Apologies for Absence

3. Minutes

To approve the [Minutes](#) of the Meeting held on 27 November 2024 (Minute Nos. 395 – 418) 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.

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

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Policy and Resources Committee Meeting	
Meeting Date	5 th February 2025
Report Title	2025/26 Budget and Medium Term Financial Plan and Capital Strategy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Claire Stanbury, Head of Finance and Procurement
Classification	Open
Recommendations	<p>That Policy & Resources Recommends to Council:</p> <ol style="list-style-type: none"> 1. To approve the Administration's 2025/26 revenue budget proposals. 2. 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. 3. To approve the Medium Term Financial Plan. 4. To approve the Capital Strategy. 5. To approve the capital programme proposals. 6. To note the additional amount of Council Tax for Parish Precepts. 7. To endorse the Statement (Appendix III) provided by the Director of Resources. 8. To approve the minimum revenue provision statement. 9. 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. 10. 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.

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:

Funding Source	Amount £'000 () = increase in grant	Comments
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
Core Grant Funding Total	406	Reduction in core grant funding
Homelessness Grant Funding	(393)	Increased grant funding
Overall Change in Government Grant funding	13	Reduction in total grant funding
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:

Changes since November 2024	2025/26
	£'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)
Total Changes	(1,190,340)

- 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 27th of November 2024.
- 5.2 An online budget consultation exercise took place from 28th November 2024 to 8th 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

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1. Medium Term Financial Strategy (MTFS)
2. Corporate Plan
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5. Local Pressures
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7. Funding changes
8. Income
9. Links to other strategies
10. Looking forward
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Tables and Charts

Chart 1: Inflation Forecasts November 2024

Chart 2: Council Tax Shares

Chart 3: Reserve Balance Projections

Chart 4: Capital Programme 2025/26

Chart 5: Capital Programme Funding 2025/26

Chart 6: Capital Programme Forecast 2024/25 to 2028/29

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

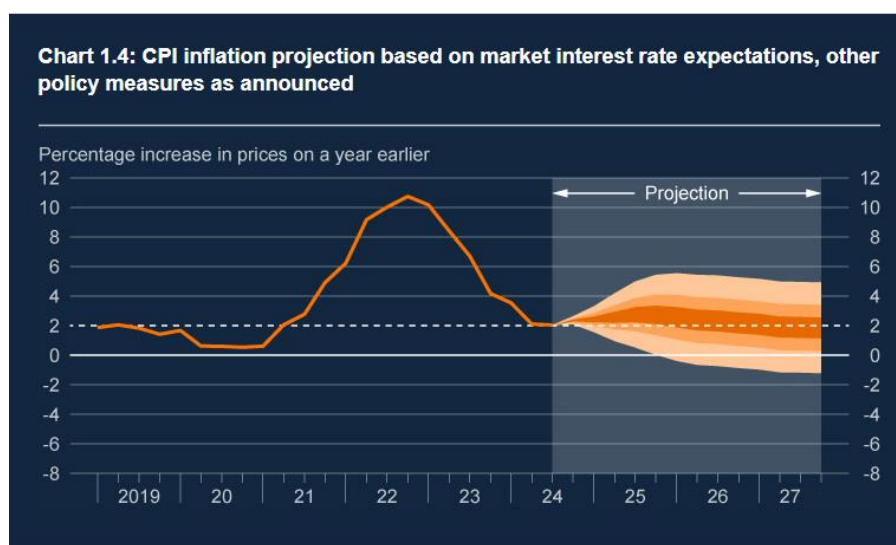
Inflation is the rate prices for goods and services that the Council buys are expected to rise.

- 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

Funding Source	Amount £'000 () = increase in grant	Comments
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
Core Grant Funding Total	406	Reduction in core grant funding
Homelessness Grant Funding	(393)	Increased grant funding
Overall Change in Government Grant funding	13	Reduction in total grant funding
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;

Band D increase	£ increase	Additional Council Tax Estimate	Increased Estimate
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)

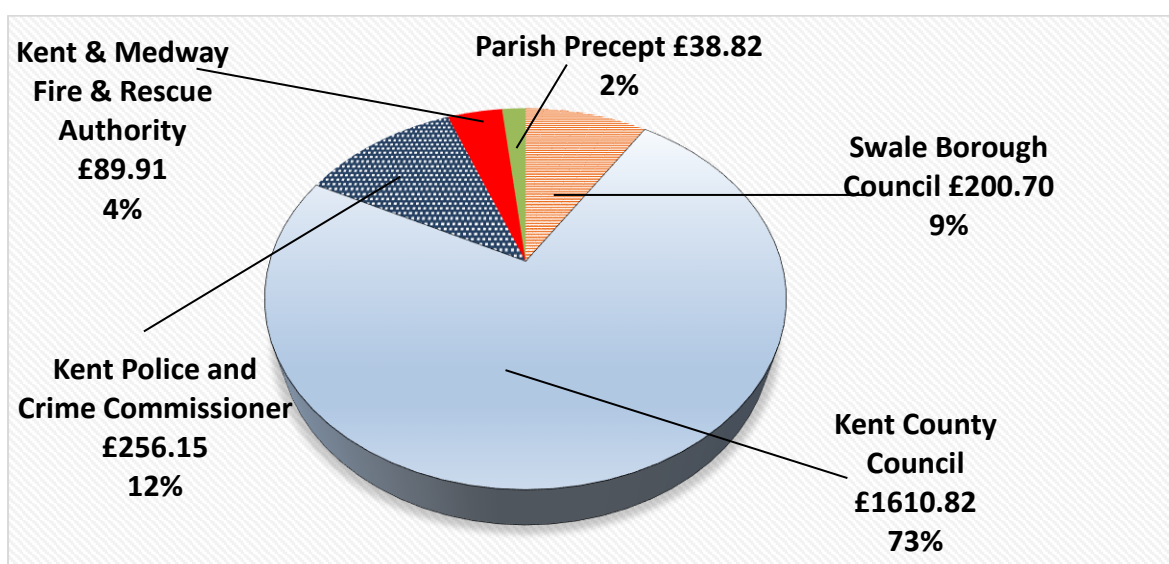
- 8.6 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area. The bonus was originally paid as an un-ringfenced grant for six years and was paid based on the net additional homes plus an additional supplement of £350 per affordable 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	£10.439m	£10.856m	£11.289m	£11.740m

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

Funding forecasts Feb 2024	2024/25	2025/26	2026/27	2027/28
	£'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
Projected use of reserves/savings	733	2,238	3,151	3,085

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

Updated funding forecasts January 2025	2024/25	2025/26	2026/27	2027/28	2028/29
	£'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)
(Surplus)/deficit	0	416	3,667	4,102	4,951

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.

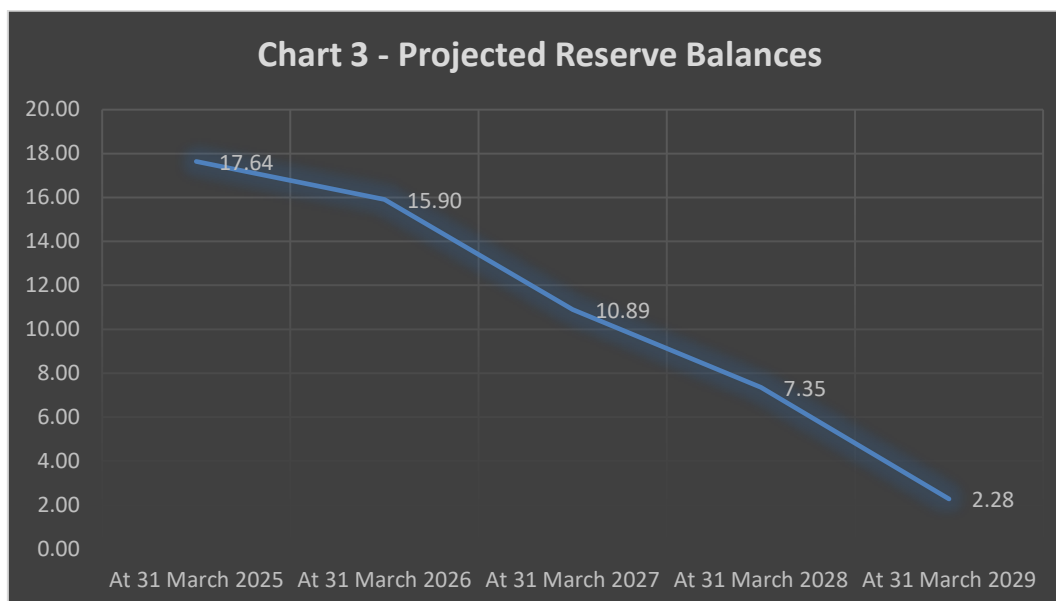
10.9 *Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructuring. A number of contingency reserves are also held by the Council to 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.

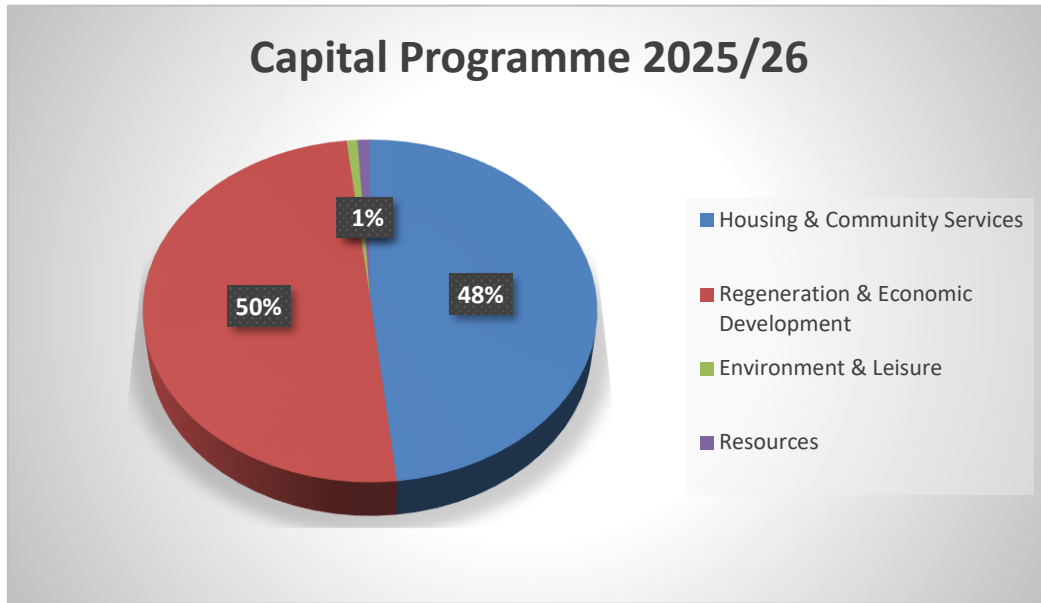
10.13 The available earmarked reserves balance, including the General Fund, as at 1 April 2024 stood at £19.5m, the planned use of reserves for the 2024/25 financial year is £1.9m which leaves a forecast balance as at 1 April 2025 of £17.6m. Based on the current medium term budget projections the Council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



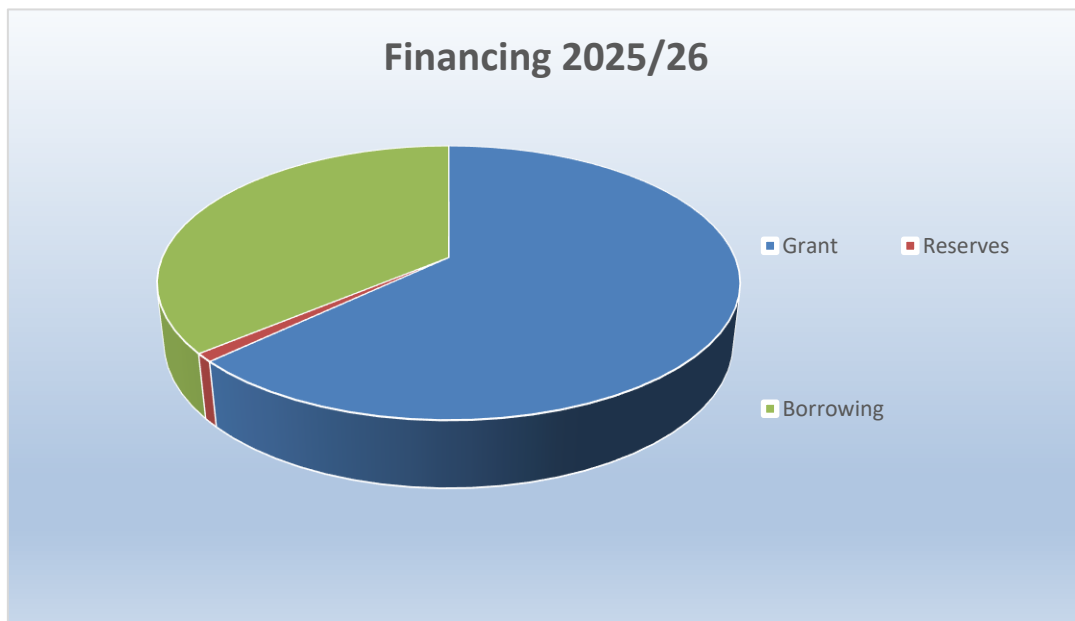
Capital

- 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.

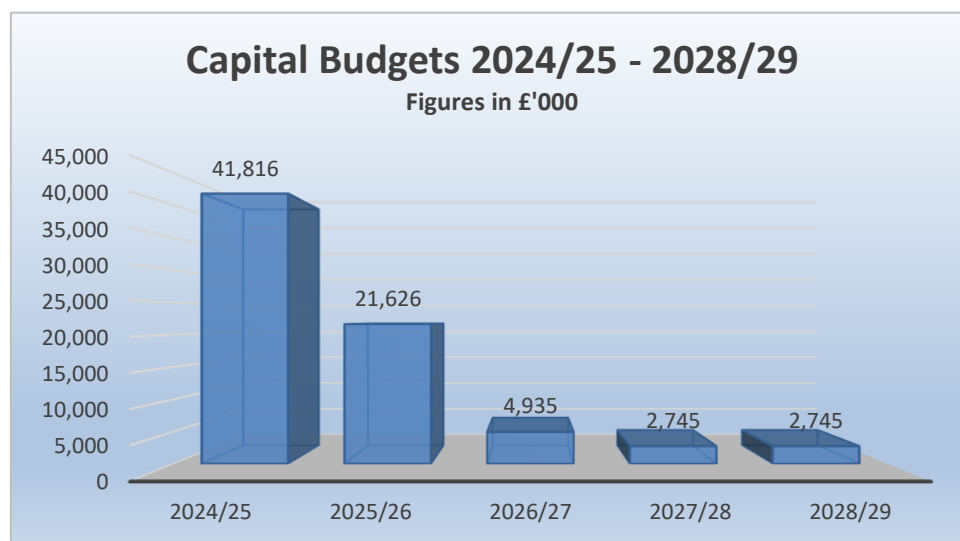
10.18 Chart 4 – Capital Programme 2025/26



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 3rd 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

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	(420)	(150)	3,372	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)
Sub Total Base Budget	24,736	4,495	(1,689)	(1,534)	26,007	26,969	27,844	29,144
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)	1,689	3,179	(436)	(3,667)	(4,102)	(4,951)
Grants								
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
Council Tax requirement	10,109	0	0	330	10,439	10,856	11,289	11,740

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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 it is 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:

	£'000
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
Total	331

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
Total	1,874.37	34,040.82	2,044,351.00	1,862.70	2.05

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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
Housing & Community Services		34,878	(2,439)	32,440	31,051	(8,164)	22,887	10,525	(2,975)	7,550
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
Regeneration & Economic Development		24,131	(21,967)	2,164	8,925	(8,704)	221	10,891	(10,891)	0
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
Environment & Leisure		7,573	(2,251)	5,322	1,658	(582)	1,076	181	(181)	0
ICT Replacement	Reserves	Ongoing programme			112	(112)	0	100	(100)	0
Finance System Upgrades	Reserves	180	(180)	0	70	(70)	0	110	(110)	0
Resources Total		180	(180)	0	182	(182)	0	210	(210)	0
Grand Total		66,762	(26,836)	39,926	41,816	(17,632)	24,184	21,807	(14,257)	7,550

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
Housing & Community Services	4,785	(3,035)	1,750	2,725	(2,725)	0	2,725	(2,725)	0
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
Regeneration & Economic Development	0	0	0	0	0	0	0	0	0
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
Environment & Leisure	65	(65)	0	0	0	0	0	0	0
ICT Replacement	150	(150)	0	20	(20)	0	20	(20)	0
Finance System Upgrades	0	0	0	0	0	0	0	0	0
Resources Total	150	(150)	0	20	(20)	0	20	(20)	0
Grand Total	5,000	(3,250)	1,750	2,745	(2,745)	0	2,745	(2,745)	0

Estimated Use of Reserves 2024/25 - 2028/29									
	Balance 2024/25	Est use 2025/26	Balance 2025/26	Est use 2026/27	Balance 2026/27	Est use 2027/28	Balance 2027/28	Est use 2028/29	Balance 2028/29
General Fund Balance	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)	3,103,000	0
Earmarked Reserves									
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)
Total Earmarked (Excl General Fund)	(14,537,781)	1,736,371	(12,801,410)	5,010,755	(7,790,655)	3,541,079	(4,249,575)	1,973,148	(2,276,427)
Total earmarked plus general fund	(17,640,781)	1,736,371	(15,904,410)	5,010,755	(10,893,655)	3,541,079	(7,352,575)	5,076,148	(2,276,427)
Ring Fenced/accounting/collection fund									
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)
	(452,292)	51,000	(401,292)	280,000	(121,292)	30,000	(91,292)	10,968	(80,324)

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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 1st 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.

Risk	Likelihood	Impact	Risk Management
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?

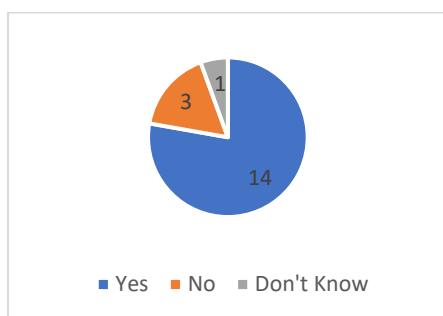
There were 15 responses to this question, with very little in the way of strong themes coming through:

- 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**

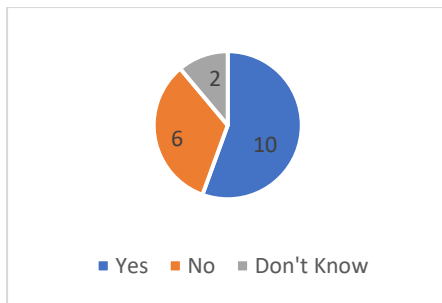
Which services would you reduce?

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

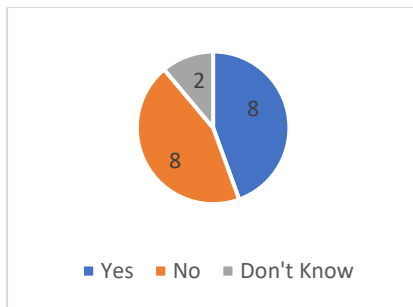
Which services would you spend more on?

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**

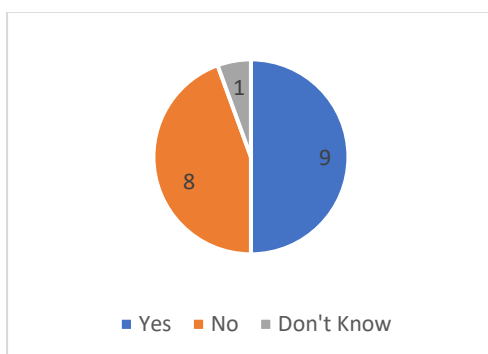
Please use the box below to let us have any views on the proposed increases to the fees and charges.

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

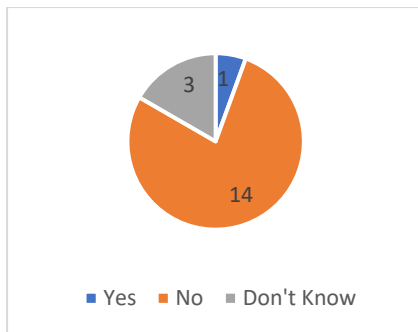
- 6 respondents felt parking fees are already too high, 1 felt they should be increased, and 1 was undecided on the matter
- 1 respondent welcomed 3 hour parking proposal
- 1 respondent felt a short stay car parking fee should be introduced
- Other suggestions included:
 - Don't get value for money from 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**

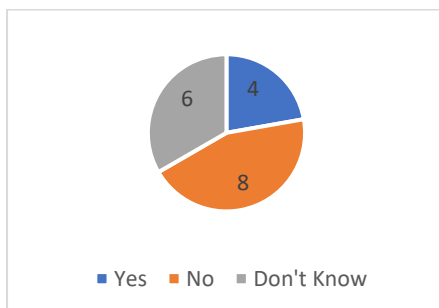
Please use the box below to let us have any views on the capital programme proposals.

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 operate 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		
	£	£	£	£	£	£		
Housing Services								
Home Inspection for Immigration Application Fee								
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
Staying Put Handyperson Rates								
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
Alleygate Key								
Fee	19.42	3.88	23.30	19.83	3.97	23.80	2.13%	Market rate
Town Centre Licence								
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
Planning								
Planning Performance Agreements (PPA)								
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"> •bring together the developer, the Local Planning Authority and key stakeholders to work in partnership throughout the planning process •ensure complex proposals progress through the process to mutually-agreed timescales •ensure appropriate resources and expertise are provided to advise on complex proposals •provide greater opportunity for dialogue through the planning process and help deliver high-quality development 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
Pre Application Advice								
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.								
Complaints made under the High Hedges Legislation								
Standard fee	600.00	0.00	600.00	511.00	102.20	613.20	2.20%	Cost recovery
Planning Portal								
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		
	£	£	£	£	£	£		
Local Land Charges								
Official Searches								
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.								
Personal Searches								
Enhanced Personal Search								
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

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Environment and Leisure								
Car Parks and Season Tickets								
Short Stay (maximum stay 4 hours) 7am - 10pm								
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
Bourne Place Multi-Storey Car Park								
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
Travelodge (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		
	£	£	£	£	£	£		
Long Stay Car Parks								
Standard tariff 7am - 10pm								
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
Seasonal Car parks								
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
Season tickets (to be used at any long stay car park throughout the Borough - excluding Bourne Place MSCP)								
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		
	£	£	£	£	£	£		
Residents Only Parking Permits (off street) (5pm-9am evenings, weekends and bank holidays)								
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
Residents' Parking Permits (on street)								
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
Dispensation / Waivers								
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		
	£	£	£	£	£	£		
Sports Facilities								
Tennis Courts								
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
With changing facilities and showers								
- 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
With changing facilities only								
- 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
With no facilities								
- 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.								
VAT exemption rules								
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.								
Allotments								
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
King George's Pavilion & Faversham Rec Community Room								
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		
	£	£	£	£	£	£		
Cemeteries Burial Fees								
<i>Includes Exclusive Right of Burial for 50 years, Interment, Memorial & Re-inscription Permits</i>								
1 st Burial Sittingbourne, Faversham & Murston	2,700.00	0.00	2,700.00	2,760.00	0.00	2,760.00	2.22%	Market rate
1 st Burial Sheppey and Iwade	2,475.00	0.00	2,475.00	2,530.00	0.00	2,530.00	2.22%	Market rate
1 st Burial if no use of previously purchased grave Sittingbourne, Faversham & Murston	1,350.00	0.00	1,350.00	1,380.00	0.00	1,380.00	2.22%	Market rate
1 st Burial if no use of previously purchased grave Sheppey	1,080.00	0.00	1,080.00	1,110.00	0.00	1,110.00	2.78%	Market rate
2 nd Burial Sittingbourne, Faversham & Murston	1,080.00	0.00	1,080.00	1,110.00	0.00	1,110.00	2.78%	Market rate
2 nd Burial Sheppey and Iwade	900.00	0.00	900.00	920.00	0.00	920.00	2.22%	Market rate
3 rd Burial Sittingbourne, Faversham & Murston	900.00	0.00	900.00	920.00	0.00	920.00	2.22%	Market rate
Extended right of burial extension – 10 years	270.00	0.00	270.00	280.00	0.00	280.00	3.70%	Market rate
Extended right of burial extension – 20 years	540.00	0.00	540.00	560.00	0.00	560.00	3.70%	Market rate
Extended right of burial extension – 30 years	815.00	0.00	815.00	840.00	0.00	840.00	3.07%	Market rate
Extended right of burial extension – 40 years	1,080.00	0.00	1,080.00	1,110.00	0.00	1,110.00	2.78%	Market rate
Cremated Remains (all sites)								
<i>(Includes Exclusive Rights to Burial for 50 years, Interment, Memorial & Re-inscription Permit)</i>								
1 st Burial	730.00	0.00	730.00	745.00	0.00	745.00	2.05%	Market rate
1 st Burial (where no use has been made of previously purchased grave)	265.00	0.00	265.00	275.00	0.00	275.00	3.77%	Market rate
2 nd Burial	265.00	0.00	265.00	275.00	0.00	275.00	3.77%	Market rate
3 rd Burial	265.00	0.00	265.00	275.00	0.00	275.00	3.77%	Market rate
4 th Burial	265.00	0.00	265.00	275.00	0.00	275.00	3.77%	Market rate
Burial of loose ashes	135.00	0.00	135.00	140.00	0.00	140.00	3.70%	Market rate
Extended right of burial extension – 10 years	95.00	0.00	95.00	98.00	0.00	98.00	3.16%	Market rate
Extended right of burial extension – 20 years	185.00	0.00	185.00	190.00	0.00	190.00	2.70%	Market rate
Extended right of burial extension – 30 years	280.00	0.00	280.00	290.00	0.00	290.00	3.57%	Market rate
Extended right of burial extension – 40 years	370.00	0.00	370.00	380.00	0.00	380.00	2.70%	Market rate

