



AGENDA

COUNCIL MEETING

Date: Wednesday, 11 November 2020

Time: 7.00pm

Venue: Virtual Meeting via Skype*

RECORDING NOTICE

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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.

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

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

Quorum = 16

Pages

Information for the Public

*Members of the press and public can listen to this meeting live. Details of how to join the meeting will be added to the website after 4pm on 10 November 2020.

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Regulations, please contact the Data Protection Officer by email at dataprotectionofficer@swale.gov.uk or by calling 01795 417179.

1. Apologies for Absence

2. Minutes

To approve the [Minutes](#) of the Meeting held on 7 October 2020 (Minute Nos. 157 - 178) as a correct record.

3. Declarations of Interest

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

The Mayor will ask Members if they have any interests to declare in respect of items on this agenda, under the following headings:

(a) Disclosable Pecuniary Interests (DPI) under the Localism Act 2011. The nature as well as the existence of any such interest must be declared. After declaring a DPI, the Member must leave the meeting and not take part in the discussion or vote. This applies even if there is provision for public speaking.

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

(c) Where it is possible that a fair-minded and informed observer, having considered the facts would conclude that there was a real possibility that the Member might be predetermined or biased the Member should declare their predetermination or bias and then leave the meeting while that item is considered.

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

4. Mayor's Announcements

5. Motion - Area Committees

This Council agrees:

1) that Swale KALC be asked on an annual basis to nominate two Parish Representative Members to sit on each of the four Area Committees, with the condition that those representative members are members of a Parish or Town Council within the relevant Area Committee geography

- 2) that properly nominated Parish Representative Members of the Area Committees, with one exception detailed below, be full members of the Area Committee, enjoying the same rights to debate, propose and vote for recommendations made by the Area Committee to Swale's Cabinet
- 3) that Parish Representative Members of the Area Committees not be permitted to vote on spending decision made under delegated powers by the Area Committee
- 4) that officers be tasked with drafting the necessary changes to the Constitution to allow recommendations 1 to 3 above.

Proposed by Cllr Mike Whiting
 Seconded by Cllr Alan Horton

6. Motion - Coastal Policy

In view of impact of climate change accelerating the rate of the erosion of the Sheppey cliffs, this Council wishes to change Government policy to prevent further unsustainable erosion, thereby protect the existing, expanding, & future population of Sheppey. Swale Borough Council undertakes to seek the removal of the government coastal policy of non intervention, with its serious social & commercial implications, and replace that policy with a policy of protection of the coastline.

Proposed by Cllr MacDonald
 Seconded by Cllr Ingleton

7. Questions submitted by the Public

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

8. Questions submitted by Members

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

9. Leader's Statement

- | | | |
|-----|--|---------|
| 10. | Audit Committee Annual Report 2019/20 | 5 - 16 |
| 11. | Annual Treasury Management Report 2019/20 | 17 - 28 |
| 12. | Council Tax Support Scheme 2021/22 | 29 - 46 |
| 13. | Polling district review for Teynham & Lynsted Ward (Tonge Parish Area) | 47 - 54 |
| 14. | Allocation of Committee Seats and Committee Appointments - to follow | |

15. Recommendations for Approval - to follow

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

General Purposes Committee – 28 September 2020

Cabinet – 28 September 2020

Issued on Tuesday, 3 November 2020

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

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

Council Meeting	Agenda Item 10
Meeting Date	11 November 2020
Report Title	Audit Committee Annual Report 2019/20
Cabinet Member	Councillor Roger Truelove – Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers – Chief Financial Officer
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer	Russell Heppleston – Deputy Head of Audit Partnership
Key Decision	No
Classification	Open
Recommendations	1. That the Audit Committee Annual Report for 2019/20 (appendix I) is agreed .

1 Purpose of Report and Executive Summary

- 1.1 The report details how the Audit Committee has fulfilled its duties effectively during 2019/20. This report provides assurance to the Council that the Committee has monitored and addressed issues of governance, risk management and internal control throughout the year. This report seeks to provide additional assurance to support the Annual Governance Statement.

2 Background

- 1.1 The Audit Committee is required to monitor audit activity (internal and external), review and comment on the effectiveness of the Council’s regulatory framework and review and approve the Council’s annual statements of accounts. This report sets out how this has been achieved during 2019/20.
- 1.2 The Audit Committee reviewed and approved the annual report at the meeting on 30 September 2020.

3 Proposal

- 3.1 That the Audit Committee Annual Report (as attached in Appendix I) be agreed subject to any comments / discussion during the meeting.

4 Alternative Options

- 4.1 The production and presentation of an annual report is required by this Committee’s terms of reference.

4.2 Council could decide that they wish to no longer receive an annual report from the Audit Committee, however, this would not be advised. Oversight and monitoring of the Council’s activities is a vital part of effectiveness governance. Without an update from the Audit Committee, Council would not receive assurance on the effectiveness of the arrangements in place to ensure good governance, risk management and internal control.

5 Consultation Undertaken or Proposed

5.1 The draft report was prepared in consultation with the Chairman of the Audit Committee prior to being considered and approved by the Audit Committee on 30 September 2020.

6 Implications

Issue	Implications
Corporate Plan	None identified at this stage.
Financial, Resource and Property	The role of the Audit Committee includes the review of the financial reports for the Council, including the approval of the Annual Statement of Accounts.
Legal and Statutory	None identified at this stage.
Crime & Disorder	None identified at this stage.
Environmental Sustainability	None identified at this stage.
Health/Wellbeing	None identified at this stage.
Risk Management and Health and Safety	The role of the Audit Committee requires it to consider the effectiveness of the Council’s risk management arrangements.
Equality/Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

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

- Appendix I: Swale Annual Audit Committee Report 2019/20

8 Background Papers

8.1 None

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Audit Committee

Annual Report

2019/20



Statement from the Chairman

As the Chair of the Audit Committee, it is my pleasure to introduce the annual report, providing an overview of the Committee's activity during the Municipal Year 2019/20.

This year so far has presented big challenges for the Council following the Covid-19 pandemic, but we have continued throughout to focus our attention on issues we have faced as a Council from a risk, control, and governance perspective. This report looks back and gives us opportunity to reflect on the activity and achievements of the Committee between April 2019 to March 2020.

The Audit Committee continues to make progress in terms of discharging its responsibilities to provide independent assurance on the adequacy of the Council's risk management framework and the associated control environment, and in providing robust scrutiny and challenge of the Authority's financial performance.

During 2019/20 the Committee met four times and I was pleased to note, among the highlights, a further unqualified accounts opinion and value for money conclusion from our external auditors, consideration of the Council's risk management processes and a positive opinion on the Council's control and governance from our internal auditors.

I would like to take this opportunity to thank Committee Members and the Officers that have supported the Committee over the last year. Their professionalism, integrity, and openness have helped us to discuss, challenge and debate key issues and agree solutions and improvements where appropriate to do so.



Councillor Simon Clark – Audit Committee Chairman

Purpose of the Committee

The Audit Committee operates in accordance with the [Audit Committees, Practical Guidance for Local Authorities](#). This guidance was updated in 2018 and is published by the Chartered Institute of Public Finance (CIPFA). This guidance defines the purpose of an Audit Committee as:

Audit Committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.

The purpose of an Audit Committee is to provide those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Committee is independent from other executive management and the Cabinet, and has clear reporting lines and rights of access to discharge its responsibilities in line with its Terms of Reference (Appendix I). This includes direct access to the Council's Appointed Auditors and Head of Audit Partnership without the presence of other Officers, where appropriate.

