

Agenda

Council Meeting

Date: Wednesday, 18 February 2026

Time 7.00 pm

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

Quorum = 16

Pages

Recording and Privacy Notice

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1. Emergency Evacuation Procedure

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- (a) The fire alarm is a continuous loud ringing. In the event that a fire drill is planned during the meeting, the Chair will advise of this.
- (b) Exit routes from the chamber are located on each side of the room, one directly to a fire escape, the other to the stairs opposite the lifts.
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- (d) Anyone unable to use the stairs should make themselves known during this agenda item.

2. Apologies for Absence

3. Minutes

To approve the Minutes of the Meeting held on 28 January 2026 (Minute Nos. TBA) as a correct record.

4. Declarations of Interest

Councillors should not act or take decisions in order to gain financial or other material benefits for themselves, their families or friends.

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

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

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

5. Mayor's Announcements

6. Questions submitted by the Public

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

7. Questions submitted by Members

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

8. Leader's Statement

9. Nomination of Mayor 2026/27

Each candidate's proposer and seconder will be invited to speak for up to three minutes in support of their nomination. If more than one nomination is received for the position, a secret ballot will be taken.

10. Nomination of Deputy Mayor 2026/27

Each candidate's proposer and seconder will be invited to speak for up to three minutes in support of their nomination. If more than one nomination is received for the position, a secret ballot will be taken.

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Issued on 10 February 2026

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

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Council	
Meeting Date	18 February 2026
Report Title	Local Government Reorganisation (LGR) Government Consultation
EMT Lead	Larissa Reed – Chief Executive
Head of Service	Larissa Reed – Chief Executive
Lead Officer	Steph Curtis, Strategic Policy and Communities Manager
Classification	Open
Recommendations	1. For Council to provide Delegation to the Chief Executive to prepare and submit the response from Swale Borough Council to MHCLG in response to their consultation on Local Government Reorganisation proposals for Kent and Medway, following a Member workshop and consultation with Group Leaders.

1 Purpose of Report and Executive Summary

- 1.1 Following the publication of the English Devolution White Paper in December 2024, all councils in Kent and Medway were invited in February 2025 by the Secretary of State to submit proposals for local government reorganisation (LGR) for the region of Kent. These were submitted in November 2025.
- 1.2 This paper provides a summary of the public and stakeholder consultation on these proposals being undertaken by Government and a proposal for how Swale Borough Council can submit its own response.

2 Background, Context and Proposals

- 2.1 On 16 December 2024, HM Government published the English Devolution White Paper setting out its ambition to reshape local government in England. This would be through a combination of devolution to new strategic authorities and reorganisation of all of the remaining two-tier local government areas in England into unitaries. The English Devolution and Community Empowerment Bill published on 10 July 2025 formalised HM Government's intentions to enact these changes.
- 2.2 In response to the White Paper, Council Leaders in Kent were invited to apply for, and submitted a formal request to receive priority status to be included in the Devolution Priority Programme (DPP). If successful, this would have accelerated the devolution process and provided additional Government support for those Councils on the DPP.

- 2.3 On 5 February 2025 Government notified Councils in Kent and Medway in a letter from the then Local Government Minister that they were not selected to be on the DPP and instead received a statutory invitation to submit proposals for Local Government reorganisation (LGR). This included guidance around the development of proposals and an expectation that all 14 Councils would collaborate.
- 2.4 The letter detailed a timeline for the process, including a requirement for a joint interim proposal by 21 March 2025 setting out direction of travel and intentions, and a deadline of 28 November 2025 to receive a final submission on reorganisation. Kent Council Leaders agreed to endeavour to work together to respond to the Minister's direction.
- 2.5 On 21 March 2025, Kent Council Leaders submitted an interim response setting out the councils' commitment to working together on reorganisation, highlighting examples of exceptional challenges faced only by Kent, the importance of aligning devolution with reorganisation and the risks of not having a strategic countywide body for Kent. Alongside the collective response signed by all 14 Council Leaders, there were a number of 'side letters' from individual councils in Kent.
- 2.6 Government provided each area with funding towards the development of these proposals. Kent Council Leaders agreed to use this money collectively to develop a shared evidence base, options appraisal and business case(s) to prepare for the 28 November 2025 submission and procure the necessary external support and expertise to meet the deadline. KPMG were appointed as the Kent Councils Strategic Business Partner following a joint procurement process for Phases 1 and 2 and commenced work with all 14 Councils in July 2025.
- 2.7 At an extraordinary Kent Council Leaders meeting 3 September 2025, Leaders were presented with the evidence base and options appraisal assembled by KPMG colleagues with significant input from staff across all 14 Councils. There were seven geographies in scope. As per the governance jointly set around the strategic business partner contract and the funding from Government, each Leader was asked to select the option they would support progressing to strategic business case, the two with the most support then being prioritised for the collective process. As a result of the debate, Options 3a and 4b were selected to progress.
- 2.8 Subsequently, Kent County Council (Option 1a), Medway Council (4d) and Dartford and Gravesham Borough Councils (5a) (see appendix 4, 5 and 6) determined they are willing to self-fund strategic business cases for their specified options.
- 2.9 Timescales leading up to 28 November 2025 submission were tight and as such, a regular rhythm of collaborative governance meetings, milestones and activity was established.
- 2.10 Kent and Medway Councils met during November 2025 to agree each of their preferred proposals, and these were submitted to Government by the submission deadline.

- 2.11 Swale Borough Council resolved at its meeting on the 19 November 2025 to submit option 4B as its preferred option to MHCLG.
- 2.12 Across Kent and Medway, there was a range of support for all 5 proposals, resulting in the submission of all 5.
- 2.13 Government has launched its public consultation on Kent and Medway LGR on Thursday 5 February 2026 and it will close on Thursday 26 March 2026.
- 2.14 Their intention was to consult on all proposals that met the terms of the 5 February 2025 statutory invitation – for Kent and Medway, this is all proposals that were submitted. They have advised that a formal assessment against the criteria has not yet taken place, but that this will be completed alongside the statutory consultation so all relevant evidence can be considered together.
- 2.15 Although the consultation is being led by the Government, it has been agreed that Kent and Medway Councils will support its promotion in order to ensure that all stakeholders and members of the public within our county have the opportunity to have their say.
- 2.16 The consultation details are available on the Kent Council Leaders website – this joint platform was agreed and used to share details of the model business cases.

3 Recommendations

- 3.1 For Council to provide Delegation to the Chief Executive to prepare and submit the response from Swale Borough Council to MHCLG in response to their consultation on Local Government Reorganisation proposals for Kent and Medway, following a Member workshop and consultation with Group Leaders.
- 3.2 All Members will be invited to participate in the Member workshop that will inform the consultation response.

4 Alternative Options Considered and Rejected

- 4.1 An alternative option would be for an Extraordinary Council be organised prior to the consultation end date and for Members to debate a proposed response.
- 4.2 Swale Borough Council could choose not to submit a response to the Government Consultation on proposed LGR Models for Kent and Medway. This option is not recommended as although Swale Borough Council did submit its preferred model along with accompanying evidence, this is an opportunity to comment on the other proposals on the table – some of which Members may feel are not suitable for the borough of Swale.

5 Consultation Undertaken or Proposed

- 5.1 Consultation on the proposed Kent and Medway LGR options is being led by Government. This is an opportunity for Swale Borough Council to respond and provide its views on the proposed models being considered, prior to the Ministerial Decision expected by July 2026 on which model will be implemented.
- 5.2 This proposal asks for Delegation to the Chief Executive in the preparation and submission of the consultation response from Swale BC, however, this would be prepared following a Member workshop and in consultation with Group Leaders.
- 5.3 Swale Borough Council will also promote the consultation widely to its key stakeholders and members of the public to ensure responses are submitted that reflect the views of our local communities.

6 Implications

Issue	Implications
Corporate Plan	Local Government Reorganisation is not currently part of the corporate plan, however it is a key piece of work which is critical to the future of services in Swale
Financial, Resource and Property	Financial implications of each of the proposed models for LGR in Kent and Medway are included as part of the original business cases submitted to MHCLG by Kent and Medway Councils. They are referenced within the consultation documents prepared by Government.
Legal, Statutory and Procurement	The Secretary of State had invited the Leaders of all fourteen councils in Kent and Medway to submit proposals for a single tier of local government under Part 1 of the Local Government and Public Involvement in Health Act 2007 ('the 2007 Act'). Now that proposals have been received, the Secretary of State is considering them and the statutory public consultation is one of the next key steps. Following consultation, if the Secretary of State decides to proceed with one of the reorganisation proposals (with or without modifications), then a detailed Structural Change Order dealing with the transfers of powers, property, assets, and staff, as well as any boundary and electoral changes necessary to give effect to the reorganisation will need to be laid in Parliament. This will also set out a timescale for implementation of the new structures and sets out interim arrangements.