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Child Burial								
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.				
Ancillary Services								
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)								
Memorial Bench (Seafronts & Green Space, Excludes Cemeteries)								
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		
	£	£	£	£	£	£		
Travelling Fairs								
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
Use of Council Land – Travelling Fairs								
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
Use of Council Land – Travelling Shows								
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
Use of Council Land – Events								
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
Beach Hut Charges								
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
Access Over Open Space Licence								
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		
	£	£	£	£	£	£		
Traffic Regulation Order Applications								
<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
White Bar Markings								
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
Installation of Advisory Bays on Private Lane (e.g. Disabled Bay in Housing Association Car Park)								
Installation of Advisory Parking Bay on Private Land	116.40	0.00	116.40	125.00	0.00	125.00	7.39%	Market rate
Street Naming & Numbering								
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		
	£	£	£	£	£	£		
Garden Waste Subscription (brown bins – domestic)								
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	62.00	0.00	62.00	5.08%	Market rate
Bulky Waste Collections								
Charge covers up to 4 bulky items. If white goods, charge covers only one item.	32.50	0.00	32.50	33.20	0.00	33.20	2.15%	Market rate
Clinical Waste Collection								
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	3.60	0.00	3.60	2.86%	Cost recovery
Wheeled Bins for new developments								
Wheeled bins 140 litre	47.90	0.00	47.90	49.00	0.00	49.00	2.30%	Cost recovery
Wheeled bins 180 litre	54.20	0.00	54.20	55.40	0.00	55.40	2.21%	Cost recovery
Wheeled bins 240 litre	54.20	0.00	54.20	55.40	0.00	55.40	2.21%	Cost recovery
Wheeled bins 1,100 litre	525.90	0.00	525.90	537.50	0.00	537.50	2.21%	Cost recovery
Food waste container 23 litre	12.60	0.00	12.60	12.90	0.00	12.90	2.38%	Cost recovery
Kitchen caddy 5 litre	6.40	0.00	6.40	6.50	0.00	6.50	1.56%	Cost recovery
Bin repairs	15.00	0.00	15.00	15.50	0.00	15.50	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	32.70	0.00	32.70	2.19%	Market rate
Note: Wheeled bins are non-vatable when supplied directly to a householder for domestic/household waste								
Additional Litter Bins (each)								
145 litre galvanised (fee does not include emptying the bin)	530.00	106.00	636.00	541.67	108.33	650.00	2.20%	Market rate
Annual emptying cost	130.00	0.00	130.00	168.00	0.00	168.00	29.23%	Cost recovery
Bin Store Clearance								
Per occasion	200.00	0.00	200.00	204.00	0.00	204.00	2.00%	Market rate
Wheeled Bins for Community Events								
Provision of wheeled bins for events (cost per occasion) – delivery/ collection charge	122.00	0.00	122.00	125.00	0.00	125.00	2.46%	Market rate
Wheeled bin hire (cost per bin)	15.50	0.00	15.50	16.00	0.00	16.00	3.23%	Market rate
Servicing of bins during event	Price on application		Price on application				0.00%	Market rate

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	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Radar Key for Disabled Toilets								
Fee	3.50	0.00	3.50	3.50	0.00	3.50	0.00%	Market rate
Environmental – Fixed Penalty Notices (FPN)								
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
*Reduced to £450 if paid in full within 14 days								
**Reduced to £150 if paid in in full within 14 days								

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Animal Welfare Licensing								
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').								
Part A - Covers the application and authorisation process.								
Part B - Is the cost for administering and enforcing the legislative framework.								
Boarding in Kennels for Dogs, Boarding for Cats, Day Care for Dogs, Home Boarding for Dogs, Breeding Dogs and Selling Animals as Pets (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.)								
Part A ¹	263.50	0.00	263.50	269.00	0.00	269.00	2.09%	Cost recovery
Part 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	217.00	0.00	217.00	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	238.00	0.00	238.00	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	360.00	0.00	360.00	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	396.00	0.00	396.00	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	505.00	0.00	505.00	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	555.00	0.00	555.00	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	31.00	0.00	31.00	3.33%	Cost recovery
Hiring of Horses								
Part A ¹	263.50	0.00	263.50	269.00	0.00	269.00	2.09%	Cost recovery
Part B								
1 Star and 2 Star establishments - 1 year licence (1 - 10 horses) ³	212.00	0.00	212.00	217.00	0.00	217.00	2.36%	Cost recovery
1 Star and 2 Star establishments - 1 year licence (11 or more horses) ³	233.00	0.00	233.00	238.00	0.00	238.00	2.15%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (1 - 10 horses) ²	352.00	0.00	352.00	360.00	0.00	360.00	2.27%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (11 or more horses) ²	387.00	0.00	387.00	396.00	0.00	396.00	2.33%	Cost recovery
5 Star establishments - 3 year licence (1 - 10 horses) ²	494.00	0.00	494.00	505.00	0.00	505.00	2.23%	Cost recovery
5 Star establishments - 3 year licence (11 or more horses) ²	543.00	0.00	543.00	555.00	0.00	555.00	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		
	£	£	£	£	£	£		
Keeping or Training Animals for Exhibition								
Part A								
For a 3 year licence ¹	264.00	0.00	264.00	270.00	0.00	270.00	2.27%	Cost recovery
Part B								
For a 3 year licence ³	494.00	0.00	494.00	505.00	0.00	505.00	2.23%	Cost recovery
Dangerous Wild Animal Licence								
Part A								
For a 2 year licence ¹	263.50	0.00	263.50	269.00	0.00	269.00	2.09%	Cost recovery
Part B								
For a 2 year licence ³	352.00	0.00	352.00	360.00	0.00	360.00	2.27%	Cost recovery
Zoo Licence (Please discuss your application with the Animal Control Officer prior to applying for a licence.)								
Part A								
For a 4 year licence ²	1,186.00	0.00	1,186.00	1,215.00	0.00	1,215.00	2.45%	Cost recovery
Part B								
For a 4 year licence ³	656.00	0.00	656.00	670.00	0.00	670.00	2.13%	Cost recovery
¹ Plus vet fees based upon an hourly rate (including travel time)								
² Plus vet fees for an initial inspection based upon an hourly rate (including travel time)								
³ Plus annual vet fees based upon an hourly rate (including travel time)								
Other Charges								
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
Requests for Variations								
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	
Stray Dog Collection								
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		
	£	£	£	£	£	£		
Environmental Health								
Food Export Certificate								
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
Voluntary Surrender of Food								
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
Chartered Institute of Environmental Health (CIEH) Level 2 Award Training in Food Safety in Catering								
Food Hygiene Rating Scheme								
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
Food Business Advice								
Food hygiene advice (per hour)	70.83	14.17	85.00	89.00	0.00	89.00	4.71%	Market rate
Registration Fee under the Local Government (Miscellaneous Provision) Act (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
Requests for Environmental Information (e.g. Contaminated land)								
Charge per hour	23.00	4.60	27.60	22.50	4.50	27.00	-2.17%	Market rate
Requests for Enhanced Environmental Information for Contaminated Land and Professional Opinion								
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								
Pre-Application Consultation for Environmental Health Advice for Acoustics, Air Quality, Contaminated Land Assessments								
Charge per hour	71.00	14.20	85.20	74.17	14.83	89.00	4.46%	Market rate
Private Water Supplies Regulations 2016 & 2018 Amendments								
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	

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Housing & Community Services								
Taxi Licensing								
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
Street Trading Licensing								
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
Gambling Licensing								
New Applications/Applications for Provisional Statement								
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
Licence Applications (Provisional Statement Holders)								
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		
	£	£	£	£	£	£		
Annual Fee								
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
Application to Vary								
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
Application to Transfer a Licence								
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
Application for Re-instatement								
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
Sex Establishment Licensing (sex shop, sex cinema and sex encounter venue)								
Application fee and 1 st 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		
	£	£	£	£	£	£		
Scrap Metal Dealers Licensing								
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
Pleasure Boat Licence								
Licence	174.60	0.00	174.60	178.50	0.00	178.50	2.23%	Market rate
Pavement Licence								
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
CCTV Services								
Swale Radio Link Annual Charge								
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
Third Party Service Charges								
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
Legal								
Legal Charges for Third Parties								
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.								
Revenues & Benefits								
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		
	£	£	£	£	£	£		
Property								
Room Hire of Swale House								
Non-Commercial								
Council chamber (half day)	87.29	17.46	104.75	89.17	17.83	107.00	2.15%	Market rate
Council chamber (full day)	145.46	29.09	174.55	148.75	29.75	178.50	2.26%	Market rate
Committee room (half day)	58.21	11.64	69.85	59.58	11.92	71.50	2.36%	Market rate
Committee room (full day)	87.29	17.46	104.75	89.17	17.83	107.00	2.15%	Market rate
Assembly room (half day)	43.63	8.73	52.36	45.00	9.00	54.00	3.14%	Market rate
Assembly room (full day)	72.79	14.56	87.35	74.58	14.92	89.50	2.46%	Market rate
Commercial								
Council chamber (half day)	174.58	34.92	209.50	178.33	35.67	214.00	2.15%	Market rate
Council chamber (full day)	290.96	58.19	349.15	297.50	59.50	357.00	2.25%	Market rate
Committee room (half day)	116.38	23.28	139.66	119.17	23.83	143.00	2.39%	Market rate
Committee room (full day)	174.58	34.92	209.50	178.33	35.67	214.00	2.15%	Market rate
Assembly room (half day)	87.29	17.46	104.75	89.17	17.83	107.00	2.15%	Market rate
Assembly room (full day)	145.46	29.09	174.55	148.75	29.75	178.50	2.26%	Market rate
Landlord's Consent Fee								
Assignments, subletting, charging *	423.21	84.64	507.85	432.50	86.50	519.00	2.20%	Market rate
Alterations *	423.21	84.64	507.85	432.50	86.50	519.00	2.20%	Market rate
Commercial wayleaves / easements*	925.75	185.15	1,110.90	945.83	189.17	1,135.00	2.17%	Market rate
Parking space licences	200.00	40.00	240.00	204.17	40.83	245.00	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		
	£	£	£	£	£	£		
FEES AND CHARGES SET NATIONALLY BY THE GOVERNMENT								
Housing								
Houses in Multiple Occupation Licensing								
New Application								
Non-accredited landlord	838.35	0.00	838.35	857.00	0.00	857.00	2.22%	Cost recovery
Accredited landlord	712.55	0.00	712.55	728.00	0.00	728.00	2.17%	Cost recovery
Renewal of Application								
Non-accredited landlord	657.00	0.00	657.00	671.00	0.00	671.00	2.13%	Cost recovery
Accredited landlord	558.60	0.00	558.60	571.00	0.00	571.00	2.22%	Cost recovery
Mobile Home Site Licence Fee								
New Mobile Home Site Licence Application Fee								
1-5 mobile homes on site	181.55	0.00	181.55	186.00	0.00	186.00	2.45%	Cost recovery
6-24 mobile homes on site	249.15	0.00	249.15	255.00	0.00	255.00	2.35%	Cost recovery
25-99 mobile homes on site	316.85	0.00	316.85	324.00	0.00	324.00	2.26%	Cost recovery
100+ mobile homes on site	364.25	0.00	364.25	372.00	0.00	372.00	2.13%	Cost recovery
Annual Mobile Home Site Inspection Fee								
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	208.60	0.00	208.60	2.20%	Cost recovery
25-99 mobile homes on site	244.40	0.00	244.40	249.80	0.00	249.80	2.21%	Cost recovery
100+ mobile homes on site	295.10	0.00	295.10	301.60	0.00	301.60	2.20%	Cost recovery
Fee to Transfer or Amend Mobile Home Site Licence								
Transfer or amend mobile home site licence	153.50	0.00	153.50	156.90	0.00	156.90	2.21%	Cost recovery
Fee for the Deposit of Mobile Home Site Rules								
Deposit of mobile home site rules	216.35	0.00	216.35	221.10	0.00	221.10	2.20%	Cost recovery
Smoke and Carbon Monoxide Regulations 2015								
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	5,406.00	0.00	5,406.00	2.19%	Cost recovery
The Redress Scheme for Lettings Agency Work & Management Work Order 2014								
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	5,406.00	0.00	5,406.00	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		
	£	£	£	£	£	£		
Non-Compliance with Minimum Energy Standards in Private Rented Properties								
Breaching the ban on letting a property with an F or G rating for less than 3 months (Statutory Maximum £2,000)								
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
Breaching the ban on letting a property with an F or G rating for more than three months (Statutory Maximum £4,000)								
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
Registering false or misleading information on the Private Rented Sector Exemptions Register (Statutory Maximum £1,000)								
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
Failing to provide information to the council demanded by a Compliance Notice (Statutory Maximum £2,000)								
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
Planning								
Planning Fees	The full details of current Planning fees can be found on https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf							
Environmental Health								
Public Health Control of Diseases Act 1984								
Various Fixed Penalty Notices (FPN's) issued under the Coronavirus legislation								
Pollution Prevention Control (PPC)								
A2 Process Application Fees								
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
A2 Process Subsistence Fees								
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
Part B Process Application Fees								
Part B (Standard Process)	1,650.00	0.00	1,650.00	1,650.00	0.00	1,650.00	0.00%	Externally set
Part B Standard Process Subsistence Fees								
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		
	£	£	£	£	£	£		
Part B Reduced Fee Application Fees (including car re-sprayers)								
Reduced fee application fee	362.00	0.00	362.00	362.00	0.00	362.00	0.00%	Externally set
Part B Reduced Fee Subsistence Fees (including car re-sprayers)								
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
Petrol Vapour Recovery I and Dry Cleaners Application Fees								
PVR I & DC New Application	155.00	0.00	155.00	155.00	0.00	155.00	0.00%	Externally set
Petrol Vapour Recovery I and Dry Cleaners Subsistence Fees								
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
Petrol Vapour Recovery I & II Combined Application Fees								
PVR I & II Application Fees	257.00	0.00	257.00	257.00	0.00	257.00	0.00%	Externally set
Petrol Vapour Recovery I & II Combined Subsistence Fees								
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
Part B Mobile Concrete Crusher Plant – Application Fee per Number of Permits								
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
Part B Mobile Concrete Crusher Plant – Subsistence Fee per Number of Permits								
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
Late Payment of Subsistence Fee								
All Permits	52.00	0.00	52.00	52.00	0.00	52.00	0.00%	Externally set
Operating without a Permit Fee								
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

	2024/25			2025/26			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Electoral Services								
Purchase of Electoral Register								
Full Register and the Notices of Alteration								
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
List of Overseas Electors								
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
Open (Edited) Register								
<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
Marked Polling Station and Absent Voter Registers								
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
Housing and Community Services								
Liquor Licensing								
Main Application Fees for Premises and Personal Liquor Licensing								
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
Main Annual Charge for Premises and Personal Liquor Licensing								
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

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

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Growth assumptions 2025/26	2025/26	2026/27	2027/28	2028/29
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			
Total Growth	4,570,860	788,300	1,345,000	800,000

Savings Assumptions 2025/26	2025/26	2026/27	2027/28	2028/29
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		
Total savings	(1,689,060)	172,000	(410,000)	(200,000)

Income assumptions 2025/26	2025/26	2026/27	2027/28	2028/29
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)			
Total income	(2,849,085)	2,632,705	(67,033)	0

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Policy & Resources Committee	
Meeting Date	5 February 2025
Report Title	Treasury Management Strategy 2025/26
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Claire Stanbury, Head of Finance and Procurement Olga Cole, Management Accountant
Classification	Open
Recommendations	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:

Lender	Amount (£ million)	Borrowing rate	Start Date of Loan	Maturity Date of loan	Duration
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
Total	10				

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:

Treasury Investments	
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.
Non-Treasury Investments	
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:

Counterparty	Average Rate %	Balance Invested at 30 November 2024 £'000
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
Total Investments		30,900

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:

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

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.

Counterparty	Time Limit	Cash Limits
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.

Issue	Implications
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.

Gross Debt and the Capital Financing Requirement	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000
Capital Financing Requirements	52,113	74,800	80,500	80,300
Gross External Debt (incl leases)	(10,000)	(37,500)	(48,000)	(50,500)
Internal Borrowing	<u>42,113</u>	<u>37,300</u>	<u>32,500</u>	<u>29,800</u>

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.)

Capital Expenditure and Financing	2024/25 Revised	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000
Total Expenditure	<u>41,816</u>	<u>21,626</u>	<u>4,935</u>	<u>2,745</u>
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
Total Financing	<u>41,816</u>	<u>21,626</u>	<u>4,935</u>	<u>2,745</u>

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
General Fund Total	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
Total	57,500	57,500	67,500	70,000

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.

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

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:

Interest rate risk indicator	Limit
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:

Maturity Structure of Borrowing	Lower Limit for 2025/26 %	Upper Limit for 2025/26 %
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 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	No Fixed Date £'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.

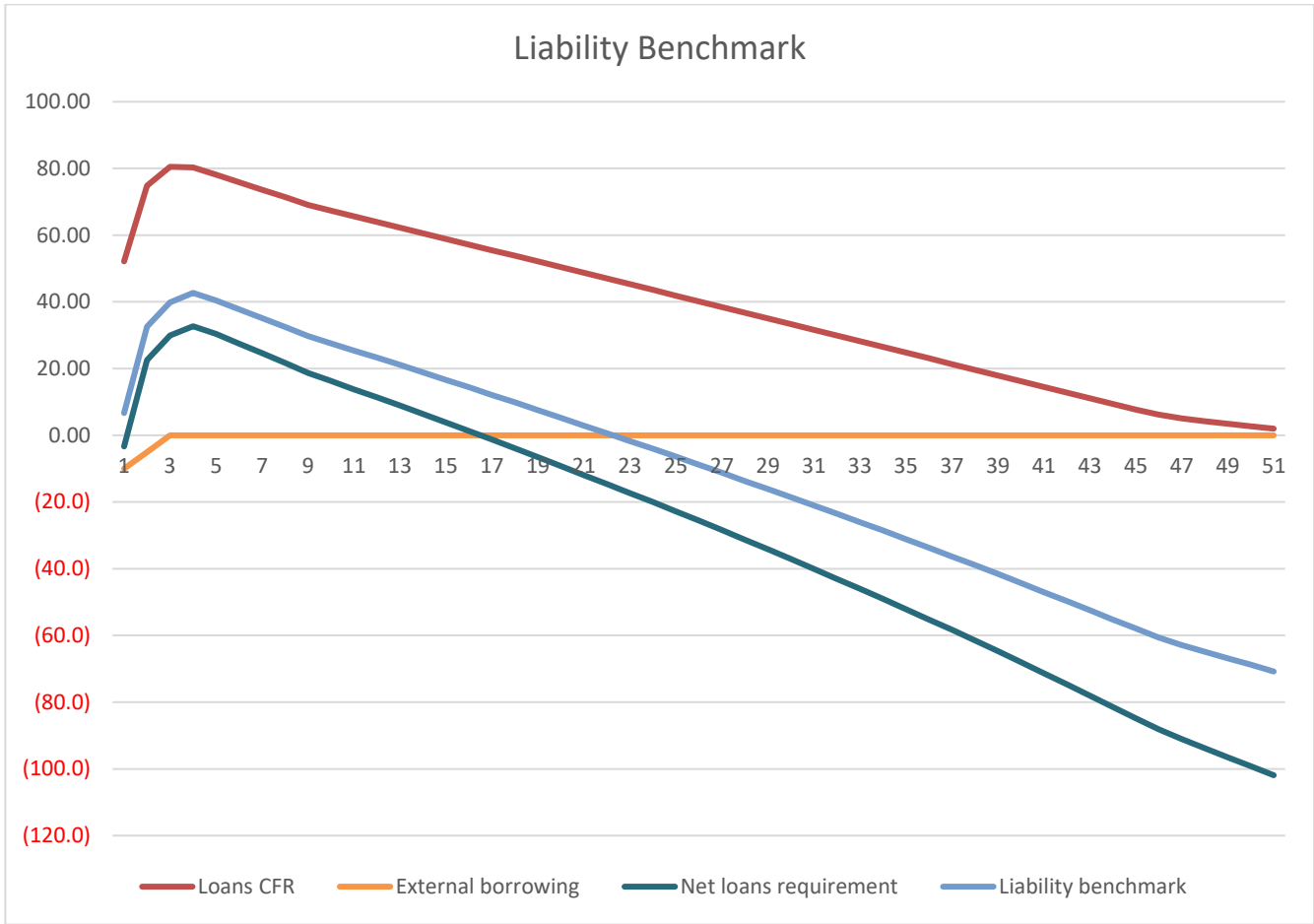
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external 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)
Net loans requirement	(3.3)	22.7	29.9	32.7	30.4
Plus: Liquidity allowance	10	10	10	10	10
Liability benchmark	6.7	32.7	39.9	42.7	40.4

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



Policy and Resources Committee Meeting	
Meeting Date	5 February 2025
Report Title	Discretionary Rate Relief Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. To note the outcome of the discretionary rate relief policy consultation. 2. To adopt the Discretionary Rate Relief policy

1 Purpose of Report and Executive Summary

- 1.1 The Local Government and Finance Act 1988 (LGFA 1988) and subsequent legislation requires Local Authorities to grant discretionary relief to premises occupied by charities or, to organisations that are non-profit making, that own or occupy a premise wholly or mainly for charitable purposes. Certain premises situated within a rural settlement area are also eligible for relief.
- 1.2 Powers have been granted under the Localism Act 2011, which allows for the granting of discretionary relief to any premises where the Council feels that the granting of such relief would be of benefit to the local community. Certain criteria must be satisfied before a rate payer can be considered for relief, which is made up of two parts, a mandatory and a discretionary scheme.
- 1.3 The Discretionary Rate Review policy has been reviewed and updated to ensure it meets the needs of the borough. A consultation was carried out for a period of 6 weeks. This report reviews the responses to the consultation and makes recommendations of changes to the draft policy.
- 1.4 The review was carried out to ensure that the policy supports the types of non-profit making organisations that add value to the local area and local residents. It is not seeking to change the levels of relief that are awarded.

2 Background

- 2.1 Under Section 47 of the LGFA 1998 rating authorities are given the discretion to award relief to businesses in the following circumstances:
 - Registered charities and community and amateur sports clubs (CASCs) are entitled to mandatory relief of 80%, the Council has the discretion to award a further discretionary relief up to 20%;

- The Council has the discretion to award discretionary relief to rural properties who are not entitled to mandatory rural rate relief, providing the relevant criteria are met.
 - The Council has the discretion to award relief up to 100% to organisations which are established as not for profit and meet the relevant criteria. The amount of discretionary relief awarded is entirely at the discretion of the Council.
- 2.2 Under the powers of the Localism Act 2011, the Council before deciding locally to award relief must decide if it would be reasonable to do so having regard to the interest of Council Tax payers in its area. Guidance issued by the Secretary of State must be followed when granting this relief. In 2017 as a result of the business rates revaluation exercise, more reliefs were introduced by the government. This has included the Supporting Small Businesses Scheme, Local Newspaper Relief, and Retail, Hospitality and Leisure Relief which are awarded following government legislation and the local discretionary relief scheme which is a local scheme.
- 2.3 The cost of Discretionary Rate Relief reduces the amount of Non-Domestic Rates collected from businesses. This subsidy will be funded from the Council’s revenue budget (reflected in the Business Rate Income budget), so it must be considered as to whether this is a service that will provide best value for the residents. The cost of the scheme is shown in table one.

Table 1

Year	Total	Central Government	Swale Borough Council	Kent County Council	Kent Fire Authority
	100%	50%	40%	9%	1%
2020/21	£371,482	£185,741	£148,593	£33,433	£3,715
2021/22	£383,310	£191,655	£153,324	£34,498	£3,833
2022/23	£417,815	£208,907	£167,260	£37,603	£4,178
2023/24	£402,151	£201,075	£160,860	£36,194	£4,022

- 2.4 In summer 2024 the current Discretionary Rate Relief policy was reviewed. A consultation was carried out for six weeks ending on 30 October 2024. The consultation was open to businesses, residents, and those organisations currently in receipt of Discretionary Rate Relief.
- 2.5 Those completing the consultation were asked for their views on the proposed policy. 20 people/organisations completed the consultation which asked for comments on the revised policy.

- 2.6 The comments can be found at appendix II. Most responders expressed that receiving Discretionary Rate Relief helped them to provide facilities and services for the borough.
- 2.7 The following changes were made to the policy before the consultation.

Table 2

Paragraph	Changes
2.5.4	Paragraph changed to include examples of factors the council will take into account when assessing applications and a table listing criteria that will be used to assess applications
2.5.8	Changed from 15 days to 1 month
2.5.11	Added in - There are grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
2.6	Wording changed to relief will be awarded for 3 years rather than 12 months (unless circumstances change).
2.8.1	Job title changed from Revenues and Benefits Manager to Head of Revenues and Benefits
3.1.3	Section 44a Relief for partially occupied properties. Added in - For the purposes of this policy, a period of 6 months will be considered temporary. Periods of time exceeding 6 months will be treated as a permanent change and will not be eligible for partly occupied relief.
4.5.7	Changed from 15 days to 1 month
6.4.2	Changed from 15 days to 1 month

3 Proposals

- 3.1 It is proposed that the draft Discretionary Rate Relief policy is adopted. The policy has been updated to ensure it covers the ever increasing third sector organisations that are supporting our local community. It is imperative that this sector is encouraged to provide services within the area. Many do not have the funds to cover the cost of business rates.
- 3.2 There were not any proposed changes put forward to the draft policy, so it is proposed that the draft should be adopted with no changes made to it.

4 Alternative Options Considered and Rejected

- 4.1 An alternative option would be to not have a Discretionary Rate Relief policy. This option is not recommended because it could lead to an unfairness in awarding discretionary relief and the cost of the scheme could increase significantly.

- 4.2 The Council could continue to follow the previous policy, it is however good practice to review policies on a regular basis and to seek the views of those affected.

5 Consultation Undertaken or Proposed

- 5.1 A consultation has been carried out and 20 responses were received mainly from organisations who currently receive Discretionary Rate Relief. The majority of the responders were happy with the policy and were pleased that it provides support to those organisations and groups providing voluntary services within the local area.