The Committee monitors internal and external audit activity, reviews and comments on the effectiveness of the Council's regulatory framework, and reviews and approves the Council's annual statements of accounts.

The Committee is not a substitute for the management function in relation to internal or external audit, risk management, governance, or any other review or assurance function. It is the Committee's role to examine these functions, and to offer views and recommendations on the way the management of these functions is conducted.

Membership & Meetings

The 2019/20 Audit Committee comprised of 9 members. The following Councillors were Members of the committee at during the year:

Members	
Cllr S Clark (Chairman)	Cllr Knights
Cllr Hall (Vice-Chairman)	Cllr MacDonald
Cllr Carnell	Cllr Marchington
Cllr Fowle	Cllr Saunders
Cllr A Hampshire	

The committee met 4 times in 2019/20:

- [29 July 2019](#)
- [18 September 2019](#)
- [21 January 2020](#)
- [11 March 2020](#)

See Appendix II for full table of meeting attendance.

The Committee is supported throughout the year by senior officers and managers of the Council who are regularly present. Those in regular attendance include the Chief Financial Officer, the Head and Deputy Head of Audit Partnership and Audit Managers.


















In addition, the Council's External Auditors (Grant Thornton) regularly attended meetings of the Audit Committee during 2019/20.

Continued Member development is key to the effective operation of the Audit Committee. During 2019/20, the Committee members were offered a development session on "The Role of the Audit Committee".

All Audit Committee agenda papers and minutes are available on the Council's [website](#).

Activity

Over the course of the year the Committee considered, examined, and made decisions on the following areas within its Terms of Reference:

Internal Audit Activity	Frequency
Internal Audit Annual Report and Opinion for 2018/19	
Internal Audit Charter	
Internal Audit Interim Report for 2019/20	
Internal Audit and Assurance Plan for 2020/21	
Finance Activity	
Annual Financial Report 2018/19 and Audit Findings Report, including Letter of Representation	
Annual Governance Statement for 2018/19	
Annual Treasury Management Review for 2018/19*	
Mid-Year Treasury Management Review 2019/20*	
External Audit Activity	
External Audit Update Report for 2019/20	
External Audit Annual Report for 2018/19	
Fee Letter for 2018/19	
Certification of Claims and Returns for 2018/19	
External Audit Plan for 2019/20	
Other Activity	
Fraud and Compliance Team Annual Report for 2018/19	
Audit Committee Annual Report for 2018/19	
Audit Committee Work Plan	
Annual Risk Management Report 2019/20	
Member Training – The Role of the Audit Committee	

KEY: Annual  Periodically 

*The Audit Committee provides oversight of Treasury Management reports. All Treasury Management reports are approved by Full Council.

Sources of Assurance

In drawing our conclusion this year, to how we have discharged our duties as a Committee, we have considered assurance from the following sources:

The work undertaken by our Internal Audit Partnership

- Mid Kent Audit works as a shared service between Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils and has kept the Committee updated on the outcomes of internal audit work throughout the year
- The Council received an unqualified Annual Opinion from the Head of Audit Partnership. This opinion considers the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control arrangements for the Council.
- The Internal Audit plan for 2020/21 included a breakdown of internal audit assurance work for the coming year, and the Committee were given the opportunity to comment on the work of internal audit prior to endorsing the plan for delivery.

Finance and Governance information

- The Committee reviewed and provided challenge on the annual accounts prior to approval and publication and received financial updates throughout the year.
- The annual risk management report provided an update on the effectiveness of the Council's risk management framework and the controls in place to manage the corporate and operational risks.
- The Annual Governance Statement supported the overall conclusion of the Head of Audit Annual Opinion, with actions identified for improvements. The Committee reviewed the Annual Governance Statement and provided challenge prior to approving it. The Committee specifically gained assurance from this document, as it explains the processes and procedures in place to enable the Council to carry out its functions effectively.

The work of our External Auditors – Grant Thornton

- The External Auditors presented an unqualified opinion for the Councils financial statements and value for money conclusion for 2018/19. The Committee provided effective challenge to the External Auditors and gained assurance from the reports and updates provided by Grant Thornton during the year.

Conclusion

The Audit Committee, in partnership with the Council's Internal and External Auditors, and with the support from Officers has provided robust and effective independent assurance to the Council on a wide range of risk, governance and internal control issues.

The Audit Committee can demonstrate that it has appropriately and effectively fulfilled its duties during 2019/20 as set out in the respective minutes.

Appendix I

Audit Committee - Terms of Reference

Purpose

The purpose of an audit committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

Audit Activity	Regulatory Framework	Accounts
To consider the Head of Audit Partnership's annual report and opinion, and a summary of audit activity (actual and proposed) and the level of assurance it can give over the council's governance arrangements, and any report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.	To review any issue referred to it by the Chief Executive or a Director or any Council body. To monitor the effective development and operation of risk management and corporate governance in the Council.	To review and approve the annual statement of accounts. Specifically, to consider whether there are concerns arising from the financial statement or from the audit that need to be brought to the attention of the Cabinet or the Council.
To consider reports dealing with the management and performance of Internal Audit Services, including consideration and endorsement of the 3 year Strategic Internal Audit Plan.	To monitor council policies on 'Whistleblowing' and the 'Antifraud and Corruption Strategy'.	To consider the external auditor's report to those charged with governance on issues from the audit of the accounts.
To consider the external auditor's annual letter, the report to those charged with governance, and any specific reports as agreed with the external auditor.	To consider and comment on the authority's Annual Governance Statement and agree its adoption as part of the approval of the annual accounts.	To be responsible for ensuring effective scrutiny of the treasury management strategy and policies (Note: Council is responsible for adopting the Treasury Management strategy and policy).
To liaise with the Audit Commission over the appointment of the Council's external auditor, comment on the scope and depth of external audit work and ensure that it gives value for money.	To consider the council's arrangements for governance and whether adequate safeguards are in place to secure compliance with its own and other published standards and controls and best practice.	To present an annual report to the Council providing assurance that the responsibilities of the Committee have been met.

Appendix II

The following tables show the attendance records for all 4 Audit Committee meetings for municipal year 2019/20:

Members	Capacity	29 Jul 2019	18 Sep 2019	21 Jan 2020	11 Mar 2020
Councillor Clark	Chairman	Present	Present	Present	Present
Councillor Hall	Vice Chairman	Present	Present	Present	Absent
Councillor Carnell	Committee Member	Present		Present	Present
Councillor Fowle	Committee Member	Present	Present	Present	Present
Councillor A Hampshire	Committee Member	Present	Present	Present	Present
Councillor Knights	Committee Member	Present	Present	Apologies	Present
Councillor MacDonald	Committee Member	Present	Present	Apologies, sent Cllr Horton as representative	Present
Councillor Marchington	Committee Member	Present		Absent	Absent
Councillor Saunders	Committee Member	Present	Apologies	Present	Present
Councillor Gibson	Visiting Councillor	Present			
Councillor Horton	Visiting Councillor	Present	Present	Present as substitute	
Councillor Rowles	Visiting Councillor	Present	Present as substitute	Present	
Councillor Davey	Visiting Councillor		Present		Present
Councillor R Clark	Visiting Councillor			Present	
Officers					
Nick Vickers	Chief Finance Officer	Present	Present	Present	Present
Rich Clarke	Head of Audit Partnership	Present	Present	Present	
Phil Wilson	Chief Accountant	Present			
Russell Heppleston	Deputy Head of Audit Partnership				Present
Alison Blake	Audit Manager			Present	Present
Frankie Smith	Audit Manager	Present			
Phillipa Davies	Committee Services	Present			
Kellie MacKenzie	Committee Services			Present	Present
Jo Millard	Committee Services		Present		
Grant Thornton					
Trevor Greenlee	External Audit	Present		Present	
Darren Wells	External Audit				Present

Council		Agenda Item: 11
Meeting Date	11 November 2020	
Report Title	Annual Treasury Management Report 2019/20	
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance	
SMT Lead	Nick Vickers, Chief Financial Officer	
Head of Service	Nick Vickers, Chief Financial Officer	
Lead Officer	Phil Wilson, Financial Services Manager and Olga Cole, Management Accountant	
Key Decision	No	
Classification	Open	

Recommendations	1. Approve the Treasury Management stewardship report for 2019/20.
	2. Approve the Prudential and Treasury Management Indicators within the report.