	Whilst many of the specific obligations regarding a particular reorganisation are derived from the primary Statutory Instrument passed under Section 7 of the 2007 Act, the Secretary of State has also passed a series of more generic regulations applicable to all reorganisation under Section 17 of that Act. These cover the common practical issues that arise when implementing a re-organisation including finance requirements, the transfer of assets and employees and other necessary transitional arrangements. Section 16 of the act provides for agreements between successor authorities. There is no legal requirement for Swale Borough Council to submit a response to the Government led consultation.
Crime and Disorder	There are no direct crime and disorder implications for this proposal.
Environment and Climate/Ecological Emergency	There are no direct environment and climate/ecological emergency implications for this proposal.
Health and Wellbeing	There are no direct health and wellbeing implications for this proposal.
Safeguarding of Children, Young People and Vulnerable Adults	There are no direct safeguarding implications for this proposal.
Risk Management and Health and Safety	If a local authority decides to not submit a response to the public consultation being led by Government, the Minister will still take a decision on their preference for LGR, based upon the responses of other Councils and stakeholders. There would be a risk that this decision would not factor in the detailed local knowledge and understanding the of the local area held by Swale Borough Council, although this information was shared within the Proposal Submitted in November 25.
Equality and Diversity	An Equality Impact Assessment (EqIA) was undertaken by local authorities in Kent and Medway responding to the Government's statutory invitation to submit proposals for LGR in November 25. The EqIA was developed to assess the potential general implications of LGR and was not option specific. A more detailed and specific EqIA will be required once the government announces the final configuration of unitary councils across Kent and Medway. It should also be noted that the decision to implement LGR will be taken by the Minister of State for Local Government and English Devolution, who will also make the decision on the geographies for the new Unitary Councils. Whilst it is appropriate that equalities impacts are considered by local authorities in implementing these

	decisions, the decision on the geographies for the new Unitary Councils lies with the Minister of State.
Privacy and Data Protection	There are no direct privacy and data protection implications for this proposal.
Local Government Reorganisation	This public consultation, led by Government, is the next formal step in the Local Government Reorganisation (LGR) journey for Kent and Medway Councils. Following which, the Secretary of State will decide upon which model to implement for Kent and Medway.

7 Appendices

7.1 There are no appendices included within this report.

8 Background Papers

8.1 The full consultation documents can be found at <https://kentcouncilleaders.org.uk/>

8.2 The minutes of the 19 November 2025 Council meeting can be found at <https://ws.swale.gov.uk/meetings/ieListDocuments.aspx?CId=128&MId=4331>

Council		Agenda Item:
Meeting Date	18 February 2026	
Report Title	Pay Policy Statement	
EMT Lead	Larissa Reed, Chief Executive	
Head of Service	Bal Sandher, Head of HR Shared Service	
Lead Officer	Bal Sandher, Head of HR Shared Service	
Classification	Open	
Recommendations	That the proposed Pay Policy Statement be agreed for publication on the council's web site. That the information within the Pay Policy Statement is updated with actual year-end figures before final publication.	

1 Purpose of Report and Executive Summary

- 1.1 The report is required to enable the council to satisfy the requirements of section 38 of the Localism Act 2011, which required that authorities must prepare a pay policy statement for the financial year 2012/13 and for each subsequent financial year; this statement must be agreed by full Council. The proposed statement is an update on the Council's current statement.
- 1.2 Terms and conditions of employment for employees is a non-executive function and the Policy and Resources Committee has delegated responsibility for this within the Council's constitution. Although there is no statutory template for the Pay Policy, it is recommended that it sets out as many of the relevant policies as possible so that they are transparent and in one place. The attached document refers to the policies currently in place.

2 Background

- 2.1 Section 38 (1) of the Localism Act 2011 required English and Welsh local authorities to produce a Pay Policy Statement for 2012/13, and for each financial year after that. The Bill as initially drafted referred solely to chief officers (a term which includes both statutory and non-statutory chief officers, and their deputies); but amendments reflecting concerns over low pay and also, drawing on Will Hutton's 2011 Review of Fair Pay in the Public Sector, introduced requirements to compare the policies on remunerating chief officers and other employees, and to set out policy on the lowest paid.
- 2.2 The matters that must be included in the statutory Pay Policy Statement are as follows:

- a local authority's policy on the level and elements of remuneration for each chief officer;
- a local authority's policy on the remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition);
- a local authority's policy on the relationship between the remuneration of its chief officers and other officers and in particular the pay multiple between the two;
- a local authority's policy on other specific aspects of chief officers' remuneration, including: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency;
- an organisation chart or description of the number and grades of staff in the top three layers of the organisation, with information on the grades of all those with salaries in excess of £50,000; and
- details of facility time and the number of trade union representatives for each of the recognised trade unions.

2.3 With regard to the process for approval, the Pay Policy Statement:

- must be approved formally by the Council meeting;
- must be approved by the end of March each year;
- can be amended in-year;
- must be published on the authority's website; and
- must be complied with when the authority sets the terms and conditions for a chief officer.

2.4 The Act specifically mentions that the Pay Policy Statement may set out the authority's policies relating to other terms and conditions for chief officers, and in the interest of open government there are recommendations that the Statement sets out as much information relating to employee terms and conditions as is practical.

3 Proposal

- 3.1 The proposed Pay Policy Statement (Appendix I) sets out the Council's overarching Reward Strategy, including many of the associated terms and conditions, and is designed to satisfy the requirements of the Localism Act 2011.
- 3.2 Once the agreed Pay Policy Statement is accepted by full Council it will be published on the Council's website, along with the details that are already required under the Code of Recommended Practice for Local Authorities on Data Transparency 2011 and the Equality Act 2010.

- 3.3 For ease of reference, the key changes in the document compared with that published in 2024 are set out below:
- (i) the figures for payments made in 2025/26 set out in the categories in section 3.6 of the Pay Policy Statement have been updated;
 - (ii) section 4 outlines the changes to the chief executive earnings
 - (iii) section 5 of the Pay Policy statement reflects the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 that came into force on 1st April 2017. The figures to reflect the time spent on trade union duties have been updated in the tables;
 - (iv) details of remuneration for senior staff have been updated in appendix I (G)
 - (v) gender and ethnicity pay gap report is included in appendix I (H)

4 Alternative Options Considered and Rejected

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

5 Consultation Undertaken or Proposed

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

6 Implications

Issue	Implications
Corporate Plan	The policies summarised in the Pay Policy Statement assist the Council in achieving its priority of “running the council”.
Financial, Resource and Property	There are no additional resource implications as a result of the Pay Policy Statement as it is setting out what is already in place. The aim of Section 38 of the Localism Act is to ensure there is openness and transparency with regard to the allocation of public money to employee remuneration.
Legal, Statutory and Procurement	Localism Act 2011
Crime and Disorder	None specific to this report.
Environment and	None specific to this report.

Climate/Ecological Emergency	
Health and Wellbeing	None specific to this report.
Safeguarding of Children, Young People and Vulnerable Adults	None specific to this report.
Risk Management and Health and Safety	There are no risks associated with the publication of the Pay Policy Statement as all this information would be available if requested through the Freedom of Information Act, although the publication of the information may help to reduce some of the FOI requests received. 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 summarised within the Pay Policy Statement support this requirement.
Privacy and Data Protection	There is no impact to Privacy and Data Protection.

7 Appendices

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

- **Appendix I:** Pay Policy Statement - March 2026

8 Background documents

None

Swale Borough Council

Pay Policy Statement – March 2026

1. Introduction

The new Workforce Strategy sets out four key themes:

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

These strategic themes recognise the importance of pay and rewards in our role as an employer. Our work on pay and rewards began in 2010 with an equal pay audit resulting in significant changes to the Council's terms and conditions. The work continued through the implementation of the Workforce Strategy, and the development of a Total Rewards approach to remuneration for council staff.

Swale Borough Council has its own employment terms and conditions and undertakes local pay bargaining with UNISON.

2. Terms and Conditions – Decision Making

Terms and conditions for employees are a non-executive function, and the responsibility for decisions on these matters is delegated to the Policy and Resources Committee.

The responsibility for agreeing the appraisal and remuneration of the Chief Officers lies with a Member panel. Senior appointments are also the responsibility of a Member panel.

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

3. Reward Strategy

The Reward Strategy was developed in full consultation with trade unions, staff, and Members and was agreed by the General Purposes Committee in 2010. This was a very thorough piece of work that ensured the Council managed the terms of employees at all levels in the same way, and applied the principles of equal pay and performance management to the scheme that was developed.

The principles for the reward strategy are to:

- (i) support a **performance** orientated organisation;
- (ii) provide an **attractive** employment package at all levels;

- (iii) be relevant to a **modern** local government authority;
- (iv) have a pay structure that is **transparent** and straightforward;
- (v) reward people **fairly** and consistently;
- (vi) move toward a **Total Reward** approach; and
- (vii) be **affordable** within the Medium Term Financial Strategy.

The reward strategy takes a 'Total Reward' approach to the benefits package received by employees at the Council to ensure that maximum benefit is gained from all aspects of what is on offer to employees. The key elements of this package are set out below.

3.1 Pay Scale and Pay Progression

Our policy for pay grades within the organisation is to apply an objective assessment of the relative 'size and value' of all our roles using a formal job evaluation process. Posts are graded through the INBUCON Job Evaluation Scheme, and this process identifies the value or size of the role when all the duties are being performed and the employee is fully effective in the role. Job evaluators are drawn from different parts of the organisation and trained to use the INBUCON scheme; every panel has one trade union representative as part of the panel.

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

In July 2019, the council agreed to move to the real Living Wage which is independently calculated by the Living Wage Foundation. This gave a significant increase to our low paid staff. The Lowest Paid employees are defined as those whose posts have INBUCON points of 121 to 153, which place them into grade 2 of the pay scale. The real Living Wage has been applied every year since 2019 to ensure our lowest paid staff are rewarded appropriately to meet their living cost needs.