Issue	Implications
Corporate Plan	The objectives and priorities in the corporate plan.
Financial, Resource and Property	<p>The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.</p> <p>However, the cost of Discretionary Rate Relief reduces the amount of Non-Domestic Rates collected from businesses. In considering the backdating of this relief, the effect on the Council Taxpayers and the budget should be considered.</p> <p>It is unlikely the cost will increase significantly however we are required to award to those businesses that claim and meet the criteria of the scheme.</p>
Legal, Statutory and Procurement	Accepting the recommendations will fulfil the Council's duties under Section 47 of the Local Government Finance Act 1998 and the Localism Act 2011, to award discretionary relief to charities and non-profit making businesses.
Crime and Disorder	Not applicable
Environment and Climate/Ecological Emergency	Not applicable
Health and Wellbeing	This policy should have a positive impact on the health of the borough, by supporting those organisations that provide services to residents.
Safeguarding of Children, Young People and Vulnerable Adults	Not applicable
Risk Management and Health and Safety	The cost of implementing this change is no higher than the current scheme. Any risks will be picked up as part of the overall business rate retention scheme.

Equality and Diversity	We recognise the recommendations may have varying impacts on different communities within Swale. Therefore, we have completed a separate equalities impact assessment, this can be found at appendix III.
Privacy and Data Protection	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Data Protection Officer will have reviewed the processing of personal data affected and the associated documentation will be updated accordingly.

7 Appendices

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

- Appendix I: Draft Discretionary Rate Relief Policy
- Appendix II: Discretionary Rate Relief policy consultation responses
- Appendix III: Equality Impact Assessment

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SWALE BOROUGH COUNCIL- REVENUES AND
BENEFITS SERVICE- POLICIES AND
PROCEDURES

DISCRETIONARY
AND
HARDSHIP RELIEF
POLICY

Version Control

Version	Date	Comments	Name
1.0	30.11.2012	First draft	ZDK
1.1	06.03.2013	Amended	ZDK
1.2	25.03.2014	Amended	ZDK
1.3	19.01.2015	Amended	ZDK
1.4	05.08.2015	Amended	ZDK
1.5	24.08.2015	Amended	ZDK
1.6	18.07.2019	Amended	ZDK
1.7	26.03.2020	Amended	ZDK
1.8	04.04.2020	Amended	ZDK
1.9	02.01.2024	Amended	ZDK
2.0	09.08.2024	Amended	ZDK

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 - 2.1 Legal Requirements
 - 2.2 Legal Requirements – Subsidy Control
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 - 2.4 Persons who can make application
 - 2.5 The decision-making process
 - 2.6 Period of rate relief
 - 2.7 Calculation of relief
 - 2.8 Authority to process applications and award relief
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- 3. Business Rates – Relief for properties that are partially occupied for a temporary period (Section 44a)**
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 - 6.4 Notification of the final decision following appeal
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- 9. Equalities statement**
- 10. Policy Review**

1. Introduction and purpose of policy document

1.1 Powers

1.1.1 The power to award discretionary relief for Business Rates and Council Tax is allowed under the following Regulations:

- Business Rates – Sections 44a, 47 and 49 of the Local Government Finance Act 1998

1.2 Purpose

1.2.1 This policy has been written to.

- set guidelines for the factors that should be considered when making a decision to award or refuse relief.
- set out the delegated authority to award relief in appropriate circumstances.
- establish an appeals procedure for customers dissatisfied with Swale Borough Council's decision; and
- safeguard the interest of the local taxpayers by ensuring that funds that are allocated for the award of relief are used in the most effective and economic way.

2. Business Rates – Relief for Charities, Not for Profit Organisations, Community Amateur Sports Clubs (CASC), Rural properties and under Section 69 of the Localism Act 2011

2.1 Legal Requirements

2.1.1 Section 47 of the Local Government Finance Act 1988 (amended under Section 69 of the Localism Act 2011) provides the discretion to award relief in the following circumstances:

- the customer is a registered charity, or a charitable organisation and the property is used for charitable purposes;
- the organisation is not established or conducted for profit and the main objects are philanthropic, religious or concerned with education, social welfare, science, literature or fine arts.
- the property is used for recreational purposes and all or part is occupied for the purposes of a club, society or an organisation not established or conducted for profit.
- the property is within a Rural Settlement List for the chargeable financial year and the rateable value does not exceed the amount prescribed by the Secretary of State; and
- the property is used for the benefit of the community, and it would be reasonable for Swale Borough Council to make a decision having taken the considerations of persons liable to pay Council Tax.

2.1.2 Under Section 69 of the Localism Act 2011 discretionary relief may also be used to encourage business which may help to regenerate the Borough. Discretionary relief will be considered for any request that may bring exceptional regeneration benefits.

2.1.3 Registered Charities and CASCs are entitled to Mandatory Relief of 80%. Swale Borough Council has the discretion to award further rate relief of up to 20%, which is commonly referred to as a 'top-up'.

2.1.4 For CASCs the Council will consider applications that can demonstrate:

- The contribution the organisation makes to the Borough;
- The club is open to the whole community and its membership fees are not excessive;
- It is a non-profit making organisation;
- Evidence that every effort is made by the organisation to encourage open membership from groups such as young people disabled persons, and those over retirement age;
- How the CASC supports and links into the Council's priorities.

2.1.5 Rural properties are entitled to Mandatory Relief of 100% providing the relevant qualifying criteria are met.

2.1.6 Swale Borough Council has the discretion to award relief of up to 100% to organisations which are not established for profit, and which meet the relevant criteria.

2.1.7 The amount of relief awarded is entirely at the discretion of Swale Borough Council.

2.2 Legal Requirements – The Cash Cap and Subsidy Control

2.2.1 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all their hereditaments in England.

2.2.2 Rate relief for charities and non-profit making bodies is not normally considered under the cash cap because the recipients are not in market competition with other businesses. However, if they are engaged in commercial activities, compete with commercial bodies, or have a commercial partner, rate relief could constitute a government subsidy. In such cases it would be unlikely that the customer would be considered for rate relief.

2.3 Financial Impact

2.3.1 Since April 2013 Discretionary Relief has been funded partly by the billing authority, the major preceptors (excluding the Police), and partly by the Government through the Non-Domestic Rates Pool.

2.3.2 The percentage of Discretionary Relief that must be funded by each Local Authority is as follows.

Type of Relief	% Cost to Central Government	% SBC (Billing authority)	Kent County Council	Kent & Medway Fire & Rescue
'Top Up' Discretionary Relief	50%	40%	9%	1%
Other Discretionary Relief (where Mandatory Relief is not applicable)	50%	40%	9%	1%

2.3.3 To minimise the cost of discretionary relief, ratepayers that may be entitled to Mandatory Relief must endeavour to qualify for such relief before an application for Discretionary Relief can be considered.

2.4 Persons who can make application

2.4.1 Applications must be made by the ratepayer.

2.4.2 Where the ratepayer is an organisation, the application must be made by a person with the authority to act on behalf of the organisation. Swale Borough Council may ask for evidence that the person making the application is entitled to act in that capacity.

2.5 The Decision-Making Process

- 2.5.1 Although there is no statutory necessity to complete a formal application form, it is recommended that a form be completed, as it will act as a checklist of criteria to be met or questions to be answered. This will assist in speeding up the application process.
- 2.5.2 All applications will be considered on an individual basis. Consideration for awarding Discretionary Relief is based on the organisation's ability to meet its Business Rate liability. Therefore, copies of the last two years' audited accounts are to be submitted with the application form. Where audited accounts are not available, financial statements prepared by, or approved by, an appropriate representative shall be considered. For a new organisation 12 months' projected cash flow forecast are required. Any award will be based on the organisation's recent income/expenditure results.
- 2.5.3 Where an organisation has retained funds, or built-up reserves, for a purpose related to the aims and objectives of the organisation, provided that the works are completed within three years of the date of application, those funds/reserves may be disregarded for the purposes of the award of relief. It is accepted that funds may have to be accrued over many years to fund major projects e.g. replacing an ageing building, and consideration to this will be given on an individual basis.
- 2.5.4 In formulating its policy for discretionary rate relief the Council will take into account the following factors:

The extent to which the organisation:

- Meets local needs in the community, and either
- Provides a valuable service to the community, or
- Provides facilities which indirectly relieves the Council of the need to do so subject to the conditions that:
 1. Membership, where appropriate, or facilities, are available to the general public and not unduly restricted; and
 2. Premises are not used for sales of a commercial nature on more than ten occasions in any one year.
 3. For premises such as village halls, this includes community halls, scout or guide halls, community hubs and any community buildings provided in local areas by a not-for-profit organisation.

The policy also reflects the Council's priorities.

General criteria that will be used by the Council when considering applications for relief are shown in the table below:

	Criteria	How this is measured
1	Membership is open to all sections of the community subject to legitimate restrictions	A club or organisation will not be considered if it has membership rates at such a high level as to exclude the general community Membership or attendance must not be restricted by race, religion or gender
2	The organisation actively encourages membership from the local community.	An organisation which encourages such membership can expect more sympathetic consideration than one which does not
3	The facilities are made available to people other than members, i.e. schools, casual public sessions etc	The wider use of facilities should be encouraged and rate relief might be one form of recognition that an organisation was promoting its facilities more widely
4	The organisation provides training, education or schemes for particular groups such as young people, the disabled or retired people to develop their skills	An organisation providing such facilities might deserve more support than one which does not
5	The facilities have been provided by self-help or grant aid	This is an indication that a club or organisation is deserving of relief if it has made efforts for self-help or submitted applications for grant aid
6	The organisation does not run a bar	The mere existence of a bar will not in itself be a reason for not granting relief, but the main purpose of the organisation will be examined. An organisation with a commercially operated bar will not be considered for relief.
7	The organisation provides facilities which indirectly relieves the Council of the need to do so	A need, not being provided by the Council, but identified as a priority for action, might be particularly deserving of support
8	Membership is drawn mainly from people residing in the Borough	There will be a cost borne by the Council taxpayers in the area if any relief is granted. A club or organisation with the majority of members residing in the Borough will be more deserving of relief
9	The organisation is in need of financial assistance	Latest audited accounts will be examined to determine the need for financial assistance
10	Clubs tried to gain Community Amateur Sports Club (CASC) status	Where a club has made an application for CASC status, where this is practical, the Council will look at

		the application favourably, irrespective of the outcome
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- 2.5.5 Relief may be refused or capped if it is considered that the financial cost to Swale Borough Council or the local community outweighs the benefits generated through the award of relief.
- 2.5.6 Organisations with unallocated reserves or substantial assets (taken to mean 12 months or more of operating costs) will be excluded from qualification if it is determined that those reserves or assets could reasonably be used to provide financial support.
- 2.5.7 To ensure there is a fair and consistent approach to the award of Discretionary Relief, all applications will be considered within the guidelines of this Policy, and a written record will be kept on file of the decisions and factors considered in the process. The decision will be available free of charge to the applicant on request.
- 2.5.8 Swale Borough Council will consider applications within 1 calendar month of the application and all supporting information being received and will notify the customer should there be a delay in processing the application.
- 2.5.9 Swale Borough Council will notify the applicant of the decision in writing, and where less than the maximum amount of relief is granted or the relief is refused, an explanation of the reasons why will be given.
- 2.5.10 Swale Borough Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.
- 2.5.11 Where an application has been refused either initially or through an appeal, further applications will not be considered within the same financial year unless:
- the use of the property changes; or
 - the objectives of the organisation change; or
 - there have been other changes that may affect Swale Borough Council's decision e.g. where an organisation has taken action to address an issue which had previously precluded an award of relief.
 - There are grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.
- 2.5.12 There is no time limit for an organisation to make an application for Discretionary Relief. Swale Borough Council must determine applications within six months after the end of the financial year (between 1 April and 30 September) for which the application for relief is made. After this time applications are invalid.

2.6 Period of Rate Relief

- 2.6.1 In the majority of cases: The relief will be granted for 3 years, but if circumstances change within the 3 years, the club or organisation must inform the Council of any changes. If a club or organisation moves address within the 3 years, a fresh application will need to be made for the new address. Relief will not be carried forward to the new property. After 3 years, a fresh application will need to be made.
- 2.6.2 Successful applications will be sent a letter confirming the new award of discretionary relief. This letter will explain the period of the award and the date it will end.

2.7 Calculation of relief

- 2.7.1 Relief will be calculated as a percentage of the Business Rates bill. Should the Business Rates bill reduce within the period Discretionary Rate Relief is granted, the relief will be reduced proportionately.
- 2.7.2 If the Business Rates bill increases within the period Discretionary Rate Relief is granted i.e. there is an increase in rateable value, the amount awarded will not automatically be increased. In such cases, Swale Borough Council, upon request of the customer, will reconsider the application and may award additional relief.

2.8 Authority to process applications and award Relief

- 2.8.1 In the interests of efficiency, the authority to consider applications is delegated as set out in the table below.

Thresholds – Annual Cost to Local Authority	Position of Authority	Counter Authority
Up to £30,000	Head of Revenues and Benefits	Not required
Over £30,000	Head of Revenues and Benefits	Director of Resources

2.9 Special Provisions

- 2.9.1 The full 20% 'top up', discretionary relief may be applied to charities and other premises (apart from charity shops) but will normally only be awarded if the charity is a local one, not a national one (a local charity is defined to be one who only operates in the particular Council area or who are part of a national charity but whose accounts and finances are specific to a local area). If the premises are operated by a national charity that does not exist to wholly or mainly benefit the residents of the local area, then discretionary relief will not normally be awarded to 'top up' the 80% mandatory award. If the charity can provide proof that part of their time is spent providing

services to residents of Swale, the 20% 'top up' may be allocated in proportion to the amount of their work that is provided for Swale residents.

2.9.2 Swale Borough Council will consider the contribution and benefit that the charity has made to the local community.

2.9.3 Discretionary Relief for clubs will normally be granted at a lower rate if the organisation operates a licensed bar. Membership must be active rather than social membership, and wholly or mainly benefit the residents of the local area. Consideration to award relief will only be given if the club is able to fully demonstrate that the bar is not the primary or significant attraction for the majority of the members.

2.9.4 Schools with Academy status will not normally be awarded Discretionary Relief to top up the mandatory award.

2.10 Backdating Applications

2.10.1 Previously legislation permitted discretionary relief only to be awarded back to the start of the previous financial year where the application is submitted and assessed prior to the end of September in a relevant year.

2.10.2 The Non-Domestic Rating Bill, which comes into effect 1 April 2024, means that local authorities can set their own rules for notifications of discretionary reliefs in their area. Within this Policy, the Borough Council will continue to determine the awards of backdated discretionary relief under the terms of 2.10.1 above. Applications will be considered for the backdating of discretionary relief from 1 April 2024 for a maximum period of 12 months from the date of the application.

2.11 Right of appeal

2.11.1 There is no statutory right of appeal against a decision regarding discretionary relief made by Swale Borough Council. However, Swale Borough Council recognises that customers should be entitled to have a decision objectively reviewed if they are dissatisfied with the outcome. For further information on how to appeal please refer to Section 6 of this Policy.

3. Business Rates - Relief for properties that are partially unoccupied for a temporary period (Section 44a)

3.1 Legal Requirements

- 3.1.1 Under section 44a of the Local Government Finance Act 1988 a Local Authority has the discretion to allow rate relief where a property is partly occupied for a short period. Each case will be decided on its own merits.
- 3.1.2 The definition of a 'short period' is not prescribed with the law, and therefore Swale Borough Council has discretion to decide the period relief should be awarded. In the guidance issued by the Office of the Deputy Prime Minister in 2002 it is suggested that this could be a period of weeks or months.
- 3.1.3 Partially occupied rate relief (also referred to as Section 44a Relief) is not intended to be used where part of a property is temporarily not used. The intention is aimed at situations where there are practical difficulties in occupying or vacating part of the property. For the purposes of this policy, a period of 6 months will be considered temporary. Periods of time exceeding 6 months will be treated as a permanent change and will not be eligible for partly occupied relief.

3.2 Financial Impact

- 3.2.1 From April 2013 the cost to Swale Borough Council and major preceptors of such relief, is set out in the table below.

Organisation	Central Government	Swale Borough Council	Kent County Council	Kent & Medway Fire & Rescue
Share of the cost	50%	40%	9%	1%

- 3.2.2 Swale Borough Council recognises that awarding this relief is beneficial to local businesses. Therefore Section 44a Relief will be awarded in all cases that meet the statutory requirements. All other cases will be considered on their merits.

3.3 Persons who can make an application

- 3.3.1 Applications must be made by the ratepayer.
- 3.3.2 Swale Borough Council will require a written application, and the ratepayer must supply a plan of the property, with the unoccupied portions clearly identified.

3.4 The decision-making process

- 3.4.1 There are no restrictions in the provisions of a Section 44a Relief regarding the type of property or circumstances in which relief can be awarded.

- 3.4.2 Once Swale Borough Council has received an application, providing the application meets the qualifying criteria, relief will be awarded.
- 3.4.3 Swale Borough Council will require accompanied access to the property during normal working hours in order to verify the application. Further access will be required on at least one occasion each month, during normal office hours, during the period for which relief is being awarded.
- 3.4.4 Relief will not be awarded under any circumstance where it is not possible to verify the application.
- 3.4.5 Swale Borough Council will consider applications within 1 calendar month of the application and all supporting information being received and will notify the customer should there be a delay in processing the application.
- 3.4.6 Swale Borough Council will notify the applicant of the decision in writing, and where the relief is refused, an explanation of the reasons why will be given.
- 3.4.7 Swale Borough Council will not consider applications where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.
- 3.4.8 To ensure there is a fair and consistent approach to the award of Section 44a Relief, all applications will be considered within the guidelines of this Policy, and a written record will be kept on file of the decisions and factors considered in the process. The decision will be available free of charge to the applicant on request.

3.5 Period of Section 44a Relief

- 3.5.1 Section 44a Relief will only be applied to a property that is partly occupied for a short period. The relief will normally only be awarded to properties that are being progressively occupied or progressively vacated.
- 3.5.2 Section 44a Relief will end under the following circumstances:
- at the end of a financial year, regardless of the date relief was applied;
 - where all or part of the unoccupied area becomes occupied; or
 - where the person liable for Business Rates changes.
- 3.5.3 A new application may be submitted immediately by the customer if relief ends for any of the reasons outlined in 3.5.1.

3.6 Calculation of Section 44a Relief

- 3.6.1 Where Swale Borough Council agrees to award a Section 44a Relief, we will notify the Valuation Officer to seek a reduction in the rateable value.

3.6.2 The amount of relief is calculated on a statutory basis based on the rateable value of the empty portion of the property. The appropriate rateable value is provided to Swale Borough Council by the Valuation Office Agency.

3.7 Authority to Award Section 44a Relief

3.7.1 In the interests of efficiency, the authority to consider applications is delegated to Swale Borough Council Business Rates Officers.

3.8 Backdating Section 44a Applications

3.8.1 Where a backdated application is received, the customer will be required to produce evidence to prove the area was unoccupied for the period the relief relates to. Acceptance of such evidence is at the discretion of Swale Borough Council.

3.9 Right of appeal

3.9.1 There is no statutory right of appeal against a Section 44a decision made by Swale Borough Council because the award is discretionary. However, Swale Borough Council recognises that customers should be entitled to have a decision objectively reviewed if they are dissatisfied with the outcome. For further information on how to appeal please refer to Section 6 of this Policy.

4. Business Rates - Hardship Relief

4.1 Legal Requirements

- 4.1.1 Section 49 of the Local Government Finance Act 1988 provides a Local Authority with the discretion to reduce or remit payment of rates under the grounds of hardship.
- 4.1.2 Swale Borough Council can reduce or remit the payment of rates where it is satisfied that the customer would sustain hardship if we did not do so, and that it is reasonable to award relief having taken into account the interests of the Council Taxpayers.
- 4.1.3 There is no statutory definition of 'hardship', and so it is for Swale Borough Council to decide on the facts of each case as to whether to exercise our discretion. Swale Borough Council may adopt rules for the consideration of hardship, but are unable to adopt a blanket policy, and so each case will be considered individually.
- 4.1.4 It is the Government's guidance that remission of business rates on the grounds of hardship is the exception rather than the rule.

4.2 Legal Requirements – Subsidy Control

- 4.2.1 Competition rules restrict Government subsidies to businesses. Relief from taxes, including business rates, could be considered such subsidy.
- 4.2.2 Hardship Relief for customers engaged in commercial activities, which compete with commercial bodies or have a commercial partner, could constitute a subsidy. In such cases it would be unlikely that the customer would be considered for Hardship Relief.

4.3 Financial Impact

- 4.3.1 Discretionary Hardship Relief is funded partly by the billing authority, major preceptors (excluding Kent Police), and partly by Central Government.
- 4.3.2 The percentage of Discretionary Hardship Relief that must be funded is as follows.

Type of Relief	% Cost to Central Government	% Cost to Swale Borough Council	% Cost to Kent County Council	% Cost to Kent & Medway Fire & Rescue
Hardship Relief	50%	40%	9%	1%

4.4 Persons who can make an application

- 4.4.1 Applications must be made in writing by the ratepayer or their agent.
- 4.4.2 Applications for hardship relief must be accompanied by the following:
- the most recent accounts and the last audited accounts.

- an up-to-date trading statement showing the current financial position of the business;
- details of the amount of relief being requested and the period of time it is being requested for; and
- an explanation of the benefits to the community arising from an award of hardship relief.

4.5 The Decision-Making Process

- 4.5.1 Although there is no statutory necessity to complete a formal application form, it is recommended that a form be completed, as it will act as a checklist of criteria to be met or questions to be answered. This will assist in speeding up the application process.
- 4.5.2 All applications will be considered on an individual basis, and decisions will be made in accordance with this Policy. The following examples indicate circumstances where it may be appropriate to award Hardship Relief. They are included in this Policy in the form of broad, general guidelines and are not intended to be prescriptive:
- the customer will suffer hardship if the relief is not granted.
 - there is a direct benefit to the ratepayer or the community or no adverse impact to other ratepayers or the community as a result of awarding relief.
 - the cost to local Council Taxpayers is proportional to the benefits to the community;
 - the ratepayer's business has been detrimentally affected by circumstances beyond the ratepayer's control and that do not constitute part of the normal risks in running a business e.g. a natural disaster or an unusual or uncontrollable event in the neighbourhood of the business.
 - by refusing to award the relief may result in the loss of the business. The impact on local amenities must be considered if the business is the sole provider of a service in the local area e.g. the only village shop; and
 - by refusing to award the relief may result in the loss of the business. The impact on employment prospects in the local area must be considered i.e. if the closure results in a large number of redundancies, the social aspect of increasing unemployment and the possible negative impact in attracting further investment in the area must be considered.
- 4.5.3 Swale Borough Council will only grant Hardship Relief for a period where there is clear evidence of hardship for the ratepayer concerned. This will ordinarily be for short period of time and not on an on-going basis.
- 4.5.4 Hardship Rate Relief may not be awarded if there are alternative facilities within the area or if the business is situated in an area with adequate public transport links to alternative businesses. Relief should be in the interests of the community as a whole. If the decision is that it is not in the interests of the community as a whole to grant Hardship Relief, then the decision will be final, with no rights to appeal.

- 4.5.5 Swale Borough Council will also consider applications from new businesses as well as established businesses. We recognise that a new business could also be the sole provider of a service in our local area which contributes to the health and quality of life of the Council Taxpayers generally.
- 4.5.6 Swale Borough Council recognises that there may be occasional circumstances in which the use of this power is beneficial to either an individual ratepayer or the community. However, in accordance with Government guidelines, it accepts that this power should be used sparingly and only in the most exceptional of circumstances.
- 4.5.7 Swale Borough Council will consider applications within 1 calendar month of the application and all supporting information being received and will notify the customer should there be a delay in processing the application.
- 4.5.8 Swale Borough Council will notify the applicant of the decision in writing, and where less than the maximum amount of relief is granted or the relief is refused, an explanation of the reasons why will be given.
- 4.5.9 Swale Borough Council will not consider applications on the grounds of hardship where the customer has failed to provide information within the timescales provided to them and will notify the customer in writing that the application has been refused.
- 4.5.10 To ensure there is a fair and consistent approach to the award of Hardship Relief, all applications will be considered within the guidelines of this Policy and a written record will be kept on file of the decisions and factors considered in the process. The decision will be available free of charge to the applicant on request.

4.6 Period of Hardship Relief

- 4.6.1 Swale Borough Council will normally only award Hardship Relief retrospectively. However, where the applicant can show that the circumstances will remain the same for a period up to the end of the current financial year, relief may be award for the remainder of the year.
- 4.6.2 In all cases Hardship Relief will end in the following circumstances:
- at the end of a financial year.
 - a change of liable person.
 - the property becomes empty or unoccupied.
 - the customer enters any form of Insolvency proceedings; and
 - the customer's financial circumstances change. The customer must inform Swale Borough Council if their circumstances change.

4.7 Calculation of Hardship Relief

4.7.1 Hardship Relief will be calculated as a percentage of the Business Rates bill. Should the Business Rates bill reduce within the period Hardship Rate Relief is granted, the relief will be reduced proportionately.

4.7.2 If the Business Rates bill increase within the period Hardship Relief is granted, i.e. an increase in rateable value, the amount awarded will not automatically be increased. In such cases, Swale Borough Council, upon request of the customer, will reconsider the application and may award additional relief.

4.8 Authority to process applications and award relief

4.8.1 In the interests of efficiency, the authority to consider applications is delegated as set out below.

Thresholds – Annual Cost to Local Authority	Position of Authority	Counter Authority
Up to £30,000	Head of Revenues and Benefits	Head of Finance & Procurement
Over £30,000	Head of Revenues and Benefits	Director of Resources

4.9 Backdating Applications

4.9.1 Legislation allows claims received between 1 April and 30 September in any year to be backdated to 1 April of the previous year. Customers requesting hardship relief to be backdated i.e. for the previous year will be dealt with in the same way as applications for the current year.

4.9.2 Applications outside of the qualifying period in 4.9.1 will not be backdated beyond 1 April of the year in which it is awarded.

4.10 Right of appeal

4.10.1 There is no statutory right of appeal against a decision to award hardship relief made by Swale Borough Council because the award is discretionary. However, Swale Borough Council recognises that customers should be entitled to have a decision objectively reviewed if they are dissatisfied with the outcome. For further information on how to appeal please refer to Section 6 of this Policy.