1. Purpose of Report and Executive Summary

- 1.1 The Council's Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annual Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of Treasury Management activities at least twice a year. The latest version of the Code was adopted by the Council in February 2020.
- 1.2 Treasury Management is defined as "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". No Treasury Management activity is without risk; the effective identification and management of risk are integral to the Council's Treasury Management objectives.
- 1.3 For 2019/20 the Investments Section of the Kent County Council (KCC) Finance Department had operational responsibility for the daily treasury management duties. KCC Finance in undertaking this work had to comply with this Council's Treasury Management Strategy. Overall responsibility for Treasury Management remained with the Council.

1.4 This report:

- is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code;
- details the implications of treasury decisions and transactions;
- gives details of the outturn position on Treasury Management transactions in 2019/20; and
- confirms compliance with Treasury limits and Prudential Indicators.

1.5 This report was submitted to the Audit Committee on 30 September 2020.

2. Background

Borrowing Requirement and Debt Management

2.1 The overall borrowing position is summarised below:

	Balance on 31/3/2019	Movement in Year	Balance on 31/3/2020
	£'000	£'000	£'000
Capital Financing Requirement	27,765	+14,196	41,961
Other Liabilities (cost of leases for equipment)	(140)	+140	0
Borrowing Capital Financing Requirement	27,625	14,336	41,961
External Borrowing	(10,000)	(15,000)	(25,000)
Cumulative External Borrowing Requirement	17,625	(664)	16,961

2.2 Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2.3 The reason for the increase in the CFR in 2019/20 is due to the capital expenditure on works undertaken as part of the Sittingbourne Town Centre regeneration project which were financed from borrowing. The CFR will be reduced in the future by the Minimum Revenue Provision which will be funded by contributions from rental income.

2.4 In 2019/20, the Council took out four loans of £5 million each, from other local authorities. Two loans were for 12 months at a rate of 1% and 0.95% respectively and the remaining two loans were for 18 months at a rate of 1.25% and 1.1%.

Investment Activity

- 2.5 The Council holds significant investment funds, representing income received in advance of expenditure plus balances and reserves held. During 2019/20, the Council held average daily cash balances of £33 million, (£28 million for 2018/19).
- 2.6 The Council's budgeted investment income for 2019/20 was £110,000 and the actual income received was £314,000, of which £132,000 was from the Council's long-term investment in the Church, Charities and Local Authorities (CCLA) Mutual Investment Property Fund.
- 2.7 The table below summarises the Council's investment portfolio at 31 March 2020. All investments made were in line with the Council's approved credit rating criteria at the time of placing the investment, and still met those criteria at 31 March 2020.

Counterparty (MMF = Money Market Funds)	Long-Term Rating	Balance Invested at 31 March 2020 £'000
Invesco MMF	AAAmmf	3,000
JP Morgan MMF	AAAmmf	3,000
SSgA MMF	AAAmmf	2,180
Goldman Sachs MMF	AAAmmf	2,538
Morgan Stanley MMF	AAAmmf	3,000
Black Rock MMF	AAAmmf	3,000
Aberdeen MMF	AAAmmf	3,000
Amundi MMF	AAAmmf	1,520
Sub Total Cash & Cash Equivalents		21,238
CCLA Property Fund	unrated	3,000
Sub Total Long-Term Investments		3,000
Total		24,238

- 2.8 The ratings above are from Fitch credit rating agency. A description of the grading is provided below:
- AAAmmf: Funds have very strong ability to meet the dual objectives of providing liquidity and preserving capital.

2.9 The treasury management position for the year is summarised below:

Investments	Balance on 31/03/19 £'000	Movement in Year £'000	Balance on 31/03/20 £'000	Average Rate %
Cash and Cash Equivalents	17,990	3,248	21,238	0.95
Long-Term Investments	3,000	0	3,000	4.40
TOTAL INVESTMENTS	20,990	3,248	24,238	
Borrowing				
Long-Term Borrowing	(5,000)	0	(5,000)	1.18
Short-Term Borrowing	(5,000)	(15,000)	(20,000)	0.98
TOTAL BORROWING	(10,000)	(15,000)	(25,000)	

2.10 The long-term investment shown in the table above is the Council's investment in the CCLA Property Fund.

2.11 In keeping with the Ministry of Housing, Communities and Local Government's (MHCLG's) Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds, overnight deposits and the use of call accounts.

2.12 The Council sought to optimise returns commensurate with its objectives of security and liquidity.

2.13 The criteria applied by the Chief Financial Officer for the approval of a counter party for deposits are:

- credit rating - a minimum long-term of A-;
- credit default swaps;
- share price;
- reputational issues;
- exposure to other parts of the same banking group; and
- country exposure.

2.14 The investments permissible by the 2019/20 Treasury Strategy were:

Investment	Limit	Used in 2019/20?
Debt Management Office (Debt Management Account Deposit Facility) and Treasury Bills	Unlimited	Yes
Major UK banks / building societies. (Barclays, HSBC, Lloyds Banking Group, RBS Group, Santander UK, Nationwide, Standard Chartered) unsecured deposits	£3m	No
Svenska Handelsbanken unsecured deposits	£3m	No
Leeds Building Society unsecured deposits	£1.5m	No
Close Brothers unsecured deposits	£1.5m	No
Money Market Funds	£3m each	Yes
Pooled Funds e.g. Property REIT's, Absolute return, Equity Income	£3m each	No
CCLA Property Fund	£3m	Yes
Supranational Bonds	£3m in aggregate	No
Corporate Bond Funds and Corporate Bonds	£3m in aggregate	No
Non-Treasury Investments	To be agreed on a case by case basis	Yes
Covered Bonds	£3m in aggregate with £1m limit per bank	No

2.15 This administration takes the view that the Capital Strategy should reflect the following principles:

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

2.16 The maximum permitted duration for deposits is 13 months. The Chief Financial Officer in consultation with the Leader and Cabinet Member for Finance may consider longer duration. Bonds can be purchased with a maximum duration of five years.

- 2.17 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return. At 31 March 2020 the Council held £3.568 million of a longstanding portfolio of 13 investment properties within the borough. These investments generated £0.2 million of investment income for the Council in 2019/20 after taking account of direct costs, representing a rate of return of 6%.

External Context

- 2.18 The Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate by 0.25% in August 2018 to 0.75%, and this rate was maintained until 10 March 2020 when a special meeting of the Bank's MPC decided to cut the base rate down from 0.75% to 0.25% to counter the "economic shock" resulting from the coronavirus outbreak. The global outbreak of coronavirus had forced the UK Government to take drastic steps to stem the economic impact by reducing the base rate for the second time in a single month from 0.25% to 0.1% on 19 March 2020.