The Council has a process of local pay consultation with UNISON to determine whether there should be an annual pay award, taking into consideration both inflation and affordability.

Incremental progression is assessed against the agreed Competency Profile for the role and evidence of the necessary Performance Standards and agreed objectives. Assessment will be on an annual basis, but will be linked to the clear and continuous performance at the level required at each incremental step. The rules for pay progression are set out in Appendix I (B).

Incremental progression is assessed by an employee's line manager in consultation with the Head of Service and Director who has to approve the recommendations within their Directorate; this is monitored collectively by Senior Management Team.

The process and timetable for appraisals and incremental progression for the Chief Executive and Directors is set out at Appendix I (C).

3.2 Market Supplements

The pay principles recognise that the Council needs to be an attractive employer whilst also balancing this with the needs to manage the budget and protect the public purse. Within local government there are several skill areas that have been extremely difficult over the years in terms of both recruitment and retention - this is particularly in fields where there are private sector employers competing for the same skills, or in unattractive areas of work.

In order to be able to respond to recruitment difficulties the Council has a Market Supplement Policy which sets clear criteria for the agreement and retention of a market supplement. The Policy is at Appendix I (D). Currently, there are twenty four employees in receipt of Market Supplements that are either working in Planning or Legal teams.

3.3 Pension

The Council offers access to the Local Government Pension Scheme (LGPS), which is a significant benefit to employees and is one of the aspects of the Council's Total Rewards package.

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

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

The LGPS is a defined benefits scheme which requires contribution rates from employees of between 5.5% and 12.5% depending on earnings, in accordance with the following table; in April 2014 there was an option to lower level contributions with the introduction of the 50/50 scheme.

Pensionable pay	Main Section	50/50 Section
Up to £17,800	5.50%	2.75%
£17,801 - £28,000	5.80%	2.90%
£28,001 - £45,600	6.50%	3.25%
£45,601 - £57,700	6.80%	3.40%
£57,701 - £81,000	8.50%	4.25%
£81,001 - £114,800	9.90%	4.95%
£114,801 - £135,300	10.50%	5.25%
£135,301 - £203,000	11.40%	5.70%
More than £203,001	12.50%	6.25%

The employer contribution rate, calculated as the future service rate excluding past service deficit for 2026 will be 16.4%, although this does vary from year to year.

Kent County Council is the administering authority for the Swale Borough Council scheme.

3.4 Pay Protection and Redundancy Payments

The Council has a Redundancy Policy which sets out the approach that must be followed if posts are going to be affected because of organisational change. The procedure sets out the approval process and the consultation timetable; it also sets out the terms for redundancy and pay protection. The Pay Protection Policy is set out at Appendix I (F).

Any payments paid to an employee in relation to redundancy shall be in accordance with the statutory redundancy payments scheme and any other regulations applicable, except that the Council will calculate a week's pay on actual earnings where this is in excess of the statutory maximum figure (***Local Govt. (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2000***).

The policy of the organisation regarding re-employment following redundancy follow the NJC terms and conditions, i.e. if a redundant employee commences local government employment within one month of the redundancy then the redundancy payment must be returned. Any other re-employment will only be considered where all other Council rules on recruitment or procurement have been followed.

3.5 Special Severance Payments

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

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

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

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

3.6 Other payments

Honoraria: the Council has a policy to recognise situations where an employee takes on more responsibility on a temporary basis; normally for an agreed period of up to 6 months. This is often as a cost saving measure when there is a vacancy, maternity leave etc. In 2025/26 there were four people in receipt of honoraria.

Cash and Non-cash Awards

As part of the Total Rewards package the council has mechanisms for recognising exceptional contributions both from individuals and teams. In 2025/26 these were received by seven employees

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 2025/26 there were four people in receipt of this payment. This allowance has been reviewed and agreement reached with trade unions that the allowance would not be paid in the future to any employees that were aware of the requirement for working 'unsocial' hours at the time they applied for the position; this is the main cause of the reduction of the number of people still in receipt of the allowance.

Stand-by payments: a review of standby duties and payments was carried out in August 2019. This resulted in amending the Standby Allowance Policy to ensure that those employees who are required to take part in standby rotas and respond to call out duties are treated consistently across the Council and remunerated fairly for the duties. The standby payments are paid to a small number of employees (ten in 2025/26) who are on an out-of-hours on-call rota for specialist duties. The outcome of the review has also increased the level of remuneration to £125 each week for being on-call.

Bonuses: the Council does not have a bonus system for any grade of staff.

Car Payments: the Council removed lease cars and lease car allowances in 2010. However, a car allowance of up to £1,239 was given to those employees that are required to have a vehicle for their role and that drive a minimum of 2,000 miles annually. This changed in June 2016 with the allowance being reduced to £1000 per

annum and pro-rata for part time staff as well as an increase to the mileage threshold to 2,500. At the end of March 2026 this allowance was allocated to fifty three members of staff. The majority of staff in receipt of this payment are within the statutory services which require external visits e.g. planning, housing.

3.7 Special fees and arrangements

Special fees may be paid for certain additional duties; in general these are connected to election duties, and the funding for the allowance will not come from the Council's own budget. An additional fee is normally paid for the role of Returning Officer for the District elections however, this was previously incorporated into the Chief Executive's base salary where s/he is acting on behalf of the Council (eg borough and parish elections). This has changed and the additional fees will be paid for undertaking the role of Returning Officer, Counting Officer or other similar role, on behalf of another authority or organisation.

3.8 Other employee benefits

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

The Council supports employees in their role with a **development plan and training opportunities** to ensure they are fully qualified and trained to give excellent service.

On an annual basis the Council has an **Awards Ceremony** that recognises the best achievements of staff during the preceding year.

The Council offers a **salary sacrifice scheme** to employees for the purchase of bicycles. In December 2018, the Council introduced another salary sacrifice scheme for the purchase of cars. There is no cost to the Council of these schemes.

In 2014 the Council updated its **long service awards** scheme to include a wider range of employees. Small benefits (eg £25 shopping voucher) are given to those reaching ten years' service, and at five yearly intervals up to forty years' service. In addition, staff receive an additional day of leave for each long service award milestone achieved.

The Council introduced the opportunity for employees to **buy additional annual leave**, and six employees have used this benefit during 2025/26. This is at no cost to the Council.

Shared Cost Additional Voluntary Contribution Scheme – the council offers a salary sacrifice Shared Cost Additional Voluntary Contribution (Shared Cost AVC) employee benefit that enables staff to make cost efficient retirement savings alongside their Local Government Pension Scheme.

4. Monitoring

Salary budgets are monitored through the normal budget management processes by line managers. Members and senior officers regularly examine the Medium Term Financial Strategy, and in particular consider ways to reduce costs to the Council.

The Code of Recommended Practice for Local Authorities on Data Transparency 2011 required that salary data was published on the highest earning staff within the Council; this was actioned by March 2011 as required by the Code. There has been further qualification of the salary threshold for publication which has been set at £50,000 and above. This information, plus the inclusion of all additional fees, is at Appendix 1 (G).

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

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

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

	Chief Executive earnings	Median	Pay Multiple
2023/24*	£118,267	£25,602	4.62
2024/25*	£125,902	£26,568	4.74
2025/26*	£129,115	£26,687	4.84
% change from previous year*	2.55%	0.45%	2.11

*The Local Government Association guidance is that organisations should use taxable pay to calculate the pay multiple. In previous years the multiple has been calculated using the National Insurance pay level which includes the pension contribution paid by the individual and is a higher figure.

The main difference in the Chief Executives earnings relates to the pay award increase for 2025/26.

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

From April 2017 under the Equality Act 2010 employers with more than 250 employees are required to publish statutory gender pay gap calculations on an annual basis. The data must be a snapshot of salary data on 31 March and must be published on our own website and a government website. Although there is no statutory requirement to report on the council's ethnicity pay data the council has decided to include this information and report the data in the same format as the gender pay gap reporting. The gender and ethnicity pay gap report for 2024 is at Appendix I (H).

5. Trade Union Facility time

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

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st April 2017 which requires public sector employers to publish specified information relating to facility time provided by trade union officials. Under the regulations, the relevant information will need to be published on an annual basis for the period 1st April to 31st March.

The Council allows reasonable time for trade union duties (eg attending management meetings, pay negotiation, etc) but no time is given for trade union activities (canvassing for additional membership etc.)

The number of trade union representatives is as follows:

	Headcount	FTE
UNISON	6	6

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

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

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

Percentage of pay bill spent on facility time:

Total cost of facility time	£763.25
Total pay bill	£12,607,629
Percentage of pay bill	0.01%

There has been no time spent on paid trade union activities.

