

# Public Document Pack

## AGENDA

### COUNCIL MEETING

Date: Wednesday, 18 February 2015

Time: 7.15 pm

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

#### RECORDING NOTICE

Please note: this meeting may be recorded.

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

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

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

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

Quorum = 16

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	Pages
1. Prayers	
2. Apologies for Absence	
3. Minutes	
To approve the Minutes of the Meeting held on 21 January 2015 (Minute Nos. 437 - 446) as a correct record.	
4. Declarations of Interest	
Councillors should not act or take decisions in order to gain financial or other material benefits for themselves or their spouse, civil partner or person with whom they are living with as a spouse or civil partner. They must declare and resolve any interests and relationships.	
The Chairman will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:	
(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.	

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

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

5. Mayor's Announcements

6. Questions submitted by the Public

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

7. Questions submitted by Members

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

8. Leader's Statement

Members may ask questions on the Leader's Statement. (To follow).

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|-----|---|-----------|
| 9.  | Budgets and Council Tax for 2015/16   | 1 - 74    |
| 10. | Treasury Management Strategy Statement and Investment Strategy 2015 - 2016                            | 75 - 92   |
| 11. | Corporate Plan 2015 - 2018  | 93 - 124  |
| 12. | Annual Pay Policy Statement   | 125 - 156 |
| 13. | Revised administrative arrangements for the Queenborough Fishery Trust and the Swale Recreation Trust | 157 - 172 |
| 14. | Approval of Timetable of Meetings for 2015/16   | 173 - 176 |
| 15. | Recommendations for Approval  |           |

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

- (i) Cabinet – 4 February 2015

The recommendations will be considered as part of the reports on Medium Term Financial Plan and 2015/16 Revenue and Capital Budgets; Treasury Management Strategy Statement and Investment Strategy 2015 – 2016; and Corporate Plan 2015 – 2018.

16. Election of Mayor and Deputy Mayor

If more than one nomination is received for either position a secret ballot will be taken at the start of the meeting and the Mayor will declare at this point in the meeting who has been elected Mayor and Deputy Mayor elect for 2015/16.

If one nomination is received for either position the Mayor will announce the nomination and Council will be asked to approve the appointment.

**Issued on Monday, 9 February 2015**

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

**Corporate Services Director, 01795 417330, Swale Borough Council,  
Swale House, East Street, Sittingbourne, Kent, ME10 3HT**

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<b>Council Meeting</b>	
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<b>Meeting Date</b>	<b>18 February 2015</b>
<b>Report Title</b>	<b>Budgets and Council Tax for 2015/16</b>
<b>Cabinet Member</b>	<b>Cabinet Member for Finance, Duncan Dewar-Whalley</b>
<b>SMT Lead</b>	<b>Abdool Kara, Chief Executive</b>
<b>Head of Service</b>	<b>Nick Vickers, Head of Finance</b>
<b>Lead Officer</b>	<b>Philip Wilson, Chief Accountant</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Members note the Head of Finance’s opinion on the robustness of the budget estimates and the adequacy of reserves.</li> <li>2. That Minute Number 465/02/15 approved by the Cabinet on 4 February 2015 on the report on the Medium Term Financial Plan and the 2015/16 Revenue and Capital Budgets be approved.</li> <li>3. That the resolutions contained in Appendix I be approved.</li> </ol>
	<ol style="list-style-type: none"> <li>4. That in accordance with the proposals contained within SI 2014 No. 165 that a recorded vote be taken on the 2015/16 Budget and Council Tax.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 At their meeting on 4 February 2015, the Cabinet recommended the 2015/16 Council Tax for Swale Borough Council, the 2015/16 Revenue Budget, the Capital Programme for 2015/16 to 2017/18 and the Medium Term Financial Plan for 2015/16 to 2017/18.
- 1.2 The purpose of this report is for the Council to approve the Council Tax Requirement, Revenue Budget, Capital Programme and Council Tax for the year 2015/16 as set out in the report to the Cabinet on 4 February 2015, subject to any amendments, and to approve the Council Tax Resolutions set out in Appendix I.
- 1.3 This report reflects the latest information available for the preceptors at the time of writing this report (6 February). Should there be any changes to these, members will be informed.

## 2. Background

- 2.1 As part of the 2015/16 budget setting process, the Cabinet first received a report on the budget proposals for 2015/16 and an update on the Medium Term Financial Plan on 3 December 2014. The draft budget was then considered by the Cabinet at its meeting on 4 February 2015.

## 3. Proposal

- 3.1 In accordance with section 25 of the Local Government Act 2003 the Council's Section 151 Officer is required to report formally to the Council on the robustness of the estimates and the adequacy of the reserves. It should be noted that Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The Section 151 Officer (the Head of Finance), in accordance with Local Government Act 2003, hereby has confirmed his opinion that the 2015/16 budget submitted is robust and that the reserves are reasonable given an assessment of risks. Appendices I and VIII of the Budget report to the Cabinet on 4 February 2015 set out the background to this opinion.
- 3.2 The Council has to provide the Government with a forecast for the business rates to be collected for the forthcoming financial year (NNDR1), which has a statutory deadline of 31 January. The return for 2015/16 forecast a higher figure for business rates than in the original Budget Report to Cabinet and the additional amount has been provisionally allocated to the Business Rate Volatility Reserve. The forecast of the surplus on the collection fund for business rates has been reduced due to an increase in the forecast cost of appeals which will affect the balance on the Business Rate Volatility Reserve. This does not affect the Council Tax requirement reported to Cabinet.
- 3.3 The Town and Parish Council Precepts for 2015/16 are detailed in Appendix I and total £917,305. The increase in the average Band D Council Tax for parished areas is 3.45% and results in an average Band D Council Tax for parishes of £35.45 for 2015/16 (£21.40 including those areas of the borough which are unparished).
- 3.4 As well as its own Council Tax, Swale Borough Council collects on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent & Medway Fire & Rescue Authority and the Kent Police and Crime Commissioner.
- 3.5 At the time of writing this report, Kent and Medway Fire & Rescue Service were due to meet on 13 February 2015. This report is based upon a precept of £3,028,729 which results in a Band D Council Tax of £70.65 (1.95% increase).
- 3.6 The Police and Crime Panel met on 3 February to consider the budget proposals from the Kent Police and Crime Commissioner. The decision was for a precept of £6,308,245 which results in a Band D Council Tax of £147.15 (1.99% increase).

- 3.7 At the time of writing the report, Kent County Council were due to meet on 12 February 2015 and set their precept at £46,727,315 resulting in a Band D Council Tax of £1,089.99 (1.99% increase).
- 3.8 Appendix II provides more detail on the calculation of the Council Tax requirement and a summary of the calculation of Band D Council Tax.
- 3.9 Appendix III is the Budget report submitted to Cabinet on 4 February 2015.

#### **4. Alternative Options**

- 4.1 The options are detailed in the Budget report to the Cabinet on 4 February 2015.

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

- 5.1 Details on the consultation on the budget are in the Budget report to the Cabinet on 4 February 2015.

#### **6. Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	As detailed in the Budget report to the Cabinet on 4 February 2015.
Financial, Resource and Property	As detailed in the Budget report to the Cabinet on 4 February 2015.
Legal and Statutory	As detailed in the Budget report to the Cabinet on 4 February 2015.
Crime and Disorder	As detailed in the Budget report to the Cabinet on 4 February 2015.
Sustainability	As detailed in the Budget report to the Cabinet on 4 February 2015.
Health and Wellbeing	As detailed in the Budget report to the Cabinet on 4 February 2015.
Risk Management and Health & Safety	As detailed in the Budget report to the Cabinet on 4 February 2015.
Equality and Diversity	As detailed in the Budget report to the Cabinet on 4 February 2015.

#### **7. Appendices**

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Council Tax Resolutions
  - Appendix II:
    - (i) Council Tax Requirement 2015/16
    - (ii) Calculation of Band D Council Tax 2015/16
  - Appendix III: Budget Report to Cabinet 4 February 2015

#### **8. Background Papers**

- 8.1 As detailed in the Budget report to the Cabinet on 4 February 2015.

Council is recommended to resolve as follows:

1. That it be noted that at its meeting on 21 January 2015 (Minute 444/01/15) the Council calculated:
  - 1.1 the Council Tax Base 2015/16 for the whole Council area as 42,869.49 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended) (the 'Act') and,
  - 1.2 for dwellings in those parts of its area to which a Parish Precept relates as set out below:

<b>Parish / Town Council</b>	<b>Tax Base</b>
Bapchild	451.05
Bobbing	700.12
Borden	1,021.03
Boughton-Under-Blean	664.98
Bredgar	285.17
Doddington	210.01
Dunkirk	473.92
Eastchurch	665.47
Eastling	140.70
Faversham Town Council	5,987.03
Graveney & Goodnestone	177.22
Hartlip	360.56
Hernhill	279.36
Iwade	1,187.20
Leysdown	1,141.19
Lower Halstow	446.11
Luddenham	44.77
Lynsted	445.97
Milstead	88.17
Minster	4,906.21
Newington	856.90
Newnham	149.58
Norton & Buckland	180.99
Oare	162.90
Ospringe	273.71
Queenborough Town Council	746.90
Rodmersham	235.86
Selling	326.56
Sheldwich, Leaveland & Badlesmere	344.31
Stalisfield	90.83
Teynham	838.07
Throwley	139.63
Tonge	110.94
Tunstall	391.94
Upchurch	889.71
Warden	464.54
<b>Total Parished Areas</b>	<b>25,879.61</b>



2. That, as a preliminary step, the calculation of the Council Tax requirement for the Council's own purposes for 2015/16 (excluding parish precepts) is £6,856,118, as detailed in the report to Cabinet on 4 February 2015.
3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 30 to 36 of the Act:
  - 3.1 £94,930,839 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - 3.2 £87,157,416 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - 3.3 £7,773,423 being the amount by which the aggregate at 3.1 above exceeds the aggregate at 3.2 above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act.)
  - 3.4 £181.33 being the amount at 3.3 above (Item R), all divided by item 1.1 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - 3.5 £917,305 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - 3.6 £159.93 being the amount at 3.4 above, less the result given by dividing the amount at 3.5 above by 1.1 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

3.7 Part of the Council's area

<b>Parish / Town Council</b>	<b>£ p</b>
Bapchild	182.10
Bobbing	179.75
Borden	205.44
Boughton-Under-Blean	227.94
Bredgar	193.24
Doddington	196.12
Dunkirk	184.81
Eastchurch	205.01
Eastling	181.25
Faversham Town Council	203.08
Graveney & Goodnestone	195.12
Hartlip	179.34
Hernhill	188.57
Iwade	193.62
Leysdown	181.99
Lower Halstow	216.53
Luddenham	159.93
Lynsted	198.16
Milstead	204.16
Minster	182.70
Newington	208.94
Newnham	181.66
Norton & Buckland	191.20
Oare	212.53
Ospringe	183.68
Queenborough Town Council	218.84
Rodmersham	191.73
Selling	186.95
Sheldwich, Leaveland & Badlesmere	184.91
Stalisfield	188.55
Teynham	213.00
Throwley	182.60
Tonge	176.15
Tunstall	182.38
Upchurch	188.50
Warden	194.37

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

## 3.8

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	101.17	121.40	141.63	161.87	182.10	222.57	263.03	303.50	364.20
Bobbing	99.86	119.83	139.81	159.78	179.75	219.69	259.64	299.58	359.50
Borden	114.13	136.96	159.79	182.61	205.44	251.09	296.75	342.40	410.88
Boughton-Under-Blean	126.63	151.96	177.29	202.61	227.94	278.59	329.25	379.90	455.88
Bredgar	107.36	128.83	150.30	171.77	193.24	236.18	279.12	322.07	386.48
Doddington	108.96	130.75	152.54	174.33	196.12	239.70	283.28	326.87	392.24
Dunkirk	102.67	123.21	143.74	164.28	184.81	225.88	266.95	308.02	369.62
Eastchurch	113.89	136.67	159.45	182.23	205.01	250.57	296.13	341.68	410.02
Eastling	100.69	120.83	140.97	161.11	181.25	221.53	261.81	302.08	362.50
Faversham Town Council	112.82	135.39	157.95	180.52	203.08	248.21	293.34	338.47	406.16
Graveney & Goodnestone	108.40	130.08	151.76	173.44	195.12	238.48	281.84	325.20	390.24
Hartlip	99.63	119.56	139.49	159.41	179.34	219.19	259.05	298.90	358.68
Hernhill	104.76	125.71	146.67	167.62	188.57	230.47	272.38	314.28	377.14
Iwade	107.57	129.08	150.59	172.11	193.62	236.65	279.67	322.70	387.24
Leysdown	101.11	121.33	141.55	161.77	181.99	222.43	262.87	303.32	363.98
Lower Halstow	120.29	144.35	168.41	192.47	216.53	264.65	312.77	360.88	433.06
Luddenham	88.85	106.62	124.39	142.16	159.93	195.47	231.01	266.55	319.86
Lynsted	110.09	132.11	154.12	176.14	198.16	242.20	286.23	330.27	396.32
Milstead	113.42	136.11	158.79	181.48	204.16	249.53	294.90	340.27	408.32
Minster	101.50	121.80	142.10	162.40	182.70	223.30	263.90	304.50	365.40
Newington	116.08	139.29	162.51	185.72	208.94	255.37	301.80	348.23	417.88
Newnham	100.92	121.11	141.29	161.48	181.66	222.03	262.40	302.77	363.32
Norton & Buckland	106.22	127.47	148.71	169.96	191.20	233.69	276.18	318.67	382.40
Oare	118.07	141.69	165.30	188.92	212.53	259.76	306.99	354.22	425.06
Ospringe	102.04	122.45	142.86	163.27	183.68	224.50	265.32	306.13	367.36
Queenborough Town Council	121.58	145.89	170.21	194.52	218.84	267.47	316.10	364.73	437.68
Rodmersham	106.52	127.82	149.12	170.43	191.73	234.34	276.94	319.55	383.46
Selling	103.86	124.63	145.41	166.18	186.95	228.49	270.04	311.58	373.90
Sheldwich, Leaveland & Badlesmere	102.73	123.27	143.82	164.36	184.91	226.00	267.09	308.18	369.82
Stalisfield	104.75	125.70	146.65	167.60	188.55	230.45	272.35	314.25	377.10
Teynham	118.33	142.00	165.67	189.33	213.00	260.33	307.67	355.00	426.00
Throwley	101.44	121.73	142.02	162.31	182.60	223.18	263.76	304.33	365.20
Tonge	97.86	117.43	137.01	156.58	176.15	215.29	254.44	293.58	352.30
Tunstall	101.32	121.59	141.85	162.12	182.38	222.91	263.44	303.97	364.76
Upchurch	104.72	125.67	146.61	167.56	188.50	230.39	272.28	314.17	377.00
Warden	107.98	129.58	151.18	172.77	194.37	237.56	280.76	323.95	388.74
All other parts of the Council's area	88.85	106.62	124.39	142.16	159.93	195.47	231.01	266.55	319.86

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

4. That it be noted that, for the year 2015/16, Kent County Council, the Kent Police and Crime Commissioner, and the Kent and Medway Towns Fire & Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:

<b>Valuation Bands</b>
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**SWALE BOROUGH COUNCIL**

-A	A	B	C	D	E	F	G	H
£88.85	£106.62	£124.39	£142.16	£159.93	£195.47	£231.01	£266.55	£319.86

**KENT COUNTY COUNCIL**

-A	A	B	C	D	E	F	G	H
£605.55	£726.66	£847.77	£968.88	£1,089.99	£1,332.21	£1,574.43	£1,816.65	£2,179.98

**THE KENT POLICE AND CRIME COMMISSIONER**

-A	A	B	C	D	E	F	G	H
£81.75	£98.10	£114.45	£130.80	£147.15	£179.85	£212.55	£245.25	£294.30

**KENT AND MEDWAY TOWNS FIRE & RESCUE AUTHORITY**

-A	A	B	C	D	E	F	G	H
£39.25	£47.10	£54.95	£62.80	£70.65	£86.35	£102.05	£117.75	£141.30

5. That, having calculated the aggregate in each case of the amounts at 3.8 and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2015/16 for each of the categories of dwellings shown below:

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	827.72	993.26	1,158.80	1,324.35	1,489.89	1,820.98	2,152.06	2,483.15	2,979.78
Bobbing	826.41	991.69	1,156.98	1,322.26	1,487.54	1,818.10	2,148.67	2,479.23	2,975.08
Borden	840.68	1,008.82	1,176.96	1,345.09	1,513.23	1,849.50	2,185.78	2,522.05	3,026.46
Boughton-Under-Blean	853.18	1,023.82	1,194.46	1,365.09	1,535.73	1,877.00	2,218.28	2,559.55	3,071.46
Bredgar	833.91	1,000.69	1,167.47	1,334.25	1,501.03	1,834.59	2,168.15	2,501.72	3,002.06
Doddington	835.51	1,002.61	1,169.71	1,336.81	1,503.91	1,838.11	2,172.31	2,506.52	3,007.82
Dunkirk	829.22	995.07	1,160.91	1,326.76	1,492.60	1,824.29	2,155.98	2,487.67	2,985.20
Eastchurch	840.44	1,008.53	1,176.62	1,344.71	1,512.80	1,848.98	2,185.16	2,521.33	3,025.60
Eastling	827.24	992.69	1,158.14	1,323.59	1,489.04	1,819.94	2,150.84	2,481.73	2,978.08
Faversham Town Council	839.37	1,007.25	1,175.12	1,343.00	1,510.87	1,846.62	2,182.37	2,518.12	3,021.74
Graveney & Goodnestone	834.95	1,001.94	1,168.93	1,335.92	1,502.91	1,836.89	2,170.87	2,504.85	3,005.82
Hartlip	826.18	991.42	1,156.66	1,321.89	1,487.13	1,817.60	2,148.08	2,478.55	2,974.26
Hernhill	831.31	997.57	1,163.84	1,330.10	1,496.36	1,828.88	2,161.41	2,493.93	2,992.72
Iwade	834.12	1,000.94	1,167.76	1,334.59	1,501.41	1,835.06	2,168.70	2,502.35	3,002.82
Leysdown	827.66	993.19	1,158.72	1,324.25	1,489.78	1,820.84	2,151.90	2,482.97	2,979.56
Lower Halstow	846.84	1,016.21	1,185.58	1,354.95	1,524.32	1,863.06	2,201.80	2,540.53	3,048.64
Luddenham	815.40	978.48	1,141.56	1,304.64	1,467.72	1,793.88	2,120.04	2,446.20	2,935.44
Lynsted	836.64	1,003.97	1,171.29	1,338.62	1,505.95	1,840.61	2,175.26	2,509.92	3,011.90
Milstead	839.97	1,007.97	1,175.96	1,343.96	1,511.95	1,847.94	2,183.93	2,519.92	3,023.90
Minster	828.05	993.66	1,159.27	1,324.88	1,490.49	1,821.71	2,152.93	2,484.15	2,980.98
Newington	842.63	1,011.15	1,179.68	1,348.20	1,516.73	1,853.78	2,190.83	2,527.88	3,033.46
Newnham	827.47	992.97	1,158.46	1,323.96	1,489.45	1,820.44	2,151.43	2,482.42	2,978.90
Norton & Buckland	832.77	999.33	1,165.88	1,332.44	1,498.99	1,832.10	2,165.21	2,498.32	2,997.98
Oare	844.62	1,013.55	1,182.47	1,351.40	1,520.32	1,858.17	2,196.02	2,533.87	3,040.64
Ospringe	828.59	994.31	1,160.03	1,325.75	1,491.47	1,822.91	2,154.35	2,485.78	2,982.94
Queenborough Town Council	848.13	1,017.75	1,187.38	1,357.00	1,526.63	1,865.88	2,205.13	2,544.38	3,053.26
Rodmersham	833.07	999.68	1,166.29	1,332.91	1,499.52	1,832.75	2,165.97	2,499.20	2,999.04
Selling	830.41	996.49	1,162.58	1,328.66	1,494.74	1,826.90	2,159.07	2,491.23	2,989.48
Sheldwich, Leaveland & Badlesmere	829.28	995.13	1,160.99	1,326.84	1,492.70	1,824.41	2,156.12	2,487.83	2,985.40
Stalisfield	831.30	997.56	1,163.82	1,330.08	1,496.34	1,828.86	2,161.38	2,493.90	2,992.68
Teynham	844.88	1,013.86	1,182.84	1,351.81	1,520.79	1,858.74	2,196.70	2,534.65	3,041.58
Throwley	827.99	993.59	1,159.19	1,324.79	1,490.39	1,821.59	2,152.79	2,483.98	2,980.78
Tonge	824.41	989.29	1,154.18	1,319.06	1,483.94	1,813.70	2,143.47	2,473.23	2,967.88
Tunstall	827.87	993.45	1,159.02	1,324.60	1,490.17	1,821.32	2,152.47	2,483.62	2,980.34
Upchurch	831.27	997.53	1,163.78	1,330.04	1,496.29	1,828.80	2,161.31	2,493.82	2,992.58
Warden	834.53	1,001.44	1,168.35	1,335.25	1,502.16	1,835.97	2,169.79	2,503.60	3,004.32
All other parts of the Council's area	815.40	978.48	1,141.56	1,304.64	1,467.72	1,793.88	2,120.04	2,446.20	2,935.44

6. That it be determined the Council's relevant basic amount of Council Tax for 2015/16 is not excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992. The principles for this financial year state that any Council Tax increase of 2% or more than 2% is excessive and requires a public referendum. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2015/16 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

7. That the revenue and capital estimates for 2015/16 in the budget book be approved.

**Council Tax 2015/16**

Our Council Tax requirement is:

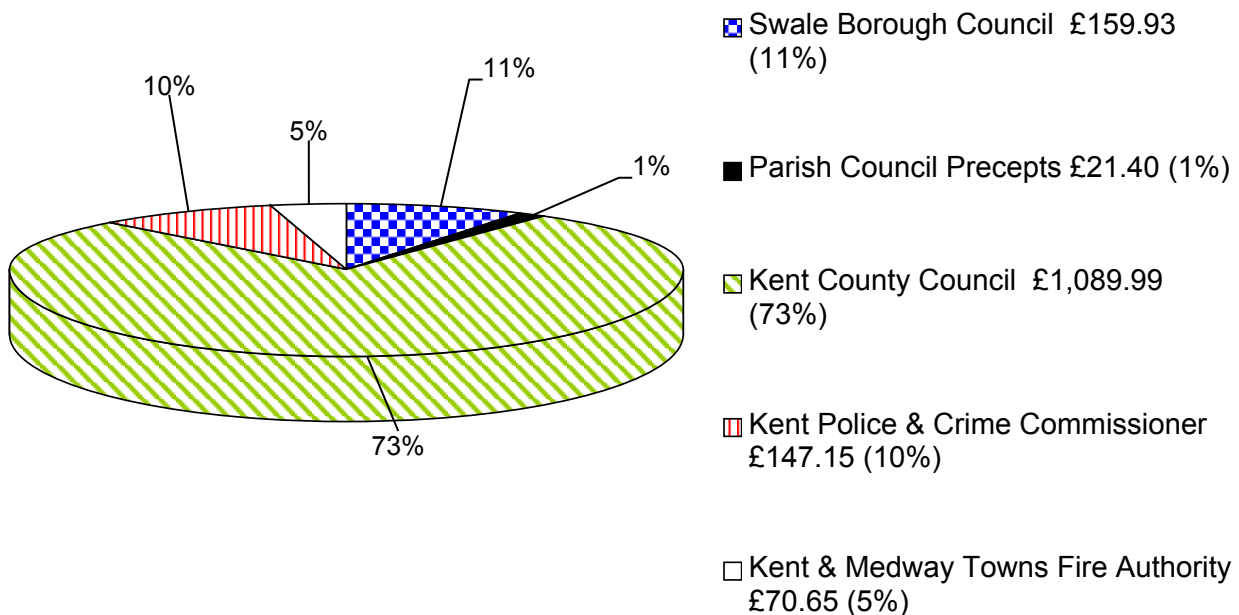
	<b>2014/15</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
<b>Swale Budget Requirement</b>	<b>15,541,795</b>	<b>15,015,294</b>
Less Revenue Support Grant	(4,116,864)	(2,929,549)
Less Business Rates	(4,556,979)	(5,053,444)
Less Collection Fund surplus	(178,360)	(176,183)
<b>Council Tax Requirement</b>	<b>6,689,592</b>	<b>6,856,118</b>
Band D Council Tax	£159.93	£159.93
Tax Base	41,828.25	42,869.49

As well as our own Council Tax, we collect on behalf of the other 'precepting authorities', i.e. Kent County Council (1.99% increase), the Kent and Medway Towns Fire & Rescue Authority (1.95% increase) and the Kent Police and Crime Commissioner (1.99% increase). For a Band D property this equates to an overall increase of 1.8% compared to the increase of 1.8% in 2014/15. Where applicable there will be an additional sum collected on behalf of the Parish Councils which have chosen to levy a local precept (see Appendix I).

2014/15		Authority	2015/16	
Precept £	Band D Council Tax £		Precept £	Band D Council Tax £
44,700,178	1,068.66	Kent County Council	46,727,315	1,089.99
6,034,980	144.28	Kent Police and Crime Commissioner	6,308,245	147.15
2,898,698	69.30	Kent and Medway Towns Fire & Rescue Authority	3,028,729	70.65
6,689,592	159.93	Swale Borough Council	6,856,118	159.93
<b>60,323,448</b>	<b>1,442.17</b>	<b>BASIC COUNCIL TAX</b>	<b>62,920,407</b>	<b>1,467.72</b>
864,532	20.67	Parish Council Precepts*	917,305	21.40
61,187,980	1,462.84	Council Tax inc. Parish	63,837,712	1,489.12

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

Allocation of Council Tax:



<b>Cabinet</b>	<b>Agenda Item:</b>
<b>Meeting Date</b>	<b>4 February 2015</b>
<b>Report Title</b>	<b>Medium Term Financial Plan and 2015/16 Revenue and Capital Budgets</b>
<b>Cabinet Member</b>	<b>Cllr Duncan Dewar-Whalley, Cabinet Member for Finance</b>
<b>SMT Lead</b>	<b>Abdool Kara, Chief Executive</b>
<b>Head of Service</b>	<b>Nick Vickers, Head of Finance</b>
<b>Lead Officer</b>	<b>Phil Wilson, Chief Accountant</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the 2015/16 Revenue and Capital Budgets.</li> <li>2. To approve the proposed council tax at band D for 2015/16 of £159.93 (zero increase).</li> <li>3. To note the Medium Term Financial Plan funding position.</li> <li>4. To approve the Capital Strategy.</li> <li>5. To note the additional amount of Council Tax for Parish Precepts.</li> <li>6. To approve the Minimum Revenue Provision (MRP) Statement as set out in Appendix IX.</li> <li>7. To delegate authority to the Head of Finance in consultation with the Leader and the Cabinet Members for Finance and Regeneration to approve an in year change to the budget and policy framework to allow for funding to be provided for the investment up to a maximum borrowing of £6m.</li> <li>8. To consider recommendations of the Scrutiny Committee.</li> </ol>

## 1. Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Medium Term Financial Plan and the Revenue and Capital Budget proposals for 2015/16.
- 1.2 The Cabinet received a budget report on 3 December and this report will move on from this to incorporate the Provisional Local Authority Grant Settlement announced on 18 December.
- 1.3 The 3 December Cabinet report provided the basis for Scrutiny Committee's examination of the budget proposals on 28 January and Scrutiny Committee were given an update on key issues from the Settlement.
- 1.4 This report if agreed by Cabinet will then go forward to Council on 18 February.



## 2. Background

### Provisional Local Government Finance Settlement 2014/15 and 2015/16

- 2.1 On 18 December the Provisional Local Government Finance Settlement 2015/16 was announced. The December 2014 Settlement was for two years, 2014/15 and 2015/16, so we would not have expected any major changes in this settlement announcement.
- 2.2 At a national level the Local Government Minister stated that total spending power of local authorities would reduce by 1.8%.
- 2.3 The main headline announcements in the Settlement were:
  - Local authorities freezing or lowering Council Tax level in 2015/16 will receive a Council Tax Freeze Grant equivalent to a 1% increase in Council Tax. Local authorities increasing Council Tax by 2% or above will be required to hold a local referendum. This applies to local authorities, fire authorities and police authorities.
  - Council Tax Freeze Grant for 2014/15 is now included within the Settlement Funding Assessment for 2015/16.
  - The loss in funding as a result of the 2% cap on the 2015/16 Business Rates Multiplier (announced at Autumn Statement 2014) will be refunded to local authorities through a S31 grant payment (in the same way as the 2014/15 2% cap).
- 2.4 For Swale the reductions in funding are in line with our assumptions – our Settlement Funding Assessment is down 15.7% from 2014/15 for 2015/16, exactly in line with our forecasts.
- 2.5 The Settlement stated that local authorities will face an overall reduction in spending power of 1.8%. Spending Power is a measure of all the resources available to local authorities and includes council tax, RSG, business rates, new homes bonus and other government grants. According to Government figures the spending power for Swale has decreased by £749,000 (4.1%) from 2014/15 to 2015/16, although this will include assumptions about business rate income that will vary from that predicted by the authority.