Compliance

- 2.19 The Council has complied with its Prudential and Treasury Management Indicators for 2019/20 which were set as part of the Treasury Management Strategy agreed by Council in February 2019.
- 2.20 In Appendix I the outturn position for the year against each Prudential Indicator is set out.
- 2.21 The Chief Financial Officer confirms that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Treasury Advisers

- 2.22 Arlingclose has been the Council's treasury advisers since May 2009. The current contract had an option of a two-year extension and this was taken up in May 2019. Officers of the Council meet with Arlingclose regularly and high quality and timely information is received from them.

Capital Strategy

- 2.23 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy for 2019/20, complying with CIPFA's requirement, was approved by Council on 20 February 2019.

3. Proposal

- 3.1 Members are asked to approve the report.

4. Alternative Proposals

- 4.1 No alternative proposals have been considered and compliance with the CIPFA Code is mandatory.

5. Consultation Undertaken

- 5.1 Arlingclose have been consulted.

6. Implications

Issue	Implications
Corporate Plan	Supports delivery of the Council's objectives.
Financial, Resource and Property	As detailed in the report
Legal, Statutory and Procurement	CIPFA produce a framework for managing treasury activities, called a 'Code'. Councils are legally required to have regard to this Code and members of CIPFA are expected to comply with its requirements. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance
Crime and Disorder	Not relevant to this report
Environment and Sustainability	Not relevant to this report
Health and Wellbeing	Not relevant to this report
Risk Management and Health and Safety	Not relevant to this report
Equality and Diversity	Not relevant to this report
Privacy and Data Protection	Not relevant to this report

7. Appendices

- 7.1 Appendix I: Treasury Management and Prudential Indicators

8. Background Papers

None

Treasury Management and Prudential Indicators for 2019/20

Introduction

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

This report compares the approved indicators with the outturn position for 2019/20. Actual figures have been taken from or prepared on a basis consistent with, the Council's Statement of Accounts

Capital Expenditure: The Council's capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2019/20 Actual £'000
Total Capital Expenditure	19,099
Capital Receipts	298
Grants and Other Contributions	3,098
Reserves	873
Borrowing	14,830
Total Financing	19,099

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Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31/03/20 Estimate	31/03/20 Actual	31/03/20 Difference
	£'000	£'000	£'000
Total CFR	42,475	41,961	(514)
Less: Other Liabilities	0	0	0
Borrowing CFR	42,475	41,961	(514)
External Borrowing	(5,000)	(25,000)	(20,000)
Cumulative External Borrowing Requirement	37,475	16,961	(20,514)

External borrowing: as at 31 March 2020 the Council had £25 million of external borrowing.

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

Operational Boundary and Total Debt	31/03/20 Boundary	31/03/20 Actual Debt	Complied
	£'000	£'000	
Borrowing	55,000	25,000	✓
Other Long-Term Liabilities	500	0	✓
Total Operational Boundary	55,500	25,000	✓

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Authorised Limit for External Debt: The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the Operational Boundary for unusual cash movements.

Authorised Limit and Total Debt	31/03/20 Boundary	31/03/20 Actual Debt	Complied
	£'000	£'000	
Borrowing	60,000	25,000	✓
Other Long-Term Liabilities	2,000	0	✓
Total Authorised Limit	62,000	25,000	✓

The Chief Financial Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2019/20.

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, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/20 Estimate	31/03/20 Actual	Difference
	%	%	%
General Fund Total	3.2	2.78	0.42

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net interest payable was:

Interest Rate Exposures	31/03/20 Actual	2019/20 Limit	Complied
	%	%	
Interest on Fixed Rate Investments	0	-100	✓
Interest on Variable Rate Investments	-100	-100	✓
Interest on Fixed Rate Borrowing	100	100	✓
Interest on Variable Rate Borrowing	0	100	✓

Treasury Management and Prudential Indicators for 2019/20

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

	31/03/20 Actual	Upper Limit	Lower Limit	Complied
	%	%	%	
Under 12 months	80	100	0	✓
12 months and within 24 months	20	100	0	✓
24 months and within 5 years	0	100	0	✓
5 years and within 10 years	0	100	0	✓
10 years and above	0	100	0	✓

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2019/20 £'000
Actual Principal Invested Beyond Year End	3,000
Limit on Principal Invested Beyond Year End	10,000
Complied	✓

Investment Benchmarking

Average Actual Return on Investments 2019/20	Original Estimate Return on Investments 2019/20	Average Bank Rate 2019/20	Average 7-day LIBID Rate 2019/20
0.95%	0.40%	0.72%	0.53%

(The London Interbank Bid Rate (LIBID) is a bid rate; the rate at which a bank is willing to borrow from other banks)

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Council	
Meeting Date	11 November 2020
Report Title	Council Tax Support Scheme 2021/22
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Zoe Kent, Revenues and Benefits Manager
Recommendations	1. That the Council Tax Support scheme for 2021/22 is kept the same as 2020/21 and the Council Tax Support continues as a maximum award of 80%.

1 Purpose of Report and Executive Summary

- 1.1 The Council Tax Support Scheme (CTS) was introduced by the Department for Communities and Local Government (DCLG) in April 2013 as a replacement for Council Tax Benefit (CTB) administered on behalf of the Department for Work and Pensions (DWP). Each year the local Scheme must be approved by Full Council by 31 January.
- 1.2 The purpose of this report is to consider the percentage reduction that should be set for the 2021/22 scheme.

2 Background

- 2.1 Prior to the introduction of the scheme in April 2013 the Kent authorities worked together to design a CTS scheme. A common approach was adopted across Kent, with the new scheme broadly replicating the former CTB scheme, but with a basic reduction in entitlement for working age claimants.
- 2.2 As part of its introduction, central government set out a number of key elements:
 - 1) The duty to create a local scheme for working age applicants was placed with billing authorities;
 - 2) Government funding was reduced initially by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous CTB scheme; and
 - 3) Persons of pension age, although allowed to apply for CTS, would be dealt with under regulations prescribed by central government, and not the authorities' local scheme.

- 2.3 In Swale, under the current scheme working age claimants must pay at least 20% of their Council Tax liability, this is the percentage set by many of the district councils in Kent. Although there is a common approach across Kent, local schemes at district level have been tailored to local needs, so in some parts of Kent the percentage varies.
- 2.4 The Kent districts have been able to use the changes to the empty property discounts to vary the amount working age claimants pay towards their liability. Since its introduction in April 2013, our own local scheme has been reviewed annually; however, the core elements remain as were originally agreed.
- 2.5 Under the Kent-wide agreement the major precepting authorities agreed to collectively pay to each district council an administration fee to assist with the costs of the delivery of the scheme.
- 2.6 It has been recognised by the Kent Finance Officers Group that the contributions that the major precepting authorities make towards the administration of the scheme are essential. It was therefore agreed to base the allocation of the administration fee on the size of the caseload. Swale has been allocated £141,600 administration fee for 2019/20, the second highest award in Kent.
- 2.7 When the new scheme started in April 2013, it resulted in approximately 5,000 households within the Borough paying some council tax for the first time. In addition, approximately 2,500 other households who received partial assistance saw increases in their bills.
- 2.8 Collection of the council tax balances in these cases has been challenging. However, with focus on these accounts and some changes to recovery processes, the scheme has been successful. The administrative fee paid by the major preceptors has been essential in assisting with the cost of the recovery of these debts.
- 2.9 The overall level of applicants, both working age and pension age, has fallen since the introduction of CTS to 9,482 as at 1 February 2020, compared with 13,381 as at 1 April 2013. This was mainly due to a reduction in unemployment, the rise of the pension age and changes brought into the scheme from April 2017. As a result, the total cost of the scheme had reduced since its inception. Due to the Covid-19 pandemic we have seen a rise in CTS claims the caseload as at 1 September 2020 was 10,063 an increase of 6%.
- 2.10 The initial '90%' funding that the government passed on to authorities through Revenue Support Grant to support the costs of local schemes has effectively been cut as part of the wider reductions in local government financial settlements. In the last financial year the Council received RSG of £115,000 compared with £5.5m in 2013/14. The amount of RSG received by the Council is now nil, although costs have reduced due to a lower claimant base than in 2013, the

outcome is that a greater share of the cost burden is falling on the billing authorities and the other major precepting bodies.