6. Contact for further information

If you require any further information regarding the salary policy of the council you should contact Bal Sandher, Head of HR Shared Services, on 01622 602165, or by email on baljinder.sandher@midkent.gov.uk

Pay Scale 2025/26

Grade	1	2	3	4	5
2	£22,756				
	12.8357				
3	£23,074	£23,526	£24,469		
	13.0152	13.2700	13.8019		
4	£25,362	£26,382	£27,439	£28,532	
	14.3058	14.8811	15.4771	16.0938	
5	£28,675	£29,764	£30,959	£32,192	
	16.1744	16.7887	17.4627	18.1582	
6	£32,417	£33,713	£35,058	£36,466	
	18.2851	19.0159	19.7748	20.5690	
7	£36,660	£37,975	£39,496	£41,082	
	20.6782	21.4200	22.2783	23.1726	
8	£41,193	£42,841	£44,551	£46,338	
	23.2355	24.1651	25.1296	26.1374	
9	£48,657	£50,600	£52,619	£54,727	
	27.4453	28.5415	29.6804	30.8694	
10	£57,703	£60,014	£62,410	£64,906	
	32.5482	33.8512	35.2030	36.6110	
11	£67,519	£70,219	£73,029	£75,951	£78,983
	38.0848	39.6075	41.1929	42.8406	44.5511
12	£80,537	£83,755	£87,107	£90,596	£94,220
	45.4278	47.2426	49.1337	51.1017	53.1459
13	£99,115	£103,084	£107,202	£111,492	£115,954
	55.9069	58.1457	60.4681	62.8881	65.4050
14	£128,265	£132,114	£136,076	£140,158	£144,363
	72.3490	74.5201	76.7553	79.0575	81.4293

Pay Progression

1. Annual Inflation Award

Annual pay consultation will consider the cost of living and the position of SBC pay in comparison to the market, but affordability will be the foremost consideration.

Consultation will commence annually in September with the aim to reach agreement within the budget cycle so that payment can be made in April salaries.

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

2. Pay progression within grade

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

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

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

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

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

3. Career Grades and Incremental Progression

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

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

Chief Executive and Director Appraisal Process

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

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

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

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

The process for Directors is set out below:

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

Market Supplements for Pay

1. Introduction

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

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

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

2. Identification of the Skill Shortage

2.1 Recruitment Campaigns

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

2.2 KPOG Salary Survey

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

2.3 National Information

Within local government there are certain identified skill shortage areas. These are identified through data collection from the Employers Organisation and the I&DeA. In 2015 these skills were listed as:

- (i) Children's social workers
- (ii) Planning officers *
- (iii) Building control officers
- (iv) Environmental health officers *
- (v) Educational psychologists
- (vi) School crossing patrol
- (vii) Adult social workers
- (viii) Trading standards officers
- (ix) Solicitors and lawyers *
- (x) Mental Health Social Workers

* category of worker employed by SBC

This national picture is the first indicator of a shortage. Where there is an identified shortage nationally the manager will still be required to demonstrate that this applies to the local area. This proof can be gained through the outcome of a relevant recruitment campaign during the previous 12 month period, or through information from agencies about the availability of particular skill sets.

3. Market Supplement for Recruitment Purposes

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Chief Financial Officer. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate. The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

The payment of a Market Supplement must be within the Director's agreed budget. Approval must be given by the relevant Director and the Head of HR Shared Services, who will ensure that all alternative options have been explored.

4. Market Supplement for Retention Purposes

Whilst the Market Supplement is principally to enable the Council to be able to compete in a highly competitive market to attract new employees, there may be exceptional cases where a supplement should be considered for existing employees. This may occur in situations where a new recruit is offered a supplement that would then cause equally mobile colleagues to leave and seek a similar salary elsewhere.

There may also be occasions where an employee with a specialist skill needs to be retained to ensure business continuity.

The level of supplement will be agreed between the Director and the Head of HR Shared Services in consultation with the Chief Financial Officer. It will be paid as part of monthly salary and will be pensionable. The supplement will not be subject to the cost of living award and will not be taken into account for any salary-related enhancements, e.g. overtime, which will be paid at the normal salary rate.

The Market Supplement will be given for a minimum two year period initially. This will be annually reviewed to confirm that the supplement is still necessary, and at the appropriate level. Where a reduction in level is the outcome of the review this will not take effect until the minimum two years has expired. Reductions will follow the process set out in Section 5.

Payment of a Retention Supplement must only be considered in exceptional circumstances, and particular attention must be paid to the Equal Pay issues.

5. Removal of the Supplement

The availability of skills varies over time. As professions are identified as skill shortage areas and salaries rise they can attract an increased number of trainees. Where this is the case the Council would not wish to incur unnecessary costs, i.e. paying more for a skill than the median rate, if this would be sufficient to attract high quality applicants. The economic situation may also change so that scarce skills become available from other sectors or organisations.

Senior Management Team will review the posts attracting a supplement annually; this will usually coincide with the annual KPOG salary survey at the beginning of each year, but the date may vary according to information availability. When it is clear that a particular profession or skill area no longer necessitates a market supplement this will be withdrawn over a phased period of two years – with the withdrawal of 25% of the supplement every six months until the employee returns to the normal rate for the job. The assessment of the on-going need will relate to the national skills assessment combined with local salary reviews and the response to recruitment campaigns. When a market supplement is to be withdrawn the employee will be notified and given a minimum of three months' notice that a phased reduction will commence.

Policy and Procedural Issues: Local Government Scheme Regulations - Employer Discretions

This paper confirms the pension policy of Swale Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 2013 and the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014. Last updated June 2014.

The policy statement applies to all members of staff who are eligible to be members of the LGPS, as defined in the regulations i.e. employees with a contract of employment of over three month's duration and who are under 75 years of age and are contractually enrolled at the start of employment. Those with contracts of less than three months, including casuals, can join but need to elect to do so.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have two years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within two years of the start of their employment their contributions can be repaid or transferred to another scheme, unless there is some fraudulent offence or misconduct in connection with the employment.

Principles

The Authority will treat any individual retirement case and decisions on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

The definition of business efficiency shall include, but not be limited to financial savings and/or quality improvements judged on a case-by-case basis.

Each decision will be made free from discrimination on the grounds of any protected characterising – age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation, or any other personal criteria.

The Authority's decisions relating to retirement and the release of pension benefits will be in line with the current pension regulations. These regulations may be updated from time to time, and the Authority will default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable at the time of their employment. In such cases, the decision as to the release of deferred benefits will be on a case-by-case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.

Decisions taken under these discretions will be reported to the General Purposes Committee.

Regulation 9 (1) & (3) - Contributions

Swale Borough Council will apply the nationally determined employee contribution rates and bands. These are subject to change and may be varied.

Swale Borough Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items including – Market Supplement/ Premium, Overtime, Bonus, Honorarium, Salary Supplements. The pensionable pay will be reviewed monthly and based on earnings for that month to identify the appropriate band and contribution percentage

Swale Borough Council will notify employees of their individual contribution rates in their payslips or by letter at least annually.

Regulation 16 (2)e and 16 (4)d – Shared Cost Additional Pension Contributions (SCAPC)

It is not Swale Borough Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

A scheme member who has a period of child related leave or authorised unpaid leave may elect, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence. In these circumstances Swale Borough Council is required to contribute 2/3rds of the cost. If an election is made after the 30 day time limit the full costs will be met by the scheme member.

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

TP Regulations 1(1)(c) of Schedule 2 – whether to allow the rule of 85 to be 'switched on' for members age 55-59.

It is not Swale Borough Council's general policy to make use of the discretion to 'switch back on' the 85 year rule protections unless there are clear financial or operational advantages to the council. Each case will be considered on its merits by Head of Human Resources, the Chief Financial Officer, and the relevant Director.

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

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

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

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

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

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

Regulation 30(6) – Flexible Retirement

It is Swale Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there are clear financial or operational benefits to the Council. Any such consent requires the agreement of the Head of Human Resources and the relevant Director and each case would be considered on its merits.

If consent has been given under Regulation 30 (6) it is not Swale Borough Council's general policy to waive any actuarial reduction unless there are exceptional circumstances.

Regulation 30(8) Waiving of Actuarial Reductions

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation, unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship; circumstances must be exceptional and would not reasonably be expected to prevail i.e. the occurrence of a disaster or accident etc. Financial hardship alone would not normally be deemed sufficient. Any such consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Swale Borough Council to give consent under this regulation

to the early payment of benefits; however, each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case. It is not the Council's general policy to waive any actuarial reduction in these circumstances.

Regulation 31 – Award of Additional Pension

Swale Borough Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within six months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

Swale Borough Council will only exercise this discretion in exceptional circumstances and where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any consent shall be agreed by the Head of Human Resources, Chief Financial Officer and the relevant Director, taking account of all the details involved in the case.

Regulation 100 (6) – Aggregation of Benefits

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Swale Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme.

If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Chief Financial Officer and the relevant Director within Swale Borough Council, and by the Pension Scheme Administrator. Both organisations must agree to the late transfer.

Protection of Earnings Policy

1. Introduction

The Council believes that an integral feature of any successful organisation is its ability to identify the need for change and to manage that change, taking into account management's aspirations as well as the aspirations and well being of its employees.

Whilst the Council is committed to providing security of employment and to minimising the personal impact of organisational change there will be occasions when it will be necessary to reorganise services and the way in which they are delivered. In these circumstances the provisions of this Policy will apply. This policy needs to be read in conjunction with the Organisational Change Policy.

2. Scope

This policy applies to any employee who, as a consequence of organisational change, is required by management to change their grade or method of working or suffers a reduction in basic hours worked within the standard working week or suffers a reduction in basic pay and allowances.

The provisions of this policy **do not** apply as a result of:-

- a) action taken in accordance with the Council's Disciplinary or Capability procedures
- b) the need for re-deployment on health grounds
- c) unacceptable standards of work performance
- d) a request from the individual or by mutual agreement between the individual and Council
- e) a voluntary application to another position within the Council
- f) the removal of a Market Supplement following an annual review, any loss here would be dealt with in accordance with the Market Supplement Policy.