## Variations from the December Budget Report to Cabinet

2.6 The main variations to the 3 December budget report to Cabinet are:

Budget Change	Amount £'000	Explanation of Change
Take out preceptors council tax support	+125	This sum is to support the Revenues Section to address the changes as a result of the new method of allocating business rates from 2013/14. This removes this sum from the Council's base budget and allocates it to a reserve to support this Section.
Increase in SERCO utility costs	+42	Previously uncharged utility costs from SERCO relating to government imposed levy on businesses' utility bills to fund supply infrastructure maintenance <a href="http://auditel.co.uk/duos-tuos/">http://auditel.co.uk/duos-tuos/</a> . This applies to all businesses, and SBC pays this as part of our utility costs but SERCO have not been passing on.
Increase in MKIP costs	+11	Inflationary increase of 1% for Mid Kent Improvement Project (MKIP) services.
Increase in Council Tax base	-100	As previously we had allowed for a 1% increase in the Council tax base arising from net new properties - the actual figure is 2.5%.
Increase in New Homes Bonus	-87	Higher than forecast due to additional build.
Reduction in RSG	+1	Reduction in forecast for RSG
Increase in collection fund surplus	-146	Swale share of forecast surplus on collection fund for council tax
<b>Subtotal movements</b>	<b>-154</b>	
Add requirement for balanced position per 3 December Cabinet report	96	
<b>2015/16 surplus</b>	<b>-58</b>	

## Business Rates

2.7 At this stage we are not moving the estimate of business rate income from the 3 December report. The NNDR1 forecast for 2015/16 income is not available at the time this report has been written. The key variables are:

- Gross sum payable
- Provision for bad debt
- Losses in Collection
- Provision for Appeals
- Full provision for backdated appeal costs

- Transitional protections
- Allowance for cost of collection

- 2.8 In year monitoring does indicate significant growth in the business rates income. Council has previously agreed that any additional income over the level budgeted for will go into the Business Rates Volatility Reserve. The operation of the business rates system where actual income retained is not known until June for the 2014/15 financial year does argue for prudence in the budget forecasts made.
- 2.9 The Department for Communities and Local Government (DCLG) has confirmed that the proposal for a business rate pooling arrangement between Kent County Council and 10 of the 12 borough and district councils has been agreed. Maidstone Borough Council will be the coordinator of the scheme which will apply in 2015/16.

### **Council Tax**

- 2.10 For the fifth year running Cabinet will be recommending to Council that there is no increase in the level of the Council Tax.

### **Housing Benefit Administration Subsidy and Council Tax Subsidy**

- 2.11 The Council receives a specific grant from Government to administer Housing Benefit and Council Tax subsidy. This grant has been reducing for a number of years linked in part to the planned introduction of Universal Credit. The service actually makes a net contribution to the Council's base budget position.
- 2.12 In 2014/15 funding is £921,178 but this reduces by 8.6% for 2015/16 to £841,859.
- 2.13 We have been notified that:
- For 2015/16, following the introduction of Local Council Tax Support (LCTS) in April 2013, the funding baseline for Housing Benefit (HB) and Council Tax Benefit Administration Grant will continue to be split between Department for Works and Pensions (DWP) (for HB) and Department for Communities and Local Government (DCLG) (for Localised Council Tax Support-LCTS).
  - In discussions with the Treasury, it had been agreed that the split would be for 80% of the grant to reside within the DWP and 20% within CLG, and this has continued into 2015/16.
  - The total HB allocation for England in 2015/16 is £270.7m, which is 9.4% lower than the allocation of £298.7m in 2014/15. The 2015/16 allocation is before adjustments are made for deductions for the Single Fraud Investigation Service (SFIS). After deductions are made for the SFIS, the net total funding distributed is £261.4m, which represents a decline of 12.5% compared to funding in 2014/15.
  - The total funding available for DCLG to distribute for LCTS in 2015/16 has been set at £67.7m, which is 8.4% less than the £73.9m made available in 2014/15.
- 2.14 In addition, the grants for council tax support New Burdens funding for 2014/15 are £100,000, but these have reduced to £35,000 for 2015/16.

- 2.15 The existing Revenues and Benefits reserves will be utilised as needed to assist in managing the overall reduction in funding.

### 3. Proposal

#### Medium Term Financial Plan

- 3.1 The Medium Term Financial Plan (MTFP) is a forecast of the financial position over the next three years to aid the Council in meeting its objectives as set out in the Corporate Plan. The MTFP is underpinned by the following principles:

- achieving a balanced budget position with the base budget requirement being met from core income;
- reserves being used to fund one-off cost pressures;
- accepting Council Tax freeze grant in 2015/16; and
- a prudent forecast for business rates.

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

#### Balanced Budget Proposals

- 3.3 Growth Items, Unavoidable Cost Pressures, Service Savings, Loss of Income and Additional Income are attached in Appendix II.

#### Council Tax

- 3.4 The Council will be recommended to adopt no change in the level of Council Tax for 2015/16.
- 3.5 The Collection Fund and Council Tax base is set out in Appendix III.
- 3.6 The Council Tax base was agreed by Council on 21 January.
- 3.7 The calculation of the Budget Requirement and Council Tax Requirement is shown in Appendix IV.
- 3.8 Parish precepts are shown in Appendix V.

#### Reserves

- 3.9 The principle of the management of reserves moving forward should be:
- maintain a prudent level of reserves to allow the Council to deal with unexpected one-off events; and
  - fund one-off items of expenditure against the Council's highest priorities, as determined by Members.
- 3.10 When the authority is considering its budget requirement it is the Chief Finance Officers' duty to report on the adequacy of reserves (under section 25 of the Local Government Act 2003). These have been reviewed in line with latest guidance from the Chartered Institute of Public Finance and Accountancy.
- 3.11 Currently, the Council has sought to maintain a minimum of £1.5m as its General Fund balance, and it is concluded that through this period of uncertainty that this

level should be continued. The balance for 31 March 2016 is forecast to be £3.4m. In addition, the Council holds a number of earmarked reserves held for specific purposes. The remaining (unallocated) General Reserve is available in future years to support one-off revenue items rather than funding on-going revenue budget requirements and to fund capital expenditure agreed on a case by case basis. Appendix VI details the authority's reserves. It is the Head of Finance's view that the balances and reserves held by the Council are at a reasonable level.

- 3.12 The Section 151 Officer (Head of Finance), in accordance with Local Government Act 2003, hereby has confirmed his opinion that the 2015/16 budget submitted is robust and the reserves are reasonable given an assessment of risks.

### **Capital Strategy**

- 3.13 The Council's priorities for the use of available capital funds will be:

- projects which support the Council's regeneration agenda;
- earmarked receipts related to specific projects e.g. Section 106 monies;
- minimum fulfilment of legal duties e.g. Disabled Facilities Grant (DFG);
- essential life and death maintenance work e.g. Health & Safety; and
- essential remedial expenditure on the Council's IT systems.

- 3.14 The Council is currently debt free but at its meeting on 16 July, it agreed to allow borrowing for the build of the new Sittingbourne town centre multi storey car park. Any other proposal to borrow will be subject to report to Cabinet and Council.

- 3.15 It is anticipated that subject to due diligence Cabinet will be asked on 11 March to consider a significant investment related to the regeneration of Sittingbourne Town Centre in addition to the Spirit of Sittingbourne project. For completeness as part of the budget process Council is asked to agree that authority is delegated to the Head of Finance in consultation with the Leader and the Cabinet Members for Finance and Regeneration to approve an in year change to the budget and policy framework to allow for funding to be provided for the investment up to a maximum borrowing of £6m.

- 3.16 The Capital Programme is attached in Appendix VII.

### **2015/16 Minimum Revenue Provision Statement**

- 3.17 The concept of Minimum Revenue Provision (MRP) was introduced in 1989 to prescribe the minimum amount which must be charged to the revenue account each year to meet credit liabilities (borrowing and leasing costs). MRP is charged to the General Fund and therefore does affect the level of the Council Tax. An annual statement is required setting out the method of calculation of MRP.
- 3.18 The Annual MRP Statement is subject to Council approval and the recommended statement is set out in Appendix IX

## 4. Alternative Proposals

- 4.1 This paper details the budget proposals of the Cabinet, who invite alternative proposals to be put forward.

## 5. Consultation Undertaken or Proposed

- 5.1 The budget proposals reported to Cabinet on 3 December plus updates for developments since then were reported to Scrutiny Committee on 28 January. Consultation has also been made with representatives of local businesses.

## 6. Implications

- 6.1 The implications are set out in the table below:

Issue	Implications
Corporate Plan	The budget proposals for 2015/16 support the Corporate Plan objectives.
Financial, Resource and Property	This report sets out the approach to the 2015/16 budget and the medium term financial plan.
Legal and Statutory	The approach set out reflects the legal requirement for the Council to agree a balanced budget.
Crime and Disorder	Any potential impact will be addressed by service managers in their budget proposals.
Sustainability	The sustainability implications of budget decisions will be fully investigated by service managers in drawing up their detailed proposals.
Health and Wellbeing	Any potential impact will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	A risk register for the budget is attached in Appendix VIII. Risks will be reviewed as part of the strategic risk update. Specific Health & safety risks will be addressed by service managers in their budget proposals.
Equality and Diversity	Where necessary there will need to be full consultation with service users on savings proposals, and these will need specifically to address equality and diversity issues with appropriate Equality Impact Assessments undertaken.

## 7. Appendices

- 7.1 The following documents are published with this report:

- Appendix I: Medium Term Financial Plan
- Appendix II: Balanced Budget Proposals
- Appendix III Collection Fund and Council Tax Base
- Appendix IV Calculation of Budget and Council Tax Requirement

- Appendix V Parish Precepts
- Appendix VI Reserves
- Appendix VII Capital Programme and Funding
- Appendix VIII Risk Issues
- Appendix IX Minimum Revenue Provision Statement 2015/16

## **8. Background Papers**

- 3 December 2014 Cabinet Budget Report
- 19 February 2014 Council Budget Report

## MEDIUM TERM FINANCIAL PLAN

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Base Budget	17,583	17,583	17,583	17,583
Growth Items	0	243	193	193
Unavoidable cost pressures	0	35	114	142
Loss of income	0	190	190	190
Additional income	0	(157)	(136)	(137)
Committed price increases	0	239	382	528
<u>Salary Related:</u>				
Increments	0	89	139	168
Pay Award	0	118	237	358
Contribution to/(from) reserves	595	317	317	317
Revenue Support Grant	(4,296)	(2,929)	(1,976)	(1,280)
Business Rates	(4,604)	(5,053)	(5,123)	(5,204)
Council Tax	(6,690)	(6,856)	(6,925)	(6,994)
Council Tax Freeze 2014/15	(79)	(79)	(79)	(79)
Council Tax Freeze 2015/16		(80)	(80)	(80)
New Homes Bonus	(2,269)	(2,811)	(3,299)	(2,989)
Collection Fund Surplus/Deficit	(178)	(176)	0	0
<b>Savings Required</b>	<b>62</b>	<b>673</b>	<b>1,537</b>	<b>2,716</b>
Preceptors Council Tax Support	(125)	0	0	0
Service savings	0	(731)	(751)	(815)
Requirement for balanced position	0	0	(786)	(1,901)
<b>Committed savings</b>	<b>(125)</b>	<b>(731)</b>	<b>(1,537)</b>	<b>(2,716)</b>
<b>Contribution (to) from Funds</b>	<b>(63)</b>	<b>(58)</b>	<b>0</b>	<b>0</b>



## BALANCED BUDGET PROPOSALS

Growth Items:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Procurement - greater use of electronic procurement systems to advertise contract opportunities.	Cllr D. Dewar-Whalley / D. Thomas	10,000
2	Swale Community Leisure Ltd for Executive officer post.	Cllr D. Simmons / D. Thomas	50,000
3	Additional waste contract monitoring activity.	Cllr D. Simmons / D. Thomas	50,000
	<b>Director of Regeneration</b>		
4	Increase Director post by two days.	Cllr M. Cosgrove / P. Raine	53,540
	<b>Economic &amp; Community Services</b>		
5	Heritage activities.	Cllr M. Whiting / E. Wiggins	10,000
6	New structure in the Communications Team.	Cllr A. Bowles / E. Wiggins	16,290
7	Increased grants for the First World War commemoration.	Cllr M. Whiting / E. Wiggins	5,000
	<b>Environmental Health</b>		
8	Shellfish Sampling - increase to fee.	Cllr D. Simmons / M. Radford	9,620
	<b>Service Delivery</b>		
9	Christmas car parking concessions.	Cllr D. Simmons / B. Planner	25,000
10	Resilience Officer - increase in hours.	Cllr D. Simmons / B. Planner	13,700
	<b>Total Growth Items</b>		<b>243,150</b>

**BALANCED BUDGET PROPOSALS**

## Unavoidable Cost Pressures:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Democratic Services</b>		
1	Members Allowances – 1% increase.	Cllr A. Bowles / M. Radford	3,600
	<b>Finance</b>		
2	Insurance increase from annual renewal. The projection assumes a 3% increase pa.	Cllr D. Dewar-Whalley / N. Vickers	10,000
3	Increase in precept from Lower Medway Internal Drainage Board 2%	Cllr D. Dewar-Whalley / N. Vickers	3,200
	<b>Property Services</b>		
4	Maintenance cost of new equipment in Print Room.	Cllr D. Dewar-Whalley / A. Adams	2,210
5	Maintenance cost of new equipment in Council Chamber.	Cllr D. Dewar-Whalley / A. Adams	850
	<b>Service Delivery</b>		
6	Increase in electricity charges for SBC owned street lighting.	Cllr D. Simmons / B. Planner	880
7	Council Tax - Single person discount review.	Cllr D. Dewar-Whalley / B. Planner	4,000
8	Council Tax - court costs of recovery action.	Cllr D. Dewar-Whalley / B. Planner	10,000
	<b>Total Unavoidable Cost Pressures</b>		<b>34,740</b>

**BALANCED BUDGET PROPOSALS**

Loss of Income:

<b>No.</b>	<b>Description</b>	<b>Cabinet Member / Head of Service</b>	<b>2015/16 over 2014/15 £</b>
	<b>Commissioning &amp; Customer Contact</b>		
1	Kent County Council recycling credits replaced by enabling payments as part of the new joint waste contract.	Cllr D. Simmons / D. Thomas	83,000
	<b>Economic &amp; Cultural Services</b>		
2	CCTV - loss of income.	Cllr K. Pugh / E. Wiggins	12,150
	<b>Property Services</b>		
3	Transfer of Princes Street Depot – Sittingbourne Town Centre Regeneration.	Cllr D. Dewar-Whalley / A. Adams	70,000
	<b>Service Delivery</b>		
4	Parking Enforcement – reduced income	Cllr D. Simmons / B. Planner	25,000
	<b>Total Loss of Income</b>		<b>190,150</b>

**BALANCED BUDGET PROPOSALS**

Service Savings:

<b>No.</b>	<b>Description</b>	<b>Cabinet Member / Head of Service</b>	<b>2015/16 over 2014/15 £</b>
	<b>Commissioning &amp; Customer Contact</b>		
1	Reduce the number of play area inspections by Zurich from two to one per year.	Cllr D. Simmons / D. Thomas	(5,000)
2	Reduce budget commitment for contract variations for the leisure contract.	Cllr D. Simmons / D. Thomas	(1,200)
3	Graffiti cleaning – now included in the main waste contract.	Cllr D. Simmons / D. Thomas	(6,000)
4	Bring site repairs - cease to exist.	Cllr D. Simmons / D. Thomas	(1,000)
5	Bring site maintenance - cease to exist.	Cllr D. Simmons / D. Thomas	(2,840)
6	Recycling credit payments	Cllr D. Simmons / D. Thomas	(58,700)
7	Additional waste contract savings.	Cllr D. Simmons / D. Thomas	(250,000)
8	Channel shift – greater use of digital as opposed to face-to-face contact.	Cllr A. Bowles / D. Thomas	(19,000)
9	Automated switchboard facility, fewer calls handled by Customer Services Centre staff - channel shift.	Cllr A. Bowles / D. Thomas	(9,000)
10	Swale Community Leisure Ltd reduction in utility levy.	Cllr D. Simmons / D. Thomas	(40,000)
	<b>Economic &amp; Community Services</b>		
11	Kemsley Hall - asset transfer efficiencies.	Cllr M. Whiting / E. Wiggins	(10,000)
	<b>Finance</b>		
12	Minimum Revenue Provision Reduction – accountancy charge for capital expenditure.	Cllr D. Dewar-Whalley / N. Vickers	(56,600)
	<b>Housing</b>		
13	Reduction in use of emergency accommodation in Medway through the provision of a Council owned House in Multiple Occupation (HMO).	Cllr J. Wright/ A. Christou	(6,000)
14	Council tax payment for housing in Teynham owned by the Council.	Cllr J. Wright/ A. Christou	(1,500)

## BALANCED BUDGET PROPOSALS

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Housing</b>		
15	Cost of maintenance for the Council owned Teynham house by using in house handyperson.	Cllr J. Wright/ A. Christou	(1,000)
16	Private Sector Housing Manager - reduced hours.	Cllr J. Wright/ A. Christou	(20,000)
17	Enhancements to the Housing ICT system following new allocations policy enabling management of homeless register and greater use of digital services.	Cllr J. Wright/ A. Christou	(23,600)
	<b>Planning</b>		
18	Non-salary shared service efficiency savings e.g. printing, advertising etc.	Cllr G. Lewin/ J. Freeman	(10,000)
	<b>Policy</b>		
19	Revised Team Structure.	Cllr A. Bowles / A. Kara	(5,860)
	<b>Property Services</b>		
20	Reduction in the cost of trade waste at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(1,250)
21	End of leases at New Road Industrial Estate.	Cllr D. Dewar-Whalley / A. Adams	(33,110)
22	Reduction in running costs at Sheerness District office following move to Gateway and re-letting of building on FRI terms.	Cllr D. Dewar-Whalley / A. Adams	(6,950)
23	Reduction in staffing costs of community halls due to community asset transfer.	Cllr D. Dewar-Whalley / A. Adams	(11,100)
24	Reduction in utility costs at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(8,640)
	<b>Service Delivery</b>		
25	Retirement of Head of Service.	Cllr D. Dewar-Whalley / B. Planner	(94,470)

## BALANCED BUDGET PROPOSALS

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Mid Kent Improvement Partnership (MKIP) Services</b>		
26	ICT predicted savings as agreed by Cabinet in April 2012 and based on savings against 2011/12 base budgets.	Cllr D. Dewar-Whalley / M. Radford	(15,000)
27	Savings on move to MKIP GIS service.	Cllr D. Dewar-Whalley / M. Radford	(5,000)
28	Corporate training budget to be reduced by 10%, this reflects the reduced staffing levels but also the increased efficiencies of purchasing for the three MKIP councils.	Cllr T. Wilcox/ D. Smart	(9,000)
29	Extension of HR shared service to Tunbridge Wells Borough Council.	Cllr T. Wilcox/ D. Smart	(19,690)
	<b>Total Service Savings</b>		<b>(731,510)</b>

## BALANCED BUDGET PROPOSALS

Additional Income:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Introduction of extra beach huts to sell and lease on to the public.	Cllr D. Simmons / D. Thomas	(20,000)
2	Ground rent for extra beach huts.	Cllr D. Simmons / D. Thomas	(2,500)
3	Sell space for memorial plaques at the new Iwade cemetery.	Cllr D. Simmons / D. Thomas	(3,000)
4	Swale Indoor bowls - increasing existing fees & charges.	Cllr D. Simmons / D. Thomas	(2,500)
5	Increased income from seafront concessions.	Cllr D. Simmons / D. Thomas	(4,600)
6	Increased subscriptions to garden waste service.	Cllr D. Simmons / D. Thomas	(12,430)
	<b>Finance</b>		
7	Investment income.	Cllr D. Dewar-Whalley / N. Vickers	(10,000)
	<b>Planning</b>		
8	Anticipated increase in planning fees.	Cllr G. Lewin/ J. Freeman	(34,000)
9	Anticipated increase in pre-application advice fees.	Cllr G. Lewin/ J. Freeman	(20,000)
	<b>Property Services</b>		
10	Increase in rental income from miscellaneous properties.	Cllr D. Dewar-Whalley / A. Adams	(47,500)
	<b>Total Additional Income</b>		<b>(156,530)</b>

## COLLECTION FUND AND COUNCIL TAX BASE

### Tax Base

The tax base for 2015/16 is as 42,869.49.

### Collection Fund

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Council Tax Collection Fund on 15 January 2015, notifying Kent County Council, The Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions within seven days. The declared surplus of £1,850,000 is shared as follows:

	<b>£'000</b>
Kent County Council	1,081
The Police and Crime Commissioner for Kent	141
Kent & Medway Towns Fire & Rescue Authority	72
Swale Borough Council	345
Central Government	212
<b>Total</b>	<b>1,851</b>

These amounts are not added to precepts or budgets, but must be taken into account by each Authority when setting their Basic Council Tax. The net surplus for Swale Borough Council is therefore £345,000 including £169,000 for business rates and £176,000 for council tax. Only the council tax surplus is shown in the Budget Projections for the calculation of the 2015/16 Council Tax as the business rates surplus will be taken to the business rates volatility reserve.

### 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 18 February 2015.

### Parish Council Precepts

Parish Council precept demands have been submitted during January 2015 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.



## CALCULATION OF BUDGET AND COUNCIL TAX REQUIREMENT

	2015/16 £'000
<b>2015/16 Swale Operating Expenditure Budget Before Savings and Growth Items</b>	<b>17,583</b>
Growth Items	243
Unavoidable cost pressures	35
Loss of income	190
Additional Income	(157)
Committed price increases	239
Pay Increments	89
Pay award	118
Contribution to/ from reserves	317
Service savings	(731)
<hr/> Sub total	<hr/> 17,926
Budget Surplus, i.e. increase in Funds	58
Council Tax Freeze Grant	(159)
New Homes Bonus	(2,811)
<hr/> <b>Swale Budget Requirement (to be agreed)</b>	<hr/> <b>15,014</b>
Less Revenue Support Grant	(2,929)
Less Business Rates	(5,053)
Less Collection Fund Surplus	(176)
<hr/> <b>Council Tax Requirement (to be agreed)</b>	<hr/> <b>6,856</b>
Council Tax Income (assuming £159.93 for Band D)	(6,856)

## PARISH PRECEPTS

Parish/Town Council	Additional Council Tax for Band D 2014/15 £	Tax Base 2015/16	Parish Precept (rounded) 2015/16 £	Additional Council Tax for Band D 2015/16 £	Parish Precept 2015/16 % Change
Bapchild	22.29	451.05	10,000	22.17	-0.54 %
Bobbing	19.61	700.12	13,875	19.82	1.07 %
Borden	44.97	1,021.03	46,468	45.51	1.20 %
Boughton-under-Blean	58.88	664.98	45,224	68.01	15.51 %
Bredgar	32.06	285.17	9,500	33.31	3.90 %
Doddington	35.72	210.01	7,600	36.19	1.32 %
Dunkirk	25.01	473.92	11,792	24.88	-0.52 %
Eastchurch	41.40	665.47	30,000	45.08	8.89 %
Eastling	20.28	140.70	3,000	21.32	5.13 %
Faversham Town Council	41.07	5,987.03	258,345	43.15	5.06 %
Goodnestone & Graveney	30.51	177.22	6,236	35.19	15.34 %
Hartlip	18.33	360.56	7,000	19.41	5.89 %
Hernhill	28.62	279.36	8,000	28.64	0.07 %
Iwade	31.67	1,187.20	40,000	33.69	6.38 %
Leysdown	23.67	1,141.19	25,180	22.06	-6.80 %
Lower Halstow	47.63	446.11	25,250	56.60	18.83 %
Luddenham	0	44.77	0	0	0 %
Lynsted	39.01	445.97	17,049	38.23	-2.00 %
Milstead	34.84	88.17	3,900	44.23	26.95 %
Minster	22.77	4,906.21	111,714	22.77	0 %
Newington	45.78	856.90	42,000	49.01	7.06 %
Newnham	18.63	149.58	3,250	21.73	16.64 %
Norton & Buckland	31.85	180.99	5,660	31.27	-1.82 %
Oare	51.77	162.90	8,568	52.60	1.60 %
Ospringe	20.31	273.71	6,500	23.75	16.94 %
Queenborough Town Council	62.63	746.90	44,000	58.91	-5.94 %
Rodmersham	31.91	235.86	7,500	31.80	-0.34 %
Selling	22.12	326.56	8,825	27.02	22.15 %
Sheldwich, Leaveland & Badlesmere	24.95	344.31	8,600	24.98	0.12 %
Stalisfield	28.27	90.83	2,600	28.62	1.24 %
Teynham	55.40	838.07	44,480	53.07	-4.21 %
Throwley	22.93	139.63	3,166	22.67	-1.13 %
Tonge	16.24	110.94	1,800	16.22	-0.12 %
Tunstall	22.03	391.94	8,800	22.45	1.91 %
Upchurch	26.16	889.71	25,423	28.57	9.21 %
Warden	36.83	464.54	16,000	34.44	-6.49 %
<b>TOTAL</b>			<b>917,305</b>		

## RESERVES

Description	Balance as at 31/03/14 (after approved rollovers) £'000	Forecast Contributions to / from Reserves 2014/15 £'000	Balance as at 31/03/15 £'000	Forecast Contributions to / from Reserves 2015/16 £'000	Balance as at 31/03/16 £'000
General Reserve	(3,291)		(3,291)		(3,291)
Performance Fund	(906)		(906)		(906)
Transformation Fund	(252)		(252)		(252)
Regeneration Fund	(355)	(250)	(605)	(250)	(855)
Swale Local Loan Fund	(250)		(250)		(250)
Building Maintenance Fund	(519)		(519)		(519)
Housing Reserves	(238)		(238)		(238)
Repairs and Renewals Funds	(225)	(78)	(303)	(78)	(381)
Local Development Framework Fund	(171)		(171)		(171)
Stay Put Grants Reserve	(146)		(146)		(146)
Empty Property Initiative	(150)		(150)		(150)
Revenues Main Reserve	(428)		(428)	(125)	(553)
Business Rates Resilience Reserve	(450)	(278)	(728)	(526)	(1,254)
Other Reserves	(633)	11	(622)	11	(611)
<b>Total Earmarked Reserves</b>	<b>(8,014)</b>	<b>(595)</b>	<b>(8,609)</b>	<b>(968)</b>	<b>(9,577)</b>
<b>Usable Capital Receipts Reserve</b>	<b>(1,331)</b>	<b>444</b>	<b>(887)</b>	<b>30</b>	<b>(857)</b>
<b>Capital Grants Unapplied Account</b>	<b>(243)</b>		<b>(243)</b>		<b>(243)</b>
<b>General Fund</b>	<b>(3,263)</b>	<b>(63)</b>	<b>(3,326)</b>	<b>(58)</b>	<b>(3,384)</b>
<b>Total Usable Reserves</b>	<b>(12,851)</b>	<b>(214)</b>	<b>(13,065)</b>	<b>(996)</b>	<b>(14,061)</b>

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

## CAPITAL PROGRAMME AND FUNDING

	Funding SBC / P	2014/15 Original Budget £	2014/15 Revised Budget £	2015/16 Original Budget £	2016/17 Original Budget £	Budget Later Years £
<b>ECONOMY &amp; COMMUNITIES - E.WIGGINS</b>						
CCTV - Repairs & Renewals Reserve	SBC	15,000	15,000	15,000	15,000	15,000
Queenborough Harbour Trust Loan - Swale Loan Fund	SBC	0	50,000	0	0	0
Sittingbourne War Memorial - Capital Receipts	SBC	0	8,100	0	0	0
Capital Expansion of CCTV Service - S106	P	0	38,800	0	0	0
Meads Community Centre - S106	P	0	348,000	0	0	0
Kemsley Community Facilities - S106	P	0	4,870	0	0	0
<b>TOTAL ECONOMY &amp; COMMUNITIES</b>		<b>15,000</b>	<b>464,770</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>CORPORATE SERVICES - M.RADFORD</b>						
IT Equipment Scanners - External Grant	P	0	6,200	0	0	0
<b>TOTAL CORPORATE SERVICES</b>		<b>0</b>	<b>6,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMMISSIONING &amp; CUSTOMER CONTACT - D.THOMAS</b>						
Cemeteries - future burial provision in the borough - Capital Receipts	SBC	0	32,590	0	0	0
Wheelie Bins - Repairs & Renewals Reserve	SBC	35,000	35,000	0	0	0
Beach Huts, Minster Leas - Performance Fund	SBC	0	7,170	0	0	0
Cemetery Chapel, Love Lane Faversham- Capital Receipts	SBC	0	25,300	0	0	0
Milton Creek Footpath - Capital Receipts	SBC	0	30,000	0	0	0
High Risk Tree Works in 3 Cemeteries - Capital Receipts	SBC	0	45,000	30,000	0	0
Medium Risk Tree Works in 3 Cemeteries- Capital Receipts	SBC	0	10,000	0	0	0
Customer Service Centre telephony system - Capital Receipts	SBC	0	40,000	0	0	0
The Glen Play Area - Revenue Funding	SBC	0	5,050	0	0	0
The Glen Play Area - S106	P	0	30,950	0	0	0
Thistle Hill Community Woodland - Trim Trail - S106	P	0	35,000	0	0	0
New Play Area - Iwade Schemes - S106	P	0	92,200	0	0	0
Kemsley West Play Area- S106	P	0	56,000	0	0	0
Kemsley East Play Area- S106	P	0	50,000	0	0	0
Oare Village Hall - S106	P	0	0	9,000	0	0
Oare Gunpowder Works - S106	P	0	0	9,000	0	0
<b>TOTAL COMMISSIONING &amp; CUSTOMER CONTACT</b>		<b>35,000</b>	<b>494,260</b>	<b>48,000</b>	<b>0</b>	<b>0</b>

## CAPITAL PROGRAMME AND FUNDING

	Funding SBC / P	2014/15 Original Budget £	2014/15 Revised Budget £	2015/16 Original Budget £	2016/17 Original Budget £	Budget Later Years £
<b>SERVICE DELIVERY - B. PLANNER</b>						
Ground Floor Reception Area - Revenue Funding	SBC	0	25,000	0	0	0
Ground Floor Reception Area - Capital Receipts	SBC	0	20,000	0	0	0
<b>TOTAL SERVICE DELIVERY</b>		<b>0</b>	<b>45,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING - A. CHRISTOU</b>						
Disabled Facilities Grants - Reserves	SBC	100,000	252,150	0	0	0
Emergency Accomodation - House Purchase - Earmarked Reserves	SBC	0	165,000	0	0	0
Disabled Facilities Grants - External Grant	P	926,740	926,740	1,040,000	0	0
<b>TOTAL HOUSING</b>		<b>1,026,740</b>	<b>1,343,890</b>	<b>1,040,000</b>	<b>0</b>	<b>0</b>
<b>FINANCE - N. VICKERS</b>						
Cash Receipting System - Replacement - Capital Receipts	SBC	30,000	56,570	0	0	0
<b>TOTAL FINANCE AND PERFORMANCE PORTFOLIO</b>		<b>30,000</b>	<b>56,570</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROPERTY - A. ADAMS</b>						
Swale House Window Rep & Blding Refurbishment - Capital Receipts	SBC	0	26,470	0	0	0
Central Plaza Sittingbourne - Capital Receipts	SBC	0	25,740	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	17,850	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	920	0	0	0
Council Chamber Digital System - Reserves	SBC	0	52,000	0	0	0
Folder Insertter Machine - Capital Receipts	SBC	0	15,970	0	0	0
Folder Insertter Machine - Revenue Grant	P	0	4,550	0	0	0
<b>TOTAL PROPERTY</b>		<b>0</b>	<b>143,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>	SBC	<b>180,000</b>	<b>960,880</b>	<b>45,000</b>	<b>15,000</b>	<b>15,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	P	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>		<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

## CAPITAL PROGRAMME AND FUNDING

	Original Estimate 14/15 £	Revised Estimate 14/15 £	Original Estimate 15/16 £	Original Estimate 16/17 £	Budget Later Years £
<b>TOTAL CAPITAL EXPENDITURE</b>	1,106,740	2,554,190	1,103,000	15,000	15,000
<b>FUNDING ANALYSIS</b>					
<b>PARTNERSHIP FUNDING</b>	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>REVENUE CONTRIBUTIONS:-</b>					
<b>(a) Repairs &amp; Renewals Reserves</b>					
- Recycling Bins (Wheeled Bins)	35,000	35,000	0	0	0
- CCTV	15,000	15,000	15,000	15,000	15,000
	50,000	50,000	15,000	15,000	15,000
<b>(b) Disabled Facilities Grant Reserve</b>	100,000	100,000	0	0	0
<b>(c) Housing Benefits Reserve</b>					
- Ground Floor Reception Area	0	25,000	0	0	0
<b>(d) General Reserve</b>					
- Disabled Facilities Grants	0	62,610	0	0	0
<b>(e) Council Chamber Improvements Reserve</b>					
- Council Chamber Digital System	0	52,000	0	0	0
<b>(f) Performance Fund</b>					
- Beach Huts, Minster Leas, Sheppey	0	7,170	0	0	0
<b>(g) Housing Reserves</b>					
- Emergency Accommodation	0	165,000	0	0	0
<b>(h) Swale Local Loan Reserve</b>					
- Swale Local Loan Reserve	0	50,000	0	0	0
<b>(i) Open Spaces Revenue underspend</b>					
- The Glen Play Area	0	5,050	0	0	0
<b>TOTAL REVENUE CONTRIBUTIONS</b>	<b>150,000</b>	<b>516,830</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

## CAPITAL PROGRAMME AND FUNDING

	Original Estimate 14/15 £	Revised Estimate 14/15 £	Original Estimate 15/16 £	Original Estimate 16/17 £	Budget Later Years £
<b>CAPITAL RECEIPTS:-</b>					
- Disabled Facilities Grants	0	89,540	0	0	0
- New Cash Module	30,000	56,570	0	0	0
- High Risk Tree Works Cemeteries	0	45,000	30,000	0	0
- Medium Risk Tree Works Cemeteries	0	10,000	0	0	0
- Sittingbourne War Memorial	0	8,100	0	0	0
- Cemeteries - future burial provision	0	32,590	0	0	0
- Swale House Window Replacement & Building Refurbishment	0	26,470	0	0	0
- Customer Service Centre telephony system	0	40,000	0	0	0
- Cemetery Chapel, Love Lane Faversham	0	25,300	0	0	0
- Milton Creek Footpath	0	30,000	0	0	0
- Ground Floor Reception Area	0	20,000	0	0	0
- Central Plaza Sittingbourne	0	25,740	0	0	0
- Folder Inserter Machine	0	15,970	0	0	0
- Committee Room Adaptations	0	18,770	0	0	0
<b>TOTAL CAPITAL RECEIPTS</b>	<b>30,000</b>	<b>444,050</b>	<b>30,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNDS UTILISED</b>	<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

**RISK ISSUES**

Budget Risk Issues

(High =3, Medium = 2, Low = 1).