Table 1: CTS expenditure by year

Year	Expenditure
2013/14	£10,712,895
2014/15	£ 9,940,783
2015/16	£ 9,801,120
2016/17	£ 9,723,402
2017/18	£ 8,950,857
2018/19	£ 8,854,129
2019/20	£ 8,602,987
2020/21	£ 9,680,057

- 2.11 In 2019/20 it was agreed that the scheme for 2020/21 would provide more support for those claimants living on a low income. The amount of support was increased from 75% to 80% and incomes such as Child Benefit and Child Maintenance which had previously been taken into account were disregarded. The non-dependant deductions were also reduced from a maximum of £15 to £10.

3 Proposal

- 3.1 In April 2020 the minimum amount working age claimants pay towards their Council Tax was reduced to 20%. This change was brought in because it was felt that many claimants were struggling to pay their Council Tax instalments. As state benefits had not increased for a number of years it was getting harder for claimants to meet the increased Council Tax amounts.
- 3.2 Collection of Council Tax from working age claimants since the commencement of the scheme is shown in table 2 below. Prior to the first year of the scheme Swale accepted a grant from DCLG which limited the amount claimants had to pay to a minimum of 8.5%, leading to a highest collection rate for 2013/14. There was a dip in collection in 2014/15 when the amount to be paid doubled. Collection since then has rose as claimants have adjusted to budgeting for this amount. However as the amount of Council Tax charged as increased each year the percentage collected as dropped. With the restrictions that have been brought in with the Covid-19 pandemic the current year's collections is down by 2.5% compared with 2019/20.

Table 2: Percentage collected by year

Year	Minimum % paid by working age claimants	Percentage collected
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2013/14	8.5%	87.59%
2014/15	15%	81.80%
2015/16	15%	85.30%
2016/17	15%	85.80%
2017/18	20%	86.10%
2018/19	25%	85.50%
2019/20	25%	84.50%
2020/21	20%	44.60%

**2020/21 figure as at 21.09.2020*

- 3.3 Given the objectives of the review set out at 2.12, it is important that we seek to not increase the overall costs of the scheme significantly whilst maintaining fairness and the feasibility of the scheme. Therefore, it is considered that a locally determined selection of the options set out in Appendix I should be included for the scheme for 2020/21.
- 3.4 It is likely if the amount to be paid by working age claimants was increased, collection would continue to fall increasing the cost of recovery.
- 3.5 The conclusion is that the most practical option would be for the CTS for 2021/22 to be kept the same as for 2020/21 and to continue as a reduction of 20%.

4 Alternative Options

- 4.1 Changes could be made to the CTS scheme for 2021/22 either increasing or reducing the amount payable by working age claimants. Increasing the amount is not recommended because this is likely to affect the collection rate, this would then increase the cost of recovery for the Council Tax section. Reducing the amount payable would affect the budgets of the council and the major precepting authorities so could therefore have an affect on the services currently provided.

5 Consultation Undertaken or Proposed

- 5.1 Consultation has been carried out with the major preceptors. As it is recommended that there will be no change to the scheme a public consultation has not taken place. Appendix I shows the results from the consultation carried out in 2019 prior to the implementation of the 2020/21 scheme.

6 Implications

Issue	Implications
Corporate Plan	<p>The objectives and priorities in the corporate plan.</p> <p>Performance is measured through BV9 Percentage of Council Tax collected in year.</p>
Financial, Resource and Property	<p>The costs of awards made under the CTS scheme impact on the declared tax base, and thereby the council tax yield.</p>
Legal and Statutory	<p>The Council has a statutory duty to consult on a proposed scheme under the Local Government Finance Act 2012 and Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended).As mention in paragraph 5.1, case law has determined the guiding principles for fair consultation, which we followed.</p> <p>Regard needs to be made to the rules around consultation laid out through the Supreme Court ruling in the case of R (on the application of Moselely) v London Borough of Haringey (2014), and in particular, the need to set out alternative choices within the consultation. Referred to in paragraph 5.2.</p> <p>As no changes to the scheme are recommended a public consultation has not taken place.</p>
Crime and Disorder	<p>Not directly applicable</p>
Sustainability	<p>Not directly applicable</p>
Health and Wellbeing	<p>Residents who have difficulty in paying their Council Tax can put in a claim for a Section 13A discretionary award. Those whose health appears to be affected will be signposted to appropriate advice.</p> <p>The Revenues and Benefits team works with other sections of the authority, CA, financial charities and the major housing providers in the area to ensure those residents who are struggling with debt or other problems are signed posted to the correct advice and agencies.</p>
Risk Management and Health and Safety	<p>Not directly applicable</p>
Equality and Diversity	<p>A full Community Impact Assessment has been carried out.</p>
Privacy and Data Protection	<p>All requirements have been adhered to.</p>

7 Appendices

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

- Appendix I: CIA CTS Scheme 2020/21

8 Background Documents

Council Tax Support Report 2020/21 Scheme Full Council 26.02.2020

<https://services.swale.gov.uk/meetings/documents/s14053/Full%20Council%20Council%20Tax%20Support%20Report%2026.02.2020.pdf>

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
- Kent County Council Research and Intelligence Unit 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

Lead officer:	<i>Zoe Kent</i>
Decision maker:	<i>Council</i>
People involved:	<i>Zoe Kent</i>
Decision: <ul style="list-style-type: none"> • Policy, project, service, contract • Review, change, new, stop 	<ul style="list-style-type: none"> • <i>This is a localised scheme that the Borough is required to put in place to give financial help towards Council Tax to those residents on a low income.</i> • <i>We are required to review this scheme before 11 March of the financial year.</i>
Date of decision: The date when the final decision is made. The CIA must be complete before this point and inform the final decision.	<i>Full Council – 26 February 2020</i>
Summary of the decision: <ul style="list-style-type: none"> • Aims and objectives • Key actions • Expected outcomes • Who will be affected and how? • How many people will be affected? 	<p><i>What are the aims and objectives?</i></p> <ol style="list-style-type: none"> 1. <i>To provide help towards Council Tax as a localised Council Tax Support scheme to those on a low income in the Borough</i> 2. <i>To provide pensioners with the support as per The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended by The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018</i> 3. <i>To provide working age claimants support taking into consideration the reduction in financial support provided within the Revenue Support Grant towards the Council Support Scheme.</i> 4. <i>Support vulnerable people</i> 5. <i>Support claimants back into work</i> <p><i>What are the key actions?</i></p> <ul style="list-style-type: none"> • <i>Providing a scheme that supports those claimants on a low income</i> • <i>Putting into place a scheme that does not mean a financial burden to the authority which could lead to putting other services provided by the Borough at risk.</i> • <i>Continuing to design and deliver services to meet the needs of vulnerable customers</i> • <i>Consider user feedback, engagement and consultation when designing the scheme</i> <p><i>What are the expected outcomes?</i></p> <p><i>To put in place a scheme that balances the needs of vulnerable claimants against the budget requirements of the Borough.</i></p> <p><i>Who will be affected?</i></p> <p><i>Those working-age residents who are on a low income who claim help towards their Council Tax. This covers all areas of the Borough but particularly those who live in deprived areas.</i></p> <p><i>How many people will be affected?</i></p> <p><i>5,532 working age claimants will be affected by the changes to the scheme (9% of all Council Tax account holders).</i></p>
Information and research: <ul style="list-style-type: none"> • Outline the information and research that has informed 	<i>Since 1st April 2013, the Council has maintained a local Council Tax Support scheme. This replaced the national Council Tax Benefit scheme, which ended on 31 March 2013.</i>