3. Protection Period

Protection of earnings will be given for a period of 24 months. The first twelve months will be protected at the full earnings of the role held by the employee prior to the change, the second period of 12 months will be at half the rate of the new earnings compared to the old earnings. After a period of 12 months the employee will move to the salary and earnings of the new post. The employee will be moved to the salary point of the pay scale for the grade of the new post that is closest to the salary of the previous post. In most cases this is likely to be the highest incremental point of the relevant grade.

In exceptional circumstances, and where there may be a cost advantage to the organisation there may be agreement with the Chief Executive, the Chief Financial Officer and Head of Organisation Development to extend this period.

4. Calculation of Protection

Earnings protection will be calculated as an average of the earnings in the four months preceding the organisational change. This will include basic salary, essential car user allowance, lease car cash allowance, stand-by payments and an average of overtime and out of hour's payments.

Earnings in the new post will be off-set against protected earnings and if for any particular pay period the earnings in the new post exceed the protected earnings then the higher earnings will be paid for that pay period.

Where the period of protection spans the annual pay award the protected pay will be reduced by an amount equivalent to any increase in pay in the new substantive post.

5. Conditions of Protection

Protection of earnings is conditional upon the employee undertaking any shift work, standby or other duties which may be required in the new post. Where there are increased earnings as a result of these additional duties this will result in an equivalent decrease in pay protection. In circumstance where the employee is required to drive and the post is designated as an Essential Car User or the level of mileage is such that the employee qualifies for the Essential Car User Allowance this will be paid but the level of pay protection will be reduced by the equivalent amount.

Protection of earnings is also conditional upon the employee accepting any subsequent offer of a suitable alternative post which attracts a salary in excess of that of the new post.

Overtime will be paid at the new rate (i.e. the real rate attached to the post) not at the protected rate.

6. Pension Implication

It has been the Borough Council's policy to issue a certificate of protection of pension benefits to protect employees who suffer detriment by being required to take a cut in pay or who are prevented from having future pay increases by having their pay frozen. Any certificates issued may continue to apply to pension forecasts whilst they are still valid. Following the pension changes on 1 April 2008 there were no further certificates of protection issued but up to 31 March 2014 there are options for pension calculation to be based over a longer time period, affected employees should contact the pension administrator.

7. Terms and Conditions other than Pay

Annual Leave entitlements and length of notice period required from the employee will not be protected and those applicable to the new post will be effective from the date of transfer.

Appendix I (G)

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

Details of remuneration and job title of senior employees whose basic salary is between £50,000 and £150,000.

Position	Reporting Unit	Remuneration	No of staff	Budget responsibility	Other services/responsibilities
Chief Executive	Chief Executive	£145,000 - £149,999	276	£744,030	Returning Officer responsible for all elections and Head of Paid Service.
Director of Regeneration & Neighbourhoods	Regeneration & Neighbourhoods	£115,000 - £119,999	213	£15,115,620	
Director of Resources	Resources	£115,000 - £119,999	28	£15,859,650	Section 151 Officer.
Communications & Policy Manager	Communications & Policy	£60,000 - £64,999	5	£368,850	
Democratic & Electoral Services Manager	Democratic & Electoral Services	£60,000 - £64,999	7	£920,800	
Head of Environment & Leisure	Environment & Leisure	£90,000 - £94,999	43	£9,430,070	
Climate Change Officer	Environment & Leisure	£50,000 - £54,999	2	£163,300	
Environmental Contracts Manager	Environment & Leisure	£55,000 - £59,999	5	£6,912,780	
Environmental Services Manager	Environment & Leisure	£65,000 - £69,999	13	£6,912,780	
Green Spaces Manager	Environment & Leisure	£55,000 - £59,999	11	£2,027,500	
Leisure & Technical Services Manager	Environment & Leisure	£60,000 - £64,999	21	£3,540,860	
Seafront & Engineering Manager	Environment & Leisure	£50,000 - £54,999	7	£256,590	
Head of Finance & Procurement	Finance & Procurement	£90,000 - £94,999	19	£1,081,660	
Principal Accountant	Finance & Procurement	£50,000 - £54,999	10	£0	
Principal Accountant (Technical)	Finance & Procurement	£50,000 - £54,999	3	£0	
Head of Housing & Community Services	Housing & Community Services	£90,000 - £94,999	112	£5,376,570	

Accommodation & Resettlement Manager	Housing & Community Services	£60,000 - £64,999	18	£3,153,750	
Community & Partnerships Manager	Housing & Community Services	£50,000 - £54,999	2	£0	
Customer Services Manager	Housing & Community Services	£50,000 - £54,999	24	£808,450	
Housing Advice Service Manager	Housing & Community Services	£60,000 - £64,999	25	£177,640	
Housing Standards & Assistance Manager	Housing & Community Services	£65,000 - £69,999	14	£254,230	
Policy & Communities Manager	Housing & Community Services	£70,000 - £74,999	26	£544,710	
Head of Legal Partnership	Mid Kent Legal Services	£95,000 - £99,999	23	£575,380	Head of partnership with Maidstone and Tunbridge Wells Borough Councils.
Deputy Head of Legal Partnership	Mid Kent Legal Services	£85,000 - £89,999	12	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Planning Team Leader	Mid Kent Legal Services	£65,000 - £69,999	4	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Senior Lawyer (Contentious)	Mid Kent Legal Services	£55,000 - £59,999	0		
Senior Lawyer (Contentious)	Mid Kent Legal Services	£55,000 - £59,999	0		
Senior Lawyer (Contentious)	Mid Kent Legal Services	£60,000 - £64,999	0		
Senior Lawyer (Planning)	Mid Kent Legal Services	£55,000 - £59,999	0		
Senior Lawyer (Planning)	Mid Kent Legal Services	£55,000 - £59,999	0		
Team Leader (Contentious)	Mid Kent Legal Services	£65,000 - £69,999	3	£0	Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Team Leader (Contracts & Commissioning)	Mid Kent Legal Services	£60,000 - £64,999	0		Manager within shared service with Swale and Tunbridge Wells Borough Councils.
Team Leader (Corporate Governance)	Mid Kent Legal Services	£65,000 - £69,999	1		Manager within shared service with Swale and Tunbridge Wells Borough Councils.

Head of Place	Place	£90,000 - £94,999	53	£50,220	
Buildings Operations & Maintenance Manager	Place	£50,000 - £54,999	11	£698,680	
Capital Projects Manager	Place	£60,000 - £64,999	1	£0	
Chief Planning Officer	Place	£75,000 - £79,999	34	£360,340	
Heritage & Design Manager	Place	£55,000 - £59,999	2	£0	
Planning Manager (Planning Applications)	Place	£70,000 - £74,999	17	£0	
Planning Manager (Policy)	Place	£65,000 - £69,999	12	£510,920	
Project Manager (Policy)	Place	£55,000 - £59,999	0	£0	
Strategic Programme & Assets Manager	Place	£75,000 - £79,999	3	£606,010	
Team Leader (Planning Applications)	Place	£55,000 - £59,999	3	£0	
Team Leader (Planning Applications)	Place	£60,000 - £64,999	3		
Team Leader (Planning Investigations)	Place	£55,000 - £59,999	3		
Service Improvement & Project Manager	Regeneration & Neighbourhoods	£50,000 - £54,999	0		

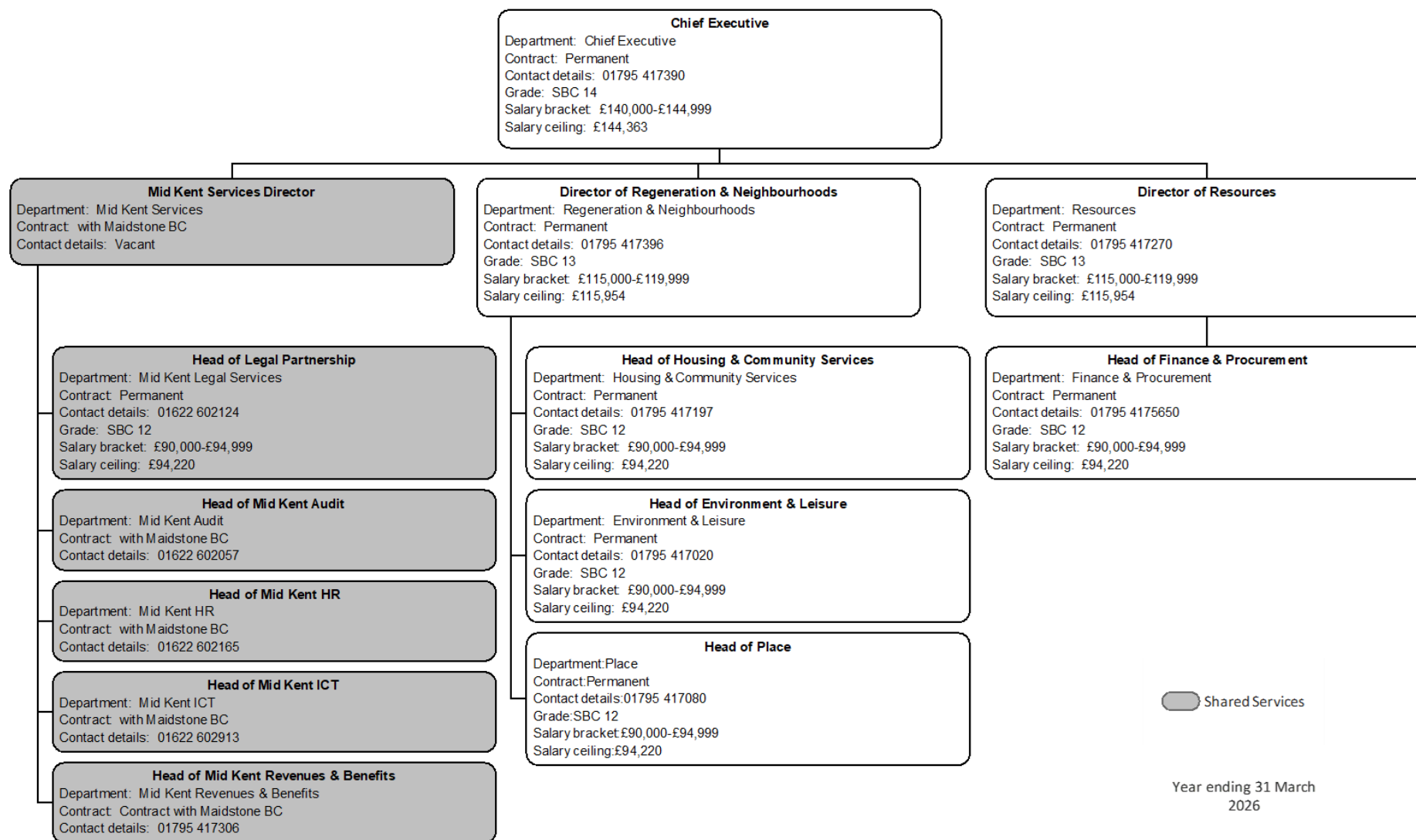
Number of employees whose remuneration in 2025/26 is at least £50,000, in brackets of £5,000