<b>Issue</b>	<b>Likelihood (L)/ Impact (I)</b>	<b>Management</b>
Delivery of the Medium Term Financial Plan	L – Medium I – High = 6	Early development of a new MTFP
Fraud	L – Medium I – Medium = 4	Internal controls, Internal Audit
Loss of key staff	L – Medium I – Medium = 4	Succession planning, staff development & training.
New Homes Bonus	L – Medium I – Medium = 4	Planning decisions, lobbying
Sittingbourne Town Centre	L – Medium I – Medium = 4	Project Management, professional advice.
Localisation of Business Rates	L – Low I – Medium = 3	Detailed consideration, modelling of impact.
Delivery of 2015/16 savings	L – Low I – High = 3	Robust challenge to savings assumptions, close monitoring of delivery.
Delivery of savings on major contracts	L – Low I – High = 3	Contract monitoring, future arrangements for major contracts.
Loss of principal funds in treasury deposits	L – High I – Low = 3	Security of deposits overriding criteria, use of treasury advisers
Judicial review of a major decision.	L – Low I – High = 3	Good governance, member & officer training.
Inflation	L – Low I – Medium = 2	Monitoring of macroeconomic position, contract preparation.



### MINIMUM REVENUE PROVISION (MRP) STATEMENT 2015/16

The Department for Communities and Local Government's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The Regulations require that "A local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

The concept of Minimum Revenue Provision (MRP) was introduced in 1989 to prescribe the minimum amount which must be charged to the revenue account each year to meet credit liabilities (borrowing and leasing costs). MRP is charged to the General Fund and therefore does affect levels of Council Tax. Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted Capital Financing Requirement (CFR) which represents the underlying need to borrow for the Council.

The detailed rules and formulae to be used in the more recent method of calculation were laid down in Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. This system was later radically revised and now requires an annual statement setting out the method of calculation of MRP.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant." This would affect any future borrowing that local authorities may be considering.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method (Equal Instalment or Annuity)
- Option 4: Depreciation Method

Note: This does not preclude other prudent methods.

MRP in 2015/16: Options 1 and 2 may be used only for supported expenditure (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government). Methods of making prudent provision for self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

**MINIMUM REVENUE PROVISION (MRP) STATEMENT 2015/16**

The MRP Statement will be submitted to Council before the start of the 2015/16 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

Council on 19 February 2014 resolved that for the 2014/15 financial year, the Council's policy for the calculation of Minimum Revenue Provision would be the regulatory method for supported borrowing and the asset life (equal instalment) method for Prudential borrowing.

The policy will be reviewed on an annual basis.

**For 2015/16 it is recommended that:**

- **for supported expenditure and for all capital expenditure incurred prior to 1 April 2008 MRP will, under delegated authority, be calculated under the Regulatory Method;**
- **MRP for all self-financed capital expenditure incurred after 1 April 2008 will, under delegated authority, be calculated under the Asset Life (Equal Instalment) Method;**
- **MRP in respect of leases and Public Finance Initiative (PFI) schemes brought on Balance Sheet under the International Financial Reporting Standards based Accounting Code of Practice will match the principal repayment for the associated deferred liability, to ensure that the impact on the revenue account is neutral.**
- **Where loans are made to other bodies for their capital expenditure, no MRP will be charged.**

# Revenue Budget and Capital Programme 2015/16



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## REPORT OF THE CABINET MEMBER FOR FINANCE AND THE HEAD OF FINANCE

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The 2015/16 budget is the fifth which the Council has set in this period on national deficit reduction and over that time the Council has seen its' general Government grant funding reduce by around 40%. The continued downward trend in this funding is clear and we have known the funding gap for 2015/16 of around £1.5m for a year. So planning started very early, building upon the well established ways of coming to well thought through budget decisions which the Council has shown in previous years.

The approach taken has focussed on:

- Generation of new income - the Council's commitment to business growth in the borough has come through to the budget in significantly higher levels of business rates income.
- Limiting costs to local residents - this can be seen through the Council tax being frozen for the fifth year running, compared with inflation of 14% across the period, and no increases in the level of car parking charges.
- Efficient service provision - once again significant procurement efficiencies, in particular from the joint waste contract, have allowed us to make cost savings but not at the cost of reducing front line services. The whole organisation contributes to the generation of new ways of saving money.

The 2015/16 budget is a soundly based one and the Council has robust finances at the disposal of the new administration from May 2015.



Duncan Dewar-Whalley  
Cabinet Member for Finance



Nick Vickers  
Head of Finance

## COUNCIL TAX 2015/16

Swale's Council Tax requirement is as follows:

	2014/15 £000	2015/16 £000
<b>Swale Budget Requirement</b>	<b>15,541,795</b>	<b>15,015,294</b>
Less Revenue Support Grant	(4,116,864)	(2,929,549)
Less Business Rates	(4,556,979)	(5,053,444)
Less Collection Fund surplus	(178,360)	(176,183)
<b>Council Tax Requirement</b>	<b>6,689,592</b>	<b>6,856,118</b>
Band D Council Tax	159.93	159.93
Tax Base	41,828.25	42,869.49

As well as our own Council Tax, we collect on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent and Medway Towns Fire & Rescue Authority and the Kent Police and Crime Commissioner. Where applicable there will be an additional sum collected on behalf of the Parish Councils which have chosen to levy a local precept.

### Calculation of Band D Council Tax 2015/16:

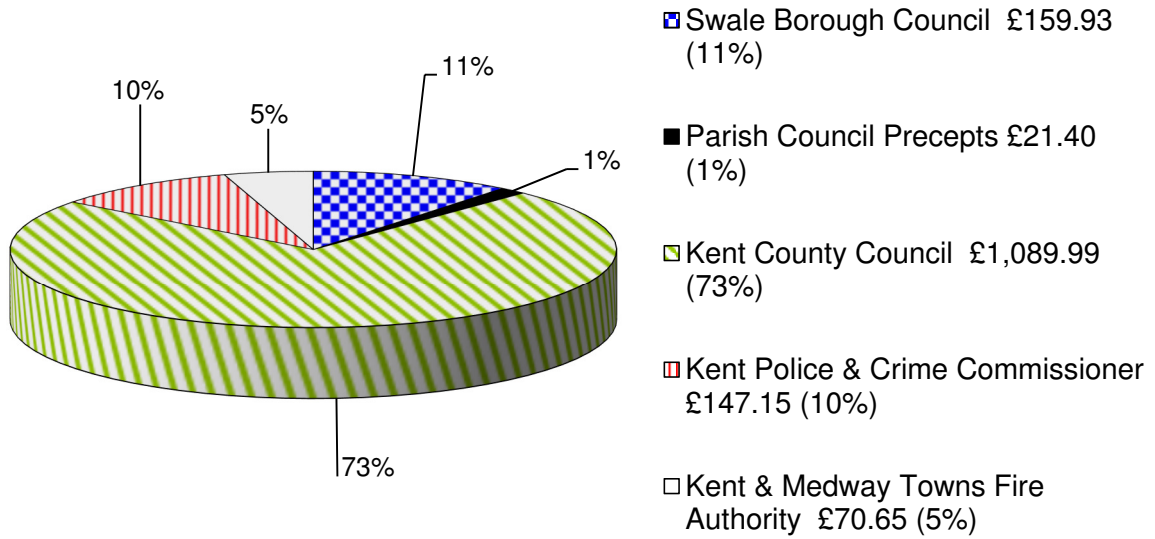
2014/15		Authority	2015/16	
Precept £	Band D Council Tax £		Precept £	Band D Council Tax £
44,700,178	1,068.66	Kent County Council	46,727,315	1,089.99
6,034,980	144.28	Kent Police and Crime Commissioner	6,308,245	147.15
2,898,698	69.30	Kent and Medway Towns Fire & Rescue Authority	3,028,729	70.65
6,689,592	159.93	Swale Borough Council	6,856,118	159.93
<b>60,323,448</b>	<b>1,442.17</b>	<b>BASIC COUNCIL TAX</b>	<b>62,920,407</b>	<b>1,467.72</b>
864,532	20.67	Parish Council Precepts *	917,305	21.40
61,187,980	1,462.84	Council Tax inc. Parish	63,837,712	1,489.12

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



# COUNCIL TAX 2015/16

## Allocation of Council Tax:



## Council Tax Bandings

	Swale Borough Council £	Kent Police & Crime Commissioner £	Kent County Council £	Kent and Medway Towns Fire and Rescue Authority £	Total £
Band A	106.62	98.10	726.66	47.10	978.48
Band B	124.39	114.45	847.77	54.95	1,141.56
Band C	142.16	130.80	968.88	62.80	1,304.64
<b>Band D</b>	<b>159.93</b>	<b>147.15</b>	<b>1,089.99</b>	<b>70.65</b>	<b>1,467.72</b>
Band E	195.47	179.85	1,332.21	86.35	1,793.88
Band F	231.01	212.55	1,574.43	102.05	2,120.04
Band G	266.55	245.25	1,816.65	117.75	2,446.20
Band H	319.86	294.30	2,179.98	141.30	2,935.44

## MEDIUM TERM FINANCIAL PLAN

The Medium Term Financial Plan (MTFP) funding position is set out in the table on page 6. The MTFP is a forecast of the financial position over the next three years to aid the Council in meeting its objectives as set out in the Corporate Plan.

This is a simple financial forecast but it does give clarity on prudent management of its expenditure by the Council when planning for the future. The MTFP is underpinned by the following principles:

- achieving a balanced budget position with the base budget requirement being met from core income;
- maintaining a prudent level of reserves to allow the Council to deal with unexpected one-off events;
- reserves being used to fund one-off items of expenditure against the Council's priorities as determined by Members; and
- a prudent forecast for business rates.



## MEDIUM TERM FINANCIAL PLAN

	2014-15 £'000	2015-16 £'000	2016-17 £'000	2017-18 £'000
Base Budget	17,583	17,583	17,583	17,583
Growth Items	0	243	193	193
Unavoidable cost pressures	0	35	114	142
Loss of income	0	190	190	190
Additional income	0	(157)	(136)	(137)
Committed price increases	0	239	382	528
<u>Salary Related:</u>				
Increments	0	89	139	168
Pay Award	0	118	237	358
Contribution to/(from) reserves	595	317	317	317
Revenue Support Grant	(4,296)	(2,929)	(1,976)	(1,280)
Business Rates	(4,604)	(5,053)	(5,123)	(5,204)
Council Tax	(6,690)	(6,856)	(6,925)	(6,994)
Council Tax Freeze 2014/15	(79)	(79)	(79)	(79)
Council Tax Freeze 2015/16		(80)	(80)	(80)
New Homes Bonus	(2,269)	(2,811)	(3,299)	(2,989)
Collection Fund Surplus/Deficit	(178)	(176)	0	0
<b>Savings Required</b>	<b>62</b>	<b>673</b>	<b>1,537</b>	<b>2,716</b>
Preceptors Council Tax Support	(125)	0	0	0
Service savings	0	(731)	(751)	(815)
Requirement for balanced position	0	0	(786)	(1,901)
<b>Committed savings</b>	<b>(125)</b>	<b>(731)</b>	<b>(1,537)</b>	<b>(2,716)</b>
<b>Contribution (to) from Funds</b>	<b>(63)</b>	<b>(58)</b>	<b>0</b>	<b>0</b>

## MEDIUM TERM FINANCIAL PLAN

Growth Items:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Procurement - greater use of electronic procurement systems to advertise contract opportunities.	Cllr D. Dewar-Whalley / D. Thomas	10,000
2	Swale Community Leisure Ltd for Executive officer post.	Cllr D. Simmons / D. Thomas	50,000
3	Additional waste contract monitoring activity.	Cllr D. Simmons / D. Thomas	50,000
	<b>Director of Regeneration</b>		
4	Increase Director post by two days.	Cllr M. Cosgrove / P. Raine	53,540
	<b>Economic &amp; Community Services</b>		
5	Heritage activities.	Cllr M. Whiting / E. Wiggins	10,000
6	New structure in the Communications Team.	Cllr A. Bowles / E. Wiggins	16,290
7	Increased grants for the First World War commemoration.	Cllr M. Whiting / E. Wiggins	5,000
	<b>Environmental Health</b>		
8	Shellfish Sampling - increase to fee.	Cllr D. Simmons / M. Radford	9,620
	<b>Service Delivery</b>		
9	Christmas car parking concessions.	Cllr D. Simmons / B. Planner	25,000
10	Resilience Officer - increase in hours.	Cllr D. Simmons / B. Planner	13,700
	<b>Total Growth Items</b>		<b>243,150</b>

## MEDIUM TERM FINANCIAL PLAN

### Unavoidable Cost Pressures:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Democratic Services</b>		
1	Members Allowances – 1% increase.	Cllr A. Bowles / M. Radford	3,600
	<b>Finance</b>		
2	Insurance increase from annual renewal. The projection assumes a 3% increase pa.	Cllr D. Dewar-Whalley / N. Vickers	10,000
3	Increase in precept from Lower Medway Internal Drainage Board 2%	Cllr D. Dewar-Whalley / N. Vickers	3,200
	<b>Property Services</b>		
4	Maintenance cost of new equipment in Print Room.	Cllr D. Dewar-Whalley / A. Adams	2,210
5	Maintenance cost of new equipment in Council Chamber.	Cllr D. Dewar-Whalley / A. Adams	850
	<b>Service Delivery</b>		
6	Increase in electricity charges for SBC owned street lighting.	Cllr D. Simmons / B. Planner	880
7	Council Tax - Single person discount review.	Cllr D. Dewar-Whalley / B. Planner	4,000
8	Council Tax - court costs of recovery action.	Cllr D. Dewar-Whalley / B. Planner	10,000
	<b>Total Unavoidable Cost Pressures</b>		<b>34,740</b>

## MEDIUM TERM FINANCIAL PLAN

### Loss of Income:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Kent County Council recycling credits replaced by enabling payments as part of the new joint waste contract.	Cllr D. Simmons / D. Thomas	83,000
	<b>Economic &amp; Cultural Services</b>		
2	CCTV - loss of income.	Cllr K. Pugh / E. Wiggins	12,150
	<b>Property Services</b>		
3	Transfer of Princes Street Depot – Sittingbourne Town Centre Regeneration.	Cllr D. Dewar-Whalley / A. Adams	70,000
	<b>Service Delivery</b>		
4	Parking Enforcement – reduced income	Cllr D. Simmons / B. Planner	25,000
	<b>Total Loss of Income</b>		<b>190,150</b>

### Service Savings:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Reduce the number of play area inspections by Zurich from two to one per year.	Cllr D. Simmons / D. Thomas	(5,000)
2	Reduce budget commitment for contract variations for the leisure contract.	Cllr D. Simmons / D. Thomas	(1,200)
3	Graffiti cleaning – now included in the main waste contract.	Cllr D. Simmons / D. Thomas	(6,000)
4	Bring site repairs - cease to exist.	Cllr D. Simmons / D. Thomas	(1,000)
5	Bring site maintenance - cease to exist.	Cllr D. Simmons / D. Thomas	(2,840)
6	Recycling credit payments	Cllr D. Simmons / D. Thomas	(58,700)
7	Additional waste contract savings.	Cllr D. Simmons / D. Thomas	(250,000)

## MEDIUM TERM FINANCIAL PLAN

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
8	Channel shift – greater use of digital as opposed to face-to-face contact.	Cllr A. Bowles / D. Thomas	(19,000)
9	Automated switchboard facility, fewer calls handled by Customer Services Centre staff - channel shift.	Cllr A. Bowles / D. Thomas	(9,000)
10	Swale Community Leisure Ltd reduction in utility levy.	Cllr D. Simmons / D. Thomas	(40,000)
	<b>Economic &amp; Community Services</b>		
11	Kemsley Hall - asset transfer efficiencies.	Cllr M. Whiting / E. Wiggins	(10,000)
	<b>Finance</b>		
12	Minimum Revenue Provision Reduction – accountancy charge for capital expenditure.	Cllr D. Dewar-Whalley / N. Vickers	(56,600)
	<b>Housing</b>		
13	Reduction in use of emergency accommodation in Medway through the provision of a Council owned House in Multiple Occupation (HMO).	Cllr J. Wright/ A. Christou	(6,000)
14	Council tax payment for housing in Teynham owned by the Council.	Cllr J. Wright/ A. Christou	(1,500)
	<b>Housing</b>		
15	Cost of maintenance for the Council owned Teynham house by using in house handyperson.	Cllr J. Wright/ A. Christou	(1,000)
16	Private Sector Housing Manager - reduced hours.	Cllr J. Wright/ A. Christou	(20,000)
17	Enhancements to the Housing ICT system following new allocations policy enabling management of homeless register and greater use of digital services.	Cllr J. Wright/ A. Christou	(23,600)
	<b>Planning</b>		
18	Non-salary shared service efficiency savings e.g. printing, advertising etc.	Cllr G. Lewin/ J. Freeman	(10,000)
	<b>Policy</b>		
19	Revised Team Structure.	Cllr A. Bowles / A. Kara	(5,860)

## MEDIUM TERM FINANCIAL PLAN

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Property Services</b>		
20	Reduction in the cost of trade waste at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(1,250)
21	End of leases at New Road Industrial Estate.	Cllr D. Dewar-Whalley / A. Adams	(33,110)
22	Reduction in running costs at Sheerness District office following move to Gateway and re-letting of building on FRI terms.	Cllr D. Dewar-Whalley / A. Adams	(6,950)
23	Reduction in staffing costs of community halls due to community asset transfer.	Cllr D. Dewar-Whalley / A. Adams	(11,100)
24	Reduction in utility costs at Swale House.	Cllr D. Dewar-Whalley / A. Adams	(8,640)
	<b>Service Delivery</b>		
25	Retirement of Head of Service.	Cllr D. Dewar-Whalley / B. Planner	(94,470)
	<b>Mid Kent Improvement Partnership (MKIP) Services</b>		
26	ICT predicted savings as agreed by Cabinet in April 2012 and based on savings against 2011/12 base budgets.	Cllr D. Dewar-Whalley / M. Radford	(15,000)
27	Savings on move to MKIP GIS service.	Cllr D. Dewar-Whalley / M. Radford	(5,000)
28	Corporate training budget to be reduced by 10%, this reflects the reduced staffing levels but also the increased efficiencies of purchasing for the three MKIP councils.	Cllr T. Wilcox/ D. Smart	(9,000)
29	Extension of HR shared service to Tunbridge Wells Borough Council.	Cllr T. Wilcox/ D. Smart	(19,690)
	<b>Total Service Savings</b>		<b>(731,510)</b>

## MEDIUM TERM FINANCIAL PLAN

Additional Income:

No.	Description	Cabinet Member / Head of Service	2015/16 over 2014/15 £
	<b>Commissioning &amp; Customer Contact</b>		
1	Introduction of extra beach huts to sell and lease on to the public.	Cllr D. Simmons / D. Thomas	(20,000)
2	Ground rent for extra beach huts.	Cllr D. Simmons / D. Thomas	(2,500)
3	Sell space for memorial plaques at the new Iwade cemetery.	Cllr D. Simmons / D. Thomas	(3,000)
4	Swale Indoor bowls - increasing existing fees & charges.	Cllr D. Simmons / D. Thomas	(2,500)
5	Increased income from seafront concessions.	Cllr D. Simmons / D. Thomas	(4,600)
6	Increased subscriptions to garden waste service.	Cllr D. Simmons / D. Thomas	(12,430)
	<b>Finance</b>		
7	Investment income.	Cllr D. Dewar-Whalley / N. Vickers	(10,000)
	<b>Planning</b>		
8	Anticipated increase in planning fees.	Cllr G. Lewin/ J. Freeman	(34,000)
9	Anticipated increase in pre-application advice fees.	Cllr G. Lewin/ J. Freeman	(20,000)
	<b>Property Services</b>		
10	Increase in rental income from miscellaneous properties.	Cllr D. Dewar-Whalley / A. Adams	(47,500)
	<b>Total Additional Income</b>		<b>(156,530)</b>

**PARISH COUNCIL PRECEPTS 2015/16**

Parish/Town Council	Tax Base	Parish Precept (rounded)	Additional Council Tax for Band D	Parish Precept 2015/16
	2015/16	2015/16	2015/16	% change
		£	£	
BAPCHILD	451.05	10,000	22.17	-0.54 %
BOBBING	700.12	13,875	19.82	1.07 %
BORDEN	1021.03	46,468	45.51	1.20 %
BOUGHTON-UNDER-BLEAN	664.98	45,224	68.01	15.51 %
BREDGAR	285.17	9,500	33.31	3.90 %
DODDINGTON	210.01	7,600	36.19	1.32 %
DUNKIRK	473.92	11,792	24.88	-0.52 %
EASTCHURCH	665.47	30,000	45.08	8.89 %
EASTLING	140.70	3,000	21.32	5.13 %
FAVERSHAM TOWN COUNCIL	5987.03	258,345	43.15	5.06 %
GRAVENEY & GOODNESTONE	177.22	6,236	35.19	15.34 %
HARTLIP	360.56	7,000	19.41	5.89 %
HERNHILL	279.36	8,000	28.64	0.07 %
IWADE	1187.20	40,000	33.69	6.38 %
LEYSDOWN	1141.19	25,180	22.06	-6.80 %
LOWER HALSTOW	446.11	25,250	56.60	18.83 %
LUDDENHAM	44.77	0	0	0.00 %
LYNSTED	445.97	17,049	38.23	-2.00 %
MILSTEAD	88.17	3,900	44.23	26.95 %
MINSTER	4906.21	111,714	22.77	0.00 %
NEWINGTON	856.90	42,000	49.01	7.06 %
NEWNHAM	149.58	3,250	21.73	16.64 %
NORTON & BUCKLAND	180.99	5,660	31.27	-1.82 %
OARE	162.90	8,568	52.60	1.60 %
OSPRINGE	273.71	6,500	23.75	16.94 %
QUEENBOROUGH TOWN COUNCIL	746.90	44,000	58.91	-5.94 %
RODMERSHAM	235.86	7,500	31.80	-0.34 %
SELLING	326.56	8,825	27.02	22.15 %
SHELDWICH/LEAVELAND/ BADLESMERE	344.31	8,600	24.98	0.12 %
STALISFIELD	90.83	2,600	28.62	1.24 %
TEYNHAM	838.07	44,480	53.07	-4.21 %
THROWLEY	139.63	3,166	22.67	-1.13 %
TONGE	110.94	1,800	16.22	-0.12 %
TUNSTALL	391.94	8,800	22.45	1.91 %
UPCHURCH	889.71	25,423	28.57	9.21 %
WARDEN	464.54	16,000	34.44	-6.49 %
<b>TOTAL</b>		<b>917,305</b>		

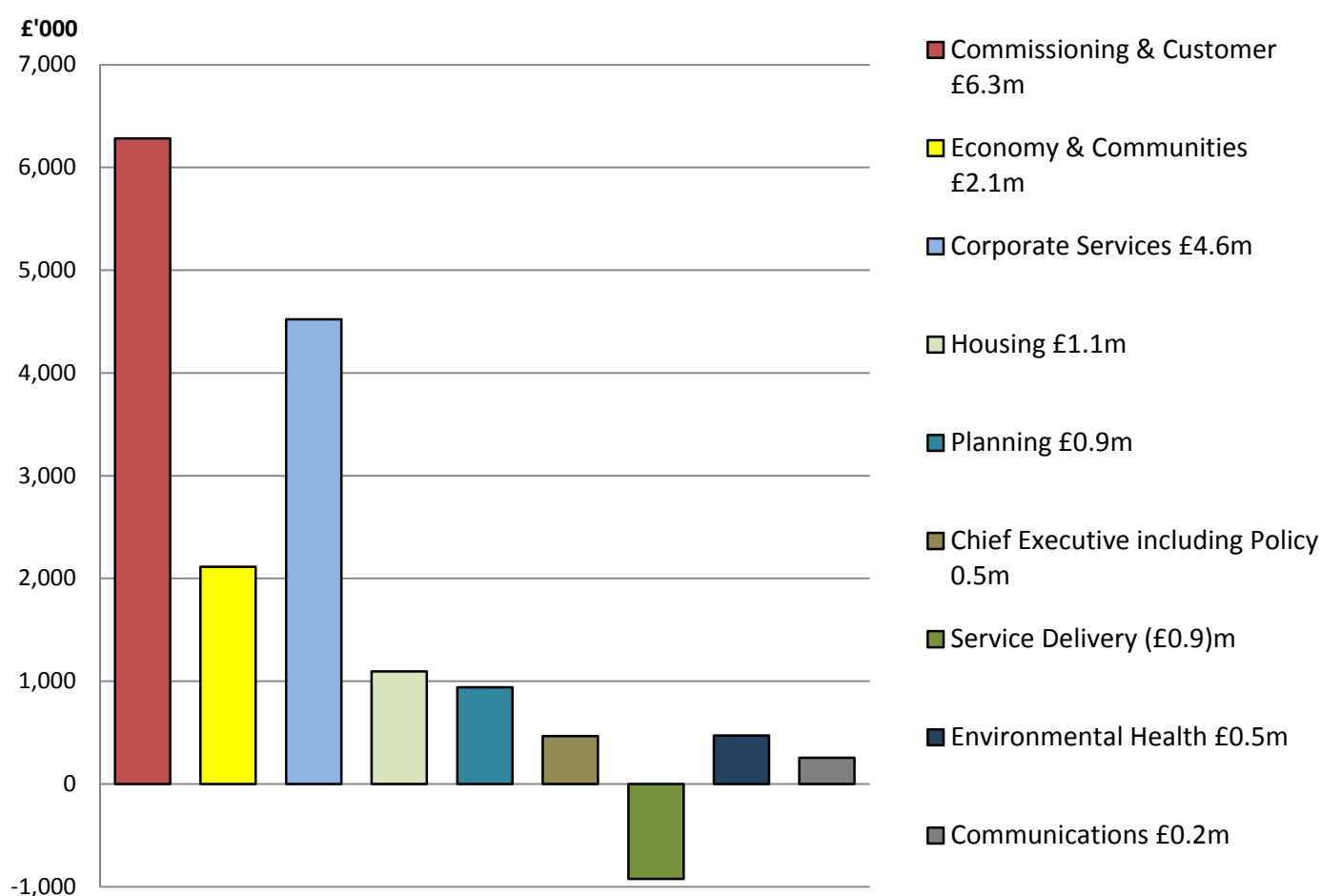


## REVENUE BUDGET - SUMMARY – BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £
The Chief Executive	602,141	465,570	464,600	465,330
Economy & Communities	2,401,668	2,112,090	2,316,600	2,114,550
Communications	235,649	183,700	252,020	253,740
Housing	1,432,640	1,144,810	1,206,900	1,094,500
Planning	1,058,067	991,330	1,006,410	940,430
Commissioning & Customer Contact	6,420,655	6,334,450	6,320,920	6,283,120
Service Delivery	(832,532)	(935,010)	(965,830)	(922,620)
Environmental Health	489,717	467,880	481,330	471,030
The Director of Corporate Services & The Director of Regeneration	456,310	366,780	361,810	407,080
Information Technology	773,134	672,780	672,780	654,270
Audit	165,783	153,980	153,980	158,840
Finance	1,431,270	1,385,580	1,383,000	1,398,940
Legal	362,339	302,660	301,990	307,660
Property	915,350	448,920	448,320	418,730
Human Resources	342,338	372,870	391,720	345,290
Democratic	802,428	809,420	822,670	832,090
<b>NET EXPENDITURE BEFORE NET RECHARGES</b>	<b>17,056,957</b>	<b>15,277,810</b>	<b>15,619,220</b>	<b>15,222,980</b>
Contribution (from) / to General Fund	1,334,775	63,000	63,000	58,000
Net Recharges	4,050	0	0	0
<b>NET EXPENDITURE</b>	<b>18,395,782</b>	<b>15,340,810</b>	<b>15,682,220</b>	<b>15,280,980</b>
<b>Net below the line items (see page 15)</b>	<b>(2,413,641)</b>	<b>325,190</b>	<b>210,780</b>	<b>(266,980)</b>
<b>Less Revenue Support Grant</b>	<b>(5,495,075)</b>	<b>(4,117,000)</b>	<b>(4,296,000)</b>	<b>(2,929,000)</b>
<b>Less Business Rates Retained Income</b>	<b>(3,768,918)</b>	<b>(4,556,000)</b>	<b>(4,604,000)</b>	<b>(5,053,000)</b>
<b>Less Collection Fund Surplus</b>	<b>0</b>	<b>(178,360)</b>	<b>(178,360)</b>	<b>(176,200)</b>
<b>Less Preceptors Council Tax Support</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>0</b>
<b>Less Council Tax Requirement</b>	<b>(6,593,148)</b>	<b>(6,689,640)</b>	<b>(6,689,640)</b>	<b>(6,855,800)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## REVENUE BUDGET - SUMMARY – BY SERVICE