5. Retail Discount

5.1 Introduction and Purpose

5.1.1 The 2024-25 Retail, Hospitality and Leisure Business Rate Scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

5.1.2 This section provides guidance about the operation and delivery of that policy, including:

- factors that should be considered when making a decision to award or refuse relief.
- arrangements to delegate authority to award relief in appropriate circumstances; and
- appeals procedure for customers dissatisfied with the Council's decision.

5.2 How will the relief be provided?

5.2.1 The Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council where it uses its discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

5.2.2 It is for Swale Borough Council to decide on the scheme which they chose to adopt and decide in each individual case when to grant relief under section 47.

5.3 Properties that may benefit from the relief

5.3.1 Properties which benefit from the relief will be those which for a chargeable day in 2024-25:

- a) meet the eligibility criteria; and
- b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2024. The ratepayer cannot withdraw their refusal for either all or part of the financial year.

5.3.2 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, the Council may not grant the discount to themselves certain precepting authorities (e.g., a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

5.3.3 We consider shops, restaurants, cafes, and drinking establishments to mean the following.

<p>Hereditaments that are being used for the sale of goods to visiting members of the public:</p>	<ul style="list-style-type: none"> ▪ Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc) ▪ Charity shops ▪ Opticians ▪ Post offices ▪ Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors) ▪ Car/ caravan show rooms ▪ Second hand car lots ▪ Markets ▪ Petrol stations ▪ Garden centres ▪ Art galleries (where art is for sale/hire)
<p>Hereditaments that are being used for the provision of the following services to visiting members of the public:</p>	<ul style="list-style-type: none"> ▪ Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc) ▪ Shoe repairs/ key cutting ▪ Travel agents ▪ Ticket offices e.g. for theatre ▪ Dry cleaners ▪ Launderettes ▪ PC/ TV/ domestic appliance repair ▪ Funeral directors ▪ Photo processing ▪ DVD/ video rentals ▪ Tool hire ▪ Car hire
<p>Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:</p>	<ul style="list-style-type: none"> ▪ Restaurants ▪ Takeaways ▪ Sandwich shops ▪ Coffee shops ▪ Pubs ▪ Bars
<p>Hereditaments which are being used as cinemas</p>	<ul style="list-style-type: none"> ▪ Cinemas

Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities)	<ul style="list-style-type: none"> ▪ Sports grounds and clubs <ul style="list-style-type: none"> ▪ Museums and art galleries ▪ Nightclubs ▪ Sport and leisure facilities ▪ Stately homes and historic houses ▪ Theatres ▪ Tourist attractions ▪ Gyms
Hereditaments that are being used for the assembly of visiting members of the public	<ul style="list-style-type: none"> ▪ Public halls ▪ Clubhouses ▪ Clubs and institutions
Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business	<ul style="list-style-type: none"> ▪ Hotels ▪ Guest and Boarding House ▪ Holiday homes ▪ Caravan parks and sites

5.3.3 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide as to the types of uses that Swale Borough Council considers for this purpose to be retail. Swale Borough Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

5.4 Properties that will NOT qualify for relief

5.4.1 The list below sets out the types of uses that Swale Borough Council does not consider to be retail use for the purpose of this relief. Again, the Borough will determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public:	<ul style="list-style-type: none"> ▪ Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, pawn brokers) ▪ Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors) ▪ Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors, employment agencies, estate agents, letting agents) ▪ Post office sorting office
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5.5 How much relief will be available?

- 5.5.1 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2024-25 under this scheme is for chargeable days from 1 April 2024 to 31 March 2025, 75% of the chargeable amount.
- 5.5.2 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where the Council has used its wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.
- 5.5.3 Subject to the cash cap, the eligibility for the discount and the relief will be assessed and calculated on a daily basis. The formula that will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2024-25 is $V \times 0.75$, where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.
- 5.5.4 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

5.6 The cash cap and subsidy control

- 5.6.1 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England. Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- a) where both ratepayers are companies, and
 - (i) one is a subsidiary of the other; or
 - (ii) both are subsidiaries of the same company; or
 - b) where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.
- 5.6.2 Furthermore, the Retail, Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK’s domestic and international subsidy control obligations.
- 5.6.3 To the extent that the Council is seeking to provide relief that falls within the Small Amounts of Financial Assistance Allowance, Article 364 of the TCA allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £325,000 Special Drawing Rights (£343,000 as at 9 December 2021) in a three-year period (consisting of the 2024-25 year and the two previous financial years). Expanded Retail Discount granted from 2020-21 onwards does not count towards the

£343,000 allowance but BEIS business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit should be counted.

- 5.6.4 In those cases where it is clear to the Council that the ratepayer is likely to breach the cash cap or the Small Amounts of Financial Assistance limit then the authority will automatically withhold the relief. The amount of relief awarded will be calculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

5.7 Period of Award and Backdating

- 5.7.1 This is a measure for 2024/25 only. Where the Council has reason to believe (based on the information held) that the criteria for relief has been met, it will make an annual award at the start of 2024/25.
- 5.7.2 Where liability starts, ends, or changes part way through a year, entitlement to relief will be reviewed in line with the guidance set out above.
- 5.7.3 Swale Borough Council will not accept any backdated requests for relief beyond the end of financial year for which relief is being claimed.

5.8 Decision making

- 5.8.1 Where Swale Borough Council has reason to believe (based on the information held) that the criteria for relief has been met, it will award relief without the need for an application.
- 5.8.2 In all other circumstances an application will be required in writing setting out how the criteria for relief have been met.
- 5.8.3 In the interests of efficiency, the authority to consider applications is delegated to the Business Rates Officer, who will ensure that a decision and notified in writing within 1 calendar month of receipt of application, or as soon as is reasonably practical thereafter.

5.9 Right of Appeal

- 5.9.1 There is no statutory right of appeal against a decision to award retail relief made by Swale Borough Council because the award is discretionary. However, Swale Borough Council recognises that customers should be entitled to have a decision objectively reviewed if they are dissatisfied with the outcome. For further information on how to appeal please refer to Section 6 of this Policy.

6. Business Rates Discretionary Relief - Right of Appeal

6.1 Overview

- 6.1.1 There is no statutory right of appeal against a decision regarding discretionary relief made by Swale Borough Council. However, Swale Borough Council recognises that customers should be entitled to have a decision objectively reviewed if they are dissatisfied with the outcome.
- 6.1.2 Swale Borough Council will give consideration to all appeals in accordance with this Policy and agrees to abide by the following appeals process. Aggrieved customers should make an appeal in accordance with the process.
- 6.1.3 Customers will be notified of the appeals process by Swale Borough Council in writing at the time that they are notified of the outcome of their request for discretionary relief.
- 6.1.4 Appeals against decisions to award discretionary relief will not be considered by the same officers administering the application for relief and will instead normally be considered by an Appeals and Liaison Officer.
- 6.1.5 Decisions made after the appeals process has been followed will be final. Submitting an appeal does not affect the appellant's legal rights to challenge a decision made by the Council through the Judicial Review process.

6.2 Persons that can appeal

- 6.2.1 Appeals may only be made by the original applicant. An appellant may appoint a third party to act on their behalf, and in such cases Swale Borough Council will require written authorisation from the appellant.
- 6.2.2 Customers may appeal against the decision to award or not award relief, or against the level of relief awarded. An appeal must be made within four weeks of the issue of the letter notifying them of Swale Borough Council decision.
- 6.2.3 Any appeals received outside of the four-week period will only be considered if Swale Borough Council is satisfied that exceptional circumstances led to the delay in submitting the appeal.

6.3 Applications for appeal

- 6.3.1 Appeals must be in writing and include the following:
- the reasons why it is believed the decision should be amended; and
 - any new or additional information relevant to the decision-making process.

- 6.3.2 The appellant does not have a right to appear in person but may make a request to present evidence in person. Such requests will be considered at the discretion of Swale Borough Council, as appropriate.
- 6.3.3 Swale Borough Council can request a meeting with the customer to hear evidence in person.

6.4 Notification of the final decision following appeal

- 6.4.1 Swale Borough Council will consider appeal applications within 1 calendar month of the application and all supporting information being received and will notify the customer should there be a delay in the consideration of the appeal.
- 6.4.2 Swale Borough Council will notify the applicant of the final decision in writing within the 1 calendar month period, and whether an appeal is refused or accepted a full explanation of the decision-making process will be given. A written record will be kept on file of the decisions and factors considered in the process.
- 6.4.3 For Business Rates, both Discretionary Relief and Hardship Relief is the subject of separate applications. Should a Swale Borough Council Officer decide to reject the appeal in respect of Discretionary Relief they cannot offer Hardship Relief as an alternative. However, the applicant can be invited to make a separate application.

6.5 Discontinuation of Applications or Appeals

- 6.5.1 If Swale Borough Council have requested further evidence from the customer and this has not been received within the specified time given, the appeal will not be considered.
- 6.5.2 Customers will be advised in writing the reason why their application has been discontinued.

6.6 Cancellation of relief

- 6.6.1 Relief will be cancelled if:
- the applicant ceases to be the ratepayer or taxpayer.
 - the property becomes empty or becomes occupied, or all or part of the unoccupied area becomes occupied.
 - the use of the property changes.
 - the aims or objectives of the ratepayer changes; or
 - the financial circumstances for a customer changes.
- 6.6.2 Where relief is cancelled for any of the reasons above, a new application may be made by customers straight away.

7. Action to recover unpaid Business Rates whilst a decision is pending

- 7.1 Once an application for discretionary relief is received, action may still be taken to recover any unpaid Business Rates until after the decision has been notified to the customer.
- 7.2 In the case where the customer has been notified of a decision and they exercise their rights to appeal, payment cannot be withheld pending an appeal decision. In the event that an appeal is successful, any overpayment will be refunded.
- 7.3 For circumstances where an application is being discontinued, recovery action will commence after the ratepayer has been notified of the discontinuation in writing.

8. Promotion of the availability of relief

- 8.1 Swale Borough Council will proactively promote the availability of discretionary relief, in the following ways:
- all Business Rates will have included accompanying information explaining the availability of relief;
 - Swale Borough Council employees who deal with enquiries from customers will be trained in all aspects of this Policy and will actively promote the availability of relief when responding to customer enquiries.
 - Swale Borough Council will work in partnership with other organisations to promote the availability of relief.
 - information regarding the availability of reliefs will be published on our web site; and
 - a copy of this Policy will be placed on our website, and printed copies will be made available to ratepayers and other stakeholders on request.

9. Equalities Statement

- 9.1 An Equality Impact Assessment has been completed in relation to this Policy and has found that there is no negative impact arising.

10. Policy Review

- 10.1 This Policy will be reviewed on an annual basis in order to ensure it remains valid, effective, and relevant.

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Discretionary & Hardship Relief Policy

Background

Views were sought on the revised Non-Domestic Rates Discretionary Rate Review policy.

- The survey was open between 16 September and 30 October 2024.
- A total of 20 responses were received.
- There were no responses from Parish Councils.

Comments from Charity or Third Sector Organisations

Total Comments from Charity & Third Sector Organisations - 14
The Faversham Society is extremely grateful for the rate relief we have received over the past few years for our premise at 10/13 Preston Street, Faversham and realise the need to review the above policy.
I'm unable to review the above draft document as the link will not find the necessary page. Many improvements have been carried out with support of Government both locally and nationally along with many grants, totalling over £100K since 2020, and all for the benefit of the community. These monies have been sourced for improvement and are therefore restricted for that purpose. Income from hirings, 2023/24 of £6200 paid for the day to day running, insurances and utilities that account for over £3000. Therefore if this cost was to be included then the charity would not be able to remain operational and would close with-in two to three years.
We would like to see our present situation continue.
Speaking on behalf of the village hall committee, we appreciate we are granted rates exemption. This hall is run solely by and for the community of Warden and Eastern Sheppey. the increased utility charges recently are putting a strain on finances and we are pleased in the proposal that rates relief stay at Status quo
The hall is used mostly by the local village community. Most users are either elderly or children. Because of this we do our best to keep hire rates as low, as possible. Due to the very high increases in our utility bills and insurance premium our annual income no longer covers our outgoings. Adding the expense of rates could well mean we can no longer afford to keep the hall open.
I am pleased to see that charities are entitled to 80% rate relief, and the additional discretionary relief up to 20% which we currently enjoy.
Bapchild Cricket Club has always been very appreciative of the Business Rate Discretionary Relief received by the Council. We are a non-profit club and a member of CASC and look to provide affordable cricket to anyone in the community. We currently have four mixed adult teams and three mixed junior teams with 50+ adult members and 60+ junior members as well as parents, grandparents, siblings etc and opposing teams that enjoy our cricketing community. We are run completely on volunteers, no one is paid and we look to be self sufficient. The Club has made a small operating loss for the last two years as running costs (such as loam, fertiliser, grass seed, utilities, general maintenance etc) have increased greatly while our membership has dropped since Covid. We have initiated new ECB (English Cricket Board) programmes in response to re-build our junior membership back up and we are currently heading in the right direction. We have had to reduce our outgoing costs where we can, for example, by placing the purchase of new machinery on hold by extending the life of existing equipment, some of which are over 50 years old; not undertaking major repairs to the pavilion; not apply top dressing to the square at the end of the season to name a few. We have also had to increase membership fees and match fees and while we still remain the cheapest club in the area, we are very aware that we need to continue to make cricket affordable to all. Therefore receiving the Discretionary Relief is very important to the Club from a financial point of view as if not received, or partially received, would mean the money would need to be found through increased fees or identifying further cuts. I am glad to see the policy supports CASC organisation and looks to support voluntary, non-profit organisations such as ourselves and that the Council look to continue to provide the 20% "top up". As Chair, while I speak on behalf of the Club, I recognise that organisations of all natures, but especially those community orientated, are struggling with "balancing the books". Any financial support is invaluable and can mean the difference between existence or closing. Many thanks for allowing the Club to give feedback.

Discretionary & Hardship Relief Policy

Total Comments from Charity & Third Sector Organisations - 14
<p>Borden Parish Hall is used by a wide section of the Swale community and provides a number of local clubs with a venue for their activities. It is also used by Borden residents for local events, and celebrations. It is also used by Borden Primary School. The rate relief is important for the Hall to continue as it contributes to the costs of maintenance and upkeep of the building erected in 1987. The Hall is a registered charity and the continuation of this property will ensure the community has access to a hub where many ideas lead to great things.</p>
<p>Since the 1.2.2001 we have been providing 5 football pitches and several function and meeting rooms for the local community on a non profit basis. With increased energy costs we struggle to break even. Having to pay any contribution to Business Rates will cause extreme difficulties to run.</p>
<p>We are a small village and the hall is used by the whole community Our cost especially heating and lighting are our largest concern, but we are grateful for rate relief and it would put us under more pressure if we lost it. It would undoubtedly mean we would have to increase the hall charges which would be counterproductive, we would loose bookings and make less viable.</p>
<p>Bobbing Court & Lower Halstow Cricket Club has ben established, at Chapel Meadow, in Lower Halstow for many years.. We provide sporting opportunities for the local community. We are a small CASC registered cricket club and the top up to the Business Rate relief we receive is crittical to our continued viability. With running costs rising year on year it is not practicable to pass these increasing mambers' contributions. We provide cricket at as low a cost as possible to our members. Should our discretionary rate relief be reduced or withdrawn this would significantly increase our costs and the club would fold. This would not only affect our cricket club but also the junior football teams that use the facility in the winter months, and other cricket clubs in the area we allow to use our ground. The Club strongly support the continues rate relief provided by Swale Council as set out in the draft paper.</p>
<p>As a small rural village hall, run as a charity, for the benefit of the local community, we rely on the top up allowance to help us keep our running costs down, thus enabling us to keep our hire and usage costs down. We provide facilities for pre-school mum and toddler groups through to Age UK memory clinics, with a host of activities to benefit our local community. We strongly request that the top up relief remains in place for our community hall and other similar venues.</p>
<p>We are a not-for-profit registered Community Association Sports Club (CASC - CH1505) with HMRC. We are the only Indoor Bowling Club within the borough of Swale. Our club is open to all sections of the community, irrespective of race, religion or gender and the majority of our members live within the boundaries of Swale BC. We encourage schools, scouts and cub organisations etc to participate in the sport and have held numerous activity sessions for them. We also allow non members use of our facilities, for a one off nominal fee. We have a very active MS Swale group within our membership and as part of our care in the community programme we allow adults with learning difficulties from the Crawford Centre and Faversham Centre free use of our facilities, including coached bowling, every Tuesday morning. Over 85% of our membership are retired and enjoy bowling throughout the year. The Board of Directors and General Playing Committee are all volunteers and our main income is drawn from member subscriptions and playing fees. Any surplus funds accrued are solely used for the improvement and general maintenance of our facilities. Should Swale BC decide to withdraw the discretionary 20% subsidy, this would probably lead to us increasing our fees and the removal of free use enjoyed by those groups mentioned above.</p>
<p>As a non-profit community centre/hub we currently benefit from a reduced business rate. This allows us to provide low/no-cost activities to swale residents and other charities. We also provide a wide range of information on behalf of other charities and organisations across Swale, relating to their events and activities. Any increase in our business rate would impact on our ability to provide cultural and supportive activities which are to essential to those on lower incomes and the wider community. A further reduction in business rates would greatly improve what we be able to offer.</p>

Comments from Businesses

Total Comments from Businesses 4
<p>Good afternoon SBC, I've ticked "business" but we are a not for profit VOLENTEER sports club. Nobody is getting paid. Infact, it costs us all money in fuel to get to and from the ground, time (I'm personally up the ground 30 hours a week on top of my full time job) and donations from everyone (I have personally just last week paid £955 for a new line marker for the football pitch as the club didn't have the funds to replace our broken one) to keep the doors open and the lights on. It's a good thing we are not for profit, as we do not make a profit. Last year we lost £364.</p>

Discretionary & Hardship Relief Policy

Total Comments from Businesses 4
<p>Would have been more but our annual insurance was delayed so has fallen into the following year, so the true loss is £1,155 for FY24. We also haven't carried out end of season renovations on our cricket pitch as we couldn't afford to pay the £1,200 needed to complete them. FY23 we lost £3,363 as the club was flooded due to a leak and repairs were astronomical. We are on to make a small loss in 2025... well a larger one now thanks for SBC. This weekend I will be mowing the football pitch with a mower you would use for an average sized garden as we cannot afford to spend the £'000s on a ride on or pay a contractor to mow it for us. That will take me around 6 hours. I will then mark the pitch. Sunday I'm up the ground for the football from 8am-6pm. BOTH of these days are unpaid. All voluntary. It is frankly a smack in the face that my reward for trying to provide facilities for use is to be told that I need to pay SBC over £400 a year going forward. I'm honestly disgusted. As a club, we try and keep the costs for everyone as low as possible. Find out how many cricket clubs have annual membership at £30 and charge £5 a game to play. There will be none. We rent the football pitch out to the Sheppey Sunday League for £60 a game. That is also cheaper than anywhere with changing facilities. Your actions will cause me to increase these costs significantly for everyone, lowering participation. Utterly shortsighted. We have a charity partner in Demelza who we have raised £2,500 for since we began our partnership in 2023. If we can't afford to operate, these funds aren't going to be raised. Norton Sports Club will be in contact with Julien Speed our local councillor about this as it is completely unacceptable.</p>
<p>We have received Discretionary Relief for many years without which we would struggle to operate, our overheads and head rent have recently increased dramatically (Rent by £5000 per year for the next 3 years) making it evermore important to receive the relief.</p>
<p>The Appleyard is the hub of the community providing assistance with Charities, Retired sections, Social and restaurant facilities, live entertainment and we are a non profit organisation.</p>
<p>The Appleyard Sportsground on Gore Court road provides sporting and leisure facilities for the surrounding areas. We provide sports for football tennis and Bowls. We are a non profit making organisation and help with lots of charities providing the outside facilities to enable fund raising We raise money for KSS helicopters. We also help the police and provide assistance for the council in both venues</p>

Comments from Residents

Total Resident Comments 2
<p>I applaud this policy and believe it to be fair.</p>
<p>Not for profit organisations which enhance the community should not have to pay rates because it would tak money that could be used for the community.</p>

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Mid Kent Revenues and Benefits Swale Borough Council Equality Impact Assessment

Part 1: Background and information

Title of Proposal (strategy, policy, plan, project, contract, service change)
Discretionary Rate Relief Policy
Brief description of proposal (objective & purpose)
Discretionary Rate Relief is awarded to businesses liable for business rates that are charities, not-for-profit organisations or community amateur sports clubs as local relief to reduce the amount of business rates payable. The policy is being reviewed and going out to consultation for a period of 6 weeks.
Is this Proposal new/a review of an existing provision/a change/deletion of existing provision
This is a review of an existing provision.
Who will be affected by this proposal? (Residents, Staff, Visitors, Businesses?)
Businesses – including charities, not-for-profit organisations or community amateur sports clubs
Weblink to full details (if applicable)
Lead Director/HoS/Manager
Zoe Kent – Head of Revenues and Benefits
EqIA lead officer
Zoe Kent – Head of Revenues and Benefits
EqIA contributors (other services involved in proposal)
Zoe Kent – Head of Revenues and Benefits
Date of EqIA
9 September 2024

The Equality Act (2010) places a general duty on all public sector organisations to have 'due regard' to its three main aims.

How does the proposal meet the general duty of the act's aims as listed below? (Please see the guidance document for further detail on what is meant by 'due regard' and types of discrimination).

General duty	Please Explain
Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010	This is a local policy fulfilling a legislative requirement of Government. The policy is designed to support organisations in the Voluntary and Community Sector (not for profit) with business rates so that they can operate and support the community and not be disadvantaged financially by business rates.
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.	The Policy supports not for profit organisations who occupy business premises and are required to pay NNDR.
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	All businesses are contacted as part of annual billing to advise them on the discretionary rate relief available.

Part 2: Impact Assessment and Supporting evidence

Identify the positive and / or negative impact of the proposal change on any of the protected characteristics. Please consider the impact as an employer (staff), a service provider and a community leader (residents, businesses etc).

Protected characteristic	Positive impact	Negative impact	No impact
Age	/		
Disability	/		
Race (including ethnicity and nationality)	/		
Religion or Belief	/		
Sex	/		
Sexual Orientation	/		
Gender Reassignment	/		
Pregnancy and Maternity	/		
Marriage or Civil			/

Partnership			
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Please also consider the impact of the proposal in relation to:

Local characteristic	Positive impact	Negative impact	No impact
Poverty (in relation to groups with protected characteristics and those without)	/		
Armed Forces Community (Serving/Veterans)	/		

Summary of Impact and Supporting Evidence

Please list below any data/evidence you have used to draw your conclusions. This could include national or local data sets, results from consultation and engagement activities or meetings etc. (see guidance document for internal support offer).

Supporting data/evidence	Source
The NNDR data base. Lists all businesses in the borough. Those that are currently claiming the relief are identified in the system.	NNDR database

Having considered the impact of the proposal on the general duties of the Equality Act and the impact on groups with protected characteristics, please provide a summary of the overall impact your proposal (with reference to supporting evidence):

The Policy offers support to not-for-profit organisations in the borough who would otherwise struggle to pay business rates. These organisations are supporting vulnerable and/or disadvantaged groups and communities. This policy creates a more equitable playing field in terms of business rates – offering a discount to those.

Information is sent out with the NNDR annual billing. This ensure that all businesses are made aware (4,060) and helps ensure any new not for profit organisations are made aware of this policy so that they can access the discount.

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Do you have any gaps in data or evidence to assess or understand impact?

Yes/No (please delete as appropriate and if 'yes' provide details below))

Gaps in data/evidence	Planned action to address evidence gaps
The Council holds a repository of community groups supporting the voluntary and community sector.	This can be reviewed alongside the NNDR data base to see if there are any groups who could be claiming the relief.

Do you have any plans to reduce the impact on the groups identified?

Proposed Action/Plan	Purpose	Impact Groups	Timescale
Review the VCS repository	To identify (and target) any gaps in take up	Not known	Before new financial year to increase uptake of charitable amount and top up as outlined in Policy

To be completed by Equalities Officer
(with Lead Officer)

Part 3: Recommendations and Sign Off

Recommendations should be based on evidence available at the time and aim to

mitigate negative impacts or enhance positive impacts on any or all of the protected characteristics.