Remuneration band	Number of employees in band
£50,000 - £54,999	9
£55,000 - £59,999	10
£60,000 - £64,999	9
£65,000 - £69,999	6
£70,000 - £74,999	2
£75,000 - £79,999	2
£80,000 - £84,999	0
£85,000 - £89,999	1
£90,000 - £94,999	4
£95,000 - £99,999	1
£100,000 - £104,999	0
£105,000 - £109,999	0
£110,000 - £114,999	0
£115,000 - £119,999	2
£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
Total	47

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

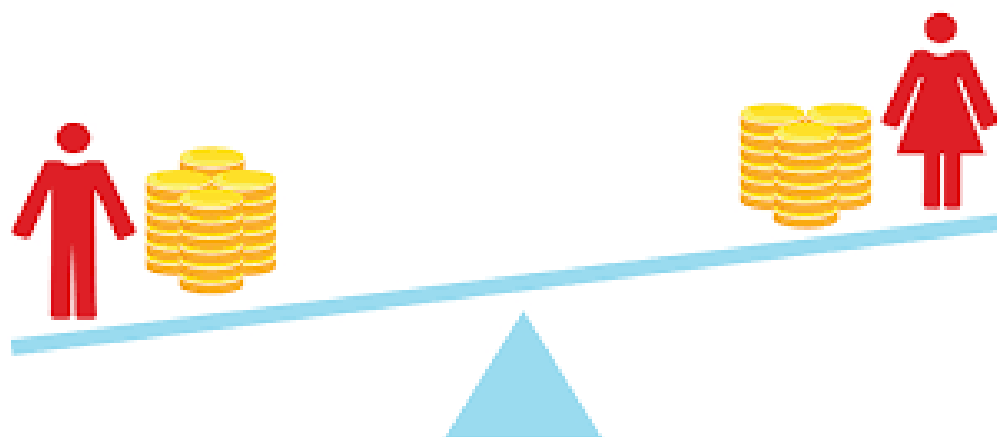
Post	Employing Authority
Head of Audit Partnership	Maidstone Borough Council
Head of HR Shared Services	Maidstone Borough Council
Head of ICT Partnership	Maidstone Borough Council
Head of Revenues and Benefits	Maidstone Borough Council

Swale Borough Council Organisation Chart



Swale Borough Council

Gender and Ethnicity Pay Gap Report 2025



Snapshot Date: 31st March 2025

Introduction

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

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

The information within this report is based on a snapshot of pay on 31st March 2025. This information will only include employees who were employed by Swale Borough Council on this date and in receipt of their normal full pay; it will not include employees who were on reduced pay (such as those on maternity leave).

What is a gender and ethnicity pay gap?

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

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

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

Equal Pay is about:



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

Gender Pay Gap is about



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

-V-

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

Mean Gender Pay Gap

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

Median Gender Pay Gap

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

Mean Bonus Gender Pay Gap

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

Median Bonus Gender Pay Gap

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

The Proportion of Employees Receiving a Bonus

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

The Quartile Pay Bands

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

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

Swale Borough Council's Gender Pay Gap

Mean Hourly Pay



£22.53

£20.02

11.14% Pay Gap

Median Hourly Pay



£19.95

£17.62

11.68% Pay Gap

Proportion of Employees Receiving Bonus Pay



11.48%

19.47%

Summary of data

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

The overall mean gender pay gap at the council is 11.14% which means for all employees (both full time and part time), men earned on average 11.14% more than women hourly.

The makeup of the workforce of the council (which is 76% female) can affect the gender pay gap calculations, as can the distribution of the workforce. The majority of female employees within the council are within the lower and middle grades which will distort the overall pay gap, reflecting workforce composition rather than pay inequalities.

The median gender pay gap of 11.68% demonstrates that a higher proportion of men are working in higher level roles than women as the average median hourly rate for a male is £19.95 and for a female this is £17.62.

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

The mean gender bonus gap is -199.69%. This significant disparity is primarily due to a higher proportion of female employees receiving the long service award.

How Does This Compare With 2024?

Mean Gender Pay Gap

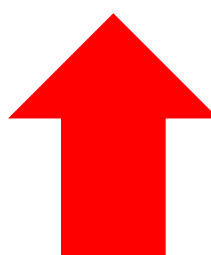


13.51% Increase

9.73% in 2024

11.14% in 2025

Median Gender Pay Gap



15.89% Increase

9.96% in 2024

11.68% in 2025

There has been an increase in both the mean and median gender pay gaps compared to the previous year.

Over the reporting period, 23 new female employees joined the organisation, compared to 13 male employees. Among the new starters, six individuals were appointed to roles within the upper pay quartile, three of whom were male. This distribution contributes to the widening of both the mean and median gender pay gaps.

In addition, a significant structural change occurred with the TUPE transfer of the Revenues and Benefits team, resulting in 32 employees being transferred out of Swale. This restructure has had an impact on the overall gender pay gap figures.

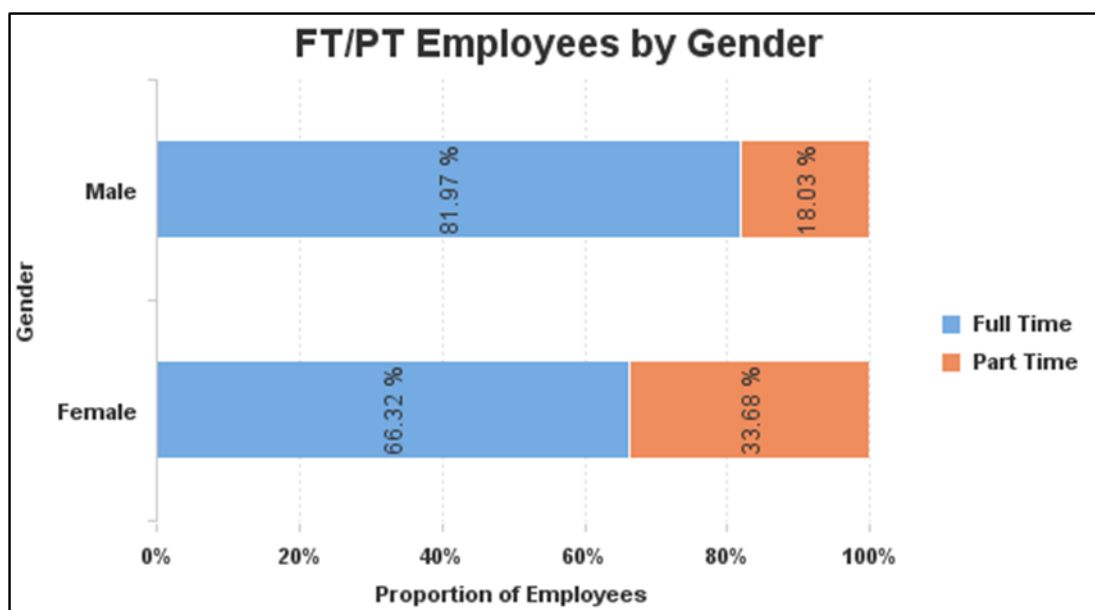
There has also been notable shifts in the gender composition across the pay quartiles. A key factor contributing to this change is the TUPE transfer of the Revenues and Benefits team, which involved the departure of a significant number of employees. This transfer has had an impact on the proportion of male and female staff within each pay band.