Net Expenditure by Service – 2015/16 (expenditure less income and before recharges):



	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £
<b>BELOW THE LINE ITEMS:</b>				
Net Capital Charges etc	48,870	1,650,520	1,662,190	1,797,950
Contributions to Funds	1,029,132	650,100	642,100	364,100
Contributions from Funds	(1,531,771)	(66,800)	(454,880)	(101,800)
Interest on Balances	(119,597)	(68,000)	(68,000)	(78,000)
Interest Payable	78,408	101,610	101,610	101,610
Disposal Costs - Fixed Assets	650	5,000	5,000	5,000
Sale of Council House Mortgages	2,637	4,980	4,980	4,980
Minimum Revenue Provision	822,952	711,780	711,780	655,180
Non-Specific Grants:-				
New Homes Bonus	(1,762,974)	(2,269,000)	(2,269,000)	(2,811,000)
Council Tax Freeze Grant	(269,881)	(349,000)	(79,000)	(159,000)
Small Business & Empty Property Grant	(589,843)	0	0	0
Other Grants	(122,224)	(46,000)	(46,000)	(46,000)
<b>Total Below the Line Items</b>	<b>(2,413,641)</b>	<b>325,190</b>	<b>210,780</b>	<b>(266,980)</b>

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Chief Executive Cllr A. Bowles (A. Kara)</b>					
Chief Executive	251,516	227,660	228,050	231,590	The Chief Executive is the senior officer who leads and takes responsibility for the work of the staff of the Council.
Climate Change	23,534	23,220	23,220	23,220	To mitigate the causes of climate change and fulfil the Council's commitments set out in Climate Local Swale and to facilitate adaptation to a changing climate among the borough's residents and businesses.
Corporate Costs	10,143	28,100	27,030	27,030	Costs relating to various corporate development activities.
Policy & Performance	316,948	186,590	186,300	183,490	To provide policy support; overview and scrutiny; performance management; data transparency; strategic partnerships; equalities; demographic and customer insight.
<b>NET DIRECT EXPENDITURE</b>	<b>602,141</b>	<b>465,570</b>	<b>464,600</b>	<b>465,330</b>	
Net Recharges	(508,378)	(365,670)	(363,570)	(363,150)	
<b>NET EXPENDITURE</b>	<b>93,763</b>	<b>99,900</b>	<b>101,030</b>	<b>102,180</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Economy &amp; Communities Cllrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)</b>					
Animal Welfare	(7,630)	(8,000)	(8,000)	(8,000)	This service involves the licensing of various business premises including pet shops, boarding establishments, riding establishments, and dog breeders. We are also responsible for licensing of 'dangerous wild animals'.
Arts Events & Activities	1,761	20,000	20,000	25,000	The Council does not directly deliver arts events or activities but works in partnership to enable arts activities in the Borough. The budgets in 2014/15 and 2015/16 include funding to commemorate the centenary of the First World War.
Closed Circuit Television (CCTV)	287,984	237,100	237,100	249,250	Our CCTV service is carried out through a partnership agreement with Medway Council.
Community Halls/Centres	141,015	82,620	112,620	70,870	The Council currently operates two community halls. The option to transfer the halls to local trusts via asset transfer is being explored. The budget also includes funding for the transferred Alexander Centre.
Community Safety	237,228	207,380	208,370	207,270	The Community Safety Unit exists to tackle crime and antisocial behaviour in the Borough.
Community Services	278,647	371,210	376,710	372,240	This budget includes the funds allocated to voluntary organisations and an officer providing the delivery of community services across the Borough.

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Economy &amp; Communities</b>					
<b>Cllrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)</b>					
Culture & Liveability	130,499	107,140	106,650	106,660	Staff and other costs for departmental management for tourism and cultural services.
Culture & Economic Development	403,563	348,850	417,300	348,220	Staff costs for departmental economic development services including Head of Service. Includes costs associated with promoting economic activity within the Borough.
Dog Warden Service	49,914	49,610	49,470	49,470	This service relates to enforcement and practical activities involving stray dogs, dangerous dogs, dog fouling and nuisance from barking dogs.
Emergency Planning	(68,609)	0	0	0	Grant money provided by the Department for Communities and Local Government to support businesses and households impacted by flooding in 2013/14.
Environmental Initiatives	(4,135)	(1,100)	(1,100)	(1,100)	This service undertakes a number of environmental initiatives to address litter, graffiti, etc. funded through income from fixed penalties and third party contributions.
Environmental Response	465,306	442,880	441,950	442,270	Staff costs for the Environmental Wardens and Environmental Response Team.
Gypsy Site Illegal	0	3,150	3,150	3,150	This service relates to the liaison with itinerant gypsies and the steps taken to remove them when necessary. A policy of using the powers within the Criminal Justice Act 1994 has been employed to achieve eviction.
Heritage	0	0	0	10,000	Cost of grants allocated to heritage projects
Learning & Skills	84,959	68,910	68,390	68,390	Funding and staff costs to deliver actions in the Economic Development Strategy so that Swale is open for business.
Local Heritage Centres	5,654	19,110	19,100	14,170	The service relates to the provision and maintenance of the museum buildings owned by the Council.
Localism	734	0	0	0	To deliver activities that enable local parish and town councils and voluntary and community groups to undertake projects or services in local communities working with or on behalf of the Council. This expenditure relates to one off projects funded from the Localism reserve.
Members' Grants	99,332	59,080	124,010	59,000	Cost of grants allocated by members.
Markets	13,711	(13,850)	(13,850)	(13,850)	Markets are operated under contract in Faversham, Sheerness and Sittingbourne – monitoring of contracts and market programmes for specialist markets.
Pest Control	(1,806)	(2,000)	(2,000)	(2,000)	This function is now carried out under contract in partnership with Maidstone and Ashford Borough Councils, this income is a rebate from the pest control contractors.
Regeneration	82,869	100	33,860	0	Regeneration is currently being funded from the regeneration reserve.

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Economy &amp; Communities</b>					
<b>Cllrs M. Cosgrove, M. Whiting, D. Simmons and K. Pugh (E. Wiggins)</b>					
Sittingbourne Town Centre Development	45,277	80	5,310	0	Leads and co-ordinates major regeneration projects for the Council, such as Sittingbourne Town Centre redevelopment and major road issues and schemes e.g. Junction 5 M2, Sittingbourne Northern Relief and Rushenden Relief roads.
Sports Development	132,521	96,650	97,460	93,440	Funding and staff costs to enable the delivery of sport and physical activities in partnership that will increase participation and improve health.
Tourism	12,292	17,400	14,670	14,670	This service maintains focus on development of the local industry through partnership working including the Faversham Society, Legacy 2012 and Green Grid.
Youth	10,582	5,770	5,430	5,430	This represents expenditure on Youth Forums and the Youth Diversion Project.
<b>NET DIRECT EXPENDITURE</b>	<b>2,401,668</b>	<b>2,112,090</b>	<b>2,316,600</b>	<b>2,114,550</b>	
Net Recharges	234,770	303,720	392,840	393,870	
<b>NET EXPENDITURE</b>	<b>2,636,438</b>	<b>2,415,810</b>	<b>2,709,440</b>	<b>2,508,420</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Communications</b>					
<b>Cllr A. Bowles (E. Wiggins)</b>					
Communications	235,649	183,700	252,020	253,740	To communicate information to the public about Council services in order to raise awareness of what the Council delivers.
<b>NET DIRECT EXPENDITURE</b>	<b>235,649</b>	<b>183,700</b>	<b>252,020</b>	<b>253,740</b>	
Net Recharges	(196,589)	(151,880)	(199,490)	(200,990)	
<b>NET EXPENDITURE</b>	<b>39,060</b>	<b>31,820</b>	<b>52,530</b>	<b>52,750</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Housing</b>					
<b>Cllr J. Wright (A. Christou)</b>					
Housing Options	895,120	603,370	658,620	572,130	To deliver the housing advice function, homelessness prevention, mortgage repossession support, illegal eviction, court cases, temporary accommodation, affordable housing allocation and housing register.
Housing Development and Strategy	294,413	263,740	248,730	240,030	This work includes the assessment, direction and monitoring of affordable housing provision to meet the Borough's identified housing needs. This is carried out in liaison with the Council's Housing Association and Thames Gateway partners.
Private Sector Housing	292,823	294,770	317,670	300,600	This service works to ensure homes are safe and healthy as possible. Its primary functions are tackling poor conditions within the private rented sector including houses in multiple occupation, returning long-term empty homes back into use, encouraging landlord accreditation and promoting home energy saving initiatives. It also provides grants to allow adaptations to the homes of disabled persons and repair loans where serious hazards are present in the home.
Stay Put Scheme Grants	(49,716)	(17,070)	(18,120)	(18,260)	This service assists elderly and disabled people to secure essential home improvements and repairs so that they can remain within the community in their own homes. This includes a Handyperson service for minor works, funded by Swale Primary Care Trust (PCT).
<b>NET DIRECT EXPENDITURE</b>	<b>1,432,640</b>	<b>1,144,810</b>	<b>1,206,900</b>	<b>1,094,500</b>	
Net Recharges	394,234	327,890	391,340	374,430	
<b>NET EXPENDITURE</b>	<b>1,826,874</b>	<b>1,472,700</b>	<b>1,598,240</b>	<b>1,468,930</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Legal</b>					
<b>Cllr D. Dewar-Whalley (J. Scarborough)</b>					
Mid Kent Legal Services	362,339	302,660	301,990	307,660	Provision of legal services to support the delivery of Council priorities and front line services. This is carried out in a shared service with Tunbridge Wells and Maidstone Borough Council.
<b>NET DIRECT EXPENDITURE</b>	<b>362,339</b>	<b>302,660</b>	<b>301,990</b>	<b>307,660</b>	
Net Recharges	(362,339)	(302,660)	(301,990)	(307,660)	
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Planning</b> <b>Cllr G. Lewin (J. Freeman)</b>					
Building Control	88,519	85,990	85,990	85,990	Building Control is defined as the administrative and technical process involved in the enforcement of statutory building standards, including plan examination and a series of site inspections. This service is provided by a partnership between Medway, Swale and Gravesham Councils.
Development Control	(505,849)	(406,970)	(452,310)	(529,440)	This service incorporates the processing and determination of planning applications, the provision of advice and guidance to potential applicants and others, planning appeals and enforcement. The primary source of income is from planning fees which are paid by applicants when submitting applications.
Local Land Charges	(140,286)	(149,070)	(149,000)	(147,090)	This is a statutory service providing local land charge searches on properties and land in the Borough. This is a shared service between Maidstone and Tunbridge Wells Borough Council.
Local Planning & Conservation	164,038	148,620	153,070	148,400	This service incorporates Local Plan preparation and review, strategic planning matters and conservation.
Development Services	1,451,645	1,136,090	1,122,010	1,132,850	Staff costs for the department.
Mid Kent Planning Support	0	176,670	246,650	249,720	Planning Admin and Planning Technical support, carried out in a shared service with Maidstone and Tunbridge Wells Borough Council.
<b>NET DIRECT EXPENDITURE</b>	<b>1,058,067</b>	<b>991,330</b>	<b>1,006,410</b>	<b>940,430</b>	
Net Recharges	706,352	617,680	606,360	619,250	
<b>NET EXPENDITURE</b>	<b>1,764,419</b>	<b>1,609,010</b>	<b>1,612,770</b>	<b>1,559,680</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Information Technology</b> <b>Cllr D. Dewar-Whalley (A. Cole)</b>					
Administrative Buildings	66,784	65,630	65,630	56,630	Swale House telephone costs.
Information Technology	706,350	607,150	607,150	597,640	To promote IT development, channel shift and maintain effective IT systems for service delivery. From April 2013, this service is provided in Partnership with Maidstone and Tunbridge Wells Borough Councils.
<b>NET DIRECT EXPENDITURE</b>	<b>773,134</b>	<b>672,780</b>	<b>672,780</b>	<b>654,270</b>	
Net Recharges	(773,134)	(672,780)	(672,780)	(654,270)	
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Commissioning &amp; Customer Contact</b>					
<b>Cllrs D. Simmons and M. Whiting (D.Thomas)</b>					
Allotments	5,286	3,770	3,770	3,810	Swale Borough Council has 14 allotment sites across the Borough.
Cemeteries And Closed Churchyards	98,629	135,420	136,560	139,130	This service covers the management of 4 cemeteries, including administration of the burial service, the keeping of public cemetery records and maps and the maintenance of the cemetery grounds. The service supports the requirement to maintain 17 churchyards in the Borough which are closed for further new burials and maintained by the Council at the request of the local Parochial Church Council. The service is also responsible for the maintenance of 7 war memorials and 1 Aviation memorial.
Client & Amenity Services	309,398	290,440	290,420	290,560	Staff costs for the Client & Amenity services.
Contracts and Procurement	264,769	258,320	274,370	324,520	Staff costs for contracts and procurement.
Countryside & Country Parks	232,418	239,650	236,980	242,880	The Council manages and maintains a number of Council owned informal country and coastal parks.
Customer Service Centre – Sheerness Gateway	18,082	62,830	57,800	63,040	Running costs for the Sheerness Gateway.
Customer Service Centre Staff	527,776	488,620	506,410	480,770	The Customer Service Centre delivers over 100 services at first point of contact via telephone, face to face, website and email. Services are delivered from Swale House and also at the Sheerness Gateway.
Harbour & Quays	1,334	(230)	(320)	(370)	Following the transfer of the management of Queenborough Harbour to a Trust in April 2012, this service covers the residual Council management of the Faversham Town Quay and fishing berth at Queenborough.
Head of Commissioning & Support	114,676	92,930	92,920	92,920	Cost of Head of Service and support for the Department.
Leisure & Sports Centres	515,778	517,030	516,660	571,110	This service area covers the costs incurred in providing built leisure facilities throughout Swale i.e. Sheppey Leisure Complex and the Swallows Leisure Centre. The service is operated through Swale Community Leisure Trust with Serco being their managing agents at the centres.
Parks & Open Spaces	503,951	772,790	769,310	796,710	This service involves the provision, development and maintenance of free urban parks, informal open spaces and play equipment totalling approximately 130 hectares of open space and the maintenance of 72 equipped play areas across the Borough.



## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Commissioning &amp; Customer Contact</b>					
<b>Cllrs D. Simmons and M. Whiting (D.Thomas)</b>					
Procurement & Commissioning	0	0	10,000	10,000	This service will manage the procurement and commissioning of goods and services across the Council. The specialisation provided by this service will promote improvements in procurement activity and facilities.
Public Conveniences	288,292	333,680	333,530	340,190	The cleaning and supervision of conveniences is managed under contract.
Refuse Collection	2,683,819	2,279,530	2,301,500	2,320,260	See Recycling and Waste Minimisation.
Seafront	188,349	200,690	199,840	174,970	The service focuses on providing high quality beaches for both residents and visitors alike. The service also provides a reactive service to beach cleaning issues on more remote rural beaches.
Sports Pitches & Pavilions	101,495	89,940	89,940	90,130	This service provides well-maintained pitches and courts throughout the Borough for a range of the most popular outdoor sports. Sports facilities are let for self-management on the understanding that public use will be both available and encouraged.
Street Cleansing	1,145,120	1,078,780	1,012,260	845,490	The new Mid Kent Joint Waste contract commenced December 2013.
Recycling & Waste Minimisation	(578,517)	(509,740)	(511,030)	(503,000)	Refuse is collected largely in wheeled bins on behalf of the Council from 58,000 properties on an alternate weekly basis. Other areas are collected via communal bins. Those premises not suitable for wheeled bins are provided with sacks. All households are permitted to dispose of garden waste within the purchased service which provides brown-wheeled bins. In addition, the contract makes provision for the collection of clinical waste and for special collection of bulky household items, which includes some white goods. The Mid Kent Joint contract commenced December 2013.
<b>NET DIRECT EXPENDITURE</b>	<b>6,420,655</b>	<b>6,334,450</b>	<b>6,320,920</b>	<b>6,283,120</b>	
Net Recharges	1,728,636	1,810,380	1,767,100	1,778,945	
<b>NET EXPENDITURE</b>	<b>8,149,291</b>	<b>8,144,830</b>	<b>8,088,020</b>	<b>8,062,065</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Service Delivery</b>					
<b>CLLr D. Simmons (B. Planner)</b>					
Amenity Services	481,058	436,230	421,870	340,460	Staff costs for the delivery of car parking, Swale highway, licensing and coast protection services.
Coast Protection	(17,753)	(13,470)	(13,470)	(13,470)	This service involves the maintenance and monitoring of the coastal defences that are the responsibility of the Council under the Coast Protection Act and the monitoring of the unprotected cliffs to ensure public safety.
Council Tax and Business Rates Collection	(62,188)	18,370	5,210	66,560	This is the net cost of collecting and administering Council Tax and National Non Domestic Rates (NNDR) income received. This includes the collection of NNDR and the recovery of court costs in relation to the issue of summonses and liability orders which are anticipated as being collected in addition to the Council Tax itself.
Hackney Carriages	(46,150)	(41,000)	(41,170)	(41,170)	This service provides for the licensing of Hackney Carriages and Private Hire vehicles and drivers to ensure the safety, convenience and comfort of passengers as well as the safety of other road users. The licence fees and fare schedules are reviewed annually.
Highways	(4,833)	10,420	39,270	10,420	This service covers the expenditure on highways and highway related works including Borough Council lighting, street naming and nameplates, bus shelters, cycling and traffic issues. These are Borough Council functions and although closely related to the work of Kent Highways they do not form part of County Council responsibilities. This also shows the cost of accommodation within Swale House for KCC staff principally engaged in dealing with highway aspects of planning applications.
Benefit	(324,633)	(262,780)	(296,380)	(262,780)	This shows the cost of benefit payments offset by grant received plus the level of debt raised for the recovery of overpaid benefits.
Benefit Administration	500,036	279,890	279,790	291,160	This account shows the cost of administering Benefit. Staffing is the major element of the overall cost together with the cost of I.T. systems and services, interviewing facilities at district offices and recharges from other cost centres. The cost of administration is offset by Government grants.
Licences	(134,225)	(133,380)	(133,900)	(133,840)	Swale Borough Council deals with applications for the following Licences: New Premises or New Club Premises Licence, Variation or transfer of a Premises/Club Premises Licence, Personal Licences, Temporary Events, Gambling Licences and for Sex Establishments.

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Service Delivery</b>					
<b>Cllr D. Simmons (B. Planner)</b>					
Parking Management	(1,223,844)	(1,229,290)	(1,227,050)	(1,179,960)	This function is carried out in partnership with Maidstone Borough Council. The service includes the enforcement of on-street parking restrictions under decriminalised parking enforcement powers and also the management of the Council's off-street car parks. The operational costs of these two areas of service are separated so that any operational surplus for on-street enforcement can be identified as this must be used to support parking related functions.
<b>NET DIRECT EXPENDITURE</b>	<b>(832,532)</b>	<b>(935,010)</b>	<b>(965,830)</b>	<b>(922,620)</b>	
Net Recharges	1,165,839	1,044,190	1,161,350	1,146,790	
<b>NET EXPENDITURE</b>	<b>333,307</b>	<b>109,180</b>	<b>195,520</b>	<b>224,170</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Director of Corporate Services &amp; Director of Regeneration</b>					
<b>Cllrs D. Dewar-Whalley and T. Wilcox (M. Radford &amp; P. Raine)</b>					
Corporate Costs	107,202	99,600	81,700	81,700	These costs relate to the Council as a whole rather than one service. They are mainly external Audit Fees.
Strategic Directors	290,111	214,420	214,350	259,630	Staff and other costs for Corporate Services and Director of Regeneration.
Emergency Planning	58,997	52,760	65,760	65,750	This service has been operating at a minimum level, with support from Kent County Council under a Service Level Agreement. The Civil Contingencies Act has increased the responsibilities of the Borough Council and emergency plans have been reviewed to address these requirements.
<b>NET DIRECT EXPENDITURE</b>	<b>456,310</b>	<b>366,780</b>	<b>361,810</b>	<b>407,080</b>	
Net Recharges	656,302	593,330	536,660	477,885	
<b>NET EXPENDITURE</b>	<b>1,112,612</b>	<b>960,110</b>	<b>898,470</b>	<b>884,965</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Finance</b>					
<b>Cllr D. Dewar-Whalley (N. Vickers)</b>					
Treasury Management & Bank Charges	29,500	37,660	37,660	37,720	Treasury Management is the management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
Financial Services	698,561	654,560	651,980	659,660	Staff and other costs for this department.
Insurance	347,717	327,400	327,400	332,400	The total Insurance cost for all Council activities.
Parish Councils (Footway Lighting)	41,410	46,170	46,170	46,170	The Council decided to cap Parish Councils' Footway Lighting at the level of 2007-08 grant, with the result that any increase above this level would be paid for by the relevant Parish Council responsible.
Lower Medway Internal Drainage Board	314,082	319,790	319,790	322,990	Statutory Levy.
<b>NET DIRECT EXPENDITURE</b>	<b>1,431,270</b>	<b>1,385,580</b>	<b>1,383,000</b>	<b>1,398,940</b>	
Net Recharges	(2,560,845)	(2,766,650)	(2,762,080)	(2,774,080)	
<b>NET EXPENDITURE</b>	<b>(1,129,575)</b>	<b>(1,381,070)</b>	<b>(1,379,080)</b>	<b>(1,375,140)</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Property</b>					
<b>Cllr D. Dewar-Whalley (A. Adams)</b>					
Administrative Buildings	267,262	325,170	325,110	310,720	Administrative Buildings shows the running and operational cost of Swale House and Sheerness District Office.
Health & Safety	3,428	4,580	4,580	4,580	To ensure that the Council is compliant with Health and Safety legislation.
Leisure & Sports Centres	(3,052)	(1,470)	(3,520)	(3,520)	Rental income associated with the long-term lease of Faversham Community Gym and Activity Centre.
Property Services	547,758	538,580	538,030	530,880	Staff and other costs for this department.
Property Management	99,954	(417,940)	(415,880)	(423,930)	Management of Council properties.
<b>NET DIRECT EXPENDITURE</b>	<b>915,350</b>	<b>448,920</b>	<b>448,320</b>	<b>418,730</b>	
Net Recharges	(570,961)	(595,890)	(626,840)	(607,620)	
<b>NET EXPENDITURE</b>	<b>344,389</b>	<b>(146,970)</b>	<b>(178,520)</b>	<b>(188,890)</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Human Resources</b> <b>Cllr T. Wilcox (D. Smart)</b>					
Human Resources	251,390	258,440	257,070	239,860	Providing payroll, employee relations, training and organisational development in a shared service with Maidstone Borough Council.
Salaries Overheads	90,948	114,430	134,650	105,430	This shows the salary related costs which are not allocated directly to other budgets, for example health and safety and employers liability insurance.
<b>NET DIRECT EXPENDITURE</b>	<b>342,338</b>	<b>372,870</b>	<b>391,720</b>	<b>345,290</b>	
Net Recharges	(393,066)	(261,030)	(391,720)	(345,290)	
<b>NET EXPENDITURE</b>	<b>(50,728)</b>	<b>111,840</b>	<b>0</b>	<b>0</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Democratic Services</b> <b>Cllr A. Bowles (K. Bescoby)</b>					
Admin And Legal	252,245	225,890	241,310	225,330	Staff and other costs for this department.
Democratic Process	514,347	494,460	510,440	519,520	The Service arranges the Council's meetings which includes agenda preparation, production of minutes, and follow up action. The section also provides a support for scrutiny, member development and training and other aspects of the democratic service and the budget includes the cost of members allowances.
Elections & Electoral Registration	35,836	89,070	70,920	87,240	The Service carries out an annual audit of the electoral register (annual canvass) and updates it throughout the year (rolling registration), encouraging as many eligible people to register as possible.
<b>NET DIRECT EXPENDITURE</b>	<b>802,428</b>	<b>809,420</b>	<b>822,670</b>	<b>832,090</b>	
Net Recharges	506,086	446,080	464,650	469,150	
<b>NET EXPENDITURE</b>	<b>1,308,514</b>	<b>1,255,500</b>	<b>1,287,320</b>	<b>1,301,240</b>	

## REVENUE BUDGET BY SERVICE

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Environmental Health</b>					
<b>Cllr D. Simmons (T. Beattie)</b>					
Environmental Services	447,699	405,890	413,360	430,490	Staff costs for the Food Safety and Pollution.
Food Safety	33,568	39,830	31,430	17,500	This budget relates to the promotion of food safety and includes activities such as the inspection of food premises, food sampling and surveillance, investigation of food complaints and food safety educational initiatives.
Noise Control	3,178	2,360	3,530	2,360	This budget includes the investigation of noise nuisance from industrial, commercial and residential premises. The time spent by officers from the Environmental Services Pollution, the Environmental Response and the Out of Hours Teams in delivering this service is included under the Environmental Services budget line.
Pollution Control	8,524	19,250	32,460	19,250	This budget relates to all pollution issues other than noise. Contractual support is employed to undertake inspections and authorisation for the purposes of the Environmental Protection Act 1990.
Public Health Burials	1,763	1,820	1,820	1,820	Swale Borough Council is responsible for arranging the funeral of any person who has died other than in hospital and where it appears that no other agency or persons are making suitable arrangements for the disposal of the body.
Public Health	(5,015)	(1,270)	(1,270)	(390)	Fee income from various establishments that could have an impact on Public Health.
<b>NET DIRECT EXPENDITURE</b>	<b>489,717</b>	<b>467,880</b>	<b>481,330</b>	<b>471,030</b>	
Net Recharges	142,921	112,940	137,360	137,250	
<b>NET EXPENDITURE</b>	<b>632,638</b>	<b>580,820</b>	<b>618,690</b>	<b>608,280</b>	

	Actual 2013/14 £	Original Budget 2014/15 £	Working Budget 2014/15 £	Original Budget 2015/16 £	Purpose of Service
<b>Audit</b>					
<b>Cllr D. Dewar-Whalley (R. Clarke)</b>					
Audit Services	165,783	153,980	153,980	158,840	The Internal Audit Partnership provides an independent appraisal of the Council's system of internal controls. It is a statutory requirement for Councils to have an Internal Audit function in accordance with the Local Government Act 1972. This service is provided in partnership with Tunbridge Wells, Maidstone and Ashford Borough Council.
<b>NET DIRECT EXPENDITURE</b>	<b>165,783</b>	<b>153,980</b>	<b>153,980</b>	<b>158,840</b>	
Net Recharges	(165,783)	(153,980)	(153,980)	(158,840)	
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