<p>the decision.</p> <ul style="list-style-type: none"> • Include sources and key findings. • Include information on how the decision will affect people with different protected characteristics. 	<p><i>Council Tax Support helps provide support to council taxpayers who have a low income. It supports the taxpayers by providing a reduction in the actual amount in Council Tax payable.</i></p> <p><i>The Council has the ability to determine the level of support given to working age applicants only. The scheme for pension age applicants is determined by Central Government, and therefore the ability of the Council to vary that part of the scheme is limited and can only enhance the national scheme in any event.</i></p> <p><i>When Council Tax Support was first introduced, Central Government provided a specified level of grant, which was approximately 10% lower than the amounts previously given (pre 1 April 2013). This has now been replaced by a general duty to provide a scheme and funding is not separately identified within the grants given to the Council.</i></p> <p><i>After the original consultation, the Council decided to introduce a Council Tax Support scheme that differed from the original Council Tax Benefit in that, instead of granting a maximum level of support of 100%, it would limit the maximum support to 91.5% in 2013/14 (due to an extra grant being received from DCLG), decreased to 85% from 2014/15.</i></p> <p>Changes since 2013</p> <p><i>Since the introduction of Council Tax Support the overall scheme adopted by the Council has remained broadly the same, with only applicable amounts and non-dependant charges being uprated, as well as minor changes being made to mirror changes to the Housing Benefit scheme. Central Government has also continued to uprate changes to applicable amounts for pension age applicants, again to mirror the changes in Housing Benefit.</i></p> <p><i>From April 2017 changes were made to the scheme including:</i></p> <ul style="list-style-type: none"> • <i>the more accurate targeting of support to those working age applicants who most need it;</i> • <i>the need to change the scheme, not only to align with proposed changes to Housing Benefit, but also to align the scheme with the approach taken by the Department for Work and Pensions in the creation, introduction and roll out of Universal Credit; and</i> • <i>to address potential shortfalls in funding due to the continued reduction in Central Government grants.</i> <p><i>The changes brought in were:</i></p> <ol style="list-style-type: none"> 1. <i>Reducing the maximum level of support for working age applicants from 15 per cent to 20 per cent.</i> 2. <i>Removing the Family Premium for all new working age applicants</i> 3. <i>Reducing backdating to one month</i> 4. <i>Using a set income for self-employed earners after 18 months self-employment.</i> 5. <i>Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks.</i> 6. <i>To introduce a standard level of non dependant deduction of £15 for all working-age claimants who have non-dependants resident with them who work 16 hours or more per week.</i> <p><i>In April 2018 further changes were made to the scheme including:</i></p> <ul style="list-style-type: none"> • <i>The need to change the scheme to align with Universal Credit as the caseload changed to more claimants receiving Universal</i>
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Credit to top up their earnings.

- *To again address potential shortfalls in funding due to the continued reduction in Central Government grants.*

The changes brought in were

1. *Reducing the maximum level of support for working age applicants from 20 per cent to 25 per cent.*
2. *Reducing the capital limit from the existing £16,000 to £10,000.*
3. *Restricting the level of the maximum level of Council Tax Support payable to the equivalent of a Band D charge*
4. *Applying a fixed income period to Universal Credit claims for Council Tax Support to avoid multiple changes*
5. *To disregard Bereavement Support payments inline with the Housing Benefit regulations*

In April 2019 no major changes were made to the scheme.

The Proposed Scheme for 2020/21

An annual review is being undertaken as to the effectiveness of the current Council Tax Support scheme; and a public consultation has been carried out to gather views as to whether the current scheme should be changed. The review will ensure changes to the working age scheme meet the following:

- *to increase the more accurate targeting of support to those working age applicants who most need it;*
- *to continue to align the scheme with proposed changes to Housing Benefit and Universal Credit; and*
- *to address potential shortfalls in funding due to the continued reduction in Central Government grants.*

The Council will seek feedback through the consultation as to whether further increases in council tax, cuts to services, and use of limited savings should be considered as an alternative to changing the Council Tax Reduction Scheme. Changes such as those in points 1 to 3 below may affect all residents in the Borough and across Kent.

1. *Should Council Tax be increased for all Council Taxpayers, subject to the referendum limits?*
2. *Should Council reserves be used to fund the scheme?*
3. *Should there be further cuts to Council services?*

The Council proposes to maintain a similar methodology as in the past. Any changes, if adopted, will be effective from 1st April 2020. The proposed options will be put out to consultation, will be as follows:

- a. *Should a reduction be made to the minimum payment reducing it from 25% to 20%?*
- b. *Should a reduction be made to the standard level of non dependant deduction reducing it from £15 to £10 for all claimants who have a non dependant living with them who works more than 16 hours per week?*
- c. *Should Child Maintenance paid to a claimant or partner be disregarded in the calculation of Council Tax Support?*
- d. *Should Child Benefit paid to a claimant or partner be disregarded*

in the calculation of Council Tax Support?

- e. *Should a fixed income period be put in place for all working age claims where the claimant or partner are either working or in receipt of Universal Credit?*
- f. *Should a tolerance be applied to Universal Credit claims so information received from the DWP can be automated?*

Scope of the Community Impact Assessment

The following identifies the potential impact on claimants and particularly groups of claimants.

It should be noted that Pensioners will continue to be protected under the rules prescribed by Central Government. These broadly replicate the council tax benefit scheme, which existed prior to 1 April 2013.

Central Government has not been prescriptive in how it does this, but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986, and the Housing Act 1996, as well as the public sector equality duty in section 149 of the Equality Act 2010.

The Council has given consideration to the effects of the options on working age claimants, in particular, vulnerable groups.

Disability

Working age people with disabilities continue to make up a high proportion of the caseload at 23%. Working age people with disabilities receive more per week than working age people without disabilities on average, due to the design of the scheme that ignores certain disability benefits and awards higher applicable amounts.

Age

The age groups of person receiving CTS broadly reflect the overall population, the main difference being those between the ages of 18-24. This difference is probably caused by the lower applicable amounts for single claimants in this group reducing the amount of people who are entitled to CTS. Those aged 54-64 currently receive the highest weekly amount, on average. Those aged 18-24 currently receive the lowest weekly amount, on average.

Carers

There is a slightly higher proportion of claimants with a carer in the household, than the population generally overall (13%). Working age claimants with a carer in the household receive more per week, on average, than working age claimants without a carer in the household. The main reason for this is the treatment of both disability and care within the existing scheme.

Gender

Females continue to make up a high proportion of the caseload at 63%. Although, there is a difference between the average amounts females and males receive per week, this is due to factors relating to circumstances which directly affect the calculation of council tax reduction, and is not linked to a claimant's sex directly.

Ethnicity

This information is not collected from all claimants as it is not relevant

to the calculation of council tax reduction.

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion or belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Actions to mitigate any identified impacts

The Council has an Exceptional Hardship Scheme; the design of this allows any claimant to apply for additional support. It examines their overall circumstances, examining both income and expenditure with a view to determining whether exceptional hardship exists.

Under the scheme, claimants will potentially be able to receive additional support up to the full level of their Council Tax.