Recommendation	Lead Officer	Timescale

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Policy and Resources Committee		Agenda Item:
Meeting Date	5 February 2024	
Report Title	Pay Policy Statement	
EMT Lead	Larissa Reed, Chief Executive	
Head of Service	Bal Sandher, Head of HR Shared Service	
Lead Officer	Bal Sandher, Head of HR Shared Service	
Classification	Open	
Recommendations	<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 1st 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 1/49th 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”

	Chief Executive earnings	Median	Pay Multiple
2022/23*	£116,385	£24,804	4.69
2023/24*	£118,267	£25,602	4.62
2024/25*	£125,662	£25,466	4.93
% change from previous year*	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 1st 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 1st April to 31st 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:

	Headcount	FTE
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

Pay Scale 2024/25

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

Month	Activity
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	-	

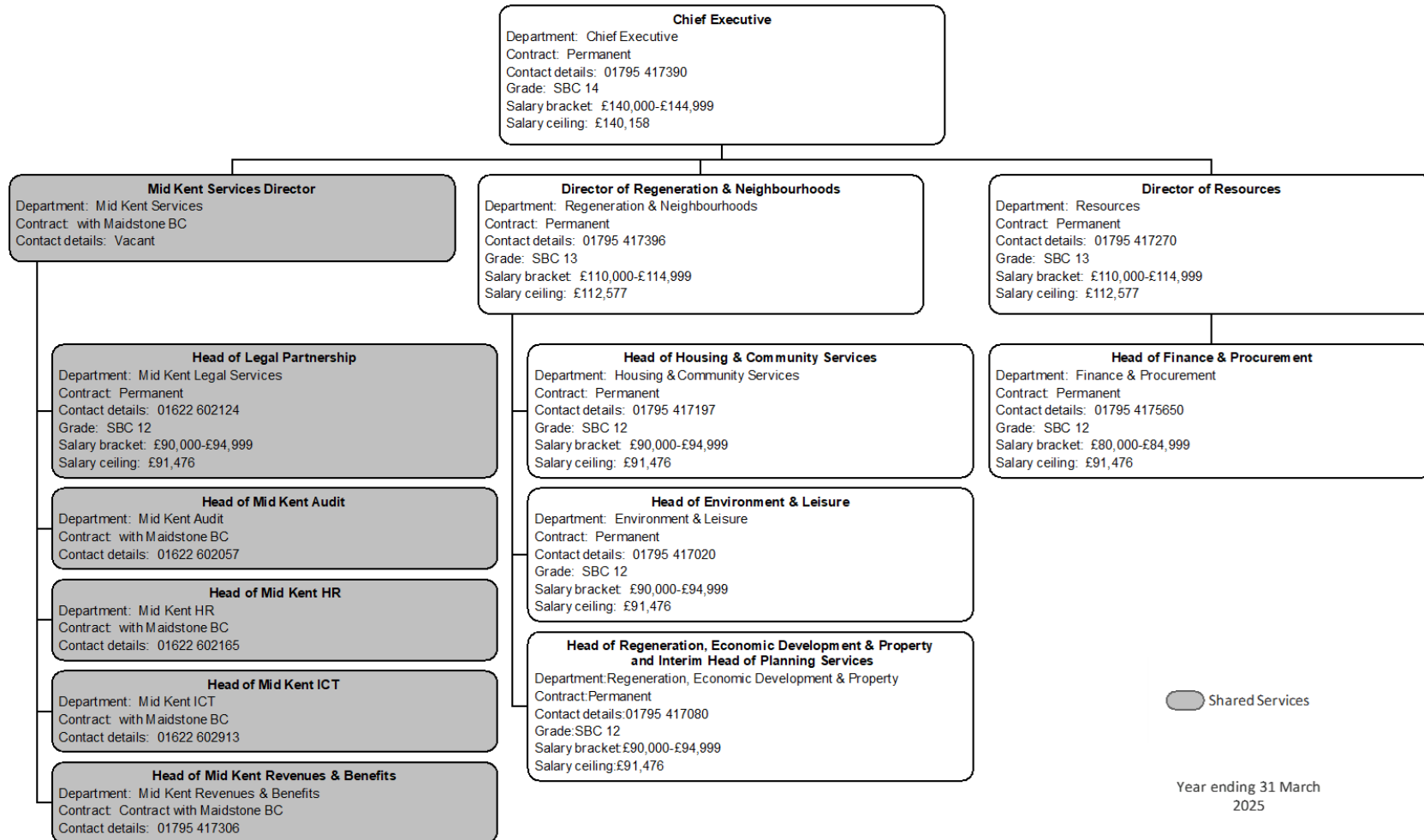
Number of employees whose remuneration in 2024/25 is at least £50,000, in brackets of £5,000

Remuneration band	Number of employees in band
£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
Total	42

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.

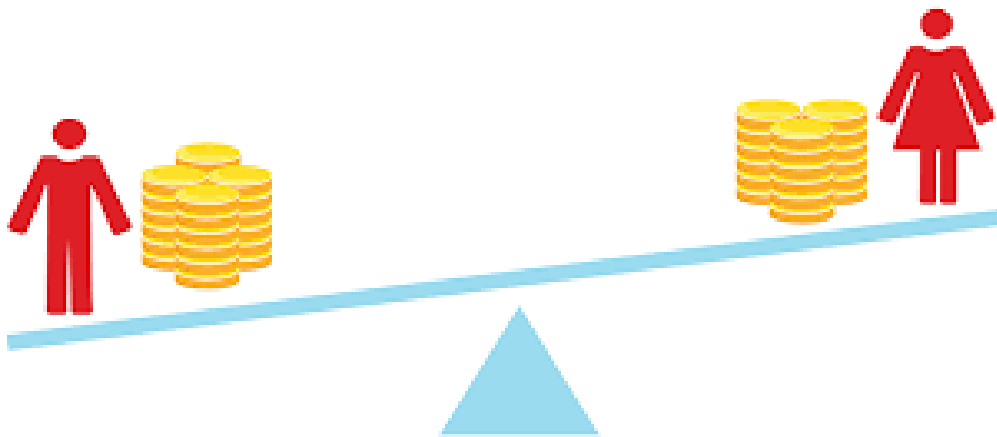
Post	Employing Authority
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Head of Revenues and Benefits	Maidstone Borough Council

Swale Borough Council Organisation Chart



Swale Borough Council

Gender and Ethnicity Pay Gap Report 2024



Snapshot Date: 31st 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 31st 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.

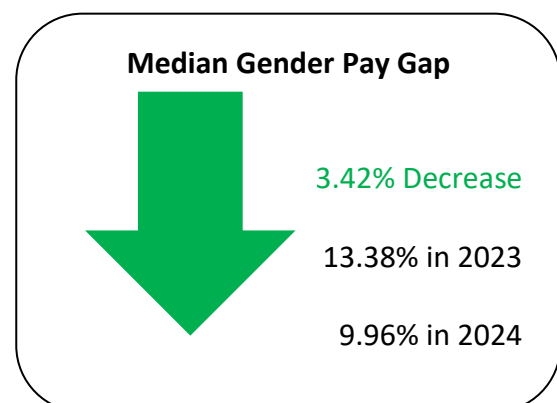
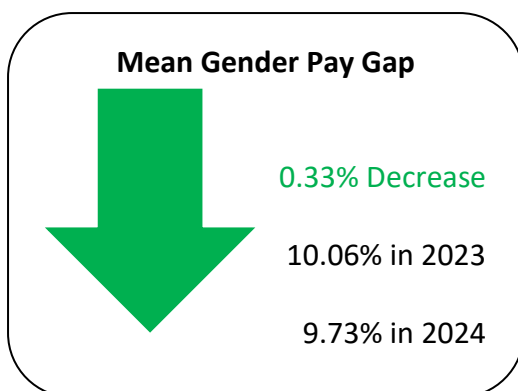
The makeup of the workforce of the council (which is 73.61% female) can affect the gender pay gap calculations, as can the distribution of the workforce. The majority of female employees within the council are within the lower and middle grades which will distort the overall pay gap, reflecting workforce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

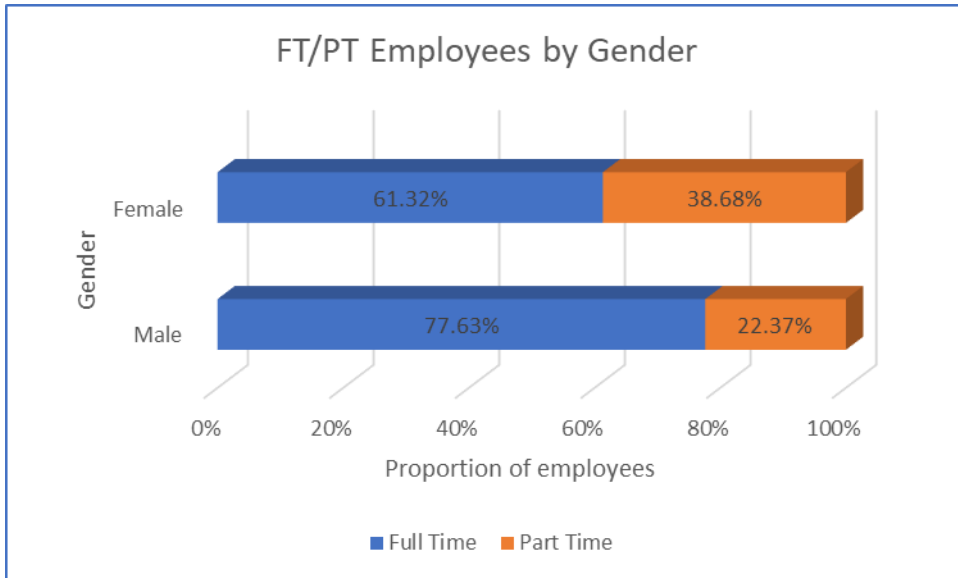
There have been very marginal changes to the proportion of males and females within the quartile pay bands:

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%

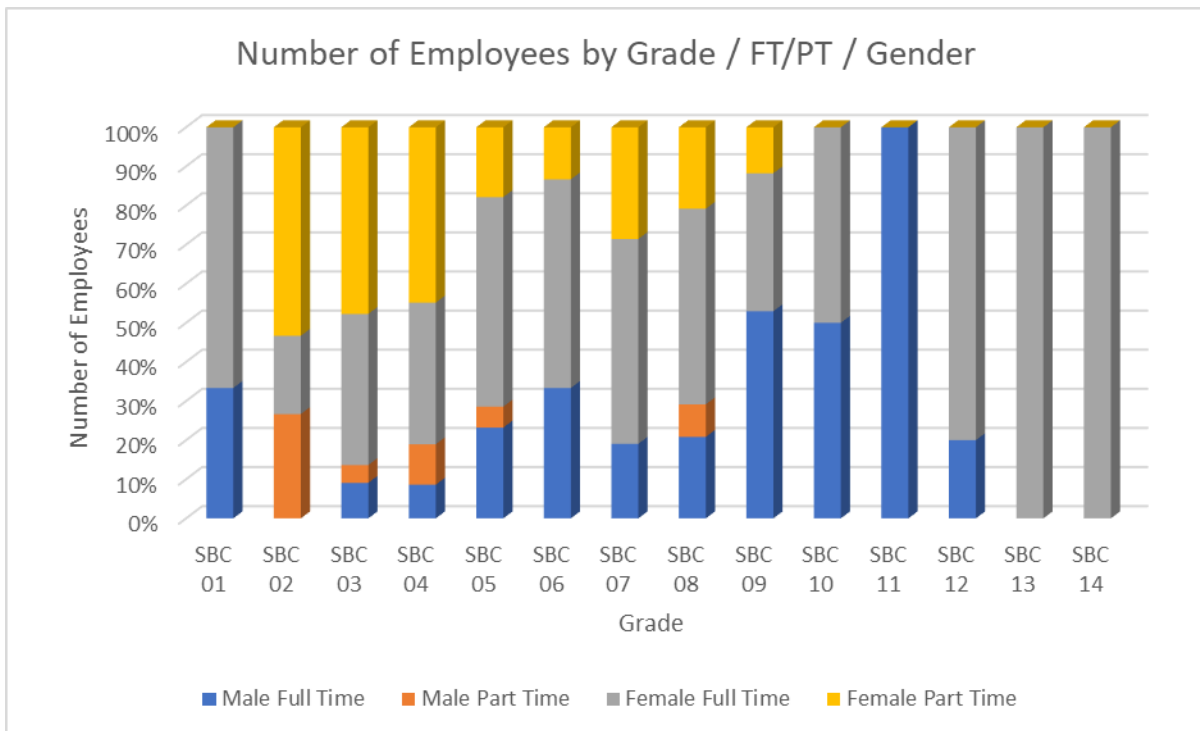
Like most areas of local government, the councils gender split is 74% female and 26% male overall. In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, the gender split is not evenly spread throughout all the grades within the 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.



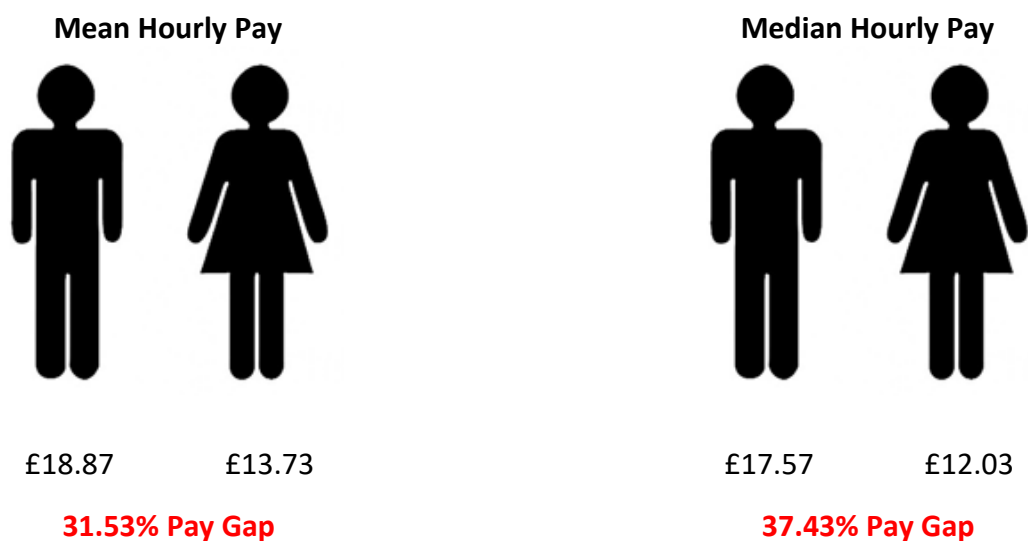
Swale Borough Council also offer numerous family friendly policies and flexible working options such as job share, term time working and from the data it shows that female employees take up of these flexible benefits are at a greater level compared to males which adversely impacts on the council's gender 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 1st April 2023 and 31st March 2024.



Between 1st April 2023 and 31st 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.

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

Footnotes

¹ gender-pay-gap.service.gov.uk (2023/24 submission)

Ethnicity Pay Gap 2024

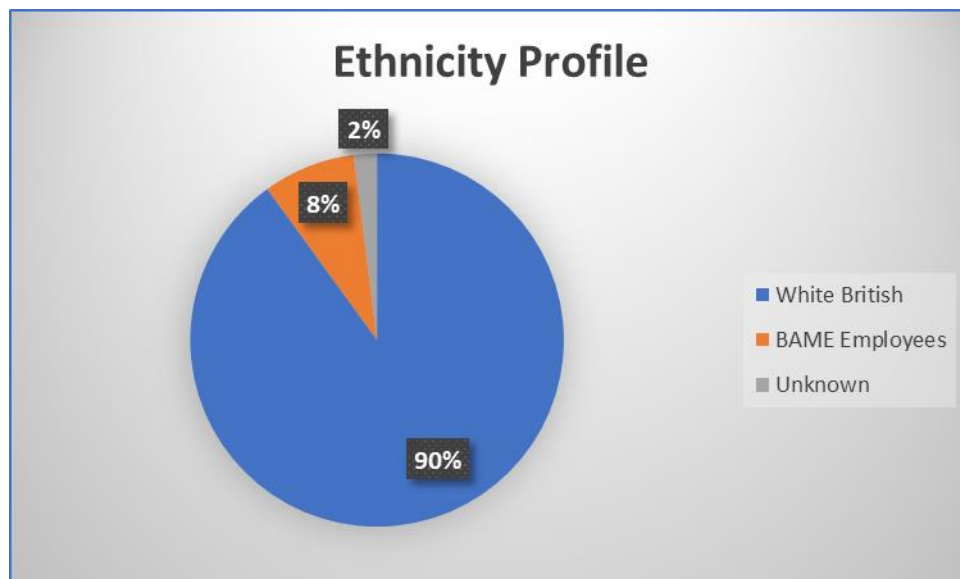
The ethnicity pay gap reflects the contrast in average hourly earnings between employees from minority ethnic backgrounds (i.e. non-Black, Asian and Minority Ethnic (BAME)) and those categorised as 'White' within a workforce. This information is generally expressed as a percentage of average White employees'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

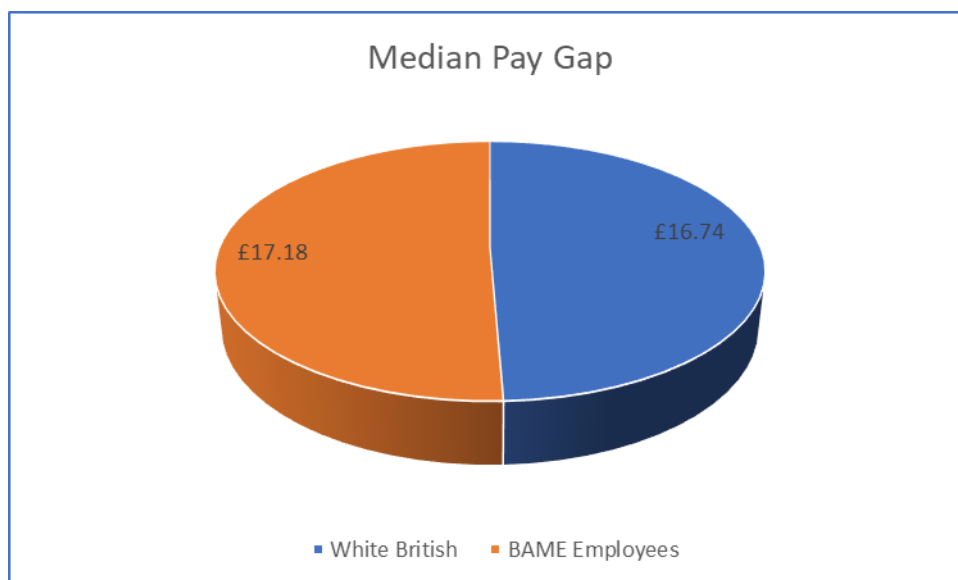


Ethnicity Pay Gap

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



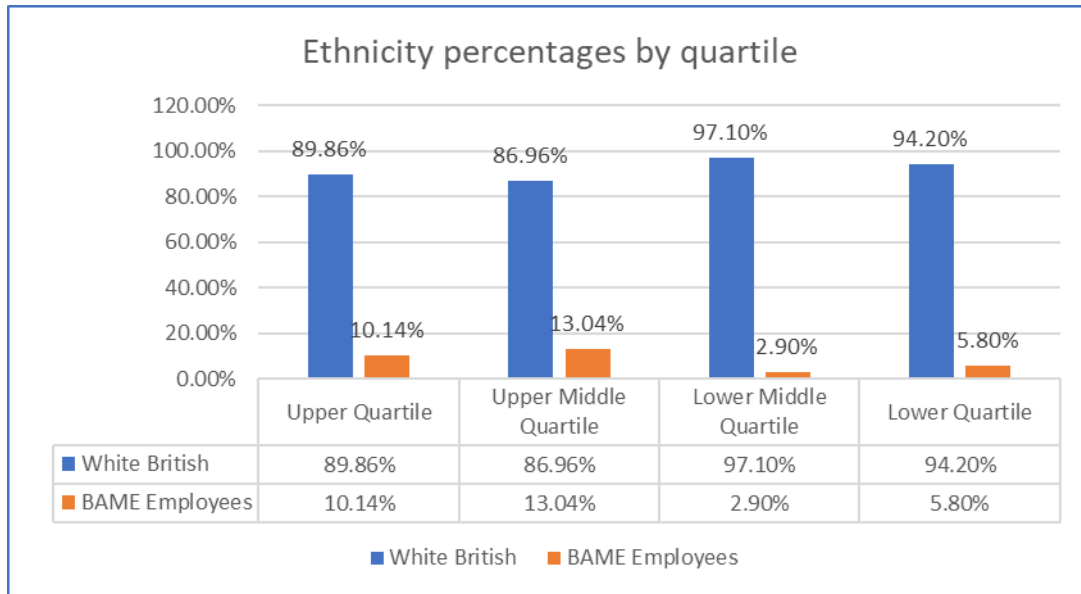
The average pay for a person from a black, Asian, mixed race or other ethnic group is -1.50 per hour than the average pay for a White person. This means that across the workforce BAME staff are paid on average more than White British staff.



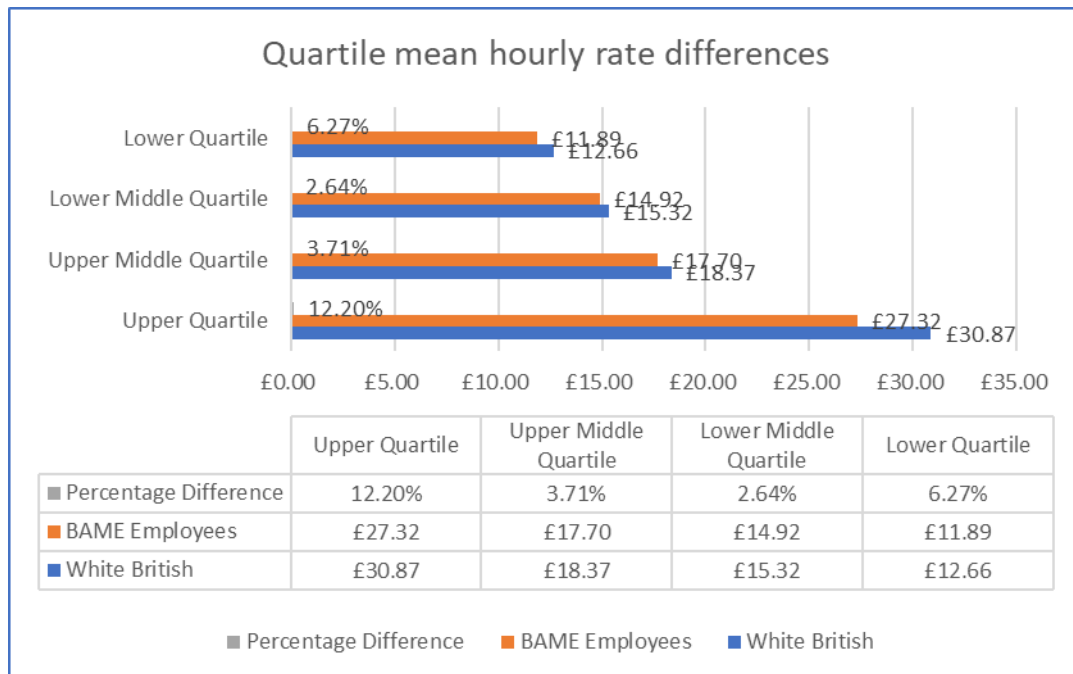
The median ethnicity pay gap is -2.59% which means that the median hourly rate of the black, Asian, mixed race or other ethnic group is slightly higher than the median hourly rate of our White colleagues.

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.

Policy and Resources Committee		Agenda Item:
Meeting Date	5 February 2024	
Report Title	Workforce Strategy	
EMT Lead	Larissa Reed, Chief Executive	
Head of Service	Bal Sandher, Head of HR Shared Service	
Lead Officer	Bal Sandher, Head of HR Shared Service	
Classification	Open	
Recommendations	That the draft Workforce Strategy 2025-2030 is agreed for publication on the councils web site.	

1 Purpose of Report and Executive Summary

- 1.1 The Workforce Strategy is one of the key enabling strategies that support the Council's Corporate plan. The strategy was last updated in 2019 and since this time there have been changes in the way services are delivered. The proposed strategy builds on the developments that have taken place to date and identifies the changes that are needed for the future.

2 Background

- 2.1 The council refreshed its Corporate Plan in 2024 and to ensure that it is able to deliver on the priorities the council needs to understand the impact on the workforce and the factors that need to be put in place to ensure success.
- 2.2 The overall purpose of the Workforce Strategy is to ensure that Swale Council have sufficient numbers of staff with the appropriate capabilities to deliver high quality services for the people of the borough. The council provides an environment for staff that supports and encourages high performance, provides a fair reward package and recognition for work, and has employment practices which encourage commitment and retention.
- 2.3 The council has had a Workforce Strategy in place since 2008 and this has been regularly reviewed and refreshed over the last few years.
- 2.4 In order to gather information about the changes in the way the council delivers services and the likely future for the workforce a workshop was carried out with the senior management team to consider and address current and future workforce issues in order to support the strategic priorities. In addition, a review of management literature identifying future trends has also been considered in the development of the strategy.

2.5 Our new Workforce Strategy identifies 4 key strategic themes for action, which we will focus on during the next few years to support and develop our workforce, strengthen our capabilities as an organisation and modernise how we do things:

- Talent & development
- Our brand & recruitment
- Wellbeing & reward
- Organisational change & design

Each of these themes have an associated action plan to ensure that the council is supported in developing the organisations resources to achieve its priorities. The action plan will be reviewed and updated regularly in order to meet the ongoing requirements of the council.

3 Proposal

3.1 That the Policy and Resources Committee agrees the proposed Workforce Strategy attached at Appendix I.

4 Alternative Options Considered and Rejected

4.1 The council could decide that it does not require a Workforce Strategy and not refresh the current strategy. However the council’s most valuable resource is the workforce and to have no expression of the strategic direction may give rise to uncoordinated actions in the future.

4.2 The council may choose to refresh the Workforce Strategy but arrive at a different set of predictions and associated actions to those in the attached draft; however the proposed document follows consultation with Senior Officers and offers significant scope for development and change in the way it is structured.

5 Consultation Undertaken or Proposed

5.1 The Workforce Strategy was developed with input from senior managers in the organisation and discussed with the trade union.

6 Implications

Issue	Implications
Corporate Plan	The Workforce Strategy has an impact on all aspects of the corporate priorities.
Financial, Resource and Property	There are areas of the Workforce Strategy that may have a financial impact but these would be costed within the normal

	annual budget
Legal, Statutory and Procurement	Although there may be specific actions that have legal implications there is nothing identifies in the plan overall that will have legal implications.
Crime and Disorder	None specific to this report.
Environment and Climate/Ecological Emergency	None specific to this report.
Health and Wellbeing	The strategy includes a further commitment to supporting employee Health and Wellbeing.
Safeguarding of Children, Young People and Vulnerable Adults	None specific to this report.
Risk Management and Health and Safety	The overarching risk is that if the council does not have a Workforce Strategy it may fail to put in place the actions to deliver the priorities
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 workforce strategy includes specific commitments and actions to advance equality, diversity and inclusion and should therefore have a positive impact upon equality.
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:** Draft Workforce Strategy 2025-2030

8 Background documents

None

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Workforce Strategy 2025-2030

Introduction

The future of work is predicted to see an increase in the use of automation, changes to models for work and structures, and changes to the way and places that we all work. We will need to ensure that the Council is able to respond to these changes and the demands and needs of our communities. Alongside this are changes needed to make sure that our workforce is involved and engaged in order to deliver the very best for our residents.

This Workforce Strategy sets out our strategic priorities and objectives for our workforce over the next few years which will enable us to get to where we want to be as a council. This includes embedding our organisational values into our work and culture.