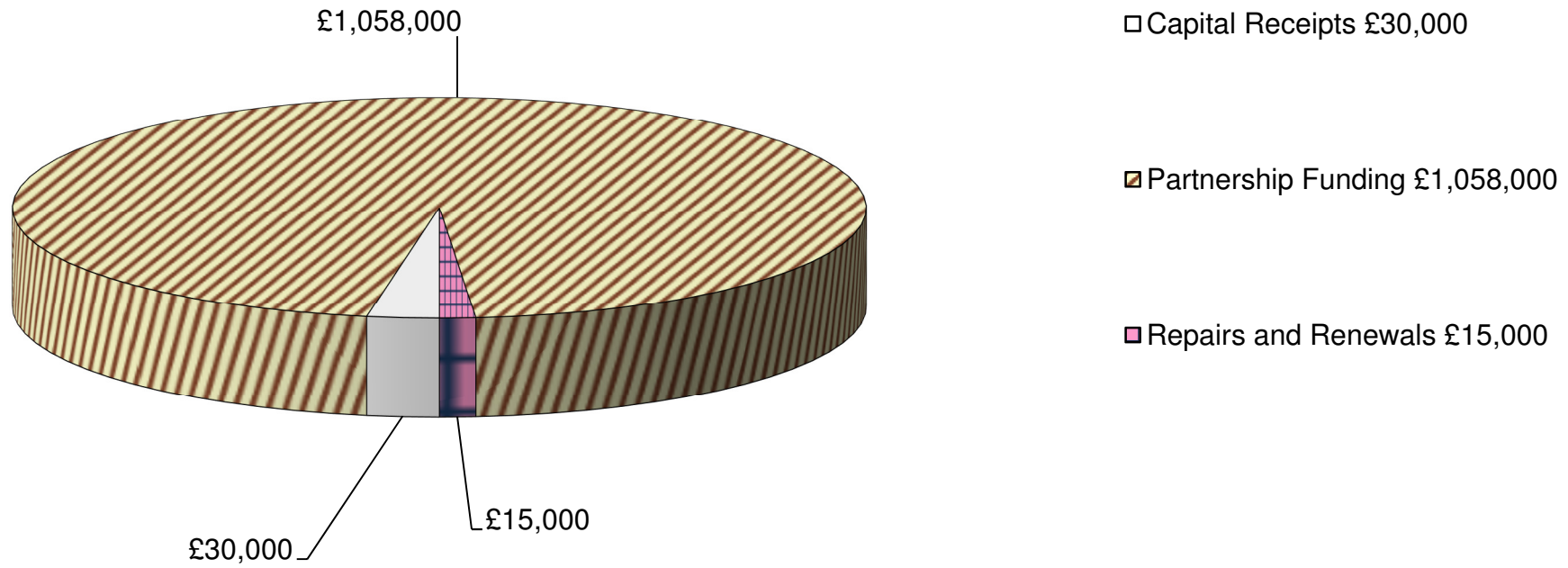
## RESERVES 2015/16

Description	Balance as at 31/03/14 (after approved rollovers) £'000	Forecast Contributions to / from Reserves 2014/15 £'000	Balance as at 31/03/15 £'000	Forecast Contributions to / from Reserves 2015/16 £'000	Balance as at 31/03/16 £'000
General Reserve	(3,291)		(3,291)		(3,291)
Performance Fund	(906)		(906)		(906)
Transformation Fund	(252)		(252)		(252)
Regeneration Fund	(355)	(250)	(605)	(250)	(855)
Swale Local Loan Fund	(250)		(250)		(250)
Building Maintenance Fund	(519)		(519)		(519)
Housing Reserves	(238)		(238)		(238)
Repairs and Renewals Funds	(225)	(78)	(303)	(78)	(381)
Local Development Framework Fund	(171)		(171)		(171)
Stay Put Grants Reserve	(146)		(146)		(146)
Empty Property Initiative	(150)		(150)		(150)
Revenues Main Reserve	(428)		(428)	(125)	(553)
Business Rates Resilience Reserve	(450)	(278)	(728)	(526)	(1,254)
Other Reserves	(633)	11	(622)	11	(611)
<b>Total Earmarked Reserves</b>	<b>(8,014)</b>	<b>(595)</b>	<b>(8,609)</b>	<b>(968)</b>	<b>(9,577)</b>
<b>Usable Capital Receipts Reserve</b>	<b>(1,331)</b>	<b>444</b>	<b>(887)</b>	<b>30</b>	<b>(857)</b>
<b>Capital Grants Unapplied Account</b>	<b>(243)</b>		<b>(243)</b>		<b>(243)</b>
<b>General Fund</b>	<b>(3,263)</b>	<b>(63)</b>	<b>(3,326)</b>	<b>(58)</b>	<b>(3,384)</b>
<b>Total Usable Reserves</b>	<b>(12,851)</b>	<b>(214)</b>	<b>(13,065)</b>	<b>(996)</b>	<b>(14,061)</b>

Note: This shows the Base position, but in-year expenditure will be reflected in closedown and in the Council's financial accounts

How we are intending to fund our 2015/16 Capital Programme:

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**CAPITAL PROGRAMME 2015/16 – 2016/17**

	<b>Funding SBC / P</b>	<b>2014/15 Original Budget £</b>	<b>2014/15 Revised Budget £</b>	<b>2015/16 Original Budget £</b>	<b>2016/17 Original Budget £</b>	<b>Budget Later Years £</b>
<b><u>ECONOMY &amp; COMMUNITIES - E.WIGGINS</u></b>						
CCTV - Repairs & Renewals Reserve	SBC	15,000	15,000	15,000	15,000	15,000
Queenborough Harbour Trust Loan - Swale Loan Fund	SBC	0	50,000	0	0	0
Sittingbourne War Memorial - Capital Receipts	SBC	0	8,100	0	0	0
Capital Expansion of CCTV Service - S106	P	0	38,800	0	0	0
Meads Community Centre - S106	P	0	348,000	0	0	0
Kemsley Community Facilities - S106	P	0	4,870	0	0	0
<b>TOTAL ECONOMY &amp; COMMUNITIES</b>		<b>15,000</b>	<b>464,770</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b><u>CORPORATE SERVICES - M.RADFORD</u></b>						
I.T Equipment Scanners - External Grant	P	0	6,200	0	0	0
<b>TOTAL CORPORATE SERVICES</b>		<b>0</b>	<b>6,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>COMMISSIONING &amp; CUSTOMER CONTACT - D.THOMAS</u></b>						
Cemeteries - future burial provision in the borough - Capital Receipts	SBC	0	32,590	0	0	0
Wheelie Bins - Repairs & Renewals Reserve	SBC	35,000	35,000	0	0	0
Beach Huts, Minster Leas - Performance Fund	SBC	0	7,170	0	0	0
Cemetery Chapel, Love Lane Faversham- Capital Receipts	SBC	0	25,300	0	0	0
Milton Creek Footpath - Capital Receipts	SBC	0	30,000	0	0	0
High Risk Tree Works in 3 Cemeteries - Capital Receipts	SBC	0	45,000	30,000	0	0
Medium Risk Tree Works in 3 Cemeteries- Capital Receipts	SBC	0	10,000	0	0	0
Customer Service Centre telephony system - Capital Receipts	SBC	0	40,000	0	0	0
The Glen Play Area - Revenue Funding	SBC	0	5,050	0	0	0
The Glen Play Area - S106	P	0	30,950	0	0	0
Thistle Hill Community Woodland - Trim Trail - S106	P	0	35,000	0	0	0
New Play Area - Iwade Schemes - S106	P	0	92,200	0	0	0
Kemsley West Play Area- S106	P	0	56,000	0	0	0
Kemsley East Play Area- S106	P	0	50,000	0	0	0
Oare Village Hall - S106	P	0	0	9,000	0	0
Oare Gunpowder Works - S106	P	0	0	9,000	0	0
<b>TOTAL COMMISSIONING &amp; CUSTOMER CONTACT</b>		<b>35,000</b>	<b>494,260</b>	<b>48,000</b>	<b>0</b>	<b>0</b>

## CAPITAL PROGRAMME 2015/16 – 2016/17

	Funding SBC / P	2014/15 Original Budget £	2014/15 Revised Budget £	2015/16 Original Budget £	2016/17 Original Budget £	Budget Later Years £
<b><u>SERVICE DELIVERY - B. PLANNER</u></b>						
Ground Floor Reception Area - Revenue Funding	SBC	0	25,000	0	0	0
Ground Floor Reception Area - Capital Receipts	SBC	0	20,000	0	0	0
<b>TOTAL SERVICE DELIVERY</b>		<b>0</b>	<b>45,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>HOUSING - A. CHRISTOU</u></b>						
Disabled Facilities Grants - Reserves	SBC	100,000	252,150	0	0	0
Emergency Accommodation - House Purchase - Earmarked Reserves	SBC	0	165,000	0	0	0
Disabled Facilities Grants - External Grant	P	926,740	926,740	1,040,000	0	0
<b>TOTAL HOUSING</b>		<b>1,026,740</b>	<b>1,343,890</b>	<b>1,040,000</b>	<b>0</b>	<b>0</b>
<b><u>FINANCE - N. VICKERS</u></b>						
Cash Receipting System - Replacement - Capital Receipts	SBC	30,000	56,570	0	0	0
<b>TOTAL FINANCE AND PERFORMANCE PORTFOLIO</b>		<b>30,000</b>	<b>56,570</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>PROPERTY - A. ADAMS</u></b>						
Swale House Window Rep & Blding Refurbishment - Capital Receipts	SBC	0	26,470	0	0	0
Central Plaza Sittingbourne - Capital Receipts	SBC	0	25,740	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	17,850	0	0	0
Committee Room new Equipment - Capital Receipts	SBC	0	920	0	0	0
Council Chamber Digital System - Reserves	SBC	0	52,000	0	0	0
Folder Inserter Machine - Capital Receipts	SBC	0	15,970	0	0	0
Folder Inserter Machine - Revenue Grant	P	0	4,550	0	0	0
<b>TOTAL PROPERTY</b>		<b>0</b>	<b>143,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>	SBC	<b>180,000</b>	<b>960,880</b>	<b>45,000</b>	<b>15,000</b>	<b>15,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>	P	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL CAPITAL PROGRAMME</b>		<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

**CAPITAL PROGRAMME 2015/16 – 2016/17**

	<b>Original Estimate</b>	<b>Revised Estimate</b>	<b>Original Estimate</b>	<b>Original Estimate</b>	<b>Budget Later Years</b>
	<b>14/15</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	1,106,740	2,554,190	1,103,000	15,000	15,000
<b>FUNDING ANALYSIS</b>					
<b>PARTNERSHIP FUNDING</b>	<b>926,740</b>	<b>1,593,310</b>	<b>1,058,000</b>	<b>0</b>	<b>0</b>
<b>REVENUE CONTRIBUTIONS:-</b>					
<b>(a) Repairs &amp; Renewals Reserves</b>					
- Recycling Bins (Wheeled Bins)	35,000	35,000	0	0	0
- CCTV	15,000	15,000	15,000	15,000	15,000
<b>(b) Disabled Facilities Grant Reserve</b>	50,000	50,000	15,000	15,000	15,000
<b>(c) Housing Benefits Reserve</b>	100,000	100,000	0	0	0
- Ground Floor Reception Area	0	25,000	0	0	0
<b>(d) General Reserve</b>					
- Disabled Facilities Grants	0	62,610	0	0	0
<b>(e) Council Chamber Improvements Reserve</b>					
- Council Chamber Digital System	0	52,000	0	0	0
<b>(f) Performance Fund</b>					
- Beach Huts, Minster Leas, Sheppey	0	7,170	0	0	0
<b>(g) Housing Reserves</b>					
- Emergency Accommodation	0	165,000	0	0	0
<b>(h) Swale Local Loan Reserve</b>					
- Swale Local Loan Reserve	0	50,000	0	0	0
<b>(i) Open Spaces Revenue underspend</b>					
- The Glen Play Area	0	5,050	0	0	0
<b>TOTAL REVENUE CONTRIBUTIONS</b>	<b>150,000</b>	<b>516,830</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

## CAPITAL PROGRAMME 2015/16 – 2016/17

	Original Estimate 14/15 £	Revised Estimate 14/15 £	Original Estimate 15/16 £	Original Estimate 16/17 £	Budget Later Years £
<b>CAPITAL RECEIPTS:-</b>					
- Disabled Facilities Grants	0	89,540	0	0	0
- New Cash Module	30,000	56,570	0	0	0
- High Risk Tree Works Cemeteries	0	45,000	30,000	0	0
- Medium Risk Tree Works Cemeteries	0	10,000	0	0	0
- Sittingbourne War Memorial	0	8,100	0	0	0
- Cemeteries - future burial provision	0	32,590	0	0	0
- Swale House Window Replacement & Building Refurbishment	0	26,470	0	0	0
- Customer Service Centre telephony system	0	40,000	0	0	0
- Cemetery Chapel, Love Lane Faversham	0	25,300	0	0	0
- Milton Creek Footpath	0	30,000	0	0	0
- Ground Floor Reception Area	0	20,000	0	0	0
- Central Plaza Sittingbourne	0	25,740	0	0	0
- Folder Inserter Machine	0	15,970	0	0	0
- Committee Room Adaptations	0	18,770	0	0	0
<b>TOTAL CAPITAL RECEIPTS</b>	<b>30,000</b>	<b>444,050</b>	<b>30,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNDS UTILISED</b>	<b>1,106,740</b>	<b>2,554,190</b>	<b>1,103,000</b>	<b>15,000</b>	<b>15,000</b>

## Contacting Swale Borough Council

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

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<b>Council</b>	
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<b>Meeting Date</b>	<b>18 February 2015</b>
<b>Report Title</b>	<b>Treasury Management Strategy Statement and Investment Strategy 2015/16</b>
<b>Cabinet Member</b>	<b>Cllr. Duncan Dewar-Whalley Cabinet Member for Finance</b>
<b>SMT Lead</b>	<b>Nick Vickers, Head of Finance</b>
<b>Head of Service</b>	<b>Nick Vickers, Head of Finance</b>
<b>Lead Officer</b>	<b>Olga Cole, Management Accountant</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To approve the Treasury Management Strategy Statement and Investment Strategy for 2015/16.</li> <li>2. To agree the proposed inclusion of Treasury Bills, highly rated overseas banks for increased deposits, use of the CCLA Property Fund, pooled corporate and absolute return funds to levels specified.</li> </ol>
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## 1. Purpose of Report and Executive Summary

- 1.1 The Chartered Institute of Public Finance and Accountancy’s Code of Practice for Treasury Management in Public Services and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement and Prudential Indicators on an annual basis.
  
- 1.2 The Chartered Institute of Public Finance and Accountancy has defined Treasury Management as:
 

“The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
  
- 1.3 The changes to the regulatory regime for UK and European banks in January and July 2015 makes bank deposits, which have been the bedrock of our investment strategy, far riskier than previously and means that bank positions will need to be reduced and diversifying into other asset classes considered.

- 1.4 This report sets out and seeks approval of the proposed Treasury Management Strategy and Investment Strategy for the Council in 2015/16. It was agreed by Cabinet on 4 February 2015.

## **2. Background**

### **Borrowing Strategy**

- 2.1 The Medium Term Financial Plan assumes that the Council remains free from external borrowing other than any borrowing necessary for short term cash flow reasons. The Council on 30 July 2014 agreed that borrowing would be allowed for the construction of a multi storey car park in Sittingbourne as part of the regeneration of the town centre.

### **Interest Rate Forecast**

- 2.2 The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in Quarter 3 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. This is a position which Arlingclose have held for a considerable time and increasingly the consensus view amongst forecasters has moved towards interest rates being lower for a longer time. A more detailed economic and interest rate forecast provided by the Arlingclose is attached at Appendix I.

### **Investment Strategy**

- 2.3 The Council holds invested funds, averaging in the year to date £20m with a maximum of £35m, representing income received in advance plus balances and reserves held.
- 2.4 Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and have regard to the security and liquidity of its investments before seeking higher return.
- 2.5 The Council has had a risk averse investment strategy limiting deposits to major highly rated UK financial institutions and Money Market Funds.
- 2.6 UK and European Governments have been working on options to avoid a repeat of the "bail out" of banks which we have seen since 2008. This has been replaced with the concept of "bail in" where classes of owners or depositors in the bank take the first tranches of any losses. The impact of this is reinforced by the likely downgrading of the credit ratings of banks as the impact of Government support is removed from the ratings in 2015.
- 2.7 The implementation of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The Bank Recovery



and Resolution Directive promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast Deposit Guarantee Schemes Directive includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

- 2.8 The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, the credit risk associated with making unsecured bank deposits will increase relative to the risk of other investment options available to the Council.

### **Criteria for Counterparty Selection**

- 2.9 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2015/16. This will mean less of the Council's total deposits being held with banks on an unsecured basis.

2.10 The Council could make use of the following asset classes:

- (1) Government: Loans, bonds and bills issued or guaranteed by national governments and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- (2) Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks with a minimum long term credit rating of A-. 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. The only exception to this would be overnight deposits at the Council's current account provider if this was downgraded to BBB or BBB- at some future point.
- (3) Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they 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 highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- (4) Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.
- (5) Money Market Funds: These are pooled investment funds managed by major financial institutions. Money Market Funds offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts. We already make extensive use of Money Market Funds.
- 2.11 Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 2.12 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 2.13 The Council understands that credit ratings are useful, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 2.14 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

## **Specified and Non-Specified Investments**

2.15 The CLG Guidance defines specified investments as those:

- Denominated in pound sterling
- Due to be repaid within 12 months of arrangement
- Not defined as capital expenditure by legislation, and
- Invested with one of:
  - The UK Government
  - A body or investment scheme of “high credit quality”

2.16 The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

2.17 Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality.

## **Investment Strategy**

2.18 The current counterparties are:

- Debt Management Office (DMO)
- Supranational Banks
- Barclays Bank Plc
- HSBC Bank Plc
- Lloyds Banking Group
- RBS Group
- Santander UK Plc
- Nationwide Building Society
- Standard Chartered Bank Plc

- Svenska Handelsbanken
- Leeds Building Society
- Close Brothers
- Small building societies- Furness, Leek, Newbury, Hinckley & Rugby, Darlington, Market Harborough, Melton Mowbray, Tipton& Coseley, Scottish, Loughborough, Mansfield, Harpenden and Vernon.
- Money Market Funds

2.19 In consultation with Arlingclose the following additions are proposed:

- Treasury Bills - these are fixed period Treasury deposits which are bought in an auction and typically pay higher rates than Debt Management Office deposits with the same level of security.
- Highly rated overseas banks (unsecured deposits)- to be determined with Arlingclose and have a minimum credit rating of A+ compared with A- for UK banks, for example JP Morgan Chase Bank, various Australian and Canadian banks, Deutsche Bank, ING Bank.
- Investment in the Church Charities and Local Authorities LAMIT Property Fund. This fund now has investments of over £200m and local authorities can invest in it without the investment counting as capital expenditure. Local councils including KCC, Tunbridge Wells and Ashford have invested.
- Pooled corporate credit or loan funds- high quality, well diversified corporate credit funds.
- Absolute return funds- these are funds which invest in a range of asset classes, equities, fixed income and alternatives, against a benchmark return typically of cash plus 5%.

2.20 Arlingclose are now recommending moving from a 10% of total deposits limit for unsecured deposits to 5%. The Council will move to a 5% limit on unsecured bank deposits at its discretion depending upon the assessment of individual counter parties by the Head of Finance. At the same time we will need to be extremely vigilant and either cease to use a counter party or move to overnight deposits if there are any signs of concern. The Money Market Fund individual limits will remain at £1.5m.

2.21 The recommended counterparty limits are:

Debt Management Office (Debt Management Account Deposit Facility) and Treasury Bills	Unlimited
Major UK banks / building societies. (Barclays, HSBC, Lloyds Banking Group, RBS Group, Santander UK, Nationwide, Standard Chartered) unsecured deposits.	£3m reducing to £2m per bank/building society
Svenska Handelsbanken	£3m
Leeds Building Society unsecured deposits	£1m
Close Brothers unsecured deposits	£1m
Small UK building societies unsecured deposits meeting Arlingclose preferred criteria	£250k each or £1m in aggregate
Major Overseas banks unsecured deposits (to be determined with Arlingclose)	£1m limit per bank
Short Term Money Market Funds	£1.5m each
CCLA LAMIT Property Fund	£1.5m in aggregate
Supranational bonds	£6m in aggregate
Corporate bond funds	£3m in aggregate
Absolute return funds	£3m in aggregate

### Duration of Investments

2.22 The maximum duration for term deposits will be 12 months. The Head of Finance in consultation with the Cabinet Member for Finance may consider longer duration.

2.23 For bonds the maximum duration will be 5 years including, where applicable, the 5-year benchmark bond which may at the point of issue have a maturity a few months in excess of 5 years.

## Treasury Advisors

2.24 Arlingclose is the Council's treasury adviser. Officers meet with Arlingclose on a quarterly basis.

## Treasury Training

2.25 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice requires the Head of Finance to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

## 3. Consultation Undertaken or Proposed

3.1 Consultation has been taken with Arlingclose.

## 4. Implications

Issue	Implications
Corporate Plan	Good management of the Council's cash balances assists the overall financial position of the Council and this helps meet its objectives.
Financial, Resource and Property	The low risk, low return investment strategy is reflected in investment income assumptions in the 2015/16 budget.
Legal and Statutory	DCLG and CIPFA requirements complied with.
Crime and Disorder	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
Sustainability	Not applicable

## 5. Appendices

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

- Appendix I: Arlingclose Interest Rate Forecast
- Appendix II: Prudential and Treasury Management Indicators

## **6. Background Papers**

6.1 None

**ARLINCLOSE INTEREST RATE FORECAST**

Underlying assumptions:

The UK economic recovery has continued. Household consumption remains a significant driver, but there are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP throughout this year.

We expect consumption growth to slow, given softening housing market activity, the muted outlook for wage growth and slower employment growth. The subdued global environment suggests there is little prospect of significant contribution from external demand.

Inflationary pressure is currently low and is likely to remain so in the short-term. Despite a correction in the appreciation of sterling against the US dollar, imported inflation remains limited. We expect commodity prices will remain subdued given the weak outlook for global growth.

The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.

Nominal earnings growth remains weak and below inflation, despite large falls in unemployment, which poses a dilemma for the MPC. Our view is that spare capacity remains extensive. The levels of part-time, self-employment and underemployment are significant and indicate capacity within the employed workforce, in addition to the still large unemployed pool. Productivity growth can therefore remain weak in the short term without creating undue inflationary pressure.

However, we also expect employment growth to slow as economic growth decelerates. This is likely to boost productivity, which will bear down on unit labour costs and inflationary pressure.

In addition to the lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone. These factors will maintain the dovish stance of the MPC in the medium term.

The continuing repair of public and private sector balance sheets leave them sensitive to higher interest rates. The MPC clearly believes the appropriate level for Bank Rate for the post-crisis UK economy is significantly lower than the previous norm. We would suggest this is between 2.5 and 3.5%.

While the ECB is likely to introduce outright QE, fears for the Eurozone are likely to maintain a safe haven bid for UK government debt, keeping gilt yields artificially low in the short term.

The probability of potential upside risks crystallising have waned a little over the past two months. The primary upside risk is a swifter recovery in the Eurozone.



## ARLINCLOSE INTEREST RATE FORECAST

Forecast:

Arlingclose continues to forecast the first rise in official interest rates in Q3 2015; general market sentiment is now close to this forecast. There is momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.

We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited; we believe the normalised level of Bank Rate post-crisis to range between 2.5% and 3.5%.

The short run path for gilt yields is flatter due to the deteriorating Eurozone situation. We project gilt yields on an upward path in the medium term.

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Dec-17	Mar-18
<b>Official Bank Rate</b>													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75	1.75
Downside risk				0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
<b>3-month LIBID rate</b>													
Upside risk	0.05	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.55	0.60	0.65	0.85	1.00	1.15	1.30	1.45	1.60	1.75	1.85	2.05	2.15
Downside risk	0.10	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	-0.95	-0.95	-0.95	-1.00
<b>1-yr LIBID rate</b>													
Upside risk	0.10	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.95	1.00	1.05	1.20	1.35	1.50	1.65	1.80	1.95	2.10	2.20	2.40	2.50
Downside risk	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80	-0.80
<b>5-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	1.70	1.75	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	2.95
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.60	-0.65	-0.70	-0.70	-0.70
<b>10-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.40	2.45	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	2.95	3.05	3.10
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60
<b>20-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	2.90	2.95	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.50	-0.55	-0.55	-0.60	-0.60	-0.60
<b>50-yr gilt yield</b>													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	3.00	3.05	3.10	3.15	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.60
Downside risk	-0.30	-0.35	-0.35	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55	-0.60	-0.60	-0.60

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

### 1. 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.

### 2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

Should the Council borrow in advance of need, this will be limited to a three year maximum and will not exceed this indicator.

### 3. 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.

Capital Expenditure	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
<b>Total</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>

Capital expenditure will be financed or funded as follows:

Capital Financing	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Capital receipts	444	30	0	0
Government Grants	1,593	1,058	0	0
Revenue contributions	417	15	15	15
<b>Total Financing</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>
<b>Total Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Financing and Funding</b>	<b>2,454</b>	<b>1,103</b>	<b>15</b>	<b>15</b>

### 4. Ratio of Financing Costs to Net Revenue Stream:

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

Ratio of Financing Costs to Net Revenue Stream	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
<b>Total</b>	<b>1.75</b>	<b>1.70</b>	<b>1.67</b>	<b>1.71</b>

**5. Capital Financing Requirement:**

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	2014/15 Revised £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
<b>Total CFR</b>	<b>5,776</b>	<b>5,145</b>	<b>4,833</b>	<b>4,524</b>

**6. Incremental Impact of Capital Investment Decisions:**

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Decrease in Band D Council Tax	-0.01	0.00	0.00

**7. Authorised Limit and Operational Boundary 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.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

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

<b>Authorised Limit for External Debt</b>	<b>2014/15 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Borrowing	5,000	5,000	5,000	5,000
Other Long-term Liabilities	2,000	2,000	2,000	2,000
<b>Total</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

<b>Operational Boundary for External Debt</b>	<b>2014/15 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Borrowing	2,000	2,000	2,000	2,000
Other Long-term Liabilities	992	774	623	376
<b>Total</b>	<b>2,992</b>	<b>2,774</b>	<b>2,623</b>	<b>2,376</b>

### 8. Adoption of the CIPFA Treasury Management Code:

This indicator demonstrates that the Council has adopted the principles of best practice.

The Council approved the adoption of the revised CIPFA Treasury Management Code at its Council meeting on 22 February 2012.

The Council has incorporated the changes from the revised CIPFA Treasury Management in the Public Services: Code of Practice 2011 into its treasury policies, procedures and practices.

### 9. Credit Risk:

The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

## Treasury Management Indicators

**10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:**

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments)

	<b>Existing level at 31/12/2014</b> %	<b>2015/16 Estimate</b> %	<b>2016/17 Estimate</b> %	<b>2017/18 Estimate</b> %
Interest on fixed rate borrowing	0	100	100	100
Interest on fixed rate investments	-38	-100	-100	-100
<b>Upper Limit for Fixed Interest Rate Exposure</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest on variable rate borrowing	0	100	100	100
Interest on variable rate investments	-62	-100	-100	-100
<b>Upper Limit for Variable Interest Rate Exposure</b>	<b>-62</b>	<b>0</b>	<b>0</b>	<b>0</b>

As the Council has no borrowing, these calculations have resulted in a negative figure.

**11. Maturity Structure of Fixed Rate borrowing:**

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

<b>Maturity structure of fixed rate borrowing</b>	<b>Lower Limit for 2015/16</b> %	<b>Upper Limit for 2015/16</b> %
under 12 months	0	100
12 months and within 24 months	0	0
24 months and within 5 years	0	0
5 years and within 10 years	0	0
10 years and above	0	0

## PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS

**12. Upper Limit for total principal sums invested over 364 days:**

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

<b>Upper Limit for total principal sums invested over 364 days</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
<b>Total</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>

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<b>Council Meeting</b>	
<b>Meeting Date</b>	18 February 2015
<b>Report Title</b>	Corporate Plan 2015 - 2018
<b>Cabinet Member</b>	Cllr Bowles – Council Leader
<b>SMT Lead</b>	Abdool Kara – Chief Executive
<b>Head of Service</b>	David Clifford – Policy and Performance Manager
<b>Lead Officer</b>	David Clifford – Policy and Performance Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>
<b>Recommendations</b>	<p>Council is recommended:</p> <ol style="list-style-type: none"> <li>1. To <b>adopt</b> the text at Appendix I as the council’s corporate plan for the period 2015-2018.</li> <li>2. To <b>adopt</b> the table at Appendix II as the council’s high-level action plan to sit immediately below the corporate plan objectives in 2015/16 and to be reviewed annually thereafter.</li> <li>3. To <b>give delegated authority</b> to the chief executive, in consultation with the cabinet member for performance, to confirm and where necessary amend indicators and targets in the corporate performance indicator set for 2015/16, based on the three-year targets adopted by council in May 2013 (minute No. 16, 2013/14).</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report seeks council’s agreement to adopt a new corporate plan to cover the period 2015-2018. It sets out the purpose of a corporate plan and summarises the recent history of strategic planning at Swale, before considering the options for dealing with the fact that the current plan will come to the end of its life in March 2015. The report contains the proposed new plan for 2015 - 2018 at Appendix I, and a proposed high-level action plan for 2015/16, to be updated annually, at Appendix II.

## 2 Background

- 2.1 The corporate plan is the overarching statement of SBC’s medium-term strategic objectives. The council’s first plan covered the period 2007/08 - 2010/11, while

the current one commenced at the start of the municipal year 2011/12 and will expire at the end of 2014/15.

- 2.2 The plan is traditionally structured around a limited number of high-level priorities, which articulate both local political aspirations and a considered response to anticipated changes in the council's wider operating environment. These priorities determine the focus of the council's activities and resource allocation for the duration of the plan. They are generally concerned with areas of change and development for the organisation, rather than acting as complete list of the council's disparate range of activities.
- 2.3 The plan is more of an inward-facing document than a public one, although of course it is published on the website and freely available to anyone who wants to read it. Its primary purpose is to ensure that council resources are coherently allocated in support of agreed priorities: as part of this, the plan plays an important role in staff engagement and motivation. Conversely, the objectives set out in the plan do need to be achievable within the resources available to the organisation.

### **3 Proposals**

- 3.1 Throughout the development of the version of the plan at Appendix I, there has been a strong sense from many stakeholders that a new corporate plan which continues the work of the current one is the most appropriate option. Much progress has been made over the four years since the current plan was adopted but, as would be expected, there remains more to be done before the council's long-term ambitions in areas such as regeneration or localism are fully realised. The new plan thus needs to update the objectives to ensure that they remain comprehensive in terms of addressing emerging issues within the Borough and more widely.
- 3.2 Given the high proportion of members' aspirations for the Borough which cannot be realised by the council acting alone, the council's ambitions can be split into those which are wholly within the power of the council to realise, and those which are not. With regard to the latter, it would seem sensible in setting objectives to determine the most that the council is able to do in pursuit of them, whether that is influencing partners to work with the council (at one end of the spectrum), through to concerted and systematic lobbying of the actual decision-makers and budget-holders (at the other), and to base concrete, measurable objectives on this.
- 3.3 The priority themes in the version of the plan set out at Appendix I include objectives of both types. The three priority themes represent the overarching statements of what it is that the council is setting out to achieve, and the objectives which sit under them represent the concrete steps it intends to take to achieve them. These themes and objectives are summarised below. Objectives marked with an asterisk are those intended to further the council's aspirations in

policy areas which are not within the its exclusive control, and where we are therefore looking to work collaboratively in some way or another. The final objective under priority theme 3 is intended precisely to strengthen the council's ability to do this effectively.