Method of Consultation

The Council has used the following methods to obtain the view of taxpayers.

Stakeholders Methodology

1. Existing claimants (both working age and pensionable age web based questionnaire)

Hard copy documents to be provided as necessary

2. Council taxpayers and service users generally

Web based questionnaire

Hard copy documents to be provided as necessary

3. Interested organisations and groups.

Web based questionnaire

4. Organisations with significant interest to be notified directly

Hard copy documents to be provided as necessary

General Awareness

Provision of information and awareness raising of changes and proposals

News releases

Face-to-face communication at customer service points

Information in libraries/surgeries and other public venues

The Council's website and social media

Analysis and Assessment

A full analysis and assessment will be provided

Consultation:

- Has there been specific consultation on this decision?
- What were the results of the

Yes

The results of the consultation can be found in Appendix I: CTS

<p>consultation?</p> <ul style="list-style-type: none"> ▪ Did the consultation analysis reveal any difference in views across the protected characteristics? ▪ Can any conclusions be drawn from the analysis on how the decision will affect people with different protected characteristics? 	<p><i>scheme review of the consultation</i></p> <p><i>Options 1, 4 and 6 received a higher amount of responses in favour of accepting the changes across the protected characteristics. In the case of option 1 disabled responders had a higher positive response to this option which asked whether the scheme should remain the same with the same level of support. This was also the case with the responses from those in receipt of CTS.</i></p> <p><i>Those with a protected characteristic often receive a premium giving them extra help, e.g. a carer or disability premium, giving them higher levels of help towards their Council Tax payments.</i></p> <p><i>Claimants with children will have less income for their living expenses and for caring for their children if they have to pay more towards their Council Tax.</i></p>
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Is the decision relevant to the aims of the equality duty?	
Guidance on the aims can be found in the EHRC's PSED Technical Guidance .	
Aim	Yes/No
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	No

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.		
Characteristic	Relevance to decision High/Medium/Low/None	Impact of decision Positive/Negative/Neutral
Age	Medium	Negative
Disability	Medium	Negative
Gender reassignment	None	Neutral
Marriage and civil partnership	None	Neutral
Pregnancy and maternity	Low	Negative
Race	None	Neutral
Religion or belief	None	Neutral
Sex	None	Neutral
Sexual orientation	None	Neutral

Other socially excluded groups ¹	Low	Negative
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<p>Conclusion:</p> <ul style="list-style-type: none"> Consider how due regard has been had to the equality duty, from start to finish. There should be no unlawful discrimination arising from the decision (see PSED Technical Guidance). <p>Advise on the overall equality implications that should be taken into account in the final decision, considering relevance and impact.</p>	<p>Summarise this conclusion in the body of your report</p> <p>We have considered how all groups with protected characteristics will be affected by the scheme. As part of our consultation we asked responders their gender, age ethnicity, whether they considered themselves disabled and whether they claimed CTS. A breakdown of how they responded to the options is available in Appendix I: CTS Scheme review of the consultation.</p> <p>We also asked for comments on each option. Although the results show those with a disability were more likely to respond negatively to the scheme in their comments about the options, more than half of disabled responders agreed yes to most options.</p> <p>As in previous year's schemes, those with a protected characteristic such as the disabled or those with children, receive a higher income (due to extra benefits being awarded to cover these costs) than a single claimant or couple especially those who are under 25. To mitigate these issues the Council provides a Section 13A discretionary hardship scheme.</p> <p>The evidence from the database of current claimants suggests that there could be some limited potential for the scheme to impact more adversely on people with particular protected characteristics (primarily women and people with a disability than on people without those characteristics, and thus not to contribute to the advancement of equality of opportunity for people with and without protected characteristics. However, the adverse impact on individuals is relatively small and as the scheme is being made more generous this should mitigate the annual increase to Council Tax for 2020/21. This position is clearly supported by a majority of consultation responses, including those from current council tax support recipients.</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.

Full technical guidance on the public sector equality duty can be found at:

http://www.equalityhumanrights.com/uploaded_files/PSD/technical_guidance_on_the_public_sector_equality_duty_england.pdf

This Community Impact Assessment should be attached to any committee or SMT report relating to the decision. This CIA should be sent to the Website Officer (Lindsay Oldfield) once completed, so that it can be published on the website.

¹ 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

Action Plan

Issue	Action	Due date	Lead Officer	Manager	Cabinet Member
Views needed on the proposed scheme from claimants, residents and stakeholders	Consultation to be carried out	12/2019	Zoe Kent	Nick Vickers	Cllr Roger Truelove
Financial hardship for CTRS working age claimants	Further consultation work to be carried out in Quarter 3 2019/20	02/2020	Zoe Kent	Nick Vickers	Cllr Roger Truelove
Drop in collection rate for Council Tax	The collection of Council Tax to be monitored throughout the financial year 2019/20	02/2020	Zoe Kent	Nick Vickers	Cllr Roger Truelove
Financial hardship for residents with an empty property	Advice on alternative help to be sent out with Council Tax bills and adjustment notices	02/2020	Zoe Kent	Nick Vickers	Cllr Roger Truelove

Actions in this action plan will be reported to the CIA group once a quarter, so updates will be required quarterly.

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Council Meeting	
Meeting Date	11 November 2020
Report Title	Polling district review for Teynham & Lynsted ward (Tonge Parish area)
Cabinet Member	Leader – Councillor Roger Truelove
SMT Lead / Head of Service	David Clifford – Head of Policy, Communications and Customer Services
Lead Officer	Keith Alabaster – Electoral Services Officer
Key Decision	No
Classification	Open
Recommendation	That a new polling district is set up in the Teynham & Lynsted ward (Tonge Parish area) to allow electors to vote at Lakeview Village Hall on the Great Easthall Estate, Murston.

1 Purpose of Report and Executive Summary

- 1.1 Council is asked to consider proposals to change arrangements for voting for residents who live on the Great Easthall Estate in the Tonge Parish area (TLT).

2 Background

- 2.1 The Electoral Administration Act 2006 introduced a requirement for councils to undertake a review of polling districts and places in 2007 and every four years thereafter. In practice, however, we monitor this more regularly and have, when necessary, made arrangements for alternative polling places/stations with the agreement of the Council and Returning Officer.
- 2.2 The last full review was carried out in 2018, prior to the all-out Borough and Parish elections held in May 2019.
- 2.3 To clarify, the Council is responsible for setting the polling district (a geographical area of a ward) and polling places (a geographical area within a polling district that the polling station must be located within). The Returning Officer is responsible for locating the polling station, which must be within the polling place.

3 Proposals

- 3.1 It is proposed that a new polling district is created in the Teynham and Lynsted ward, which covers all the streets and houses on the Great Easthall Estate in the Tonge Parish area (TLT) – see Appendix I

- 3.2 12 streets, 357 houses and approximately 560 electors will benefit from the new polling district – see Appendix II
- 3.3 The new polling district will enable residents to vote locally at Lakeview Village Hall situated on the Great Easthall estate which is a 5 to 10 minute walk away. Lakeview Village Hall is currently the polling station for the Murston Central (MUC) polling district in Murston ward.
- 3.4 The residents in this area currently have to travel 3 miles to vote at Bapchild Village Hall and drive past Lakeview Village Hall, as access to the Great Easthall Estate is only via Murston.
- 3.5 The new polling district will need to be agreed prior to the publication of the revised 2021 register of electors on 1 December 2020, to enable residents to vote at Lakeview Village Hall for the Kent County Council elections and Kent Police and Crime Commissioner election on 6 May 2021.
- 3.6 It is proposed that the new polling district be called “Tonge (Great Easthall)” with TTG as the polling district code.