The Strategy and action plan will ensure we proactively meet the future challenges and requirements of the organisation ensuring we have a joined up approach to resource, attract, deploy, develop and retain our workforce to deliver our current and future priorities whilst remaining flexible enough to deal with the levels of change which have become a norm within local government.

We have identified four key themes for the Workforce Strategy:

Theme 1 Talent and Development

Theme 2 Our Brand and Recruitment

Theme 3 Wellbeing and Reward

Theme 4 Organisational Change and Design



Our Corporate Plan

Our Corporate Plan sets the overarching goals for the future of the borough of Swale.

The ambitious priorities set out in the plan recognise the Borough's potential whilst setting long-term aspirations that will benefit our residents, businesses and partners now and in the future.



Our Workforce Themes

Theme 1 Talent and Development

We will support our staff by designing and implementing effective people, performance and talent management systems. We will develop our teams, so they have the skills to provide responsive services, using innovation, flexibility and transparent and informed decision making. Our staff will be clear on the direction of the organisation and resilient to meet the challenges that lie ahead. This will ensure the Council anticipates, plans for and tackles current and future challenges, by establishing a workforce that is listened to, collaborates, is high performing and delivers value for money.

We will create a learning culture that is understood with meaningful learning opportunities linked to supporting the strategic vision and priorities of the organisation. Our staff will have a growth mindset and take responsibility for their own learning journey.

Our Outcomes by 2030

- An inclusive talent management framework that will identify, select and deploy outstanding talent allowing employees to grow and develop in the organisation.
- Clear talent and succession pipelines to grow our own talent through graduate schemes, apprenticeship schemes and developing our staff.
- We know where we have areas of expertise and where we do not and we work together internally to share and develop skills and knowledge of our workforce.
- Employees are digitally competent, and confident in using technology to promote and enhance agile and flexible working.
- Our leaders and managers are 'confident' in both their technical and softer skills adept at listening, applying emotional and personal responses to allow an adaptive style of management.

Theme 2

Our Brand and Recruitment

We will develop a clear employer brand outlining what is unique, exciting and inspiring about Swale Borough Council. We will promote the Council as a great place to work by promoting the range of flexible working opportunities, our values, the opportunities to grow and develop to attract the best talent with the diversity of skills the organisation and our community needs.

Our high performing culture relies on the strength of our people. As a result, attracting, recruiting and retaining the very best talent is central to our success. To do this we will use a variety of recruitment approaches when considering the full range of work engagements such as permanent employment, interims, short term contracts or other alternative work arrangements to ensure we achieve the best value for money and quality of service with the right level of skills.

Our Outcomes by 2030

- Flexible and innovative recruitment practices are in place to ensure we recruit the right people to the right roles.
- Pathways into the organisation are created through apprenticeships, graduate schemes and work experience placements as well as utilising our apprenticeship levy funds to build our talent pipeline for the future.
- Strengthening our relationships with Schools, Colleges and Universities to raise the awareness of the employment opportunities that the Council has.
- Strengthen our relationships with local communities so that we are able to attract more local diverse talent.
- A clear, attractive and inclusive employer brand is created to highlight the value of working for us together with a flexible approach to recruitment, acknowledging the needs of different audiences to encourage applicants from a diverse range of backgrounds.
- People are recruited into roles who demonstrate our values through our value based recruitment approach.

Theme 3

Wellbeing and Reward

We will apply a flexible and fair approach to reward and recognition, recognising and rewarding contributions and achievements of our workforce. We want people to feel proud to work at the Council and enjoy their time at work. This will include staff feeling valued, engaged and supported in their roles.

We will have a proactive approach to wellbeing, supporting staff to have a sustainable work life balance. Wellbeing and healthy working practices and initiatives will be central to our culture and actively promoted. Transparent and fair pay and reward frameworks will contribute to staff feelings of wellbeing.

Our Outcomes by 2030

- Benefits and rewards are inclusive and offer flexibility and choice to suit diverse and changing needs to ensure the council is competitive in the external market, these are well promoted and understood by our workforce.
- High performance is recognised and rewarded for both individual and team contributions.
- Wellbeing opportunities are actively promoted and steps are taken to support the physical and mental health of staff in the workplace.
- Agile and flexible working practices create a positive work-life balance.
- Levels of sickness absence for mental health and other long term conditions are reduced.
- Knowledge and skills of managers and staff are increased in order to have better awareness to manage and improve their own and others mental wellbeing.

Theme 4

Organisational Change and Design

We will need to address challenges that will require responding in new ways, particularly in the way we rise to the demands of paying for services and improvements to our borough in the future. It is critical that we deliver high quality and efficient operations in all our core services; by getting the basics right this will give us a strong foundation for innovation and improvement.

We will continually need to be flexible and agile enough to respond to changing demands. It is essential that our organisational structure and design are aligned to our strategic priorities but allow for restructure and reallocation of resources to priority areas of work where this is needed.

Our Outcomes by 2030

- Resources are used effectively and efficiently to achieve our strategic aims and deliver quality outcomes.
- Processes are linked and integrated, with decision making based on high quality data and information.
- Capabilities in data analytics are improved to help inform and enable data driven decision making.
- New ways of working are explored such as alternative service delivery models, development of new commercial enterprises and changes to the way a service is commissioned or delivered.

Our Workforce Expectations

Our workforce expectations are developed to reflect the values of the Council and to ensure we are clear what every employee working at the Council can expect from us as their employer and in return what we can expect from them.

We will

- Provide positive leadership based on integrity and our values.
- Provide a working environment and culture based on trust.
- Respect you, ensuring you are treated fairly in the workplace - including challenging any discrimination or behaviour that is contrary to our values.
- Provide you with working conditions to thrive and succeed.
- Offer opportunities for you to access training and to develop and progress in your careers.
- We take your health, wellbeing and worklife balance seriously, and help you enhance them.
- Listen and support you to make decisions, developing a culture that supports innovation and continuous improvement

You will

- Be committed to achieving the council's priorities, by delivering well and going the extra mile.
- Actively demonstrate positive relationship skills with colleagues, partners, and residents.
- Be accountable for delivering tasks diligently and to a high standard, providing great results for your team and our communities.
- Respect each other and work proactively to create an inclusive environment and culture, based on trust and where differences are celebrated.
- Be proactive in managing your own wellbeing using the resources provided by the Council.
- Take responsibility for decision making and keeping your knowledge and training up to date, using the opportunities provided by the Council

Monitoring

We will use a range of measures to monitor our progress and success against each of the strategic themes of the workforce strategy, including:

- Feedback from our staff engagement surveys
- Feedback from managers surveys
- Feedback from learning and development activities
- Exit interview feedback
- Key performance indicators
- Quarterly workforce reports
- Workforce Action plan is regularly monitored and updated
- Feedback on our recruitment process and new starter experiences
- Annual report on equality data and gender pay gap reporting



Theme 1 - Talent and Development

Action	Outcome
Conduct a skills audit across the Council to identify talent and where we have skill gaps	Skills audit will inform our learning and development plan in 2025/26 Agree base line digital skills training for staff as well as tailored digital courses to help employees to maximise systems and technology
Review and develop our talent management framework	Individuals will be identified, selected and deployed to work across the organisation as demand and priorities change
Create career pathways and training programmes for staff at different levels of the organisation, so staff can see how they can develop in order to successfully take on leadership roles	New leaders and future leadership development programmes are created and agreed for 2025/26 Career pathways provide transferable skills that bring together common skills and abilities for professional as well as technical roles
Support and develop a flexible workforce to respond to the changing needs of the organisation	Upskill staff to allow movement across the Council's services through the opportunities provided by the apprenticeship levy
Support the development of our leaders to increase knowledge and expertise	Increase learning and skills through secondments and work shadowing opportunities both internally and externally
Deliver a suite of training for all managers, supervisors and team leaders to meet the requirements set by the Council	Managers are confident and take responsibility on dealing with people related matters and have an improved level of 'softer' skills to manage various situations
Develop and deliver a HR dashboard on workforce data to support strategic decisions.	Managers take responsibility to access people management data through iTrent and HR dashboard to effectively address performance issues and support staff to improve performance

Theme 2 - Our Brand and Recruitment

Action	Outcome
Develop our media brand and social media presence to attract a wider and more diverse audience for job opportunities	Better use of social media for advertising Council is attractive place to work through the Council brand Increase in number of applicants for hard to recruit positions by using flexible and innovative recruitment practices
Develop and implement a behavioural framework to support our values	Candidates are recruited with the right skillset and mindset
Establish a values-based recruitment approach	People recruited into roles that demonstrate our shared values Job description templates are value-based to aid the recruitment process
Review and streamline the recruitment process Develop the web recruitment module in iTrent Provide training to managers on the updated recruitment process	Candidate and manager experience is improved and applicants are appointed to roles more quickly Recruitment page is refreshed with focus on personal experience on 'why I work here' and agile working is promoted to attract a wider and diverse pool of talent
Work with partners to promote working at the Council at local schools, colleges and universities Increase our presence at job fairs to attract new talent	A new work experience offer is in place. We have excellent links with schools, colleges and universities as well as utilising our apprenticeship levy funds to build our talent pipeline for the future
Create 'apprentice first approach' framework so that apprenticeships are routinely considered for entry level roles	Increase in the number of apprentices to support the growth of our talent
Review the exit interview process and monitor reasons for leaving	Increase in the number of staff completing exit interviews Employee experience is improved through our learning on the reasons for leaving
Monitor and continually review the induction process	New starters are fully supported through induction and feedback is provided on their experience New managers including senior managers are provided with knowledge on the Council and supported through the induction process by their managers

Theme 3 - Wellbeing and Reward

Action	Outcome
Continue to promote the benefits package to all staff	Employees have an understanding of rewards and benefits available through the Council
Review our rewards and employee benefits offer to ensure its competitive with other public sector employers	Employees feel valued for their contribution
Develop ways to increase staff recognition to ensure individual and team performance are celebrated and publicised	Employee contribution and achievement is recognised
Support services to develop appropriate career grade structures for succession planning	Employees are provided with opportunities to progress within their current professions Improved retention of talented employees through enhanced development opportunities
Promote and celebrate our non-financial benefits	Staff awareness is increased on the total employee benefits offer that includes hybrid/ flexible working, learning and development and apprentice opportunities to upskill and retain staff, commitment to health and wellbeing of our staff and the importance of staff recognition through Staff Awards
Develop initiatives to increase awareness of resilience and wellbeing Continue promoting national health and wellbeing initiatives	Employees take responsibility for their wellbeing through events and communication on ways to look after your health
Continue roll out of Resilience Training to managers and staff Increase awareness of Mental Health First Aiders	Managers recognise mental illness and sign post staff for further support Reduced levels of mental illness Understanding of the role and responsibilities of a Mental Health First Aider and ensuring support mechanisms are provided to Mental Health First Aiders
Work with external organisations to develop proactive health and wellbeing initiatives	Increase understanding and knowledge of health and wellbeing

Theme 4 - Organisational Change and Design

Action	Outcome
Organisation culture to be consistent with the values and priorities of the Council	Staff are more engaged and have a greater understanding of our values and priorities
Develop our leaders and managers to champion the organisational change process	Leaders and managers are confident and are able to manage change by having access to a range of tools that are easily understood that focus on outcomes
Leaders and managers to communicate key changes clearly, consistently and transparently to ensure everyone understands the changes and the impact	Employees are engaged and support the change with less resistance and increased levels of buy-in on organisational initiatives
Develop training for staff and managers to recognise and manage stress and reduce the organisational causes of stress	Managers can recognise signs of stress and have the knowledge to address the causes which improves levels of absenteeism, performance and employee retention.
Managers to be skilled in the use of data analytics to help and support decision making	Organisational decisions are based on accurate and timely data
Supporting the design and implementation of alternative business / service delivery models	Managers are developed to undertake changes to roles in response to business requirements and new skills that will be required in the future

Workforce Strategy 2025-2030 SWALE



How We Will Measure Success

- Feedback from our staff engagement surveys
- Feedback from managers surveys
- Feedback from learning and development activities
- Exit interview feedback
- Key performance indicators
- Quarterly workforce reports
- Workforce Action plan is regularly monitored and updated
- Feedback on our recruitment process and new starter experiences
- Annual report on equality data and gender pay gap reporting



How will we support YOU

1 - Talent & Development

We will:

- Support our staff by designing and implementing effective people, performance and talent management systems.
- Develop our teams, so they have the skills to provide responsive services, using innovation, flexibility and transparent and informed decision making.
- Establish a learning culture with clear and meaningful opportunities that align with the strategic vision and priorities of the organisation.
- Encourage a growth mindset among our staff, fostering a sense of responsibility for their own learning journey.

2 - Our Brand & Recruitment

We will:

- Create a distinctive and positive employer brand outlining what is unique, exciting and inspiring about Swale Borough Council.
- Promote the Council as an excellent workplace by showcasing the various flexible working options, emphasising our values, and promoting opportunities for growth and development.
- Utilise a variety of recruitment strategies when exploring different work engagements, including permanent positions, interim roles, short-term contracts, or other alternative work arrangements.

3 - Wellbeing & Reward

We will:

- Have a flexible and fair approach to reward and recognition, ensuring that we acknowledge and reward the contributions and achievements of our workforce.
- Have a proactive approach to employee wellbeing, supporting staff in maintaining a sustainable work-life balance.
- Have a transparent and fair pay and reward frameworks that contribute to fostering a sense of wellbeing among our staff.

4 - Organisational Change & Design

We will:

- Address challenges that will require responding in new ways, particularly in the way we rise to the demands of paying for services and improvements to our borough in the future.
- Continually need to be flexible and agile enough to respond to changing demands.
- Align our organisational structure and design to our strategic priorities.

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Policy and Resources Committee Meeting	
Meeting Date	5 th February 2025
Report Title	Business Continuity Policy
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Charlotte Hudson, Head of Housing and Communities
Lead Officer	Graham Seeley, Resilience Officer (Maidstone BC) Uche Olufemi, Enterprise Risk & Resilience Manager
Classification	Open
Recommendations	1. For Policy and Resources Committee to agree the adoption of the Business Continuity policy.

1 Purpose of Report and Executive Summary

1.1 This report is to provide an update on the business continuity arrangements for the council and seek agreement to adopt a new Business Continuity Policy. Adoption of the BC policy will enhance resilience by establishing clear objectives and scope of business continuity efforts, ensuring that all critical services are identified and prioritised.

2 Background

1.1 One of the council's duties under the Civil Contingencies Act 2004 is to put in place Business Continuity Management arrangements. The BC policy will aim to achieve the following:

- Outline SBC's commitment and approach to BC management.
- A framework for developing, implementing, and maintaining business continuity plans, ensuring a consistent approach across the council.
- Ensure compliance with relevant standards and regulations, such as ISO 22301, and integrates business continuity into the council's governance structure.

1.2 The council currently does not have a BC policy. The EP&R team are currently supporting services across the council to carry out their business impact analysis to identify key risks and other impacts which will help in the development of business continuity plans and arrangements. The current BC review programme aims to achieve the following over the next 4 months.

- Approval of the BC Policy.
- Business Impact Analysis (BIA) for all key services across the council.

- Review and updating of all Business Continuity Plans.
- Activities to embed the BC policy and arrangements across the council such as running BC clinics.
- Design and delivery of a business continuity exercise for the critical services to rehearse and test their BC arrangements.

3 Proposals

3.1 For Policy and Resources Committee to agree the adoption of the BC policy.

4 Alternative Options

4.1 Not adopting this Business Continuity Policy – This option is not recommended as without this Policy being in place, building a culture of good practice which embraces business continuity will be harder to achieve across the council.

5 Consultation Undertaken or Proposed

5.1 Consultation on the proposed BC Policy has taken place with the following:

- Stephanie Curtis – Community Services Manager
- Charlotte Hudson – Head of Housing & Community Services
- Uche Olufemi – Enterprise Risk & Resilience Manager (Maidstone BC)
- The Emergency Planning & Business Continuity Steering Group have had an opportunity to review and provide feedback on the policy.

6 Implications

Issue	Implications
Corporate Plan	The delivery of effective business continuity arrangements contributes to the council achieving its corporate priorities.
Financial, Resource and Property	There are no financial implications for adoption of this policy. There is an officer resource requirement in ensuring its effective implementation and this is included within the resources already allocated to the Emergency Planning & Resilience Team.
Legal, Statutory and Procurement	This Business Continuity Policy sets out how the Council fulfils its business continuity obligations under the Civil Contingencies Act 2004
Crime and Disorder	The policy will support Swale Borough Council in successfully managing business continuity during disruption, reducing the risk of civil unrest when services are disrupted.

Environment and Climate/Ecological Emergency	No air quality, or climate/ecological emergency implications have been identified at this stage.
Health and Wellbeing	The policy supports the implementation of a well-structured business continuity plan, ensuring the correct actions and safety procedures are followed during periods of disruption.
Safeguarding of Children, Young People and Vulnerable Adults	No safeguarding implications have been identified at this stage.
Risk Management and Health and Safety	This Business Continuity Policy sets out a series of actions that the Council will take to ensure the safe management of business continuity. The implementation of this policy would be a further mitigation measure to ensure SBC has arrangements in place to identify risks and continue delivery of key services during periods of disruption.
Equality and Diversity	No specific equality and diversity implications have been identified at this stage.
Privacy and Data Protection	None identified at this stage

7 Appendices

Appendix 1: Draft Business Continuity Policy

8 Background Papers

None

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Draft Business Continuity Management Policy

Document Owner	Graham Seeley - Resilience Officer emergencyplanning@swale.gov.uk
Version	V1.0 October 2024
Approved	
Next review date	October 2027

Contents

- 1. Introduction**
- 2. Policy Objectives**
- 3. Policy Scope**
- 4. Principles, guidelines, and minimum standards**
- 5. Policy Management**
- 6. Roles & Responsibilities**
- 7. Policy Awareness**
- 8. Review of Policy**
- 9. Sign off**

1. Introduction

Business Continuity Management is defined as:

The capability of the organisation to continue delivery of products or services at acceptable pre-defined levels following a disruptive incident.

SBC has a legal duty within the Civil Contingencies Act 2004 to ensure that **we can continue to provide our services to the public during times of disruption to our business.**

The main risks to our business are:

- a) Loss of staff (staff shortage)
- b) Loss of building or premises
- c) Loss of ICT services
- d) Loss of utilities
- e) Loss of Critical suppliers/ contractors

The Business Continuity Framework will describe how we plan for and manage such events and risks.

We risk assess the activities and services we deliver and identify our most important ones. These are known as our priority or critical services. By pre-planning, we can make sure that we know what to do to carry on with the activities necessary to deliver these services in the event of disruption.

This Policy sets out the key principles that ensure SBC has effective Business Continuity Management processes in place to meet its legislative and regulatory obligations.

1.1 Link between Business Continuity and Emergency Planning

Any response to a council wide event of disruption will invoke the council's Major Emergency Plan which has established systems for activation and escalation. This is done through a Duty Officer or Emergency Coordinator reporting to Corporate and working with other staff with roles within the Major Emergency Plan.

2.0 Policy Objectives

2.1 The objectives of this Policy are to:

- a) Outline SBC's commitment and approach to Business Continuity Management.
- b) Ensure legislative and regulatory compliance.
- c) Minimise risk to SBC, its partners, and stakeholders
- d) Provide effective governance arrangements to ensure appropriate ownership and oversight of Business Continuity arrangements.

3.0 Policy Scope

- 3.1 This Policy applies to all services where SBC has responsibility for delivery. This includes services delivered 'in-house', outsourced, contracted, shared, or commissioned services.
- 3.2 This policy applies to all departments and services provided by the council irrespective of whether they have been identified as a priority service or not.
- 3.3 This policy identifies the following as priority services delivered by the council for which recovery arrangements may be prioritised following an incident or disruption.

SBC Critical Services and Business Continuity Leads

While the services below have been pre identified as the council's critical services, there may be a need to re prioritise during an incident. This will be dependent on the type of emergency or business continuity incident the council is responding to. Reprioritisation of services could also be based on seasonality/time critical functions within service areas not otherwise included in the list e.g. Elections.

Irrespective of the type of incident however, the council's top 5 critical services in all cases will be **ICT, Payroll, Communications, Customer Services, and Finance.**

The council delivers many more important services not listed in the table below. The nature of these other services means staff working in these areas could be redeployed to support work in other parts of the council.

	Department/Service	Business Continuity Lead
1	ICT	Head of ICT
2	Payroll	Head of Mid Kent HR
3	Communications	Communications and Police Manager
4	Customer Services	Customer Services Manager
5	Finance	Principal Accountant
6	Environmental Health	Environmental Health Manager

7	Revenues & Benefits	Head of Kid Kent Revenues and Benefits
8	Housing Options	Housing Advice Service Manager
9	Building Control	Buildings and Operations and Maintenance Manager
10	Emergency Planning & Resilience	Community Services Manager
11	Waste	Environmental Services Manager
12	Legal	Head of Legal Partnership
13	Leisure & Open Spaces	Leisure and Technical Services Manager
14	Control Centre	Community Services Manager
15	Parking Services	Parking Services Manager

3.4 The methodology for determining the priority services is an assessment of **FORCES** – **F**inancial, **O**perational, **R**eputation, **C**ustomers, **E**nvironment, and **S**taff.

3.5 This Policy applies to:

- a) Permanent employees
- b) Temporary / contract employees employed or engaged by SBC
- c) Workers / volunteers employed or engaged by SBC
- d) Employees of partner or subsidiary organisations whilst at work and/or engaged in SBC business

4.0 Principles, guidelines, and minimum standards

This policy is underpinned by the following general principles:

- 4.1 Prepared services and staff who understand their role in responding to an incident or emergency that threatens to disrupt critical services.
- 4.2 BC arrangements are regularly tested, exercised, and maintained.
- 4.3 SBC will adopt and promote best practice for Business Continuity based on the Good Practice Guidelines (2023 edition)
- 4.4 SBC is committed to working closely with all staff to develop and implement Business Continuity arrangements.
- 4.5 SBC will provide information, instruction, training, and supervision for employees to help them understand their role in its Business Continuity Management arrangements and to allow them to contribute positively.
- 4.6 SBC is committed to the effective management of third-party contracts and their performance to improve Business Continuity Management arrangements with, and on behalf of, SBC.

5.0 Policy Management

- 5.1 Implementation of this Policy will be delivered through the SBC Corporate Business Continuity Management Programme, managed by the Emergency Planning and Resilience Team in partnership with all Services and Directorates.
- 5.2 The Programme will be supported by:
 - a) Appropriately resourced work plans
 - b) Guidance, tools, and templates
 - c) A programme of training & exercising
 - d) Business Continuity Plans
- 5.3 To ensure continuous improvement, all documents will be 'living documents', regularly reviewed, and updated to consider internal and external changes that may affect their implementation.

6.0 Roles & Responsibilities

6.1. Elected Members

- 6.1.2 Members will be kept updated on this policy and actions being taken in response to disruptive incidents.

6.2 Corporate Directors and Executive

- 6.2.1 **The Chief Executive** acts as the corporate sponsor for Business Continuity Management and is accountable for ensuring we deliver our priority services.

- a) While the Chief Executive is accountable for Business Continuity, this role is delegated to the Head of Housing & Community Services under whose 'service area' the Emergency Planning and Resilience service currently sits.

- 6.2.2 Individual Corporate **Directors** are responsible for implementing this Policy in their respective directorates to:

- a) Ensure appropriate priority and resources are made available for fulfilling SBC commitment to Business Continuity Management
 - b) Promote a positive Business Continuity Management culture embracing and encouraging positive attitudes amongst all staff

- 6.2.3 Directors will ensure that the services reporting to them are prepared to deal with rapid increase in demand for services and to deal with disruptive events that could impact on the performance of their service. Directors will:

- a) Ensure that Business Continuity Management responsibilities within their directorate are properly assigned and fulfilled and that job descriptions reflect these assignments.

- b) Ensure Business Continuity Management arrangements are reflected adequately in directorate and service level business operating plans.

6.2.4 The Head of Housing & Community Services Chairs the Emergency Planning & Business Continuity steering group meetings and has the delegated role of being accountable for and overseeing the business continuity arrangements and emergency planning work plan and programme for the council.

6.2.5 Strategic Leads/ Duty Directors – As part of the council’s Major Emergency Plan, the duty director will be responsible for providing strategic direction during or in response to a disruptive event. The duty director will make the strategic decision to commence staff redeployment from their primary role to support other services where necessary.

6.3 Enterprise Risk & Resilience Manager (Maidstone BC)

6.3.1 The Enterprise Risk & Resilience Manager along with support from the Community Services Manager will:

- a) Advise and brief the Executive Management Team to assure the achievement of SBC’s commitment to Business Continuity Management.
- b) Maintain this Policy and ensure the most up-to-date version is available to all staff.
- c) Develop and manage the SBC Corporate Business Continuity Management Programme,
- d) Ensure that the corporate training programme makes adequate provision for the development of Business Continuity Management skills.
- e) Maintain SBC Corporate Business Continuity planning arrangements.

6.4 Tactical Lead/ Emergency Coordinator

6.4.1 As part of SBC’s Major Emergency Plan, The Emergency Coordinator will work with the strategic lead to declare an incident when appropriate and coordinate the council’s response to any business continuity or emergency incidents.

6.5 Heads of Service

6.5.1 Heads of Service are responsible for the provision of services. They will ensure that their service is prepared to deal with rapid increase in demand and to deal with incidents and emergencies that will impact on performance and service delivery. This needs to be reflected in their performance management processes. Heads of Service will:

- a) Promote a Business Continuity Management culture within their service, encouraging activities that develop resilience.
- b) Ensure the needs and obligations of their service are reflected in the Business Continuity Plans.
- c) Ensure Business Continuity responsibilities within the Service are properly assigned and that job descriptions reflect these responsibilities.
- d) Participate in Business Impact Analysis for their service area.
- e) Activate Business Continuity Plans for their Service in the event of an incident or emergency

6.6 Managers and Team Leaders

6.6.1 Managers and Team Leaders will be responsible for the implementation of Business Continuity Management processes and plans within teams. They will:

- a) Promote a Business Continuity Management culture within their teams, encouraging activities that develop resilience.
- b) Support their relevant Heads of Service in developing and implementing a Business Continuity Plan for their Service, Unit or Team.