### **Priority theme 1: A borough to be proud of**

- 3.4 This priority theme focuses on the council's aspirations for Swale as a physical place. It continues the 2007 - 2011 priority of 'Regenerating Swale', but updates this to focus on the delivery phase as we move towards construction work commencing. The theme also carries on much of what is covered by 'Open for Business' in the current plan, including physical economic enablers such as infrastructure, but also covering the need for the Borough to improve its 'brand recognition' to attract both investment and visitors. Finally, the theme picks up many of the place-related elements of the 2007 - 2010 'Cleaner and Greener' and the 2011 - 2014 'Healthy Environment' priorities.
- 3.5 The proposed medium-term objectives under this priority theme are:
- Deliver major regeneration projects;
  - Enhance the borough's economic and tourism offer;
  - Keep Swale clean and tidy;
  - Protect and improve the natural and built environments; and
  - Lobby for better roads and transport\*.

### **Priority theme 2: A community to be proud of**

- 3.6 This priority theme focuses on the council's aspirations for the people of Swale. It continues the emphasis placed on encouraging more active communities in the 'Embracing Localism' priority of 2011- 2014 and the 'Safer and Stronger' priority of 2007 - 2010. It seeks to recognise that the council, and the wider public sector more generally, can never be the whole solution to the issues faced by communities in Swale, and that an important role for the council is in enabling and empowering residents to find their own answers to the difficulties they want to overcome.
- 3.7 Strongly aligned to this, the theme also covers the people-focused elements of the 2011 - 2014 'Open for Business' priority, such as support for indigenous business growth and the need to improve qualifications and skills. Finally, the theme picks up members' concerns and aspirations with regard to the health and mental health agendas, recognising the role the council needs to play in influencing local provision.
- 3.8 The proposed medium-term objectives under this priority theme are:
- Foster economic growth and prosperity for all;

- Encourage active communities and support the voluntary sector;
- Reduce crime and disorder;
- Use our influence to ensure local skills are matched to local jobs\*; and
- Work collaboratively to improve health and mental health\*.

### **Priority theme 3: A council to be proud of**

- 3.9 This priority theme focuses on the council's need to develop its own organisational capacity and culture as it continually reassesses how it can best achieve the outcomes of the other two priority themes. In part, this is related to the 2007 - 2010 priority of 'Becoming a High-Performing Organisation', but it acknowledges that the criteria for evaluating councils' performance have become more complex and more opaque during the lifetime of the current plan. The theme recognises the need to develop and sustain non-traditional sources of income while also minimising expenditure by encouraging innovation and experimentation in delivering services.
- 3.10 The theme additionally makes a clear reference to members' focus on the need to improve residents' perceptions and customers' experiences.
- 3.11 Finally, in including an explicit objective to enhance the council's capacity for achieving outcomes collaboratively (e.g. through lobbying, influencing or partnership working), this priority theme also seeks to deal as positively as possible with the problem that many of the most significant political aspirations for the Borough covered under the first two priority themes are simply not within the power of the council to realise on its own.
- 3.12 The proposed medium-term objectives under this priority theme are:
- Improve residents' perceptions and customers' experiences;
  - Ensure that Swale's internal governance and decision-making are second to none;
  - Encourage innovation at every level;
  - Strengthen our financial and political resilience; and
  - Enhance our capacity for achieving outcomes collaboratively\*.

### **High-level action plan**

- 3.13 The plan at Appendix II is intended to sit below the broad objectives set out above and in Appendix I. Action plans of this type have historically been used as intermediaries between the corporate plan and individual departments' and divisions' annual service plans, and as such are generally updated on an annual basis.

- 3.14 Some of the actions on the plan at Appendix II are at a greater level of detail than others, and there is also a range of likely durations, with some actions achievable by the end of 2015/16 and others expected to range over a longer term. Both of these features are in accordance with the corporate plan's focus on change and development rather than on cataloguing the day-to-day activities of every team in the council: some of the actions needed to pursue the organisation's medium-term objectives will be fairly straightforward and quickly completed, whereas others will be as complex and long-ranging as the objectives themselves.
- 3.15 Keeping the action plan updated on an annual basis enables completed actions to be removed and new ones added in response to any new risks to, or opportunities for, the achievement of the objectives.

### **Equality impact**

- 3.16 Members are reminded of the council's duty under the Equality Act 2010 to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity, and to foster good relations between different groups in society. Case-law on this duty has established that having 'due regard' involves a conscious state of mind, and that it must be exercised with rigour and with an open mind in such a way that it influences the final decision. The equality duty is not a duty to achieve a particular result, but rather to have regard to the need to achieve the aims of the duty when making decisions.
- 3.17 A full assessment of the equality impact of the recommendations in this report is attached at Appendix III. As noted in the assessment, the corporate plan and its associated high-level action plan are in general at too high a level of abstraction for impacts to be assessed appropriately, and many of the pieces of work which will flow from it will need their own impact assessments at the time that specific decisions related to them are being considered. The impact of the plan itself on the aims of the equality duty, without reference to these more detailed pieces of work, is at this stage considered to be low, and no adverse impacts requiring mitigation have been identified.

### **Recommendation**

- 3.18 Council is **recommended** to adopt the text at Appendix I as the council's corporate plan for the period 2015 - 2018, and to adopt the table at Appendix II as the council's high-level action plan to sit immediately below the corporate plan objectives in 2015/16 and to be reviewed annually thereafter.
- 3.19 The corporate performance indicator set was updated in 2013/14 with a view to ensuring that, taken as a whole, it provides a broadly balanced and holistic overview of the entire organisation's performance. This new indicator set was adopted by council in May 2013, together with three-year targets to cover the period 2013/14 to 2015/16 (council minute No. 16, 2013/14).

- 3.20 Council is therefore further **recommended** to give delegated authority to the chief executive, in consultation with the cabinet member for performance, to confirm and where necessary amend indicators and targets in the corporate performance indicator set for 2015/16, based on the three-year targets adopted by council in May 2013.

## **4 Alternative Options**

- 4.1 The council is under no statutory duty to adopt a corporate plan, so the option not to have a plan in place beyond 2014/15 is a valid one. However, the decision to produce the council's first corporate plan back in 2007 has been widely recognised as sound one: while many factors have contributed to Swale's organisational improvement over the last few years, the opportunity to agree clear objectives and then to focus sustained effort and resources on them over a medium-term period has certainly been beneficial. The option to dispense with a corporate plan altogether is thus not recommended.
- 4.2 A further option would be to adopt a new corporate plan which established a wholly different direction for the council. However, while it is important that the council undertakes regular reviews of its strategic objectives to ensure that they remain the most appropriate ones in the light of emerging local issues and changes in the broader context within which it works, this does not mean that each new corporate plan should represent a radical departure from the last one.
- 4.3 Four years is not a long time in terms of strategic ambitions for a borough, and many of the council's most significant aspirations for Swale will take longer than the lifetime of a single plan to realise. While it is entirely appropriate that the opportunity should be taken to review and update priorities and objectives, it is therefore not recommended that the new plan should abandon the overall direction set by the current one.

## **5 Consultation Undertaken or Proposed**

- 5.1 The corporate plan is primarily an internal document, and as such the proposed text and action plan at Appendices I and II have been developed in close consultation with members and senior officers. In particular, the appendices as they are presented here accommodate the views and priorities of cabinet members, the policy development and review committee, the strategic management team and all heads of service.
- 5.2 The plan has also been subject to external consultation involving the publication of a draft version and a set of consultation questions to solicit feedback. This was publicised for example through the Swale Community Empowerment Network (SCEN) and the Swale Public Services Board (PSB), as well as through the council's Facebook and Twitter accounts. At the time of writing the consultation had not yet closed, but no responses had so far been received.

- 5.3 This compares with six responses received to the consultation exercise carried out before the current corporate plan was adopted, which followed a similar pattern of publicity to the one about to finish, with the exception that the council did not at that time use social media. It should be borne in mind that the current corporate plan represented a fairly radical departure from its predecessor, and several of the consultation responses at that time related to this, for example questioning how ‘embracing localism’ could be a priority rather than a philosophy, and commenting on the apparent downgrading of the regeneration priority from the 2007 - 2010 plan. Clearly, with the proposed plan at Appendix II representing the development and evolution of the current plan, this issue does not arise in the same way.
- 5.4 In addition, two of the six responses received last time were from partner agencies on the Public Services Board. These organisations will have experienced significant reductions in their budgets over the intervening years, and may no longer routinely respond to consultations of this nature. However, discussions are currently ongoing with the Swale Clinical Commissioning Group on how our respective strategic and operational planning activities could be better aligned, and this could yet result in some suggestions to amend the corporate plan and/or its high-level action plan before it is finally adopted.

## 6 Implications

Issue	Implications
Corporate Plan	The report proposes a new corporate plan to replace the current one, which expires at the end of 2014/15.
Financial, Resource and Property	The corporate plan to some extent represents the narrative complement to the medium-term financial strategy (MTFS) in that it sets out in broad terms what the council intends to achieve given the distribution of resources established by the MTFS, albeit that its focus is on change and development rather than on cataloguing the complete list of activities the council expects to undertake. In general it is anticipated that the actions in the high-level action plan which sits beneath the corporate plan (Appendix II to this report) will be achieved within the resource allocations established in the MTFS.
Legal and Statutory	The council is under no statutory duty to prepare or adopt a corporate plan. However, section 3 of the Local Government Act 1999 (as amended) does impose a general duty, known as the ‘Best Value Duty’, to ‘secure continuous improvement in the way in which [the council’s] functions are exercised, having regard to a combination of economy, efficiency and effectiveness’. One of the purposes of the corporate plan is to provide clear strategic direction on agreed medium-term objectives in order to facilitate optimal and equitable resource allocation, thereby improving the economy, efficiency and effectiveness of council services.

Crime and Disorder	The proposed plan includes an explicit medium-term objective to 'Reduce crime and disorder' (Objective 2.3). No further specific implications have been identified at this stage.
Sustainability	The proposed plan includes an explicit medium-term objective to 'Protect and improve the natural and built environments' (Objective 1.4). No further specific implications have been identified at this stage.
Health and Wellbeing	The proposed plan includes an explicit medium-term objective to 'Work collaboratively to improve health and mental health' (Objective 2.5). No further specific implications have been identified at this stage.
Risk Management and Health and Safety	The corporate plan is a key tool in managing council risks, particularly those listed on the strategic risk register. Together with the high-level action plan at Appendix II, the plan at Appendix I addresses all of the risks on the current register with the exception of safeguarding, which while a strategic risk in terms of its impact, is more operational in terms of the actions which are taken to reduce the likelihood of it materialising. No specific health & safety implications have been identified at this stage.
Equality and Diversity	Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to the need to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this paper could directly impact on end users. The impact has been analysed and at this level of abstraction does not vary between groups of people. The results of this analysis are set out in the impact assessment attached at Appendix III.

## 7 Appendices

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

- Appendix I: Making Swale a Better Place: SBC corporate plan 2015 - 2018
- Appendix II: High-level action plan 2015/16
- Appendix III: Community impact assessment

## 8 Background Papers

- SBC corporate plan 2012 – 2015: <http://www.swale.gov.uk/corporate-plan/>



**Version control: This is version 2.0.**

<b>Version</b>	<b>Summary of changes</b>	<b>Author</b>	<b>Date</b>
V0.1	First draft – for SMT 19/08/14	David Clifford	29/07/14
V0.2	Reviewed prior to SMT	Abdool Kara	14/08/14
V0.3	Minor amends following SMT	David Clifford	19/08/14
V0.4	Amends following informal Cabinet	David Clifford	29/08/14
V0.5	Amends following Comms review	David Clifford	04/09/14
V0.6	Amends following informal Cabinet	David Clifford	08/09/14
V1.0	Consultation draft for publication	David Clifford	06/10/14
V1.1	First draft following consultation prior to SMT	David Clifford	06/01/15
V1.2	Amends following SMT	David Clifford	14/01/15
V1.3	Amends following Cabinet agenda planning	David Clifford	19/01/15
V2.0	Amends following Cabinet: for Council adoption	David Clifford	06/02/15

## ***Making Swale a Better Place***

### **Corporate Plan 2015-2018**

## **Foreword**

Welcome to *Making Swale a Better Place*, the Council's corporate plan for the period 2015 to 2018.

The purpose of the plan is to ensure that the Council's resources are allocated in a coherent, accountable and effective way, by setting out the three main priority themes which we will be working on over the next four years, together with the broad objectives we will pursue in support of these themes. Our priority themes for this period are:

- A Borough To Be Proud Of
- A Community To Be Proud Of
- A Council To Be Proud Of

Our previous corporate plan ran from 2011 to 2014. This was not always an easy period for local government, and Swale has had to shoulder its share of the funding reductions experienced by almost all public services during this time. The Council's response to these difficulties has been upbeat, enthusiastically embracing the need to devolve power over assets and services to the community, and continuing to make good progress with our ambitions for the regeneration of the Borough.

The scale of the national budget deficit is such that no matter who wins the 2015 general election there will be no end in sight to the austerity we have all lived through over these past four years. I am confident that this new corporate plan will enable Swale to face this challenging future in the same spirit that we have weathered the storm to date: working harder and more efficiently than ever, in close partnership with residents and other stakeholders, to drive forward our ambitions for the Borough and to fulfil our mission to make Swale a better place.

***Councillor Andrew Bowles, Leader of the Council***

## Contents

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## Introduction

This corporate plan is the overarching statement of Swale Borough Council's strategic objectives for the period April 2015 to March 2018. It is structured around three high-level priority themes, each containing a limited number of objectives. Between them, these objectives articulate both local political aspirations and the organisation's response to anticipated changes in its wider operating environment.

The plan's primary purpose is to ensure that Council resources are coherently allocated in support of agreed priorities. The objectives established here will thus determine the focus of the Council's activities and expenditure for the duration of the plan, although they are intended to cover areas for change and development rather than encompassing everything that the Council does. They are supported by more detailed action-planning and budgeting processes, including the medium-term financial plan, strategies for tackling individual issues, and the annual budget-setting and service-planning rounds.

This is the Council's third corporate plan, the previous two having covered the periods 2007/08-2010/11 and 2011/12-2014/15. While it is important that the Council undertakes regular reviews of its strategic objectives to ensure that they remain the most appropriate ones in the light of emerging local issues and changes in the broader context within which the Council works, this does not mean that each new corporate plan should represent a radical departure from the last one.

Four years is not a long time in terms of strategic ambitions for a borough, and many of the Council's most significant aspirations for Swale will take longer than the lifetime of a single plan to realise. The Council has already had some major successes in achieving these long-term ambitions, and the prudent financial management of recent years means that it is well-placed to accomplish even more for the Borough over the lifetime of this new plan. The ways in which the priorities and objectives of this plan relate to those of previous plans is highlighted throughout the document.

## **The Council's purpose: Making Swale a better place**

The Council's statutory remit combines responsibility for a wide range of local government services with a focus on the Borough of Swale, one of the 12 districts which make up the county of Kent. Swale is located on the County's north coast between Medway, Maidstone and Canterbury, around 45 miles from London. It includes the towns of Sittingbourne, Faversham and Sheerness, as well as an extensive rural hinterland which takes in the whole of the Isle of Sheppey and part of the Kent Downs Area of Outstanding Natural Beauty. The Borough covers an area of 140 square miles, roughly one-tenth of Kent, and is home to 139,200 residents.

Swale's economy has historically been most strongly associated with manufacturing, port activities and agriculture, but the last 25 years have seen a successful diversification towards a broad range of small and medium-sized businesses. Swale is ranked by central government as the 99th least well-off area out of 326 in England<sup>1</sup>, meaning that on average our residents' socioeconomic wellbeing is among the lowest third of local authority areas in the country.

However, this overall figure masks considerable variation within the Borough, with affluent and up-and-coming areas sitting cheek-by-jowl with some of the worst-off neighbourhoods in the country. While prosperity is returning to most of the Borough following the recession, Swale still encompasses some pockets of entrenched poverty and disadvantage.

At the root of many of these issues is the decline of the traditional manufacturing base, with its need to employ large numbers of low-skilled workers. One of the legacies of Swale's industrial past is thus its 'skills gap', with a higher than average proportion of residents having insufficient skills to be competitive in the modern workplace, and fewer than average highly qualified professionals.

This relative lack of professional jobs and marketable skills means that unemployment remains higher than the regional average and salaries are lower. Associated with the pockets of poverty that these factors produce are a number of further demographic issues, particularly with regard to residents' health. Variations in lifestyle choices and in access to opportunities to improve health mean that average life expectancy is up to 10 years lower in the Borough's worst-off neighbourhoods than in its more affluent.

### **What do Swale's residents think of the Borough and of the Council?**

The Council runs an annual postal survey as a statistically robust way of assessing residents' views and priorities. In the 2014 survey, 57 per cent of residents said they were satisfied with the way the Council runs things locally, up from 39 per cent in 2010. This result would appear to mirror the national picture of satisfaction with, and trust in,

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<sup>1</sup> Based on the 2010 English Indices of Deprivation. Updated rankings will be published in Summer 2015.

local councils increasing, while that in national institutions is falling. Some 74 per cent of residents report that they are satisfied with their local area as a place to live.

The survey asks residents to list the five things they think are most important in making somewhere a good place to live, and the five things they think most need improving in their local area. The most popular answers have remained broadly the same for several years; those for 2014 are shown in Table 1, while some of the ways the Council is working to address the things in need of improvement are described on page 6.

<b>Most important in making somewhere a good place to live</b>	<b>Most in need of improvement in Swale</b>
<ol style="list-style-type: none"> <li>1. Level of crime</li> <li>2. Clean streets</li> <li>3. Health services</li> <li>4. Good schools</li> <li>5. Road and pavement repairs</li> </ol>	<ol style="list-style-type: none"> <li>1. Road and pavement repairs</li> <li>2. Activities for teenagers</li> <li>3. Job prospects</li> <li>4. Traffic congestion</li> <li>5. Shopping facilities</li> </ol>

*Table 1: Residents' views of what is important and what is in need of improvement*

### **What does the Council do to make Swale a better place?**

The Council is responsible for providing or commissioning a wide range of public services in the Borough. Many of these are concerned with its physical appearance and the amenities it offers, including street cleaning, leisure facilities, open spaces, and management of the countryside and coastline. The Council consults with residents to establish the planning framework within which building is permitted, and works with developers to oversee construction projects. It is actively engaged in economic development, promoting the Borough for tourism and inward investment, and supporting existing employers to thrive.

The Council also provides or commissions many services for individual customers, whether on a universal basis – such as household refuse collection and running national and local elections – or in a way which is targeted at people who are most in need. The latter include a wide range of housing-related services, such as accommodation for homeless households, home adaptations to keep people out of residential care, regulation of private landlords, and the administration of housing benefit. The Council is also actively involved in supporting people affected by crime and disorder, including domestic abuse sufferers.

In addition to the services provided by the Council, the fact that councillors are democratically elected by residents gives the Council a legitimate interest in all the ways in which public money is spent in the Borough and the issues it is intended to tackle. Many of the most entrenched problems experienced by some of Swale's communities – including low skills, worklessness, and poor health – are more directly the concern of other agencies with wider geographical remits, but the Council is

ambitious to play its part in working with and influencing those agencies to agree joint priorities and deliver the best solutions for Swale.

### **What is the Council's track record in making Swale a better place?**

The Council has a strong track record in optimising the use of its limited resources to make Swale a better place and improve facilities and opportunities for the people who live and work here. Over the past year, for example, the Council has:

- delivered a highly successful regeneration conference to raise awareness of Swale's advantages as an investment location, attracting keynote speakers including Lord Digby Jones and the Rt Hon Michael Fallon MP, who described the Borough as 'a superb location to do business';
- rolled out a new waste collection arrangement with contractor Biffa, developed and signed in partnership with Kent County Council and Ashford and Maidstone Borough Councils, which will enable residents to separate food waste for composting and increase recycling rates by over a third by 2016, while saving Swale taxpayers at least £800,000 per annum; and
- worked with community representatives on the Sittingbourne Skate Park Steering Group to develop ambitious plans for a state-of-the-art skate park on the Lloyds Wharf site, as a way to encourage healthier levels of physical activity among residents and provide the Borough's young people with an amenity they can enjoy and be proud of.

The Council's role in the things listed by residents as most in need of improvement in the Borough (Table 1 above) is in most cases restricted to influencing or working in partnership with the responsible organisation to ensure that Swale's needs are given high priority. The Council is already experienced and effective in this collaborative approach to tackling local problems, and will be looking to enhance further its capacity for lobbying and influencing over the lifetime of this plan. Some of the ways in which the Council works to address residents' priorities as shown in Table 1 include:

- **Road and pavement repairs:** Although Swale Borough Council receives no funding for roads and has no statutory powers, it is an active member of the Joint Transportation Board, where it works to promote Swale's needs and ensure maintenance of Swale's roads is given a high priority within Kent.
- **Activities for teenagers:** The Council takes its responsibility for physical amenities in Swale very seriously, although children's and youth services in the Borough are run by Kent County Council. In addition to its work on the new skate park, the Borough Council is working hard with development partners to ensure that the new town centre for Sittingbourne, construction of which is scheduled to commence in 2015, will include a multiplex cinema and a range of other leisure facilities.
- **Job prospects:** The Council's Economy and Community Services team works to attract businesses into the Borough, support existing companies to grow, and improve opportunities for people to gain workplace skills. Since 2008, over two

million square feet of new employment floorspace has been created in Swale, almost twice that of any other Kent district, and last year almost 1,200 young people from Swale benefited from apprenticeship placements supported by the Council. The TIGER loan scheme has enabled over £6.9m of interest-free loans to be offered to local companies, supporting 433 new high-quality jobs in the Borough and helping safeguard a further 272.

- **Traffic congestion:** The Council is active in lobbying government for better road infrastructure to support economic growth in the Borough, with improvements to major highways of particular importance. Thanks largely to the Council's efforts, the Borough has recently been allocated £2.5m for town centre road improvements, and following significant local lobbying activity, the government has recently announced its commitment to improvements at Junction 5 of the M2.
- **Shopping facilities:** The regeneration of Sittingbourne town centre has long been a top priority for the Council. This is a complex piece of work involving a wide range of partners and finely judged assessments of what is viable given the town's geographic, economic and other characteristics. Having successfully steered negotiations through the difficult days of national economic recession, the Council and the Spirit of Sittingbourne consortium are now confident that construction work on Phase I will begin in 2015.

This plan outlines how the Council intends to carry on making Swale a better place over the period April 2015 to March 2018. It is organised under three overarching priority themes, intended to draw together the disparate strands of the Council's work to improve Swale as a place, as a community, and as an organisation. Some further examples of the Council's recent successes are given under each of the plan's three priority themes.

## **Priority Theme One: A Borough To Be Proud Of**

This priority theme focuses on the Council's aspirations for Swale as a physical place. The key outcomes we are working towards under this theme are:

- a redeveloped town centre for Sittingbourne which acts as a catalyst for the wholesale regeneration of the Town, fostering economic and cultural renewal;
- delivery of smaller-scale regeneration projects elsewhere in the Borough to improve the appearance and facilities of our towns and villages;
- a borough which is noticeably clean and well maintained, in which the natural and built environments are respected, conserved, and enhanced for future generations;
- a borough with a strong brand, which is recognised nationally and internationally for its advantageous business environment and for its wealth of visitor attractions; and
- world-class multi-modal transport links which facilitate economic growth and enable residents from across the Borough to take advantage of it.

This theme thus continues the 2007-2011 priority of 'Regenerating Swale' but updates it to focus on the delivery phase as we move towards construction work commencing. The theme also carries on much of what is covered by 'Open for Business' in the 2011-2014 plan, including physical economic enablers such as infrastructure, but also covering the need for the Borough to improve its 'brand recognition' to attract both investment and visitors. Finally, the theme continues many of the place-related elements of the 2007-2010 'Cleaner and Greener' and the 2011-2014 'Healthy Environment' priorities.

Given this continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale is a borough to be proud of. Over the past year, for example, the Council has:

- undertaken detailed preparatory work with the Spirit of Sittingbourne consortium so that a planning application for the first phase of the town centre regeneration, including a new cinema, multi-storey car-park, and leisure and restaurant facilities, is currently being determined, with work likely to begin on the ground this year;
- launched high-profile media and advertising campaigns against littering and dog-fouling, helping us ensure that Swale's streets remained clean and tidy;
- launched new 'Visit Swale' and 'Swale Means Business' websites to provide free promotion to the Borough's tourism businesses and showcase the many advantages of the Borough as a place for business investment;
- won numerous awards for the Borough's beaches and open spaces, as well as being shortlisted for a prestigious Municipal Journal award for the work of the Environmental Response Team.



In order to continue this work into 2015 and beyond, our high-level objectives under this priority theme, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Deliver major regeneration projects
2. Enhance the Borough's economic and tourism offer
3. Keep Swale clean and tidy
4. Protect and improve the natural and built environments
5. Lobby for better roads and transport

## **Priority Theme Two: A Community To Be Proud Of**

This priority theme focuses on the Council's aspirations for the people of Swale. The key outcomes we are working towards under this theme are:

- communities across Swale in which people work together to solve the issues that confront their local areas;
- a diverse, flourishing and well-supported voluntary sector working to improve lives across the Borough;
- a low-crime Borough in which a 'zero tolerance' approach is taken to antisocial behaviour and no-one has to live in fear of crime, domestic abuse or intimidation;
- an educated community in which everyone has the opportunity to acquire the skills which will enable them to work to support their families, and in which businesses are able to thrive through the recruitment of well-qualified local people; and
- a community in which everyone plays their part in maintaining their own physical and mental wellbeing through healthy lifestyle choices, but where people have easy access to world-class healthcare when things go wrong.

This priority theme thus continues the emphasis placed on encouraging active communities in the 'Embracing Localism' priority of 2011-2014, and the 'Safer and Stronger' priority of 2007-2010. It seeks to recognise that the Council, and the wider public sector more generally, can never be the whole solution to the issues faced by communities in Swale, and that an important role for the Council is in enabling and empowering residents to find their own answers to the difficulties they want to overcome.

Strongly aligned to this, the theme also covers the people-focused elements of the 2011-2014 'Open for Business' priority, such as support for indigenous business growth and the need to bring the Council's influence to bear to improve residents' opportunities to acquire qualifications and skills. Finally, the theme recognises the significant contribution made by the Council's services to public health in the Borough, as well as its increasingly important role in working with partners to influence local healthcare provision.

Given this continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale is a community to be proud of. Over the past year, for example, the Council has:

- worked to support the Borough's employers to offer apprenticeship opportunities to local young people as a way to improve their skills and employability, so that Swale now out-performs much of Kent in the number of apprenticeships it can offer its young people;

- continued to transfer responsibility for the management of community assets such as community halls and sports and leisure facilities to groups of local volunteers with the passion and local knowledge to make the best use of them for the benefit of their communities;
- supported Isle of Sheppey residents to prepare for a changing climate through the Sustainable Sheppey project, increasing community resilience and helping people to adopt greener lifestyles, learn new skills, and save money on household bills;
- run a successful campaign to increase the number of people giving their time to help others in Swale, and organised the first ever Volunteer Swale Awards as a way to say “thank you” for the vital work they do to improve the lives of Swale’s residents.

In order to continue this work into 2015 and beyond, our high-level objectives under this priority theme, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Foster economic growth and prosperity for all
2. Encourage active communities and support the voluntary sector
3. Reduce crime and disorder
4. Use our influence to ensure local skills are matched to local jobs
5. Work in partnership to improve health and mental health

## **Priority Theme Three: A Council To Be Proud Of**

This priority theme focuses on the Council's need to develop its own organisational capacity and culture as it continually reassesses how it can best achieve the objectives of the other two priority themes. The key outcomes we are working towards under this theme are to be:

- a Council which is regarded as a positive asset to the area by its residents and taxpayers, and which routinely exceeds its customers' expectations;
- an organisation which continually and actively seeks new ways of achieving better results at lower cost, and in which all employees are supported to experiment and innovate to improve the way they do their jobs;
- a Council whose ongoing financial viability is largely independent of the decisions made by central government, which is less dependent on grant funding, and which is well placed to secure the best arrangement for Swale's residents in the event of local government reorganisation; and
- a Council with the confidence and capacity to fulfil its community leadership role, sustaining effective partnerships with other local agencies and punching above its weight to ensure that Swale's needs are taken fully into account at a national and European level.

In part, this priority theme reaches back to the 2007-2010 priority of 'Becoming a High-Performing Organisation', but it acknowledges that the criteria for evaluating councils' performance have become more complex and more opaque in recent years. The theme also recognises the need to develop non-traditional sources of income while minimising expenditure by encouraging innovation and experimentation in delivering services. Thanks to its robust financial management practices, the Council will be able to make reserve funds available on an 'invest to save' basis for projects which offer realistic opportunities to make savings or generate revenue.

This priority theme additionally acknowledges the need for the Council to continue to be run as effectively and efficiently as possible, and to maintain a focus on residents' perceptions and customers' experiences. Finally, in incorporating an explicit objective to enhance the Council's capacity for achieving outcomes collaboratively (e.g. through lobbying, influencing or partnership working), the theme also seeks to deal as proactively as possible with the fact that some of the most significant aspirations for the Borough encompassed by the other two priority themes are simply not within the power of the Council to realise on its own.

Given the continuity between past and present corporate plans, it is unsurprising that teams from across the Council are already working hard to ensure that Swale's is a council to be proud of. Over the past year, for example, the Council has:

- frozen council tax for the fourth year in a row, maintaining Swale's position as the third-lowest of all Kent districts, notwithstanding its high proportion of properties in lower council tax bands;
- continued its prudent management of public finances, dealing positively with government spending reductions by setting a balanced revenue budget 18% smaller than three years ago and delivering an overall underspend against this at year end, further strengthening the council's ability to invest in long-term regeneration projects and earning an exemplary report from the Council's external auditor.
- supported a wide range of internal and partnership-based initiatives designed to cut costs and improve outcomes, including the 'troubled families' initiative, new service-sharing arrangements with Maidstone and Tunbridge Wells Councils, and co-location of housing and benefits advisors to provide a more seamless service to clients;
- made innovative use of new freedom from government red tape to invest reserves in the purchase of a house for use as temporary accommodation for local homeless households, enabling vulnerable people to remain in the Borough, close to their families and support networks, while saving taxpayers around £19,000 per year on the cost of bed-and-breakfast accommodation; and
- won numerous awards and accreditations, including corporate 'Investors in People' and 'Customer Service Excellence' in a number of customer-facing services, and ensured that three-quarters of the indicators we use to measure the quality of our services are performing better than an average local authority.