Pay Quartile	Proportion of Males	Proportion of Females	Male Proportion Increase
Upper Quartile	30.65%	69.35%	-8.04%
Upper Middle Quartile	34.92%	65.08%	9.33%
Lower Middle Quartile	15.87%	84.13%	-23.81%
Lower Quartile	15.87%	84.13%	-18.36%

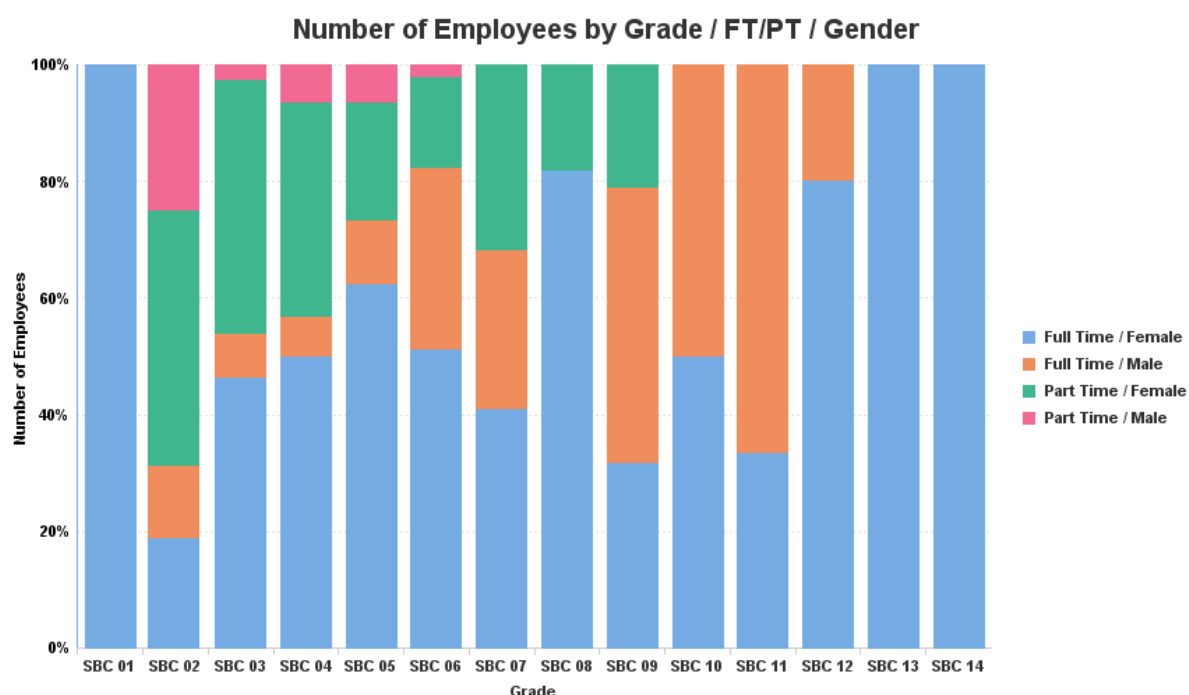
Like most areas of local government, the councils gender split is 76% female and 24% male overall. In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile. However, the gender split is not evenly spread throughout all the grades within the council as can be seen from gender breakdown for each pay grade in the table. Although the Council employs more females than males, a higher percentage of females are employed within the lower and lower middle quartiles.

Swale Borough Council's Workforce

Swale Borough Council employees 190 female members of staff, and 61 male members of staff. In addition, a higher proportion of males employed are working in full time positions than the proportion of females.



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



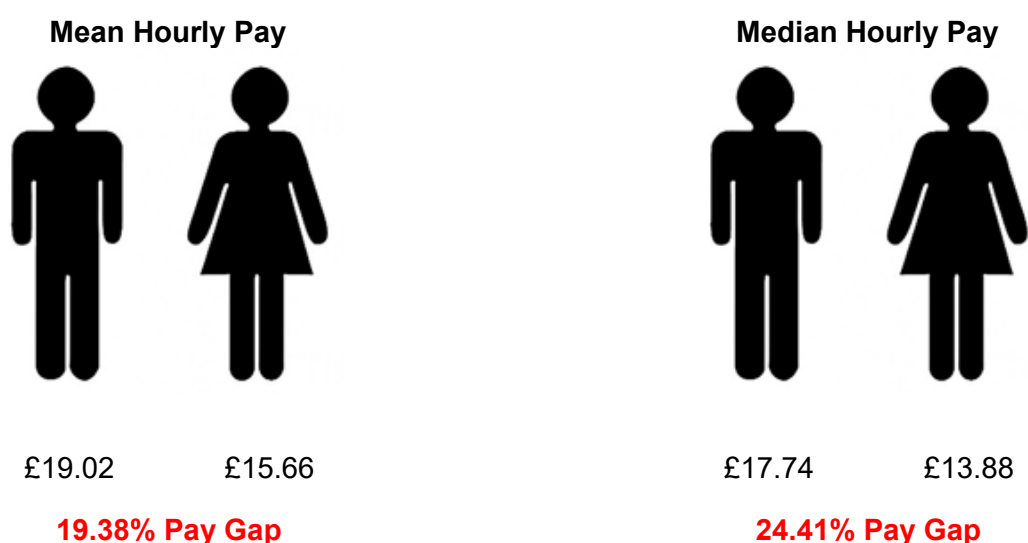
Swale Borough Council also offer numerous family friendly policies and flexible working options such as job share, term time working and from the data it shows that female employees take up of these flexible benefits are at a greater level compared to males which adversely impacts on the council's gender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

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

Working Pattern	Number of Employees	Mean Hourly Pay Males	Mean Hourly Pay Females	Mean Gender Pay Gap
Full Time	176	£24.14	£21.42	11.27%
Part Time	75	£15.22	£17.27	-13.47%

The Gender Pay Gap For New Starters

Below is the gender pay gap for new starters between 1st April 2024 and 31st March 2025.



Between 1st April 2024 and 31st March 2025, Swale Borough Council employed 13 males and 23 females into new roles. The mean and median hourly rate of pay was higher for new males compared to females. The main reason for the increase in the mean and median figures is due to 3 males being recruited to senior positions (grade 8 and above). Female staff were appointed to grades below this level.

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

How Does This Compare With Similar Organisations?

When looking at other Councils within Kent, the average mean gender pay gap was 6.63%; the average median gender pay gap was 5.89%.

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

Council	Mean Pay Gap	Median Pay Gap
Ashford Borough Council ¹	7.0%	8.9%
Canterbury City Council ¹	3.4%	0%
Dartford Borough Council ¹	16.1%	20.30%
Dover District Council ¹	5.2%	1.8%
Folkestone & Hythe District Council ¹	1.7%	0%
Gravesham Borough Council ¹	1.4%	-3.5%
Maidstone Borough Council ¹	3.0%	1.6%
Sevenoaks District Council ¹	17.9%	28.3%
Thanet District Council ¹	-3.5%	-15.1%
Tunbridge Wells Borough Council ¹	11.2%	8.3%
Kent County Council ¹	9.7%	12.0%
Medway Council ¹	6.4%	8.1%
Kent Average – Local Government	6.63%	5.89%
Swale Borough Council	11.14%	11.68%

Footnotes

¹ gender-pay-gap.service.gov.uk (2024/25 submission)

Ethnicity Pay Gap 2025

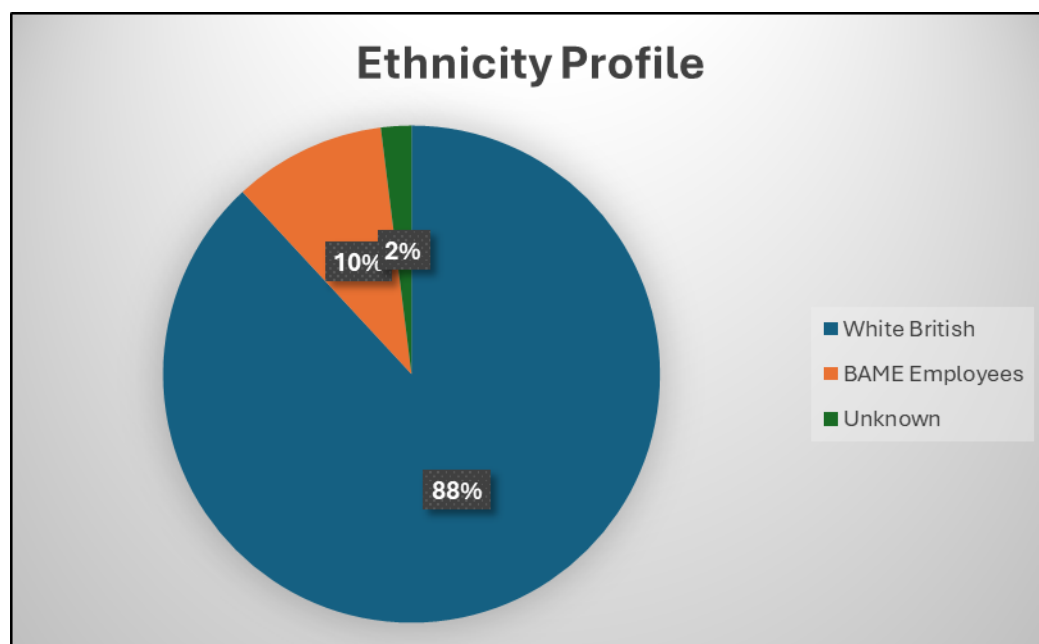
The ethnicity pay gap reflects the contrast in average hourly earnings between employees from minority ethnic backgrounds (i.e. non-Black, Asian and Minority Ethnic (BAME)) and those categorised as 'White' within a workforce. This information is generally expressed as a percentage of average White employees'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

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

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

Ethnicity Profile

The chart below shows the ethnicity profile of our workforce. 88% of the workforce are White British, 10% are from BAME groups. Currently, the council has a small percentage of 2% employees that have not declared their ethnicity. Employees are encouraged to update their ethnicity in the HR system and this continues to be a priority in order to better report data for ethnic minority staff.