6.7 Individual Employees

6.7.1 Individual employees must:

- a) Be aware of the Business Continuity Management responsibilities of SBC and their own Service, Unit or Team
- b) Understand their role within an incident or emergency
- c) Assist in the promotion of a prepared and resilient culture within their Service, Unit or Team.

7.0 Policy Awareness

7.1 This Policy will be communicated through multiple channels, such as all staff webinars and available on:

- a) SBC Intranet pages as read only
- b) The council's website

8.0 Policy Review

8.1 The BC policy will be reviewed every 3 years, following an incident or significant changes in the organisation including:

- a) A change in the council's approach to risk
- b) An acquisition or disposal of a major asset

- c) Changes to services (including outsourced services)
- d) Changes to legal or regulatory requirements

9.0 Sign off

9.1 There are 5 stages to signing off the BC policy which includes the following:

- a) The Emergency Planning and Business Continuity Steering Group (which meets quarterly) will be consulted.
- b) Agreement from the Executive Management Team.
- c) Initial review through the Informal Administration meeting
 - d) Sign off through the Swale Committee System, by the Policy and Resources Committee
 - e) Final sign off by elected members

End of Document

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Policy and Resources Committee Meeting	
Meeting Date	5 th February 2025
Report Title	Public Space CCTV Policy Review
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Charlotte Hudson, Head of Housing and Communities
Lead Officer	Stephanie Curtis, Community Services Manager
Classification	Open
Recommendations	1. That the Policy and Resources Committee approves and adopts the refresh of the Public Space CCTV Policy.

1 Purpose of Report and Executive Summary

1.1 This report provides an overview of proposed changes made as part of a refresh of the public space CCTV policy and asks for Committee approval.

2 Background

2.1 The first Swale Public Space CCTV Policy was adopted in April 2020, following the upgrade of the CCTV service, and bringing the monitoring of the service back in-house to our purpose-built control centre; and was refreshed in 2022.

2.2 The Policy discusses the objectives of the system; the policies it must comply with; responsibilities within the Council; deployment of cameras; monitoring and access to images; maintenance; transparency; security; and health and safety. The Policy is also underpinned by a series of operational procedures embedding the principles of the policy in the day to day running of the service. It also discusses third party monitoring contracts.

2.3 Key amendments have been made as follows:

- General amends to some wording/terminology throughout the document to ensure it is current.
- The addition of section 5.8 – due to the recent external monitoring contracts taken on for two borough/district councils within the control centre, the control centre has largely reached its capacity for larger external contracts. Options are being considered as to whether the control centre could be expanded, however this section puts forward the priorities for consideration of any future external monitoring contracts.

- Section 6.16 has been added to confirm the funding necessities for installation of new camera systems in public spaces.
- Section 6.17 has been added to agree the type of new system to be installed and stipulations around manufacturers of equipment to factor in any government guidance around specific manufacturers, as well as best value procurement considerations. This has been added due to national concerns raised around a specific Chinese equipment manufacturer (HikVision) having been used by local authorities (including Swale). Following these concerns guidance has been issued by the Government that they would not be using this supplier in high-risk sensitive locations, but this doesn't apply to public space CCTV used by LA's and the risk is felt to be very minimal for Swale.

3 Proposals

- 3.1 That the Policy and Resources Committee approves and adopts the refresh of the Public Space CCTV Policy.

4 Alternative Options

- 4.1 To not approve the refreshed policy – this is not recommended as although the current policy is still valid, this amended version of the policy includes some updates that would be beneficial for the operation of the Control Centre.

5 Consultation Undertaken or Proposed

- 5.1 No consultation has been undertaken or is proposed.

6 Implications

Issue	Implications
Corporate Plan	This Policy supports the Corporate Plan priority 'Community - To deliver an effective public space CCTV service and town centre radio scheme, and to grow wider service delivery by the control centre'.
Financial, Resource and Property	There are no additional finance, resource or property implications in implementing this refreshed policy.
Legal, Statutory and Procurement	There is no Statutory Duty to deliver CCTV. However Section 17 of the Crime and Disorder Act 1998 places an obligation on local authorities to consider the crime, disorder and environmental issues affecting the local area and ensure their activities do all they reasonably can to prevent them. The implementation and monitoring of CCTV is one such activity delivered by Swale Borough Council that ensures this obligation is met.

	The Surveillance Camera Code of Practice provides guidance on how all public space CCTV services should be managed. This needs to be borne in mind along with the Data Protection Act.
Crime and Disorder	The policy details the main objectives of the Public Space CCTV service. This are principally to prevent and deter crime and Anti-Social Behaviour (ASB).
Environment and Climate/Ecological Emergency	No environment and sustainability implications have been identified at this stage.
Health and Wellbeing	The delivery of the Public Space CCTV service seeks to create safer communities - not only in a sense of feeling safer, but also by reducing the risk of physical injury. It also provides a service to protect vulnerable members of the community e.g. those that go missing. The latter is identified as one of the objectives of the service within the Policy.
Safeguarding of Children, Young People and Vulnerable Adults	The delivery of the Public Space CCTV service enables the safeguarding of children, young people and adults through the daily operation of the control centre.
Risk Management and Health and Safety	A risk assessment and other health and safety procedures are in place within the control centre.
Equality and Diversity	No specific implications on groups with protected characteristics have been identified.
Privacy and Data Protection	A privacy notice is in place for the CCTV Service and a DPIA was completed at the time the service was brought back in house.

7 Appendices

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

- Appendix I: Swale CCTV Public Space CCTV Policy 2025 – 2028

8 Background Papers

No background papers.

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**Swale Public Space CCTV Policy
2025-2028**

Document name:	Swale Public Space CCTV Policy 2025-2028
Version:	Version 1
Author:	Stephanie Curtis/Sean Smith
Updates:	

1. Introduction

- 1.1 Swale Borough Council operates a public space CCTV system across the borough in its town centres, car parks and other locations where there is an identified need due to levels of crime and anti-social behaviour (ASB).
- 1.2 Swale Borough Council is committed to respecting people's rights and takes into account the affect CCTV has on individuals and their privacy, with regular reviews to ensure its use remains justified. This is a primary consideration in the operation of all CCTV systems operated by the Council.
- 1.3 This document is designed to give clear guidelines on Swale Borough Council (SBC) uses of CCTV and to protect SBC and its CCTV operators & partners from allegations of misuse of the system, and to protect staff and the public from any misuse of the CCTV system.
- 1.4 This policy covers the purchase and use of CCTV equipment and the gathering, storage, use and disposal of video surveillance. This policy applies to all staff employed by Swale Borough Council and should be the standard expected from any external agencies or persons who operate CCTV systems on its behalf.
- 1.5 This document should be read in conjunction with the Management & Operational Procedures. Failure to comply with these documents could lead to disciplinary action, which may lead to dismissal and in certain circumstances criminal proceedings against the individuals concerned.
- 1.6 This Public Space CCTV System has been notified to the Information Commissioners Office.

2. Objectives of Council CCTV Systems

- 2.1 Swale Borough Council operates its public space CCTV system in compliance with the Surveillance Camera Code of Practice. This states that CCTV use may be necessary to address one of the following – crime prevention; Public Safety; and/or National Security.
- 2.2 The Crime and Disorder Act 1998 places an obligation on local authorities to consider the crime, disorder and environmental issues affecting the local area and ensure their activities do all they reasonably can to prevent them. The implementation and monitoring of CCTV is one activity delivered by Swale Borough Council that contributes towards this obligation as it is one of the regulated authorities that can offer this service to the community.

- 2.3 It is important that everyone and especially those charged with operating the CCTV systems on behalf of Swale Borough Council understand exactly why each of the systems has been introduced and what the cameras will and will not be used for.
- 2.4 Each CCTV system will have its own site or task specific objectives. These will include some or all the following:
- Protecting areas and premises used by staff and the public.
 - Deterring, detecting and recording crime and anti-social behaviour.
 - Assisting in the identification of offenders leading to their arrest and prosecution or other appropriate action / sanction.
 - Reducing violent or aggressive behaviour towards staff and others working for the Council or tenant
 - Reducing fear of crime, anti-social behaviour and aggression
 - Protecting property & assets owned by Swale Borough Council and others
 - Assisting with staff disciplinary, grievance, formal complaints and Health and Safety Investigations.
- 2.5 The CCTV systems will not be used for any other purpose than those set out in this document without prior consultation with the Swale Borough Council Senior Manager responsible for CCTV; and where appropriate advance notification to staff and following consultation with the Trade Unions and, where appropriate, residents who live in the property. Any novel or nonstandard use of the CCTV cameras will require the approval of the above Manager.
- 2.6 CCTV cameras will not be used to monitor the progress of staff or individuals in the ordinary course of their lawful business in the area under surveillance. Nor are managers permitted to use the cameras to observe staff working practices or time keeping or to assist them in the day-to-day management of their staff without prior approval from HR and when carried out as part of an investigation, or for review of recorded footage.
- 2.7 Staff / Members of the public will only be monitored if there is reasonable cause to suspect a criminal offence or serious breach of discipline, potentially amounting to misconduct has been, or may be, about to be committed and this will only be permitted when authorised by an appropriate manager and may require the use of an additional authorisation(s). Officers should consult the Heads of Legal Services and Human Resources before any such action is taken.

3. Legislation

3.1 In addition to Swale Borough Council policies, procedures, guidelines and Management & Operational Procedures, CCTV and its operation are subject to legislation under:

3.1.1 The Data Protection Act 2018 (DPA).

3.1.3 UK General Data Protection Regulation.

3.1.3 The Human Rights Act 1998 (HRA).

3.1.4 The Freedom of Information Act 2000 (FOIA).

3.1.5 The Regulation of Investigatory Powers Act 2000 (RIPA).

3.1.4 The Protection of Freedoms Act 2012 (PFA)

3.1.5 Information Commissioners Surveillance Code of Practice and 12 guiding principles

4. Responsibility

4.1 The Swale Borough Council Control Centre Manager will act as the CCTV Single Point of Contact (CCTV SPOC) for the Council.

4.2 The role of the CCTV SPOC includes the following.

- Advising the Council managers and elected members on all CCTV related matters
- Ensure that authorised staff use the CCTV system appropriately and taking appropriate disciplinary action if required
- Responsible for liaison with all partners in, and users of, the CCTV system; this includes the supervision of access to any images obtained by CCTV
- Giving guidance and advice on the procurement, specification, operation and maintenance of all CCTV systems used by the council
- Maintaining a register of all CCTV systems operated and funded by the council
- Maintaining a map showing all cameras for access by the public
- Acting as an internal consultant for projects which require the specification of CCTV systems (as charge for this service may be made)

4.3 It is important that the operation of all Swale Borough Council CCTV systems comply with the relevant legislation, policies, procedures, guidelines and

Management & Operational Procedures. This is to ensure that staff operating the CCTV systems, the public and Swale Borough Council are protected from abuse of the CCTV systems. The CCTV SPOC will be responsible for the review of all CCTV documentation relating to the operation and use of the system annually (or as changes occur) and to ensure the information in those documents is up to date.

- 4.4 The CCTV SPOC will be responsible for ensuring that all users are kept up to date on new legislation and changes in procedures and will review the Swale Borough Council Policy and Management & Operational Procedures annually, together with maintaining a central database of all documents relating to the Swale Borough Council CCTV systems.
- 4.5 Staff operating CCTV systems are responsible for operating the equipment in accordance with requirements set out in current legislation, this policy document, Management & Operational Procedures and other Policies and Procedures within the Control Room. Management must ensure that their training is up to date. They are responsible for bringing any faults or misuse of the equipment to the Responsible Officer's or Control Centre Managers attention immediately for repairs to be arranged.
- 4.6 For any CCTV systems installed or monitored on behalf of other Council departments, the team manager is responsible for liaising with the CCTV SPOC on a regular basis regarding their ongoing use and justification on at least an annual basis.

5. CCTV in Third Party Owned Buildings or Spaces

- 5.1 A number of Swale Borough Council CCTV systems may be located in premises or spaces owned or managed by third parties. These may include private premises, or those public spaces managed by other borough/district or parish councils, partner agencies etc.
- 5.2 Services offered by Swale Borough Council in relation to these systems will be on a case-by-case basis and may include design, installation, monitoring and/or maintenance, upgrades and decommissioning.
- 5.3 There will be a clear understanding between the Council and these third parties as to who is responsible for each element of the system, with a time-defined Service Level Agreement in place.
- 5.4 The third party will always be responsible for the justification of the CCTV system and therefore compliance with the Surveillance Camera Code of Practice, specifically the principle that 'use of a surveillance camera system must always be for a specified purpose which is in pursuit of a legitimate aim and necessary to meet an identified pressing need'. Advice will be given by the CCTV SPOC to these third parties on compliance with this code of practice, including though design and ongoing operation.

- 5.5 The CCTV SPOC will meet regularly with all third parties to ensure compliance of the system with the Surveillance Camera Code of Practice.
- 5.6 A fee will be charged to all third parties based upon the level of service from the CCTV Control Centre. This will be tailored for each service provided but will ensure as a minimum, full cost recovery for both management and daily operation of their system. All third-party services will be viewed as commercial ventures and costs will be considered in line with benchmarking of other local provision. Appendix 1 details the principles for costings for these services.
- 5.7 The Council has the right to refuse any third-party service in relation to public space CCTV.
- 5.8 Given that camera monitoring capacity within the control centre is finite, priority of future third party monitoring contracts will be as follows:
- Commercial/private organisations
 - Parish Councils
 - Borough/District Councils

6. Purchase and Deployment of CCTV Cameras

- 6.1 It is crucial that serious consideration is given to the necessity for CCTV cameras in any given location, and to assess any impact of them on the privacy of individuals using the areas where cameras are to be installed, ensuring compliance with the Surveillance Code of Practice.
- 6.2 Any requests for the installation of public space CCTV must be discussed with the CCTV SPOC. There will be consultation with the Police or other enforcement agencies, to determine if there is the evidence of reported crime or ASB concerns, or another justification for community safety purposes. This will include the volume and frequency of incidents, the risk level of the victim and if they are a repeat victim; and if there is under reporting in the area. Consideration will also be given to the other solutions already tried to resolve the problem and how it is felt that CCTV will resolve the problem. If required, there will also be consultation with other partner agencies and communities to determine if there is a legitimate aim and pressing need for the camera.
- 6.3 Before deciding on CCTV cameras as a solution, there is a requirement to look at less intrusive alternatives. If after looking at all the alternatives it is decided that CCTV is the only suitable solution, a clear operational objective for the system and each camera must be identified together with an assessment on the impact on privacy must be carried out. A record of these decisions must be retained for inspection and review every year.
- 6.4 Swale Borough Council will not use CCTV cameras if there are cheaper, less intrusive and more effective methods of dealing with the stated problem. No individual Department or Service will be permitted to purchase or install CCTV cameras until a full Operational Assessment and Privacy Impact

Assessments have been completed and presented to the CCTV SPOC for compliance checks and additional input or advice.

- 6.5 Cameras are not to be installed in such a way that they can look into private space such as inside private dwellings.
- 6.6 Cameras should normally be clearly visible and clearly signed. All areas where CCTV is deployed will have suitable signage that is compliant with the CCTV Code of Practice. The signage includes the reasons for the operation of the CCTV cameras and a point of contact for further information.
- 6.7 Covert cameras are not normally to be deployed into areas used by staff or the public (and will in all cases be deployed following a RIPA authorisation). When monitoring on behalf of third parties or within council property, concealed and unsigned cameras may on very rare occasions be deployed in areas of high security where there is no legitimate public access and where staff access is controlled and restricted (for example, an IT server room or secure plant room). Staff who normally work in these areas should, where appropriate, be informed of the location of these cameras (usually by signage), their purpose and where the monitor to view the images is kept.
- 6.8 This policy does not cover the use of Body Worn Cameras; these are covered by a separate policy.
- 6.9 Swale Borough Council does not deploy 'Dummy' cameras as these give a false sense of security to the public who may otherwise have avoided an area not under "real" monitoring.
- 6.10 Council officers are not to purchase cameras that are used for monitoring audio conversations or be used to talk to individuals as this is seen as an unnecessary invasion of their privacy.
- 6.11 There will be a regular review of all deployments of CCTV Cameras to ensure that their necessity remains. The CCTV Decommissioning procedures will be utilised should this need no longer remain. Consultation as part of this will take place with Kent Police and other appropriate partners/community members. When cameras are monitored by the Council on behalf of a third party, the third party will be responsible for this.
- 6.12 The Council operates a small number of mobile CCTV cameras. These are deployed to areas of increased crime/ASB and locations are agreed in conjunction with Kent Police where the need is evidenced. They are deployed for a limited period and their impact is continually assessed.
- 6.13 Should any Council department be considering use of CCTV with a project or delivery of a service; the CCTV SPOC is available to give advice at each stage of the above process. Costs need to be considered for all on-going revenue, maintenance and replacement of the proposed system.

- 6.14 Once authorisation is given to procure new or replacement CCTV cameras, advice should be sought from the Swale Borough Council Procurement Team to ensure that the correct procedures are followed.
- 6.15 It is a requirement under the Information Commissioners Code of Practice and the National CCTV Strategy that any equipment purchased is fit for purpose and will meet the objectives set down for the scheme. There is also a clear requirement for all CCTV schemes to have an effective maintenance schedule and to be operated in accordance with the Code of Practice. Council Officer's / staff purchasing new CCTV equipment need to ensure these requirements are fully met.
- 6.16 Installation of new cameras as part of the Swale public space CCTV system may only be undertaken when additional funding can be provided e.g. through an external grant arrangement or contract. When a need is identified for CCTV due to levels of crime and/or ASB, a temporary mobile CCTV camera is the preferred solution in the first instance. If this proves to be effective and a permanent solution is needed, funding would be sought.
- 6.17 When it is agreed that new cameras or a system is to be installed, advice will be sought by the current CCTV Maintenance/Installation Contractor as to the most cost-effective solution, which is in-line with national guidance and best value procurement guidance. Consideration needs to be given to any national governmental guidance around use of specific manufacturers, which would need to be kept under review.

7. Monitoring

- 7.1 The CCTV Control Room will be staffed by Swale Borough Council employees to enable 24/7/365 monitoring of all required cameras.
- 7.2 Monitoring of other cameras where required will only be carried out by persons authorised by the CCTV SPOC or departmental Responsible Officers.
- 7.3 Any CCTV visual displays located in public reception areas are intended to provide live monitoring of reception areas by staff alone. It is the responsibility of the Responsible Officer in the associated Department concerned to ensure that those observing the visual displays are properly trained in their duties & responsibilities and that the ability to view the display is restricted to only those authorised to see it.

8. Recorded Images Reviews and the Provision of Evidence

- 8.1 All equipment will be capable of recording all cameras simultaneously throughout every 24-hour period. Recorded data is stored onto a Digital Video Recorder and automatically deleted after 28 days.
- 8.2 The provision of evidence or reviews of recorded material will normally be requested either by the police, other enforcement agency or another department

conducting an investigation into criminal activities, potential disciplinary matters, complaints, grievance or Health and Safety issues.

- 8.3 Enforcement agencies such as the police have a legal obligation to 'seize' any relevant evidence when investigating a crime and Responsible Officers must comply with their requests. However, enforcement agencies are bound by the same procedures and policies as everyone else.
- 8.4 Enforcement agencies are not permitted to trawl the CCTV system on the off chance of detecting a crime or wrongdoing. They are required to provide the Control Centre Manager or Responsible Officer with a Crime or Incident number or other such proof that they are conducting a legitimate investigation.
- 8.5 The release of evidence or permission to view images may only be authorised by the Control Centre Manager or Community Safety Manager or in their absence, the Head of Service, Information Governance (DPO) or the Departmental Director. Where an enforcement agency requests copies of an image or video recording, one copy is to be made but there is no requirement for the Responsible Officer to retain or produce any further copies.
- 8.6 As the purpose of the CCTV system includes crime prevention, detection and investigation, it must be capable of providing images and other data which are of evidential value to the criminal justice system and shared with Police and other statutory agencies. Effective safeguards will be in place to ensure that the integrity of the recorded images and data. A recorded audit trail will be in place as agreed in the CCTV Control Room procedures. Should any recorded media not be collected within 28 days of it being made, it will be destroyed in line with the control room procedures.
- 8.7 All staff required to operate CCTV equipment are to receive training in the use of the equipment and must conform to this Policy document and their system Code of Practice at all times. Staff who operate the Digital Video Recorders will be required to sign a 'Confidentiality Statement', which prohibits them from making any material available for purposes other than those stated in the Code of Practice. Any other staff having access to the equipment will also sign a Confidentiality Statement. Once signed, the Confidentiality Statement should be placed in the person's Personal file.
- 8.8 Recorded material will not be sold or used for commercial purposes or for the purposes of entertainment. Images provided to the Police or other enforcement agencies or for internal investigations shall at no time be used for anything other than the purposes for which they were originally released.

9. Maintenance

- 9.1 To ensure compliance with the Surveillance Camera Code of Practice and to ensure images recorded continue to be of appropriate evidential quality, the

system shall be maintained in accordance with the requirements of the CCTV Procedures under a maintenance agreement.

- 9.2 The maintenance arrangements will make provision for regular service checks of all equipment including cleaning and checks/minor adjustments to the equipment settings.
- 9.3 The maintenance arrangements will make provision for 'emergency' attendance on site by a CCTV engineer to rectify any loss or severe degradation of image or camera control. This will include maximum time periods for attendance and repair, depending on the severity of the impact.
- 9.4 Provision will be made to ensure that equipment is replaced that is reaching the end of its serviceable life.

10. Security

- 10.1 The Control Centre will be secured at all times and only accessed through an access control system.
- 10.2 The CCTV Recorders are within the secure control centre. These can only be accessed by authorised staff.
- 10.3 Access to the Control Centre will be strictly limited. Where there is a requirement for an authorised officer to attend or an officer from another statutory service, their attendance will be logged as per the operational procedures. Other visitors may be agreed in conjunction with the Control Centre Manager.
- 10.4 Visitors to the Control Centre that have not been Police vetted should not be able to hear any police broadcasts through the Police radio system. The Police radio should be turned off or down, or visitors asked to leave.
- 10.5 The Police radio is not to be removed from the control room, unless authorised by Kent Police, Control Centre Manager or the Community Safety Manager

11. Transparency and Third Party Access

- 11.1 This CCTV Policy, performance information and any reviews of the system will be made publicly available to demonstrate transparency to those persons that the system is monitoring.
- 11.2 Any complaints in relation to the operation of the CCTV System should be addressed through the Council corporate complaints process.
- 11.3 A Data Protection Impact Assessment (DPIA) will be completed for the CCTV System and reviewed on a regular basis. An additional one will be completed if there are fundamental changes to the system such as large equipment upgrades.

- 11.4 A Privacy Notice will be in place for the public space CCTV system.
- 11.5 Under the Data Protection Act, UK GDPR and the Freedom of Information Act members of the public and other organisations have the right to ask to see data held by Local Authorities and other Public Bodies. This data includes visual images captured by CCTV. As a general principle, access to this data should not be refused. However, there are certain circumstances when it will not be possible to provide images from CCTV - for example, when the images form part of a criminal investigation. In all instances where Access Requests are received, they should be passed onto Swale Borough Council Information Governance Officer (who has responsibility for dealing with Access Requests) for action, before CCTV images are released.

12. Insurance Claims

- 12.1 CCTV involvement in insurance claims falls into two categories. Firstly, incidents, which may result in claims against Swale Borough Council and secondly claims involving third parties, normally road traffic collisions.
- 12.2 The CCTV SPOC will be able to assist in the provision of images for investigations into any claims against Swale Borough Council.
- 12.3 Third party requests, relating to issues such as road traffic collisions, can only be actioned from a direct request by an insurance company, not a member of the public. Separate procedures must be followed in relation to these and there will be a fee for the release of any images. This fee is based on the amount of time spent by staff to review extracted the images, to copy them and for any other processing of the images together with the administration, completion of appropriate documentation, cost of media, disk labelling etc. and is based on the hourly salary rate.

13. Statistics

- 13.1 CCTV systems are required to show how effective the cameras are in dealing with the objectives set out for them.
- 13.2 An annual performance report will be compiled to demonstrate the effectiveness of all CCTV systems managed by Swale BC and will include the following:
- Location of system (building and address)
 - Number and details of installed system and cameras
 - Number of recorded incidents in the past year
 - Number of CCTV evidence reviews
 - Number of evidence seizures (passed to police or other agency)
 - Number of authorised RIPA operations

- Date of last maintenance and functional check
- Any changes to the system

14. Inspections/ Visits

- 14.1 All CCTV systems may be subject to inspections or visits by a member of the Information Commissioners Office or the Investigatory Powers Commissioners Office. In addition, systems may also be subject to visits/ inspections by members of the organisation and the CCTV SPOC.
- 14.2 These visits/ inspections are designed purely to ensure that the systems are being operated and maintained in accordance with current legislation, this Policy and their own CCTV Codes of Practice are to offer advice for improvement where required.

15. Health and Safety

- 15.1 The CCTV Control Room will be operated inline with the Council's health and safety policies and procedures. This will include lone working procedures, working with electrical equipment and visual display units. Any additional measures for the control room will be included within the operational CCTV procedures and risk assessment. Responsible officers need to ensure any of their own staff operating CCTV cameras are aware of these polices and procedures.