In order to continue this work into 2015 and beyond, our high-level objectives under this priority theme, beneath which more detailed action plans are either already in existence or will be developed, are:

1. Improve residents' perceptions and customers' experiences
2. Ensure that Swale's internal governance and decision-making are second to none
3. Encourage innovation at every level
4. Strengthen our financial and political resilience
5. Enhance our capacity for achieving outcomes collaboratively

# Financial Summary

[To follow]

## Your Councillors

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**PRIORITY 1: A BOROUGH TO BE PROUD OF****Objective 1.1: Deliver major regeneration projects**

- |       |   |
|-------|---|
| 1.1.1 | Encourage regeneration investment, job creation and urban renewal across the Borough.   |
| 1.1.2 | Work with Spirit and other partners to deliver the regeneration of Sittingbourne Town Centre.   |
| 1.1.3 | Ensure that sufficient short-term car-parking spaces are created in Sittingbourne Town Centre to offset spaces lost to redevelopment. |

**Objective 1.2: Enhance the Borough's economic and tourism offer**

- |       |  |
|-------|--|
| 1.2.1 | Promote Swale for business investment and expansion.   |
| 1.2.1 | Continue to support the success of key employment locations including Eurolink, Port of Sheerness, Kent Science Park, Kemsley Fields and Neatscourt. |
| 1.2.3 | Support the local tourism industry.  |
| 1.2.4 | Support partners in the roll-out of fibre-based broadband within the Borough.  |

**Objective 1.3: Keep Swale clean and tidy**

- |       |  |
|-------|--|
| 1.3.1 | Keep the streets and open spaces in the Borough clean and tidy and encourage reduced littering.                                    |
| 1.3.2 | Continue to develop a waste collection service which encourages greater levels of recycling and reduced levels of household waste. |

**Objective 1.4: Protect and improve the natural and built environments**

- |       |   |
|-------|---|
| 1.4.1 | Publish, submit and adopt the Local Plan.   |
| 1.4.2 | Continue to provide excellent stewardship of the countryside, coastline, parks and open spaces. |
| 1.4.3 | Continue to mitigate against the causes of climate change.                                      |

**Objective 1.5: Lobby for better roads and transport**

- |       |  |
|-------|--|
| 1.5.1 | Lobby for infrastructure improvements to the M2 in the Borough as set out in the 2014 South-East Local Growth Fund bid.                                      |
| 1.5.2 | Continue to press the case for the completion of the Sittingbourne relief road.  |
| 1.5.3 | Work with partners to ensure Swale has a public transport network which enhances work and leisure opportunities and is an attractive alternative to car use. |

**PRIORITY 2: A COMMUNITY TO BE PROUD OF****Objective 2.1: Foster economic growth and prosperity for all**

- |       |   |
|-------|---|
| 2.1.1 | Continue to provide tailored packages of support to local businesses and start-ups.   |
| 2.1.2 | Promote opportunities to bid for Council contracts among local businesses, and use social value criteria when assessing tenders to ensure fair competition. |

2.1.3	Work with partners to support residents through welfare reform and encourage greater independence where appropriate.
2.1.4	Continue to support initiatives to help troubled families across Swale.
<b>Objective 2.2: Encourage active communities and support the voluntary sector</b>	
2.2.1	Continue to transfer responsibility for assets and services to parish/town councils and voluntary/community groups.
2.2.2	Ensure the aims of the volunteering strategy are delivered.
2.2.3	Promote opportunities to bid for Council contracts among local voluntary/community organisations, and use social value criteria when assessing tenders to ensure fair competition.
2.2.4	Commemorate the 1914-1918 centenary.
2.2.5	Help residents and communities to adapt to a changing climate.
<b>Objective 2.3: Reduce crime and disorder</b>	
2.3.1	Continue to tackle crime, disorder and antisocial behaviour.
<b>Objective 2.4: Use our influence to ensure local skills are matched to local jobs</b>	
2.4.1	Target lobbying and influencing activity on the need to bring the Borough's skills profile up to the national and regional averages.
2.4.2	Continue to encourage the creation of opportunities for young people to enter employment and learning, particularly apprenticeships.
2.4.3	Press the case for equitable access to further education across Swale (especially Sittingbourne), and ideally for better provision within the Borough.
2.4.4	Work to facilitate an improvement in linkages between employers and skills providers so that training provision more accurately reflects employers' needs.
<b>Objective 2.5: Work collaboratively to improve health and mental health</b>	
2.5.1	Continue to use the local Health and Wellbeing Board to influence the local health and public health agendas.
2.5.2	Support partners to improve health and reduce hospital admissions through effective home adaptations and by improving conditions in privately rented homes.
2.5.3	Pilot and roll out an identification and initial assessment service among frontline staff to ensure appropriate referral of apparent mental health needs.
2.5.4	Implement <i>Move Ourselves</i> , the sport and physical activity framework for Swale.
2.5.5	Support the development of shared routes for cycling and walking.
<b>PRIORITY 3: A COUNCIL TO BE PROUD OF</b>	
<b>Objective 3.1: Improve residents' perceptions and customers' experiences</b>	
3.1.1	Implement the corporate Communications Strategy.
3.1.2	Identify and address the factors with the strongest influence on residents' perceptions of the Council.



3.1.3	Provide a choice of access to our services through a balance of cost-effective and convenient options, and pursue initiatives to improve customer service at reduced cost.
<b>Objective 3.2: Ensure that Swale's internal governance and decision-making are second to none</b>	
3.2.1	Use the annual budget-setting process to produce balanced budgets and ensure maximum value for money, and closely monitor expenditure against budgets during the year.
3.2.2	Continue to undertake robust performance management of Swale's services and regular benchmarking with other top-performing councils.
3.2.3	Improve the Council's understanding of its appetite for risk and ensure that appropriate mechanisms are in place to manage risks at all levels.
<b>Objective 3.3: Encourage innovation at every level</b>	
3.3.1	Ensure that staff are supported to experiment and innovate in finding new ways to achieve better outcomes at lower cost.
3.3.2	Continue to be proactive in learning about 'what works', whether from our own experiences or from those of other organisations across the public, private and voluntary sectors.
<b>Objective 3.4: Strengthen our financial and political resilience</b>	
3.4.1	Ensure that income from government sources over which the Council has some control (e.g. New Homes Bonus and retained NNDR) is maximised.
3.4.2	Assess and pursue options for generating revenue to reduce dependence on government-controlled funding streams.
3.4.3	Work to develop a preferred outcome to secure the best arrangements for Swale's residents in the event of local government reorganisation.
<b>Objective 3.5: Enhance our capacity for achieving outcomes collaboratively</b>	
3.5.1	Strengthen further our ability to work in partnership with other agencies, whether at strategic, tactical or operational levels.
3.5.2	Work to improve our capacity for systematic and concerted lobbying.

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# Community Impact Assessment

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

## When to assess

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

## Public sector equality duty

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

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

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

## Protected characteristics

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

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

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

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

## Due regard

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

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

## Collecting and using equality information

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

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

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

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

## Case law principles

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

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

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

<b>Lead officer:</b>	David Clifford – Policy and Performance Manager
<b>Decision maker:</b>	Council
<b>People involved:</b>	David Clifford – Policy and Performance Manager Bob Pullen – Policy and Performance Officer Sarah Porter – Sustainable Sheppey Project Manager
<b>Decision:</b> <ul style="list-style-type: none"> <li>▪ Policy, project, service, contract</li> <li>▪ Review, change, new, stop</li> </ul>	This is a high-level strategic plan which is being reviewed and updated.
<b>Date of decision:</b> The date when the final decision is made. The CIA must be complete before this point and inform the final decision.	Council: 18 February 2015
<b>Summary of the decision:</b> <ul style="list-style-type: none"> <li>▪ Aims and objectives</li> <li>▪ Key actions</li> <li>▪ Expected outcomes</li> <li>▪ Who will be affected and how?</li> <li>▪ How many people will be affected?</li> </ul>	<p>The plan proposes three overarching priorities for the council to focus on over the period 2015/16-2018/19. Beneath each of these priorities sit five high-level objectives, as follows:</p> <p><b><i>Priority 1: A borough to be proud of.</i></b></p> <ul style="list-style-type: none"> <li>▪ Deliver major regeneration projects.</li> <li>▪ Enhance the borough's economic and tourism offer.</li> <li>▪ Keep Swale clean and tidy.</li> <li>▪ Protect and improve the natural and built environments.</li> <li>▪ Lobby for better roads and transport.</li> </ul> <p><b><i>Priority 2: A community to be proud of.</i></b></p> <ul style="list-style-type: none"> <li>▪ Foster economic growth and prosperity for all.</li> <li>▪ Encourage active communities and support the voluntary sector.</li> <li>▪ Reduce crime and disorder.</li> <li>▪ Use our influence to ensure local skills are matched to local jobs.</li> <li>▪ Work collaboratively to improve health and mental health.</li> </ul> <p><b><i>Priority 3: A council to be proud of.</i></b></p> <ul style="list-style-type: none"> <li>▪ Improve residents' perceptions and customers' experiences.</li> <li>▪ Ensure that Swale's internal governance is second to none.</li> <li>▪ Encourage innovation at every level.</li> <li>▪ Strengthen our financial and political resilience.</li> <li>▪ Enhance our capacity for achieving outcomes collaboratively.</li> </ul> <p>The key actions for 2015/16 are set out in the accompanying high-level action plan, which is intended to sit below the objectives listed above. Action plans of this type have historically been used as intermediaries between the corporate plan and individual departments' annual service plans, and as such are</p>

	<p>generally reviewed updated on an annual basis. Some of the actions on the plan at Appendix II are at a greater level of detail than others, and there is also a range of likely durations, with some actions achievable by the end of 2015/16 and others expected to range over a longer term.</p> <p>What all these actions have in common, however, is that whether they will need to be broken down into more discrete 'sub-actions' or not, they are at too abstract a level to allow a robust assessment of their impact in terms of equality legislation. In many cases, separate impact assessments will need to be made on these pieces of work as their precise parameters become clearer, and these will be brought to members for consideration in due course.</p> <p>Insofar as it provides guidance for the allocation of council resources over the medium term, the corporate plan potentially has an impact on everyone living in, working in or visiting the borough. However, as with the action plan, the plan is a strategic document which sets out broad areas of focus rather than proposing concrete pieces of work which could have a definite and measurable equality impact.</p>
<p><b>Information and research:</b></p> <ul style="list-style-type: none"> <li>• Outline the information and research that has informed the decision.</li> <li>• Include sources and key findings.</li> <li>• Include information on how the decision will affect people with different protected characteristics.</li> </ul>	<p>The text of the plan contains a great deal of contextual demographic information about the borough and its residents. However, the plan is (intentionally) at too abstract a level to have a definite impact on people with particular protected characteristics. More detailed pieces of work which will sit under the objectives in the plan will need to be subject to impact assessments in their own right in due course.</p>
<p><b>Consultation:</b></p> <ul style="list-style-type: none"> <li>• Has there been specific consultation on this decision?</li> <li>• What were the results of the consultation?</li> <li>• Did the consultation analysis reveal any difference in views across the protected characteristics?</li> <li>• Can any conclusions be drawn from the analysis on how the decision will affect people with different protected characteristics?</li> </ul>	<p>The corporate plan is primarily an internal document, and as such was developed in close consultation with members and senior officers. In particular, the plan accommodates the views and priorities of cabinet members, the policy development and review committee, the strategic management team and all heads of service.</p> <p>The plan was also subject to external consultation involving the publication of a draft version and a set of consultation questions to solicit feedback. This was publicised for example through the Swale Community Empowerment Network (SCEN) and the Swale Public Services Board (PSB), as well as through the council's Facebook and Twitter accounts.</p> <p>As would probably be expected with a document at this level of abstraction, no responses were received to suggest any differences in views between people with protected characteristics.</p>

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

**Assess the relevance of the decision to people with different protected characteristics and assess the impact of the decision on people with different protected characteristics.**

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

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

<p><b>Conclusion:</b></p> <ul style="list-style-type: none"> <li>Consider how due regard has been had to the equality duty, from start to finish.</li> <li>There should be no unlawful discrimination arising from the decision (see <a href="#">PSED Technical Guidance</a>).</li> </ul> <p>Advise on the overall equality implications that should be taken into account in the final decision, considering relevance and impact.</p>	<p>The corporate plan and its associated high-level action plan are in general at too high a level of abstraction for the aims of the equality duty to be relevant in any concrete way, although it is likely to be much more relevant to many of the pieces of work which will flow from it. The impact of the plan itself on the aims of the equality duty, without reference to these more detailed pieces of work, is at this stage considered to be low, and nothing requiring the mitigation of adverse impacts has been identified. It is believed at this stage that the plan involves no unlawful discrimination.</p>
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### Timing

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

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

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<b>Council</b>	
<b>Meeting Date</b>	18 February 2015
<b>Report Title</b>	Pay Policy Statement
<b>Cabinet Member</b>	Cllr. Ted Wilcox
<b>SMT Lead</b>	Mark Radford, Director of Corporate Services
<b>Head of Service</b>	Dena Smart, Head of HR Shared Service
<b>Lead Officer</b>	Dena Smart, Head of HR Shared Service
<b>Key Decision</b>	<b>No</b>
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the proposed Pay Policy Statement be agreed for publication on the Council's web site.</li> <li>2. That the information within the Pay Policy Statement is up-dated with actual year end figures before publication.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 This report is required to enable the Council to satisfy the requirements of section 38 of the Localism Act 2011, which requires 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 statement in March 2014.
- 1.2 Terms and conditions of employment for employees is a non-executive function, and the General Purposes Committee has delegated responsibility for this within the Council's constitution. Although there is no mandated 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 requires 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 specifically 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, namely 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 trade union facility time, including the number of trade union representatives for each of the recognised trade unions, and the amount of time spent on trade union duties.

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, starting with 2012;
- 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 Pay Policy Statement sets out as much information relating to employee terms and conditions as is practical.

### **3 Proposal**

- 3.1 The proposed Pay Policy Statement sets out the Council's Reward Strategy, including many of the associated terms and conditions, and should satisfy the requirements of the Localism Act 2011. 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.

## 4 Alternative Options

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

## 5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with the Cabinet Member for Performance, the Senior Management Team, and UNISON. As this is not a change to existing policies, no further consultation is required.

## 6 Implications

Issue	Implications
Corporate Plan	None identified at this time
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 commitment of public money through employee remuneration.
Legal and Statutory	Localism Act 2011
Crime and Disorder	None identified at this time
Sustainability	None identified at this time
Health and Wellbeing	None identified at this time
Risk Management and Health and Safety	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 FOI requests received.  There is a risk to the Council if it does not produce a Pay Policy Statement as this is a statutory requirement.

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 within this document support this requirement.
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## 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 2015**

# Swale Borough Council

## Pay Policy Statement – January 2015

### 1. Introduction

The local government workforce strategy has five key themes, which are mirrored by our own local strategy:

- Organisational development;
- Leadership development;
- Skills development;
- Recruitment and retention; and
- Pay and rewards.

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 Work Force Strategy, and the development of a Total Rewards approach to remuneration for council staff.

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

### 2. Terms and Conditions – Decision Making

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

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

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

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

### 3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff, and Members and was agreed by the General Purposes Committee on 13 September 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 **Lowest Paid** employees are defined as those whose posts have INBUCON points of 100 to 120, which place them into grade 1 of the pay scale.

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. The incremental steps are evenly spaced percentages throughout the scale. 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).

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. In 2012/13 the pay consultation concluded with a two year pay agreement, which equated to a 1% pay award for each of the two years, but the increase to the pay scale was 'bottom loaded' so that lower grades received an

increase of more than 1% and the highest grades received no pay increase in 2013/14 and 0.5% in 2014/15.

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 19 employees in receipt of Market Supplements, all working in either planning or environmental health. Following a review of the pay levels within the Council compared to market rates, the environmental health staff were notified that this supplement would be withdrawn. Planning roles have become increasingly hard to fill and it is likely that this supplement will need to continue to be used in future recruitment campaigns for this specialism.

### 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 Total Rewards package.

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.

<b>Pensionable Pay is:</b>			<b>Contribution rate:</b>
£0	to	£13,500	5.5%
£13,501	to	£21,000	5.8%
£21,001	to	£34,000	6.5%
£34,001	to	£43,000	6.8%
£43,001	to	£60,000	8.5%

£60,001	to	£85,000	9.9%
£85,001	to	£100,000	10.5%
£100,001	to	£150,000	11.4%
£150,001 and above			12.5%

The employer contribution rate, calculated as the future service rate excluding past service deficit, is currently around 12.6 %, although this does vary from year to year.

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

Although most of the rules associated with the scheme are set centrally, there are a few areas where local employers must define their own policy; the discretionary policy is attached at Appendix I (E). In broad terms it is not the policy of the Council to increase pension benefits to employees through any form of enhancement.

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 Other payments.

**Honoraria:** the council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; this is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2014/15 there were five 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. In 2014/15 there were fifteen people in receipt of this payment, including park rangers and street wardens; this is a reduction of twenty three from 2011/12. 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:** these are paid to a small number of employees (twenty in 2014/15) who are on an out-of-hours on-call rota for specialist duties such as collecting stray dogs or attending noise complaints. The level of remuneration is £50 for each week of 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 is given to those employees that are required to have a vehicle for their role and that drive a minimum of 2,000 miles annually. As at the end of March 2014 this allowance was allocated to forty-seven members of staff. The majority of those staff in receipt of this payment are within the statutory services which require external visits e.g. planning, environmental health, and housing. Mileage rates for those receiving this allowance are set at the HMRC level (in 2013/14 this was 45 pence per mile).

### 3.6 Special fees and arrangements

Special fees may be paid for certain additional duties; in general these are connected to election duties and the funding for the allowance will not come from the Council's own budget. In most councils an additional fee is paid to the Chief Executive for the role of Returning Officer for the District elections; however, remuneration for this activity is incorporated into the Chief Executive's base salary where s/he is acting on behalf of the Council (eg borough elections). However, fees may be paid in addition to the base salary when the Chief Executive (or other officer) undertakes the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

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

### 3.7 Other employee benefits

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

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

On an annual basis the Council has an **Awards Ceremony** that recognises the best achievements of staff during the preceding year. This ceremony takes the form of a dinner and dance for nominees and partners; the cost of the occasion is off-set through sponsorship from local businesses and partners.

The Council offers a **salary sacrifice scheme** to employees for the purchase of bicycles and childcare vouchers. 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 Improvement Partnership (MKIP) partners.

#### **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 to consider ways to reduce costs to the Council.

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

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 now been further qualification of the salary threshold for publication which has been set at £50,000 and above. This information, plus the inclusion of all additional fees, is at Appendix 1 (H).

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

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

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

	<b>Chief Executive earnings</b>	<b>Median</b>	<b>Pay Multiple</b>
<b>2011/12</b>	£141,279	£19,953	7.08
<b>2012/13</b>	£146,434	£19,519	7.50
<b>% change from previous year</b>	3.65%	-2.18%	5.93%
<b>2013/14</b>	£149,782	£20,838	7.19
<b>% change from previous year</b>	2.29%	6.76%	-4.13%
<b>2014/15</b>	£149,898	£20,964	7.15
<b>% change from previous year</b>	0.08%	0.6%	-0.56%

The Chief Executive has now reached the top of his pay band, and the only increase in 2014/15 was a 0.5% inflation increase which moved the top of the band from £146,020 to £146,750. However, the election fees payable for duties in regard to the European Elections (£3,148) were reduced from those the previous year (£3,762), which meant that earnings remained largely at the same level.

The median earnings of all employees have increased marginally, which largely reflects the 1% pay award for 2014/15. The higher increase in the pay median than the increase in the Chief Executive earnings has resulted in a small reduction of the pay multiple. In general pay has been static during 2014/15.

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

## **5. Trade Union Facility time**

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

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.). None of the trade union representatives therefore spend more than 50% of their working time on trade union duties. With this low level of required time the Council has not previously required that the trade unions monitor time spent, and the reported figure is therefore an estimate for 2013/14. Monitoring will take place in the future for comparison purposes.

The number of trade union representatives is as follows:

	<b>Headcount</b>	<b>FTE</b>
UNISON	6	4.6

Estimated trade union spend as a percentage of the pay-bill is 0.0096%

This is calculated as the number of full time equivalent days (84/7.4 hours = 11.34 days) spent on trade union duties, multiplied by the average salary (£24,741 per annum /260 days = £95 per day), divided by the total pay bill £11,186,000).

## **6. Contact for further information**

If you require any further information regarding the salary policy of the council you should contact Dena Smart, Head of HR Shared Services on 01795 417 391, or by email on [denasmart@maidstone.gov.uk](mailto:denasmart@maidstone.gov.uk)

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**Pay Scale 2014/15**

<b>Grade</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1</b>	14,591				
<b>2</b>	15,109	15,719	16,349		
<b>3</b>	17,650	18,352	19,085	19,850	
<b>4</b>	20,575	21,402	22,259	23,146	
<b>5</b>	23,217	24,146	25,115	26,115	
<b>6</b>	26,298	27,349	28,440	29,583	
<b>7</b>	29,624	30,807	32,041	33,327	
<b>8</b>	33,418	34,755	36,142	37,591	
<b>9</b>	39,472	41,049	42,687	44,397	
<b>10</b>	47,042	48,925	50,879	52,914	
<b>11</b>	55,044	57,245	59,536	61,918	64,390
<b>12</b>	65,657	68,280	71,013	73,857	76,812
<b>13</b>	80,802	84,038	87,395	90,892	94,530
<b>14</b>	125,444	130,459	135,675	141,102	146,750

## Pay Progression

### 1. Annual Inflation Award

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

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

### 2. Pay progression within grade

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

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

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

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

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

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

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

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

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## Chief Executive and Director Appraisal Process

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

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

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

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



The process for Directors is set out below:

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

## **Market Supplements for Pay**

### **1. Introduction**

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

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

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

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

#### **2.1 Recruitment Campaigns**

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

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

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

## 2.3 National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation and the I&DeA. In 2014 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 Head of Finance. 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 Head of Finance. 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.

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 3 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 Head of Finance, and the relevant Director.

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

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

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

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

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

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

#### **4. Calculation of Protection**

Earnings protection in respect of payments/allowances other than basic salary will be calculated as an average of those earnings paid within the three month period prior to the organisational change taking place as compared with the new earnings package. Such earnings will include market supplements, essential car user allowance, shift payment, irregular working hours payment, and an average of overtime, if considered appropriate. The protection figure so calculated will be applied on a “stand still” basis, i.e. with no inflation award or incremental movement.

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.

If an employee with a lease car agreement is redeployed to a post that does not carry eligibility for a lease car, that employee will be permitted to retain the lease car until the end of the lease period.

#### **5. Conditions of Protection**

Protection of earnings is conditional upon the employee undertaking any shift work or other duties which may be required in the new post up to the level at which the earnings in the new post equal the protected earnings.

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**

With effect from 1 April 2008, no further certificates of protection of pension benefits will be issued. However, those issued prior to that date will still be valid.

As from 1 April 2008 the pension scheme rules changed such that those whose pay is restricted or downgraded in the ten years prior to them leaving the scheme will have the option to have their benefits based on the average of any three consecutive years in the last ten years.

#### **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 applicable. Annual leave entitlement will change with effect from the next full leave year, and notice with effective from the date of transfer.

#### **8. Review**

This Policy is subject to review.

September 2010

## KENT ASSOCIATION OF ELECTORAL REGISTRATION OFFICERS AND STAFF

## Proposed scale of fees for District/Borough and Parish Council elections held on or after 1 April 2015

ITEM	Current 2014 £	Proposed 2015 £	% increase
1. For each Presiding Officer at a Polling Station – single election	199.22	203.60	2.2%
2. For each Presiding Officer at a Polling Station – combined election or difficult station due to local circumstances (at the discretion of the Returning Officer)	244.74	250.12	2.2%
3. For a Presiding Officer who acts as a supervisor at a Polling Place where there is more than one Polling Station	(additional) 9.66	(additional) 9.87	2.2%
4. Presiding Officer travel (see note 4 below)	13.66	13.96	2.2%
5. For each Poll Clerk at a Polling Station – single election	119.53	122.16	2.2%
6. For each Poll Clerk at a Polling Station – combined election (at the discretion of the Returning Officer)	147.99	151.25	2.2%
7. Poll Clerk travel (see note 4 below)	7.94	8.11	2.2%
8. Supervising Officer – for every 10 polling stations overseen	199.22	203.60	2.2%
9. For each Presiding Officer, Poll Clerk and Supervising Officer attending training	44.22	45.19	2.2%
10. For each training session provided by the Returning Officer to Presiding Officers and Poll Clerks	170.78	174.54	2.2%
11. For the delivery of official Poll Cards by hand	Second class post	Second class post	
12. For the employment of persons in connection with the counting of votes, clerical and other assistance required by the Returning Officer – for each 500 electors (or part) in a contested election	69.70	71.23	2.2%
13. For the employment of persons in connection with the preparation, issue and opening of postal ballot papers – for every 100 (or part) postal ballot papers issued. (Further resources may be needed to meet the	68.31	69.81	2.2%

ITEM	Current 2014 £	Proposed 2015 £	% increase
effects of the Electoral Administration Act 2006)			
14. For each recount of the votes – for each 500 electors (or part) (see note 3 below)	4.01	4.10	2.2%
15. Travel of staff in connection with the counting of votes (at the discretion of the Returning Officer – see note 4 below)	7.94	8.11	2.2%
16. For clerical and other assistance required by the Returning Officer at an uncontested election – for each 500 electors (or part)	18.96	19.38	2.2%
17. Payment to the District/Borough for the use of Council staff to support the Returning Officer in the conduct of elections as follows:			
(a) contested election – (i.e. without District/Borough) for each 500 electors (or part)	53.98	55.17	2.2%
(b) contested joint election (i.e. with District/Borough) – for each 500 electors (or part)	26.99	27.58	2.2%
18. Payment to the District/Borough for the use of Council staff at an uncontested election – per uncontested election (see note 5 below)	14.89	15.22	2.2%
19. Returning Officer's fee for the conduct of elections as follows:			
(a) contested District/Borough OR Parish election – for each 500 electors (or part)	30.17		
(b) contested joint District/Borough AND Parish election – for each 500 electors (or part)	41.67	30.83	2.2%
(c) uncontested District/Borough election – single fee	51.66	42.57	2.2%
(d) uncontested Parish election – single fee	17.70	52.80	2.2%
		18.09	2.2%

#### Notes

1. The fees are calculated on the number of local government electors on the register of electors and entitled to vote at the last day for publication of the notice of election.
2. At parish polls the fees relating to polling staff may be pro rata.
3. **Item 14** – in special circumstances, the Returning Officer may recover actual costs.
4. **Items 4, 7 and 15** – variable mileage rates may be applied where fixed travel is considered inappropriate.
5. **Item 18** - the payment referred to applies (in the case of a parish election) to each ward of a parish.

## Appendix I (H)

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

Details of remuneration and job title of senior employees whose earnings are between £50,000 and £150,000.