4 Alternative Options

- 4.1 The ward and parish boundaries could be altered so the affected area could become part of Murston, however a Community Governance review would be required to change the parish boundary, which takes 12 months and the Local Government Boundary Commission would need to change the ward boundary and both would need to be done simultaneously.
- 4.2 Residents in the affected area could be encouraged to apply for absent votes (postal and proxy votes) if travelling to Bapchild Village Hall was too onerous.

5 Consultation Undertaken or Proposed

- 5.1 Ward members for Murston and Teynham & Lynsted ward plus Tonge Parish Council have been consulted previously and agree that the Great Easthall estate sits within Murston and it is a boundary anomaly, created by the new development, that has led to this difficulty which disadvantages residents.
- 5.2 A number of complaints were received from residents during the 2019 elections about not being able to vote at the local polling station at Lakeview Village Hall and having to travel all the way to Bapchild. Residents were advised that the Council was aware of the anomaly and would be taking action in the future to rectify the issue.
- 5.3 A Community Governance Review for the parish boundary and a request to review the ward boundary by the Local Government Boundary Commission should be initiated but thus far has not been possible due to resource issues, caused by three all out elections in 2019 and the COVID-19 crisis in 2020. It is

proposed to conduct these reviews in 2021/2022. The new polling district will temporarily resolve this issue for the 2021 elections until the reviews can be completed.

6 Implications

Issue	Implications
Corporate Plan	Ensuring voters are able to vote at the most convenient and commodious venue within the polling place contributes to the objective to strengthen democracy within the emerging corporate plan
Financial, Resource and Property	None identified at this time.
Legal, Statutory and Procurement	The Council is required to take a full review in accordance with the Electoral Administration Act 2006, but in practice keeps polling stations under regular review.
Crime and Disorder	None identified at this time.
Environment and Climate/Ecological Emergency	Drastically reducing travel distance to a polling station and removing the need to use a car to vote will reduce carbon pollution.
Health and Wellbeing	None identified at this stage
Risk Management and Health and Safety	The purpose of the review is to ensure that all voters have reasonable facilities for voting. It is important that venues meet health and safety requirements so as not to put voters at risk. Polling Station staff are encouraged to give feedback on venues and each station is visited by a Polling Station Inspector on election day. Lakeview Village Hall is a new station with excellent facilities and being local is a safer alternative to Bapchild Village Hall and is large enough to easily accommodate extra voters. Lakeview would become a double station with a separate polling station team for the KCC elections as Murston ward and Teynham & Lynsted ward are in different KCC divisions, so it is very important to keep the different ballot papers with separate teams to avoid any risk of the wrong ballot papers being issued to the wrong voters.
Equality and Diversity	One purpose of the review is to ensure that all electors in the Borough have reasonable facilities for voting, and that as far as is reasonable and practicable, facilities for voting are accessible for disabled people. Lakeview Village Hall has excellent accessibility.

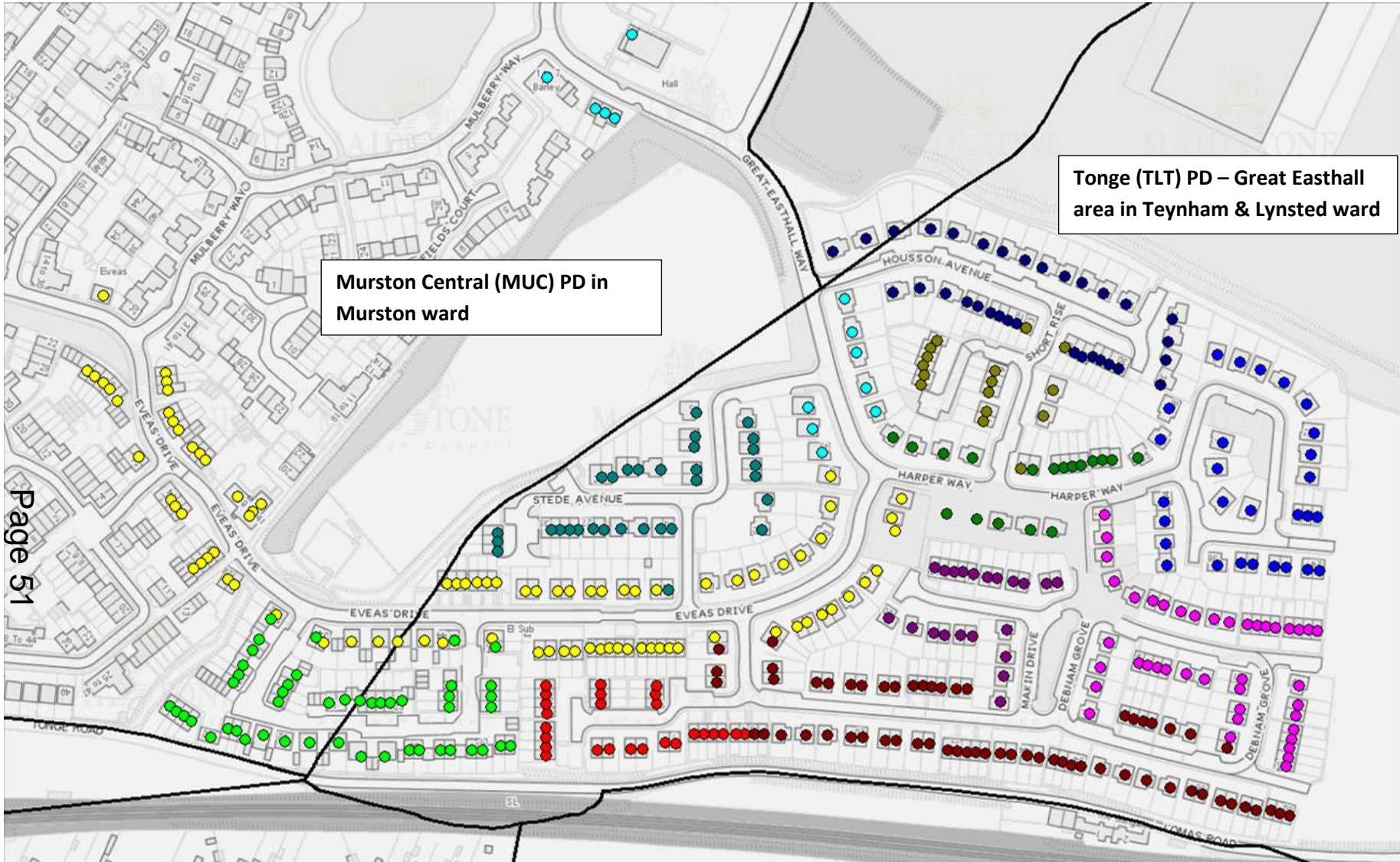
Privacy and Data Protection	None identified at this time.
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7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I – Map of proposed area for new polling district - Great Easthall area of Tonge Parish (TLT), listing streets and house affected.
 - Appendix II – List of streets, number of properties and number of electors that would form the new polling district

8 Background Papers

None



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**Teynham & Lynsted ward:
Tonge (TLT) Polling District**

Streets / Properties / Electors in Great Easthall area

Streets	Properties	Electors
Barkers End	26	43
Clifford Crescent	24	35
Deane Close	28	44
Debnam Grove	42	62
Eveas Drive	52	80
Great Easthall Way	8	15
Haffenden Avenue	62	98
Harper Way	18	20
Housson Avenue	29	45
Makin Drive	21	38
Short Rise	16	29
Stede Avenue	31	52

Totals in PD TLT(Tonge):	357	561
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