Appendix 1

Area	Principles for Charges
System Design	No charge
System Install	<p>Overall system install charge.</p> <p>Costs to be based upon:</p> <ul style="list-style-type: none"> - Equipment costs (as per contractor quote) - Fibre Line costs if applicable - Management costs - Control Centre Manager (hourly rate) for time for liaison with contractors, seeking any highways/other permissions and any problem solving.
Monitoring and footage provision	<p>Cost per camera – based upon monitoring hours (24/7/365 or other agreed hours).</p> <p>Costs to be based upon:</p> <ul style="list-style-type: none"> - Operator staffing (hourly rate) - Control centre oncosts (electricity and facilities) - Insurance - Management Costs – Control Centre Manager (hourly rate) for overall control centre management costs as well as performance information provision/reports, and minimum annual review meeting. - Fibre line rental if applicable.
Maintenance	<p>Cost per camera.</p> <p>Cost to be based upon:</p> <ul style="list-style-type: none"> - Overall contractor costs for maintenance - Management costs – Control Centre Manager (hourly rate) for liaison with contractor and provision of reports on maintenance outcomes. - Costs of any repairs that fall outside of contract
Upgrades	<p>Cost per camera,</p> <p>Cost to be based upon:</p> <ul style="list-style-type: none"> - Equipment costs (as per contractor quote) - Management costs - Control Centre Manager (hourly rate) for time for liaison with contractors, seeking any highways/other permissions and any problem solving.
Decommissioning (removal of cameras)	<p>Cost per camera.</p> <p>Cost to be based upon:</p> <ul style="list-style-type: none"> - Contractor Costs for removal of each camera - Management costs - Control Centre Manager (hourly rate) for time taken to manage decommissioning process (liaison with contractor, report compilation)
Insurance Claims (motor insurance)	Standard cost per insurance company request – to include review and provision of evidence.

companies for third parties)	Costs to be based upon: <ul style="list-style-type: none">- Operator time (hourly rate) to complete a standard review- Cost of equipment for evidence provision
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Policy and Resources Committee Meeting	
Meeting Date	5 February 2025
Report Title	Housing Benefits War Pensions Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	Open
Recommendations	1. To adopt the Housing Benefits War Pensions policy.

1 Purpose of Report and Executive Summary

- 1.1 Under the Housing Benefit Regulations 2006 a weekly disregard of £10.00 applies to War Disablement Pensions and War Widow's Pensions when taken as income towards the calculation of Housing Benefit.
- 1.2 The Social Security Administration Act 1992 also allows Councils the discretion to disregard up to 100% of War Disablement Pensions and War Widow's Pensions. The purpose of this report is to adopt the Housing Benefits War pensions policy.

2 Background

- 2.1 In the 1980s councils were able to put a policy in place to disregard pre 1973 War Disablement Pensions in full from Housing Benefit. In 1990 this was changed by the Government to cover all pre 1973 and post 1973 War Disablement Pensions (now called the Armed Forces Compensation Scheme).
- 2.2 Swale Borough Council approved the disregard in full of War Disablement Pensions and War Widow's Pensions at this time and this has been in place since then.
- 2.3 As part of the auditing of Housing Benefit subsidy claims, the Department for Work and Pensions (DWP) requires evidence that this policy was approved by Members. Records from this time are still kept in paper format and it has not been possible to find this evidence. A policy has therefore been written giving details of all War Pensions that are covered by the scheme. This can be found in part 3 of appendix I – Housing Benefits - War Pension Policy.
- 2.4 The cost of the expenditure is partly met as part of the subsidy claim. Providing that expenditure does not exceed 0.2% of the overall subsidy claimed, 75% of payments made under the local scheme are subsidised by the DWP, with the council meeting the remaining 25%. As the working age caseload has moved to Universal Credit and the number of elderly veterans has declined this expenditure has reduced over recent years.

2.5 The cost of the scheme for 2024/25 was £13,702.80. 75% of this cost (£10,277.10) was met by the subsidy claim. 25% of the cost (£3,425.70) was met by the Council.

3 Proposals

3.1 To adopt the Housing Benefit War Pensions policy. The original policy has been in place since the late 1980s. This is a small cost in relation to the full cost of Housing Benefit Subsidy to support local residents who have been disabled through their service to the country or have lost partners whilst part of the armed services.

4 Alternative Options Considered and Rejected

4.1 Do nothing, this is not the preferred option. Many ex-servicemen and women live on low incomes and often suffer from ill health. This additional support helps them to use their war pensions towards living expenditure rather than rent costs.

5 Consultation Undertaken or Proposed

5.1 Discussions have taken place with the armed forces champions (officer and member).

6 Implications

Issue	Implications
Corporate Plan	The objectives and priorities in the corporate plan.
Financial, Resource and Property	The majority of this expenditure is covered by Housing Benefit Subsidy. This disregard of War Pensions has been in place since the late 1980s and has not been a significant cost to the Borough.
Legal, Statutory and Procurement	Housing Benefit Regulations 2006 and the Social Security Administration Act 1992
Crime and Disorder	None
Environment and Climate/Ecological Emergency	None
Health and Wellbeing	Veterans can often have additional health problems, by disregarding war pensions in full, war veterans can use their war pensions towards their health and wellbeing.

Safeguarding of Children, Young People and Vulnerable Adults	War veterans may be vulnerable, for this reason Swale Borough Council has an armed forces champion. The Housing Benefit team work with the champion to ensure claims are dealt with appropriately and support is provided.
Risk Management and Health and Safety	None
Equality and Diversity	An equalities impact assessment has been completed.
Privacy and Data Protection	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Data Protection Officer will have reviewed the processing of personal data affected and the associated documentation will be updated accordingly.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Housing Benefit War Pensions policy
 - Appendix II: Equality Impact Assessment

8 Background Papers

None

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Swale Borough Council

Housing Benefit Modified Scheme Policy

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1.0 Introduction

1.1 The rules about the way in which Housing Benefit entitlement is calculated are detailed within the Housing Benefit Regulations 2006 and subsequent amending legislation.

1.2 These regulations state that a weekly disregard of £10.00 applies to the following income:

(i) War Disablement Pensions

(ii) War Widow's Pensions.

1.3 The Social Security Administration Act 1992 also allows Councils the discretion to disregard up to 100% of those incomes in the calculation of Housing Benefit entitlement (referred to as the "local scheme").

2.0 Background

2.1 Where a customer who is eligible for Housing Benefit and is also in receipt of Income Support, Jobseeker's Allowance (Income Based), Employment and Support Allowance (Income Related), Universal Credit or Pension Credit (Guaranteed Credit), they are automatically "passported" to full Housing Benefit entitlement. Claims that are not "passported" are subject to a means test and these are affected by the decision to fully disregard certain war pensions.

2.2 Generally, the Council is fully reimbursed by the Department for Work and Pensions (DWP) for payments of Housing Benefit, and this is referred to as "subsidy". Subsidy payments are demand-led and are not subject to a fixed sum grant.

2.3 However, payments of Housing Benefit made under the local scheme are subject to different rules. Providing that expenditure does not exceed 0.2% of the overall subsidy claimed, 75% of payments made under the local scheme are subsidised by the DWP, with the Council meeting the remaining 25%.

3.0 Legal Implications

3.1 The Housing Benefit Regulations 2006 schedule 5 sets out the statutory income disregards for war pensions:

Sums to be disregarded in the calculation of income other than earnings. £10 of any of the following, namely –

- (a) A war disablement pension;*
- (b) A war widow's pension or war widower's pension.*

3.2 The Social Security Administration Act 1992 (section 134(8)) gives Councils the discretion to fully disregard war pensions in the calculation of Housing Benefit:

An authority may modify any part of the Housing Benefit scheme administered by the authority-

(a) so as to provide for disregarding, in determining a person's income (whether he is the occupier of a dwelling or any other person whose income falls to be aggregated with that of the occupier of a dwelling), the whole part of any prescribed war disablement pension or prescribed war widow's pension payable to that person;

(b) to such extent in other respects as may be prescribed, and any such modifications may be adopted by resolution of an authority.

3.3 The Housing Benefit and Council Tax Benefit (War Pension Disregards) (Amendment) Regulations 2009 sets out the types of war pensions that will fall to be disregarded under the local scheme:

1. The war disablement pensions prescribed are-

(a) any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

(b) any retired pay or pension payable, to a member of the armed forces of the Crown in respect of a disablement which is attributable, under-

(i) an Order in Council made under section 3 of the Naval and Marine Pay and Pensions Act 1865,

(ii) the Army Pensions Warrant 1977,

(iii) any order or regulations made under section 2 of the Air Force (Constitution) Act 1917,

(iv) any order or regulations made under section 4 of the Reserve Forces Act 1996,

(v) any instrument amending or replacing any of the instruments referred to in

paragraphs (i) to (iv), or
(vi) any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or who have died in consequence of service as members of the armed forces of the Crown; and
(c) a payment made under article 14(1)(b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005.

4.0 Purpose

4.1 The purpose of this policy is to specify how Swale Borough Council will operate the Local Scheme. The 100% disregard of funds received as War Widows (Widowers)/War Disablement Scheme and the Armed Forces Compensation Scheme awards is intended to:

- i) Ensure that members of the armed forces who have been disabled during service or the widows, widowers or surviving civil partner of those who died in the service of their country, should not be penalised by having their pensions or payments made in relation to their service, taken into account in the calculation of their Housing Benefit entitlement.
- ii) Ensure income paid via these funding streams is treated consistently when assessing entitlement to Housing Benefit
- iii) Ensure continued alignment between treatment of these incomes under the Housing Benefit scheme set by the Department for Works and Pensions, and the Council's Council Tax Reduction scheme.

5.0 Claiming Modified Scheme Support

5.1 A claim does not need to be made by an applicant. The disregard will be applied automatically at the point of processing a claim's entitlement.

6.0 Period of disregard

6.1 The disregard will apply as long as the policy is in place and until the claim or relevant income ceases.

7.0 Review

7.1 This policy will be reviewed in line with any changes in legislation.

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Mid Kent Revenues and Benefits Swale Borough Council Equality Impact Assessment

Part 1: Background and information

Title of Proposal (strategy, policy, plan, project, contract, service change)
Housing Benefits War Pensions Policy
Brief description of proposal (objective & purpose)
War Pensions are currently 100% disregarded as part of the Housing Benefit and Council Tax Reduction Schemes. The policy is being reviewed as part of the annual Housing Benefit subsidy process.
Is this Proposal new/a review of an existing provision/a change/deletion of existing provision
This is a review of an existing provision.
Who will be affected by this proposal? (Residents, Staff, Visitors, Businesses?)
Veterans of the armed forces and war widows/widowers.
Weblink to full details (if applicable)
Lead Director/HoS/Manager
Zoe Kent – Head of Revenues and Benefits
EqIA lead officer
Zoe Kent – Head of Revenues and Benefits
EqIA contributors (other services involved in proposal)
Zoe Kent – Head of Revenues and Benefits
Date of EqIA
23 December 2024

The Equality Act (2010) places a general duty on all public sector organisations to have 'due regard' to its three main aims.

How does the proposal meet the general duty of the act's aims as listed below? (Please see the guidance document for further detail on what is meant by 'due regard' and types of discrimination).

General duty	Please Explain
Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010	This is a local policy fulfilling a legislative requirement of Government. The policy is designed to support veterans of the armed forces and war widows/widowers.
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.	The Policy supports veterans of the armed forces and war widows/widowers.
Foster good relations between persons who share a relevant protected characteristic and persons who do not share it	Armed Forces Champions work with veterans of the armed forces on behalf of the council.

Part 2: Impact Assessment and Supporting evidence

Identify the positive and / or negative impact of the proposal change on any of the protected characteristics. Please consider the impact as an employer (staff), a service provider and a community leader (residents, businesses etc).

Protected characteristic	Positive impact	Negative impact	No impact
Age	/		
Disability	/		
Race (including ethnicity and nationality)	/		
Religion or Belief	/		
Sex	/		
Sexual Orientation	/		
Gender Reassignment	/		
Pregnancy and Maternity	/		
Marriage or Civil Partnership			/

Please also consider the impact of the proposal in relation to:

Local characteristic	Positive impact	Negative impact	No impact
Poverty (in relation to groups with protected characteristics and those without)	/		
Armed Forces Community (Serving/Veterans)	/		

Summary of Impact and Supporting Evidence

Please list below any data/evidence you have used to draw your conclusions. This could include national or local data sets, results from consultation and engagement activities or meetings etc. (see guidance document for internal support offer).

Supporting data/evidence	Source
The Housing Benefit data base.	Housing Benefit database

Having considered the impact of the proposal on the general duties of the Equality Act and the impact on groups with protected characteristics, please provide a summary of the overall impact your proposal (with reference to supporting evidence):

The Policy offers support to veterans of the armed forces and war widows/widowers in the borough who may have additional costs above other vulnerable groups within the borough.

The disregard is awarded automatically if a person is in receipt of a war pension or war widow's pension.

Do you have any gaps in data or evidence to assess or understand

impact?

Yes/No (please delete as appropriate and if 'yes' provide details below))

Gaps in data/evidence	Planned action to address evidence gaps
The Council holds a repository of community groups supporting the voluntary and community sector.	This can be reviewed alongside the HB data base to see if there are any groups who could be claiming the relief.

Do you have any plans to reduce the impact on the groups identified?

Proposed Action/Plan	Purpose	Impact Groups	Timescale
Review HB claims to ensure the disregard has been awarded	To identify (and target) any gaps in take up	Not known	To be carried out as per the Housing Benefit review process.

To be completed by Equalities Officer
(with Lead Officer)

Part 3: Recommendations and Sign Off

Recommendations should be based on evidence available at the time and aim to mitigate negative impacts or enhance positive impacts on any or all of the protected characteristics.

Recommendation	Lead Officer	Timescale

Policy and Resources Committee Meeting	
Meeting Date	5 February 2025
Report Title	Council Tax Empty Property Policy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Zoe Kent, Head of Revenues and Benefits
Lead Officer	Zoe Kent, Head of Revenues and Benefits
Classification	Open
Recommendations	1. To adopt the Empty Property policy.

1 Purpose of Report and Executive Summary

- 1.1 The Council currently charges a premium on properties that have been unoccupied for more than 12 months. Under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023 a premium may be charged on second homes from 1 April 2025. The decision to charge a premium on a second home must be made at least one financial year before a premium can be charged. This decision was approved on 21 February 2024.
- 1.2 The purpose of this report is to seek approval to introduce changes to the policy when a premium is not charged.

2 Background

- 2.1 In April 2015 the Council introduced a premium of 50% of the Council Tax charged on properties that have been empty for a period of more than two years. The definition of an empty property for Council Tax purposes is one that is unoccupied and is substantially unfurnished.
- 2.2 On 1 November 2018 the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act was introduced to allow authorities to vary the percentage of premium that is charged, based on the length of time that a property has been empty.
- 2.3 The legislation was then changed again under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023 allowing authorities to charge a premium on empty properties from 12 months from 1 April 2024 and on second homes from 1 April 2025.
- 2.4 From the financial year 2025/26 premiums will be charged as per table 1.

Table 1.

Financial Year	Type of Premium
2024/25	Maximum of 100% premium - empty for more than 12 months but less than 5 years
	Maximum of 200% premium - empty more than 5 years but less than 10 years
	Maximum of 300% premium – empty more than 10 years
2025/26	Empty property premiums as 2024/25
	Maximum of 100% premium – second homes that are not used as a main home

2.5 Any adjustment to premiums will be reflected in the Council Tax Base, increasing the amount of Council Tax to be generated by the Borough Council, Kent County Council, Kent Police, Kent Fire & Rescue and Parish Councils in line with their individual proportion of the overall Council Tax Set.

2.6 When the original decisions were taken to charge premiums on empty properties the following were considered. The increasing pressures on housing and local government finance and the need to provide a greater incentive for empty properties to be returned to use. This is also the case for charging a premium on second homes. The number of properties currently being charged a premium and the number of second homes is shown in table 2.

Table 2.

Type of Premium	Number of properties charged a premium
100% premium – empty for more than 12 months	74
200% premium – empty for more than 5 years	13
300% premium – empty for more than 10 years	13
Second homes – furnished and not lived in as main home (not including holiday sites).	189

2.7 In 2015 when the council approved the decision to charge premiums on empty homes it decided not to charge premiums on properties that were actively marketed for rent or for sale. This gave owners the chance to sell or rent out the property before being charged a premium, however there was no limit on how long the property could be on the market for sale or to rent.

2.8 In November 2024 the Government issued guidance covering when a premium should not be charged on an empty property or a second home. The exclusions can be found in part 5 of the policy. Class G dwellings being actively marketed for

sale (12 months limit) and Class H dwellings being actively marketed for let (12 months limit) both have a limit of 12 months.

- 2.9 Class M excludes a premium being charged on dwellings requiring or undergoing major repairs or structural alterations (12-month limit). This gives owners the opportunity to carry out works on a property without having the added cost of being charged a premium for a period of 12 months.

3 Proposals

- 3.1 It is proposed that the exclusions to the current Council Tax empty property premium are changed as follows.

a premium will be charged on any empty property that has been unoccupied and unfurnished for 12 months or more and does not meet the following criteria:

- Is actively being marketed for rent
- Is actively being marketed for sale
- Is furnished

Changed to

a premium will be charged on any empty property that has been unoccupied and unfurnished for 12 months or more and does not meet the following criteria:

- Is actively being marketed for rent – 12 months limit
- Is actively being marketed for sale – 12 months limit
- Is furnished – removed, changed to a second home and premium charged

- 3.2 The Empty Property policy includes at part 5, table one the exclusion classes from Class E to Class M. it is proposed that these are adopted as part of the policy.

- 3.3 Class M - excludes properties that are requiring or undergoing major repairs or structural alterations being charged a premium for a 12-month limit. Major repairs or structural alteration could be open to interpretation and claimed in cases where properties are not undergoing major repairs. It is therefore proposed that premiums are only removed where the refurbishments meet the qualifying works in part 5, table 2 of the policy.

4 Alternative Options Considered and Rejected

- 4.1 The Council could continue to not charge a premium without a time limit on properties that are up for sale or to let. This is not recommended because owners can leave properties being marketed whilst not accepting offers meaning they are not actively being marketed. There is a shortage of housing within the Swale area and the premiums help to ensure that properties are available for occupation reducing those needing to be housed.

- 4.2 Do nothing. The policy has been written to encourage empty properties to be brought back into use. The Government's exclusions ensure that a premium is only added to an account where the property should be brought back into use or for second homes removing the premium to properties on holiday sites that are not suitable to be long-term homes. This option is therefore not recommended.

5 Consultation Undertaken or Proposed

- 5.1 A review of empty properties and second homes was carried out in the summer of 2024. This ensures our data base is up to date. The empty property premium charges and second home premium were advertised in a local newspaper in March 2024. A letter will be sent to all second homes to confirm that properties are second homes and to give details of the premium.

6 Implications

Issue	Implications
Corporate Plan	The objectives and priorities in the corporate plan.
Financial, Resource and Property	Significant pressure on budgets means that the council needs to use available income generation legislation to deliver services.
Legal, Statutory and Procurement	The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 amends Section 11B of the Local Government Finance Act 1992. Section 11B of the 1992 Act sets out the higher amounts of council tax payable from April 2019 for long-term empty dwellings as detailed in paragraph 2.4 above.
Crime and Disorder	Empty properties can be used for the purposes of crime and can reduce standards within local areas.
Environment and Climate/Ecological Emergency	None
Health and Wellbeing	None
Safeguarding of Children, Young People and Vulnerable Adults	None
Risk Management and Health and Safety	There is a risk of an increase in the number of appeals to the Valuation Tribunal. An appeals procedure will be put in place. The risk on current resources would be minimal. The cost of administering the premium would be minor and therefore there would be no impact on current budgets.

Equality and Diversity	Equalities have been considered and no impact has been identified.
Privacy and Data Protection	The recommendations will impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes. The Data Protection Officer will have reviewed the processing of personal data affected and the associated documentation will be updated accordingly.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Empty Property Policy

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Swale Borough Council

Council Tax

Empty Property Policy

1. Introduction and background

The Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, The Council Tax (Exempt Dwellings) Order 1992, The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 allow for Council Tax discounts and exemptions to be awarded for empty properties. The statutory exemptions are:

- Property owned by charity (maximum 6 months)
- Property where the liable person has died and awaiting probate/transfer to beneficiaries
- Property where occupation is prohibited by law (e.g Planning/Housing/Environmental Health reasons)
- Property that is held empty for a minister of religion to take up residence
- Property that is left unoccupied by a student
- Property where the mortgagee is in possession
- Property that has been left empty by a bankrupt
- Property where the unoccupied annexe cannot be let separately due to planning restrictions
- Property left empty by a person in prison
- Property left empty by a person living in a hospital/care home
- Property left empty by a person who needs personal care elsewhere
- Property left empty by a person who is providing care elsewhere
- An empty caravan pitch or empty boat
- A dwelling left empty because an individual is living in another dwelling provided for the purposes of armed forces accommodation.

2. Discretionary Discounts

In addition to the above exemptions, the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 amended discretionary discounts for unoccupied properties.

1. Where a property becomes unoccupied and substantially unfurnished
2. Where a property is requiring or undergoing major repairs or structural alterations to render it habitable

In the case of 1, any discount is applicable for a maximum continuous period of 6 months. The billing authority may set the discount of between 100% and 0%.

In the case of 2, any discount is applicable for a maximum continuous period of 12 months. The billing authority may set the discount of between 100% and 0%.

Swale Borough Council has decided the discount for properties in 1 and 2 will be 0% from 1 April 2024.

A property is classed as empty if it is unfurnished. A property is classed as a second home if it is furnished, and it is not lived in as a main home.

3. Long Term Empty Premium

Changes were introduced that allowed authorities to charge a 50% Council Tax premium on properties that have been unoccupied and substantially unfurnished for more than 2 years.

From 1 April 2013, Swale Borough Council adopted this change.

New regulations were passed which allowed councils to charge additional premiums from 1 April 2019 as follows:

1 April 2019 – properties that have been empty for more than 2 years – 100% premium

1 April 2020 – properties that have been empty for more than 5 years – 200% premium

1 April 2021 – properties that have been empty for more than 10 years – 300% premium

Swale Borough Council adopted these changes to take effect from 1 April 2019 and subsequent years.

The legislation changed again under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023, a premium can

be charged on empty properties after it has been empty for more than 12 months.

This change was approved by Members on 21 February 2024 to commence from 1 April 2024.

From 1 April 2024 premiums on empty properties are as follows:

1 April 2024 – properties that have been empty for more than 1 year – 100% premium

1 April 2020 – properties that have been empty for more than 5 years – 200% premium

1 April 2021 – properties that have been empty for more than 10 years – 300% premium

4. Second Homes

From 1 April 2025 Under the Local Government Finance Act 1992 as amended through the Levelling-up and Regeneration Act 2023 a premium may be charged on second homes. The decision to charge a premium on a second home must be made at least one financial year before a premium can be charged. This decision was approved on 21 February 2024 and published in at least one newspaper circulating in the Swale Area within 21 days of the date of determination.

5. When premiums are not charged

Council Tax premiums on long-term empty homes and second homes.

Premiums should not be charged if the property is not occupied and any of the following circumstances are met:

- Where the resident has died for up to 6 months after grant of probate or letters of administration
- Where the resident is in long-term residential care or hospital
- Where the resident is living elsewhere to provide care.

Under Section 11B and 11D of the 1992 Act the government has prescribed dwellings in relation to which councils may not make a determination to apply a premium, this applies to empty properties and second homes. These are classed as follows:

Table 1

Class E	Long-term empty homes and second homes	Dwelling which is or would be someone's sole or main residence if they were not residing in job-related armed forces accommodation
Class F	Long-term empty homes and second homes	Annexes forming part of, or being treated as part of the main dwelling
Class G	Long-term empty homes and second homes	Dwellings being actively marketed for sale (12 months limit)
Class H	Long-term empty homes and second homes	Dwellings being actively marketed for let (12 months limit)
Class I	Long-term empty homes and second homes	Unoccupied dwellings which fell within Class F and where probate has recently been granted (12 months from grant of probate/letters of administration)
Class J	Second homes only	Job-related dwellings
Class K	Second homes only	Occupied caravan pitches and boat moorings.
Class L	Second homes only	Seasonal homes where year-round, permanent occupation is prohibited, specified for use as holiday accommodation or planning condition preventing occupancy for more than 28 days continuously.

Class M	Long-term empty homes only	Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)
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6. Class M - Empty dwellings requiring or undergoing major repairs or structural alterations (12 months limit)

The premium will only be removed from a property if it is unoccupied and substantially unfurnished and:

- a). In need of major repair work to render it habitable, or
- b). It is having structural alterations.

This can be in place for a maximum of 12 months.

This may last for up to 6 months after the main works or alterations are finished (as long as the property remains unoccupied and substantially unfurnished).

The criteria require proof (photos, invoices, a visit) before being removed. This is based upon what is uninhabitable for Council Tax purposes:

Table 2

Potential Qualifying Works	Non-Qualifying Works
<ul style="list-style-type: none"> • Subsidence • Fire damage • Flood damage • Replacement floorboards and joists • Major repairs to roof structures • Moving or removing internal / supporting walls • Re-constitution of interior of property (e.g. changing from house to flats) 	<ul style="list-style-type: none"> • Decorating work (e.g. wallpapering, painting) • New kitchen fitted • New bathroom fitted • New boiler / radiators • Rewiring • Removal of rubbish from the property • Works to garden / outbuildings • New floor coverings (e.g. carpets or laminate) • Timber / Damp Proof Treatments • Drainage • Repointing, replacing Windows / Doors

7. Appeals

If a person feels they have not been awarded an exemption or discount to which they should be entitled, there is a right of appeal. Or if a person feels they should not have been charged a premium. In the first instance an appeal should be made to the Council for the decision to be reconsidered. If the original decision is not changed, the Council will advise you of how to appeal to an independent Valuation Tribunal.

Recommendation for approval

[Swale Joint Transportation Board – 2 December 2024](#)

Minute No. 432 – Proposed Extension to Double Yellow Lines – Atlee Way, Milton Regis

- (1) That the results of the recent informal consultation with residents be noted, and that a Traffic Regulation Order be drafted to extend the existing double yellow lines.***

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Policy and Resources Committee Forward Decisions Plan – February 2025

Report title, background information and recommendation(s)	Date of meeting	Open or exempt?	Lead Officer and report author
Revisions to the Covert Surveillance and Access to Communications Data Policy and Guidance Notes	26 March 2025	Open	Head of Service: Robin Harris Report Author: Gary Rowland
Annual update on Corporate Plan actions	26 March 2025	Open	Head of Service: Larissa Reed Report Author: Janet Dart
Annual Corporate Peer Challenge Action Plan update	26 March 2025	Open	Head of Service: Larissa Reed Report Author: Janet Dart

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