Position	Reporting Unit	Remuneration	No of staff under management responsibility	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive Services	£145,000 - £149,999	369		Returning Officer responsible for all elections & Head of Paid Service
Corporate Services Director	Corporate Services	£95,000 - £99,999	102		Monitoring Officer
Director of Regeneration	Regeneration Services	£95,000 - £99,999	113		
Head of Commissioning & Customer Contact	Commissioning & Customer Contact	£75,000 - £79,999	47		
Head of Economy & Community Services	Economy & Community Services	£75,000 - £79,999	40		
Head of Housing Services	Housing Services	£75,000 - £79,999	37		
Head of Legal Partnership	Mid Kent Legal Services	£75,000 - £79,999	22		Head of partnership with Maidstone and Tunbridge Wells Borough Councils
Head of Planning Services	Planning Services	£75,000 - £79,999	29		Shared with Tunbridge Wells Borough Council
Head of Service Delivery	Service Delivery	£75,000 - £79,999	72		
Deputy Head of Legal Partnership	Mid Kent Legal Services	£65,000 - £69,999	22		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Chief Executive Thames Gateway Kent Partnership	Thames Gateway Kent Partnership	£60,000 - £64,999	2		
Head of Property Services	Property Services	£60,000 - £64,999	22		
Business Change Manager	Mid Kent Legal Services	£50,000 - £54,999	5		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Chief Accountant	Financial Services	£50,000 - £54,999	13		
Commissioning & Open Spaces Manager	Commissioning & Customer Contact	£50,000 - £54,999	8		
Contracts & Procurement Manager	Commissioning & Customer Contact	£50,000 - £54,999	5		
Democratic & Electoral Services Manager	Democratic Services	£50,000 - £54,999	52		
Development Manager	Development	£50,000 - £54,999	17		
Economy & Community Services Manager	Culture & Places	£50,000 - £54,999	3		
Economy & Community Services Manager	Economy & Regeneration	£50,000 - £54,999	6		
Economy & Community Services Manager	Safer & Stronger Communities	£50,000 - £54,999	3		
Housing Options Manager	Homelessness & Housing Development	£50,000 - £54,999	27		
Policy & Performance Manager	Policy & Performance	£50,000 - £54,999	4		
Revenues & Benefits Manager	Revenues & Benefits	£50,000 - £54,999	61		
Senior Environmental Health Officer	Environmental Health (Housing)	£50,000 - £54,999	7		Manager within shared service with Maidstone and Tunbridge Wells Borough Councils.
Spatial Planning Manager	Spatial Planning	£50,000 - £54,999	9		

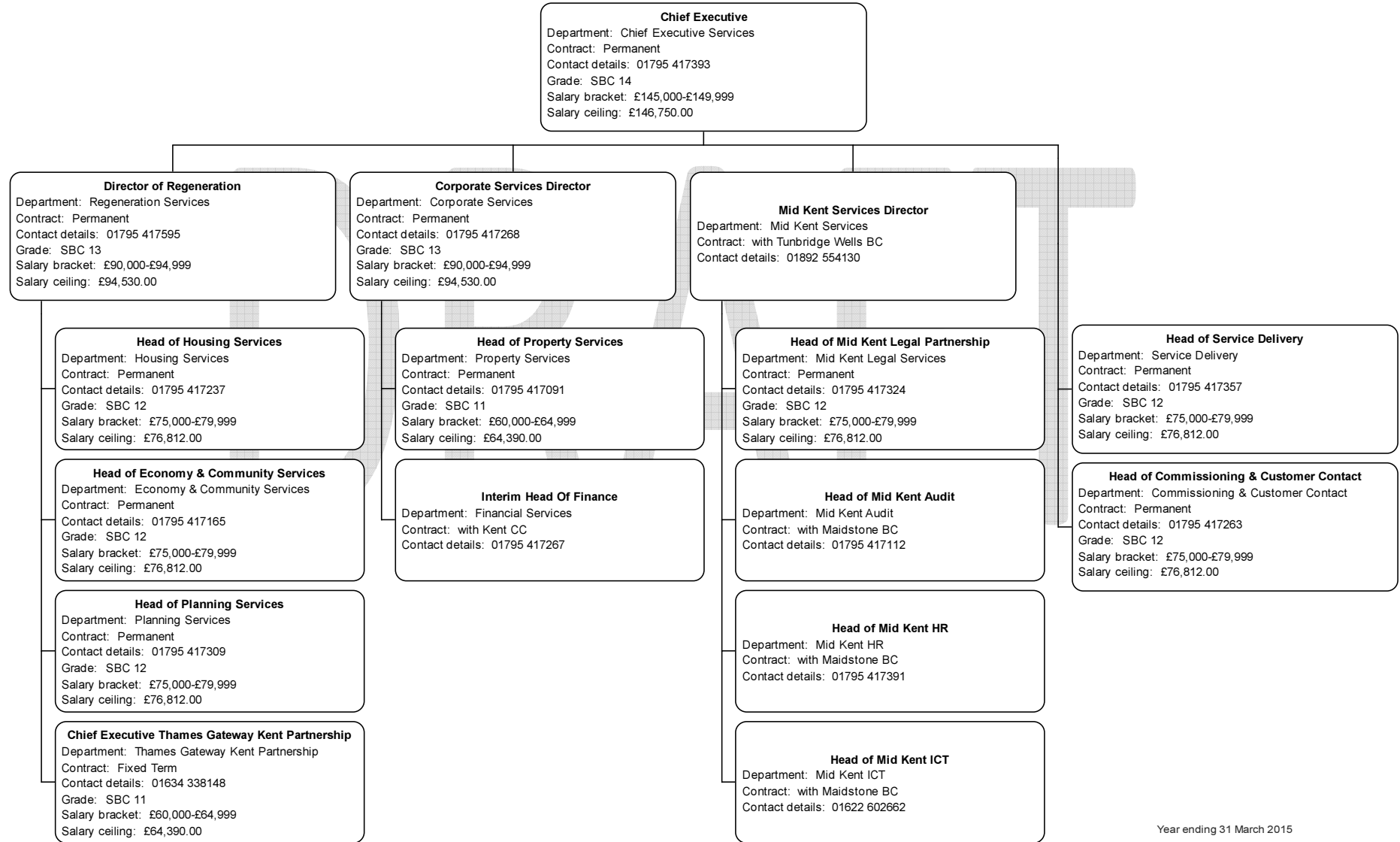
**Number of employees whose remuneration in 2014/15 is at least £50,000, in brackets of £5,000**

<b>Remuneration band</b>	<b>Number of employees in band</b>
£50,000 - £54,999	14
£55,000 - £59,999	0
£60,000 - £64,999	2
£65,000 - £69,999	1
£70,000 - £74,999	0
£75,000 - £79,999	6
£80,000 - £84,999	0
£85,000 - £89,999	0
£90,000 - £94,999	0
£95,000 - £99,999	2
£100,000 - £104,999	0
£105,000 - £109,999	0
£110,000 - £114,999	0
£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	0
£145,000 - £149,999	1
<b>Total</b>	<b>26</b>

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

<b>Post</b>	<b>Employing Authority</b>
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Senior Environmental Health Officer	Tunbridge Wells Borough Council

# Swale Borough Council Organisation Chart



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<b>Council Meeting</b>	
<b>Meeting Date</b>	18 February 2015
<b>Report Title</b>	Revised administrative arrangements for the Queenborough Fishery Trust and the Swale Recreation Trust
<b>Cabinet Member</b>	Cllr Bowles, Leader
<b>SMT Lead</b>	Mark Radford Director of Corporate Services
<b>Head of Service</b>	John Scarborough, Head of Legal
<b>Lead Officer</b>	Kate Mayor, Team Leader (Contracts and Commissioning) Mid Kent Legal Services
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Forward Plan</b>	<b>Reference number:</b>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. To agree the revised administrative arrangements for the Queenborough Fishery Trust and the Swale Recreation Trust as set out in the attached Resolutions in Appendix I and II</li> <li>2. To note the revised appointment arrangements to these outside body to be effective from the start of the civic year 2015/2016</li> <li>3. To agree the names of the two Trustees to be appointed to the Trusts in connection with the new administrative provisions referred to at 1 above and to enable the Trusts to be linked.</li> </ol>

## 1 Purpose of Report and Executive Summary

- 1.1 The report sets out proposed common administrative procedures in relation to the Queenborough Fishery Trust (QFT) and the Sittingbourne Recreation Trust (SRT). Both Trusts currently consist entirely of Members of the Council as the Council is the sole trustee of each trust. This arrangement is historic and those current members (trustees) believe that more open, transparent and wider representation would be beneficial in achieving the objectives of the trusts. Any proposals to change arrangements needs to have been approved by the Charity Commission (CC) and the report reflects discussions with the CC.

## 2 Background

- 2.1 The QFT was effectively established by a declaration of trust made on 19 March 1859 resulting from an Act of Parliament made in 1845 designed to rescue the then poor state of local finances. In 1937 a scheme was approved by the Charity Commission. The scheme was superseded in 1991 but this did not affect the fundamental provisions. The 1991 Scheme was widened to cover the whole of the administrative area of Swale.

2.2 The 1994 SRT scheme is currently entirely independent of the QFT scheme and is much more modest in terms of its value.

2.3 Both schemes have agreed charitable purposes and there is no intention to change these; it is only the administrative arrangements.

### **3 Proposals**

3.1 In consultation and discussion with the Council and the Trustees of both Trusts, it was agreed that the Trusts would approach the CC with a draft scheme. As with most matters relating to charity law and administration the CC are determined to ensure that any proposed changes do not undermine the charitable purposes and objects of the Trust.

3.2 Attached as Appendix I and II are the resolutions of the trusts managing trustees setting out the revised administrative arrangements which have been approved by them. These resolutions were also passed to the CC who have assessed them, given advice on them and have confirmed that they are happy with the resolution and administrative procedures.

3.3 The proposal will mean that for both Trusts the Council will now only have two nominative trustees out of ten as opposed to the current arrangement where all trustees (seven) are appointed by the Council. There will also be two trustees appointed by Queenborough Town Council and six co-optative trustees. This will ensure both more local and wider community involvement and this is more in keeping with the objects and purposes of the trust. It should be noted though that the Council will no longer control either of these Trusts.

3.4 The names of the actual Trustees have yet to be inserted but it is intended and indeed essential that the Trustees of both Trusts are the same particularly in relation to the linking of the Trusts as explained in Paras. 3.5 and 3.6 below.

3.5 To further streamline the administrative burden, of these two Trusts, the CC have confirmed that after the resolutions to alter the administrative procedures have been passed, and provided that the Trustees appointed to both Trusts are identical, it is possible via the CC website, to apply to link the two Trusts, so that one becomes in effect a subsidiary of the other.

3.6 The subsidiary Trust will lose its current charitable number and will have the same number as the reporting trust with the addition of a 1. This means that one annual return and one set of accounts can be filed for both Trusts, but their objects, constitution and assets remain separate. This will be by separate resolution a copy of which is attached at Appendix III.

3.7 It is proposed that the changes in nomination to these outside bodies would take effect at the start of the civic year 2015/2016. The Council will no longer be involved in providing administrative support to the meetings of the Trusts.

### **4 Alternative Options.**

4.1 Options are limited as CC approval is required to any changes. The CC has been clear that they would only be prepared to agree to changes to the administrative procedures.

The proposal reflects this approach and achieves the objective of making the Trusts 'fit for purpose' in terms of them being more at arm's length and more widely representative of the communities which benefit from the charitable purposes.

- 4.2 It would be possible to do nothing and not agree the changes but this is not recommended as both Trusts agree that the revised administrative procedures are more appropriate.

## 5 Consultation Undertaken or Proposed

- 5.1 Extensive discussions and consultation has occurred between the Council, the Trusts and the CC.

## 6 Implications

Issue	Implications
Corporate Plan	The intention of widening community involvement accords with the Council's localism principles.
Financial, Resource and Property	None
Legal and Statutory	The proposed way forward has actively involved the Council's legal team and the CC to ensure that the suggested way forward complies with charity law and CC procedures
Crime and Disorder	None identified at this stage'
Sustainability	None identified at this stage'
Health and Wellbeing	None identified at this stage'
Risk Management and Health and Safety	None identified at this stage'
Equality and Diversity	None identified at this stage'

## 7 Appendices

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

- Appendix I: OFT trustees resolution
- Appendix II SRT trustees resolution
- Appendix III Resolutions to agree linking of the two trusts

## 8 Background Papers

None

**Resolution of the Trustees of  
The Queenborough Fishery Trust (registered charity number 255136)**

In relation to the reorganisation of The Queenborough Fishery Trust (registered charity number 255136) (“the Charity”) and under the power given by and set out in Section 280 of the Charities Act 2011 it is resolved by Swale Borough Council (as trustee of the Charity) that:

1. The administrative procedures of the Charity shall henceforth be as set out in the schedule to this Resolution.
2. Except as thus varied the Charity Commission Schemes and other governing instruments of the Charity shall remain in full force and effect

This resolution was made by Swale Borough Council on [date]

**Schedule**

**Administrative procedures**

**1. Trustees**

- a. There shall be two categories of trustees: four nominative trustees (two appointed by each of Swale Borough Council and Queenborough Town Council) and six co-optative trustees.
- b. Every trustee (except for those named below) shall be appointed for a period of 4 years. Co-optative trustees shall be appointed by resolution of the trustees passed at a special meeting and in selecting individuals for appointment as co-optative trustees, the trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Charity.
- c. The first such trustees shall hold office for the following periods respectively:

[Name] (appointed by Swale Borough Council) until 31 January 2016.

[Name] (appointed by Swale Borough Council) until 31 January 2018.

[Name] (appointed by Queenborough Town Council) until 31 January 2016.

[Name] (appointed by Queenborough Town Council) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2018.

- d. A trustee shall cease to hold office if he or she:
  - i. is disqualified for acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 or any statutory re-enactment or modification of that provision;
  - ii. in the written opinion, given to the Charity, or a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months;
  - iii. is absent without the permission of the trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated; or
  - iv. notifies to the trustees a wish to resign (but only if enough trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings).
- e. If a vacancy occurs the trustees must note the fact in the minutes of their next meeting. Any eligible trustee may be re-appointed. If the number of trustees falls below the quorum in paragraph 2 e below, none of the powers or discretions conferred by this deed or by law on the trustees shall be exercisable by the remaining trustees except the power to appoint new trustees.

## 2. Trustees Meetings

### a. Ordinary meetings

The trustees must hold at least two ordinary meetings each year. One such meeting in each year must involve the physical presence of those trustees who attend the meeting. Other meetings may take such form, including videoconferencing, as the trustees decide provided that the form chosen enables the trustees both to see and to hear each other.

### b. Calling meetings

The trustees must arrange at each of their meetings the date, time and place of their next meeting, unless such arrangements have already been made. Ordinary meetings may also be called at any time by the person elected to chair meetings of the trustees or by any two trustees. In that case not less than ten days' clear notice must be given to the other trustees. The first meeting of the trustees must be called by ..... or, if no meeting has been called within three months after the date of this deed, by any two of the trustees.

### c. Special meetings

A special meeting may be called at any time by the person elected to chair meetings of the trustees or by any two trustees. Not less than four days' clear notice must be given to the other trustees of the matters to be discussed at the meeting. However, if those matters include the appointment of a trustee or a proposal to amend any of the trusts of this deed, not less than 21 days' notice must be given. A special meeting may be called to take place immediately after or before an ordinary meeting.

d. Chairing of meetings

The trustees at their first ordinary meeting in each year must elect one of their number to chair their meetings. The person elected shall always be eligible for re-election. If that person is not present within ten minutes after the time appointed for holding a meeting, or if no one has been elected, or if the person elected has ceased to be a trustee, the trustees present must choose one of their number to chair the meeting.

The person elected to chair meetings of the trustees shall have no other additional functions or powers except those conferred by this deed or delegated to him or her by the trustees.

e. Quorum

- i. Subject to the following provision of this paragraph, no business shall be conducted at a meeting of the trustees unless at least [one-third] of the total number of trustees at the time, or [4] trustees (whichever is the greater) are present throughout the meeting.
- ii. The trustees may make regulations specifying different quorums for meetings dealing with different types of business.

f. Voting

At meetings, decisions must be made by a majority of the trustees present and voting on the question. The person chairing the meeting shall have a casting vote whether or not he or she has voted previously on the same question but no trustee in any other circumstances shall have more than one vote.

g. Conflicts of interests and conflicts of loyalties

A trustee must:

- i. declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Charity or in any transaction or arrangement entered into by the Charity which has not been previously declared; and
- ii. absent himself or herself from any discussions of the trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Charity and any personal interest (including but not limited to any personal financial interest).

Any trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the trustees on the matter.

h. Minutes

The trustees must keep minutes, in books kept for the purpose or by such other means as the trustees decide, of the proceedings at their meetings. In the minutes the trustees must record their decisions and, where appropriate, the reasons for those decisions. The trustees must approve the minutes in accordance with the procedures, laid down in regulations made under the next following sub paragraph.

i. General power to make regulations

- i. The trustees may from time to time make regulations for management of the Charity and for the conduct of their business, including
  1. the calling of meetings;
  2. methods of making decisions in order to deal with cases or urgency when a meeting is impractical;
  3. the deposit of money at a bank;
  4. the custody of documents; and
  5. the keeping and authenticating of records. (If regulations made under the clause permit records of the Charity to be kept in electronic form and requires a trustee to sign the record, the regulations must specify a method of recording the signature that enables it to be properly authenticated.)
- ii. The trustees must not make regulations which are inconsistent with anything in this deed.

j. Disputes

If a dispute arises between the trustees about the validity or propriety of anything done by the trustees under this deed, and the dispute cannot be resolved by agreement, the trustees party to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

**3. Generally in respect of Trustees and their business**

a. Accounts, Annual Report and Annual Return

The trustees must comply with their obligations under the Charities Act 2011 (as from time to time amended or replaced) with regard to:

- i. the keeping of accounting records for the Charity;
- ii. the preparation of annual statements of account for the Charity;
- iii. the auditing or independent examination of the statements of account of the Charity;
- iv. the transmission of the statements of account of the Charity to the Charity Commission;
- v. the preparation of an Annual Report and its transmission to the Charity Commission;
- vi. the preparation of an Annual Return and its transmission to the Charity Commission.

b. Bank account

Any bank or building society account in which any of the funds of the charities are deposited must be operated by the trustees and held in the name of the Charity.

Unless the regulations of the trustees make other provision, all cheques and orders for the payment of money from such an account shall be signed by at least two trustees.

I ..... certify that the foregoing is a true copy and record of the resolution of Swale Borough Council made at its meeting held on the .....

Signed: .....

Office/Position: .....

Date: .....



**Resolution of the Trustees of  
The Swale Recreation Trust (registered charity number 802439)**

In relation to the reorganisation of The Swale Recreation Trust (registered charity number 802439) (together “the charities”) and under the power given by and set out in Section 280 of the Charities Act 2011 it is resolved by Swale Borough Council (as trustee of the above charity) that:

3. The administrative procedures of the Charity shall henceforth be as are set out in the schedule to this Resolution.
  
4. Except as thus varied the Charity Commission Schemes and other governing instruments of the Charity shall remain in full force and effect

This resolution was made by Swale Borough Council on [date]

**Schedule**

**Administrative procedures**

**4. Trustees**

- a. There shall be two categories of trustees: four nominative trustees (two appointed by each of Swale Borough Council and Queenborough Town Council) and six co-optative trustees.
- b. Every trustee (except for those named below) shall be appointed for a period of 4 years. Co-optative trustees shall be appointed by resolution of the trustees passed at a special meeting and in selecting individuals for appointment as co-optative trustees, the trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Charity.
- c. The first such trustees shall hold office for the following periods respectively:

[Name] (appointed by Swale Borough Council) until 31 January 2016.

[Name] (appointed by Swale Borough Council) until 31 January 2018.

[Name] (appointed by Queenborough Town Council) until 31 January 2016.

[Name] (appointed by Queenborough Town Council) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2016.

[Name] (appointed a co-optative trustee) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2018.

[Name] (appointed a co-optative trustee) until 31 January 2018.

- d. A trustee shall cease to hold office if he or she:
  - i. is disqualified for acting as a trustee by virtue of sections 178 and 179 of the Charities Act 2011 or any statutory re-enactment or modification of that provision;
  - ii. in the written opinion, given to the Charity, or a registered medical practitioner treating that person, has become physically or mentally incapable of acting as a trustee and may remain so for more than three months;
  - iii. is absent without the permission of the trustees from all their meetings held within a period of six months and the trustees resolve that his or her office be vacated; or
  - iv. notifies to the trustees a wish to resign (but only if enough trustees will remain in office when the notice of resignation takes effect to form a quorum for meetings).
- e. If a vacancy occurs the trustees must note the fact in the minutes of their next meeting. Any eligible trustee may be re-appointed. If the number of trustees falls below the quorum in paragraph 2 e below, none of the powers or discretions conferred by this deed or by law on the trustees shall be exercisable by the remaining trustees except the power to appoint new trustees.

**5. Trustees Meetings**

a. Ordinary meetings

The trustees must hold at least two ordinary meetings each year. One such meeting in each year must involve the physical presence of those trustees who attend the meeting. Other meetings may take such form, including videoconferencing, as the trustees decide provided that the form chosen enables the trustees both to see and to hear each other.

b. Calling meetings

The trustees must arrange at each of their meetings the date, time and place of their next meeting, unless such arrangements have already been made. Ordinary meetings may also be called at any time by the person elected to chair meetings of the trustees or by any two trustees. In that case not less than ten days' clear notice must be given to the other trustees. The first meeting of the trustees must be called by ..... or, if no meeting has been called within three months after the date of this deed, by any two of the trustees.

c. Special meetings

A special meeting may be called at any time by the person elected to chair meetings of the trustees or by any two trustees. Not less than four days' clear notice must be given to the other trustees of the matters to be discussed at the meeting. However, if those matters include the appointment of a trustee or a proposal to amend any of the trusts of this deed, not less than 21 days' notice must be given. A special meeting may be called to take place immediately after or before an ordinary meeting.

d. Chairing of meetings

The trustees at their first ordinary meeting in each year must elect one of their number to chair their meetings. The person elected shall always be eligible for re-election. If that person is not present within ten minutes after the time appointed for holding a meeting, or if no one has been elected, or if the person elected has ceased to be a trustee, the trustees present must choose one of their number to chair the meeting.

The person elected to chair meetings of the trustees shall have no other additional functions or powers except those conferred by this deed or delegated to him or her by the trustees.

e. Quorum

- i. Subject to the following provision of this paragraph, no business shall be conducted at a meeting of the trustees unless at least [one-third] of the total number of trustees at the time, or [4] trustees (whichever is the greater) are present throughout the meeting.
- ii. The trustees may make regulations specifying different quorums for meetings dealing with different types of business.

f. Voting

At meetings, decisions must be made by a majority of the trustees present and voting on the question. The person chairing the meeting shall have a casting vote whether or not he or she has voted previously on the same question but no trustee in any other circumstances shall have more than one vote.

g. Conflicts of interests and conflicts of loyalties

A trustee must:

- i. declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Charity or in any transaction or arrangement entered into by the Charity which has not been previously declared; and
- ii. absent himself or herself from any discussions of the trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Charity and any personal interest (including but not limited to any personal financial interest).

Any trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the trustees on the matter.

h. Minutes

The trustees must keep minutes, in books kept for the purpose or by such other means as the trustees decide, of the proceedings at their meetings. In the minutes the trustees must record their decisions and, where appropriate, the reasons for those decisions. The trustees must approve the minutes in accordance with the procedures, laid down in regulations made under the next following sub paragraph.

i. General power to make regulations

- i. The trustees may from time to time make regulations for management of the Charity and for the conduct of their business, including
  1. the calling of meetings;
  2. methods of making decisions in order to deal with cases or urgency when a meeting is impractical;
  3. the deposit of money at a bank;
  4. the custody of documents; and
  5. the keeping and authenticating of records. (If regulations made under the clause permit records of the Charity to be kept in electronic form and requires a trustee to sign the record, the regulations must specify a method of recording the signature that enables it to be properly authenticated.)
- ii. The trustees must not make regulations which are inconsistent with anything in this deed.

j. Disputes

If a dispute arises between the trustees about the validity or propriety of anything done by the trustees under this deed, and the dispute cannot be resolved by agreement, the trustees party to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

**6. Generally in respect of Trustees and their business**

a. Accounts, Annual Report and Annual Return

The trustees must comply with their obligations under the Charities Act 2011 (as from time to time amended or replaced) with regard to:

- i. the keeping of accounting records for the Charity;
- ii. the preparation of annual statements of account for the Charity;
- iii. the auditing or independent examination of the statements of account of the Charity;
- iv. the transmission of the statements of account of the Charity to the Charity Commission;
- v. the preparation of an Annual Report and its transmission to the Charity Commission;
- vi. the preparation of an Annual Return and its transmission to the Charity Commission.

b. Bank account

Any bank or building society account in which any of the funds of the charities are deposited must be operated by the trustees and held in the name of the Charity.

Unless the regulations of the trustees make other provision, all cheques and orders for the payment of money from such an account shall be signed by at least two trustees.

I ..... certify that the foregoing is a true copy and record of the resolution of Swale Borough Council made at its meeting held on the .....

Signed: .....

Office/Position: .....

Date: .....

**Resolution of the Trustees of  
The Queenborough Fishery Trust (registered charity number 255136)**

In relation to the reorganisation of The Swale Recreation Trust (registered charity number 802439) and the Queenborough Fishery Trust (registered charity number 255136) (together “the charities”) and under the power given by and set out in Section 12 of the Charities Act 2011 it is resolved that:

1. The charities become linked charities with common trustees and administrative procedures under the powers conferred by section 12 of the Charities Act 2011; and
2. Queenborough Fishery Trust will become the reporting charity.

I ..... certify that the foregoing is a true copy and record of the resolution of the Trustees of the Queenborough Fishery Trust made at its meeting held on the .....

Signed: .....

Office/Position: .....

Date: .....

**Resolution of the Trustees of  
The Swale Recreation Trust (registered charity number 802439)**

In relation to the reorganisation of The Swale Recreation Trust (registered charity number 802439) and the Queenborough Fishery Trust (registered charity number 255136) (together “the charities”) and under the power given by and set out in Section 12 of the Charities Act 2011 it is resolved that:

1. The charities become linked charities with common trustees and administrative procedures under the powers conferred by section 12 of the Charities Act 2011; and
2. Queenborough Fishery Trust will become the reporting charity.

I ..... certify that the foregoing is a true copy and record of the resolution of the Trustees of the Swale Recreation Trust made at its meeting held on the .....

Signed: .....

Office/Position: .....

Date: .....

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<b>Council Meeting</b>
------------------------

<b>Meeting Date</b>	18 February 2015
<b>Report Title</b>	Timetable of Meetings
<b>Cabinet Member</b>	Leader
<b>SMT Lead</b>	Director of Corporate Services
<b>Head of Service</b>	n/a
<b>Lead Officer</b>	Democratic and Electoral Services Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	Reference number: n/a

<b>Recommendations</b>	1. That Annual Council agrees the programme of meetings set out in Appendix I to this report.
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## 1 Purpose of Report and Executive Summary

- 1.1 Each year the Timetable of Meetings is submitted to Annual Council to agree the programme for the next Municipal Year. To allow for future programming, the timetable is submitted to Council in February for ratification and then it will be presented to Annual Council for noting.

## 2 Background

- 2.1 The Constitution requires the Council to approve a programme of meetings for the forthcoming Municipal Year.
- 2.2 Appendix I sets out a suggested programme of meetings (including foot notes). This is based on the previous year's programme and covers the following criteria:
- (i) Planning meetings set to meet planning targets;
  - (ii) Council meetings set to ensure financial decisions are made on time;
  - (iii) Cabinet meetings have been scheduled almost monthly, however not all these may be required;
  - (iv) Scrutiny Committee set to meet monthly if it has business to consider;
  - (v) Certain meetings meet on an 'as and when' basis and as such are not programmed into the timetable.

## 3 Proposal

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

## **4 Alternative Options**

- 4.1 Any changes to the Committee structure would lead to amendments to the timetable of meetings. Any additional meetings would have financial and human resource implications.

## **5 Consultation Undertaken or Proposed**

- 5.1 The draft timetable has previously been circulated to the Group Leaders, Scrutiny Chairmen, Management Team and Heads of Services.

## **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Open for Business.
Financial, Resource and Property	The cost of servicing the Council's committees will be met within existing budgets. The establishment of any additional Committee dates would have financial and human resource implications.
Legal and Statutory	None identified at this stage.
Crime and Disorder	None identified at this stage.
Sustainability	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.

## **7 Appendices**

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

- Appendix I: Timetable Of Meetings

## **8 Background Papers**

None.

## Timetable of Meetings 2015/2016

Appendix I

Meeting	Day	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016
Council	Wed	19, 20	17	29		23	21	25	16	27	17	16		17, 18
Cabinet	Wed	27		15		2	7	4	2	6 reserve	3	2		25
Cabinet Agenda Planning Meeting	Mon	11	29		17	21	19	23	14	18	15		11	
Audit Committee	Wed		10			30			9			9		
General Licensing Committee	Thu			9						21				
General Purposes Committee <sup>1</sup>														
Licensing Act 2003 Committee	Thu					10						3		
LDF Panel	Thu		18			17			3		11			
Planning Committee	Thu	21	11	2, 23	13,	3, 24	15	5, 26	17	14	4, 25	17	7, 28	19
Policy Development & Review Comm.	Wed		3	22		16	28	18		20	24			
Scrutiny Committee <sup>2</sup>	Wed		24	21 <sup>Tue</sup>		9	14	11		13 <sup>Thur</sup> 28 <sup>Thur</sup>	10	10 <sup>Thur</sup>		
Standards Committee <sup>3</sup>	Tue			14				10						
Swale JTB	Mon		8			7			7			7		
Swale Rural Forum	Tue	26			25			17			23			
<b>LEAs</b>														
Faversham	Tue		9			8			1		9			
Sheppey	Tue		16			15			8			8		
Sittingbourne	Tue		23			29			15			15		
<b>Other</b>														
Swale Public Services Board	Wed		3			9			9			9		
Member Training	Thu	14	4	16			1, 22	12, 19	10		18		14	
Swale Stars	Thu		25											
<b>Group Meetings</b>														
Conservative	Tue	12	16	7, 28		1 22	6, 20	3 24	14 <sup>Mon</sup>	5, 26	2 16	1 14 <sup>Mon</sup>		16 <sup>Mon</sup>
Labour	Mon	11	15, 29	20		1 <sup>Tue</sup>	5, 19	2, 23, 30	14	4, 25	1, 15, 29	14		16

Elections 5 May 2016; pre-election period commences 18 March 2016

<sup>1</sup> None scheduled at the moment (merged with Appointments Committee, with Appointments Committee as a Sub-Committee)

<sup>2</sup> 26 January 2016 - meeting for consideration of the budget (Cabinet Members invited to attend).

<sup>3</sup> Hearing Sub-Committees will be arranged as and when, similar to the arrangement of Licensing Sub-Committees.

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## RECOMMENDATIONS FOR APPROVAL

Council is asked to note the following recommendations:

### (i) Cabinet – 4 February 2015

#### **Minute No. 465 – Medium Term Financial Plan and 2015/16 Budget**

*RECOMMENDED:*

- (1) That the 2015/16 Revenue and Capital Budgets be approved.*
- (2) That the proposed Council Tax at Band D for 2015/16 of £159.93 (zero increase) be approved.*
- (3) That the Medium Term Financial Plan funding position be noted.*
- (4) That the Capital Strategy be approved.*
- (5) That the additional amount of Council Tax for Parish Precepts be noted.*
- (6) That the Minimum Revenue Provision (MRP) Statement as set out in Appendix IX be approved.*
- (7) That authority be delegated to the Head of Finance in consultation with the Leader and the Cabinet Members for Finance and Regeneration to approve an in-year change to the budget and policy framework to allow for funding to be provided for the investment up to a maximum borrowing of £6m.*
- (8) That the comments from Faversham Business Partnership on the draft 2015/16 budget and Medium Term Financial Plan be noted.*

#### **Minute No. 466 – Treasury Management Strategy Statement and Investment Strategy 2015/16**

*RECOMMENDED:*

- (1) That the Treasury Management Strategy Statement and Investment Strategy for 2015/16 be approved.*
- (2) That the proposed inclusion of Treasury Bills, highly rated overseas banks for increased deposits, use of CCLA Property Fund, pooled corporate and absolute return funds to levels specified be agreed.*

## **Minute No. 467 – Corporate Plan 2015 - 2018**

### *RECOMMENDED:*

- (1) That the text at Appendix I be adopted as the Council's Corporate Plan for the period 2015-2018.*
- (2) That the table at Appendix II be adopted as the Council's high-level action plan, to sit immediately below the Corporate Plan objectives in 2015/16, and to be reviewed annually thereafter.*
- (3) That delegated authority be given to the Chief Executive, in consultation with the Cabinet Member for Performance, to confirm and where necessary amend indicators and targets in the corporate performance indicator set for 2015/16, based on the three-year targets adopted by Council in May 2013 (Minute No. 16, 2013/14)*