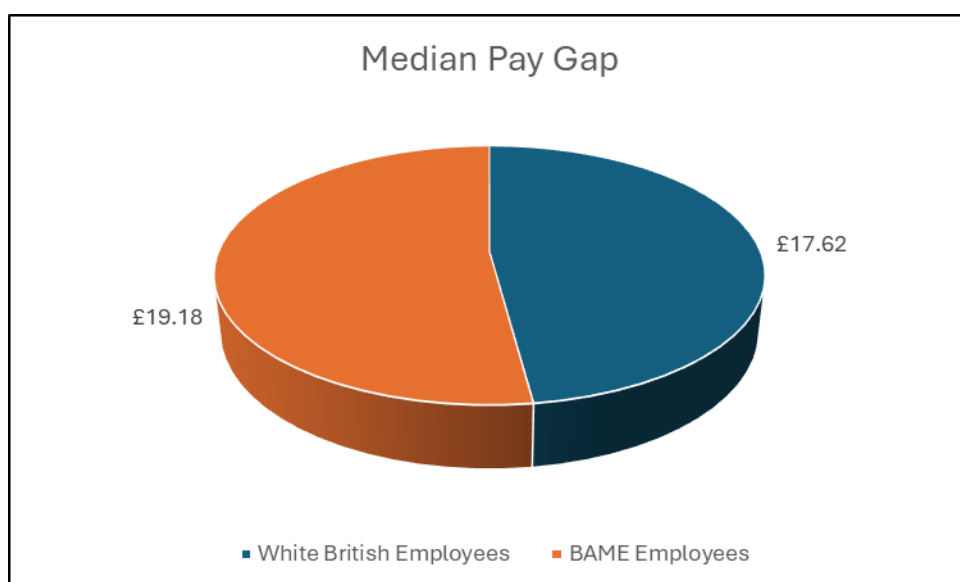


Ethnicity Pay Gap

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



The mean ethnicity pay gap is -3.22% which means the average pay for a person from a black, Asian, mixed race or other ethnic group is £0.66 per hour more than the average pay for a White person. This means that across the workforce BAME staff are paid on average slightly more than White British staff.

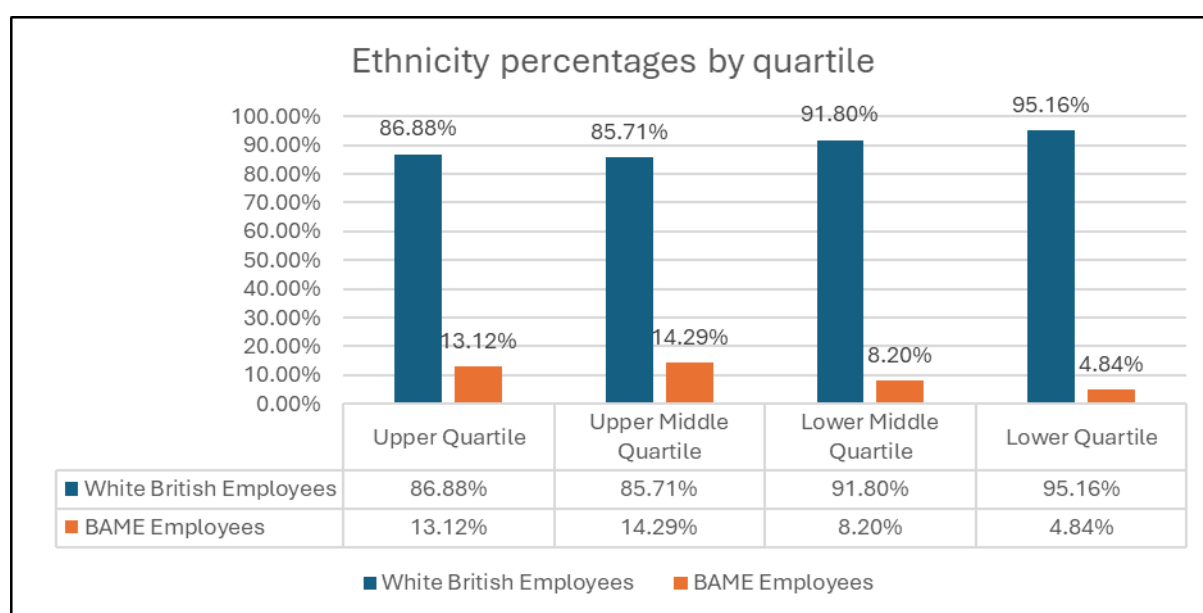


The median ethnicity pay gap is -8.13% which means that the median hourly rate of black, Asian, mixed race or other ethnic group is higher than the median hourly rate of our White colleagues.

Pay quartiles by ethnicity

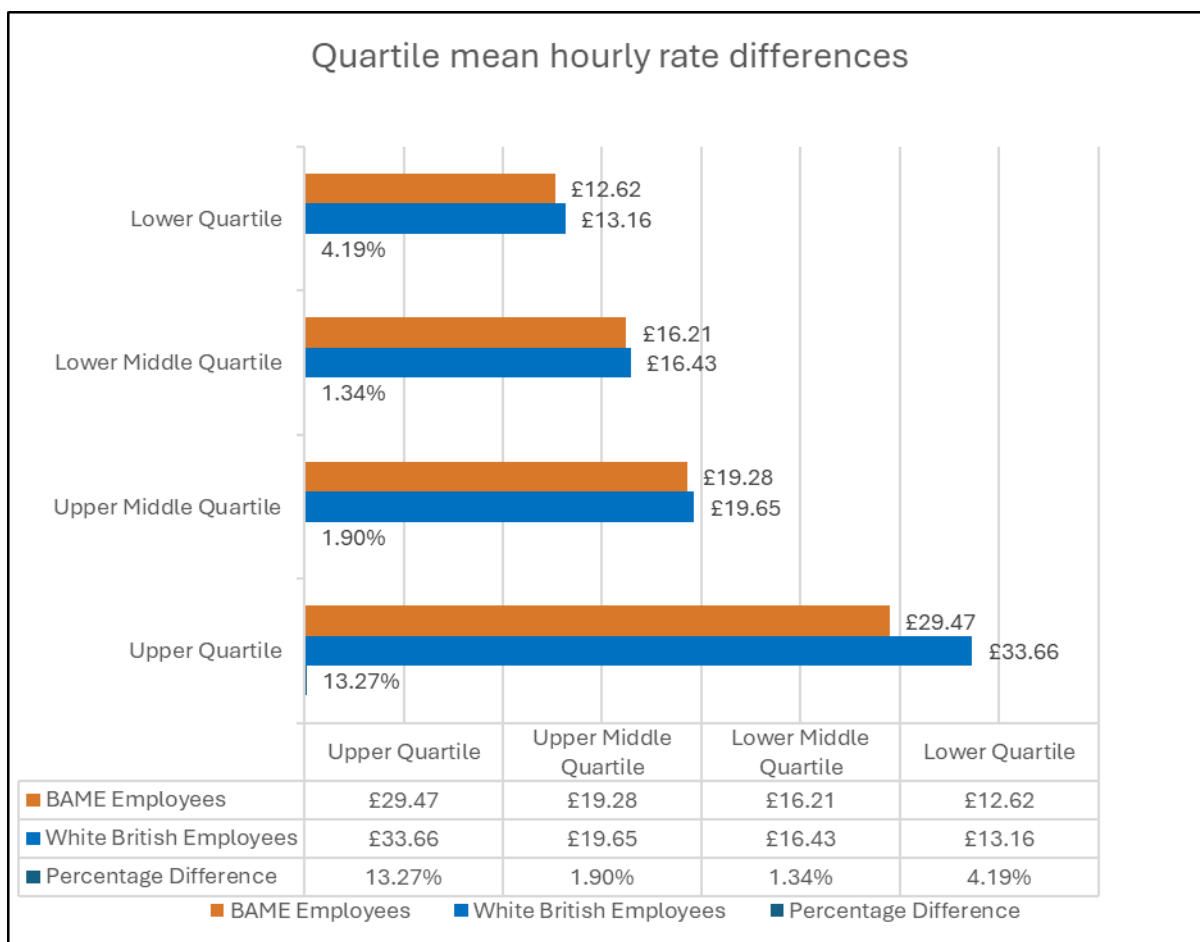
The chart below illustrates the percentage of White British and BAME (Black, Asian, and Minority Ethnic) employees across each pay quartile. This distribution helps explain why BAME employees have a higher mean and median hourly rate of pay.

BAME representation is notably higher in the upper quartiles, 13.12% in the Upper Quartile and 14.29% in the Upper Middle Quartile. Compared to just 8.20% in the Lower Middle Quartile and 4.84% in the Lower Quartile. This underrepresentation in the lower-paid bands means that, on average, BAME employees are more likely to occupy higher-paid roles, which elevates both their mean and median hourly pay figures.



The table below shows the hourly rate difference for each quartile. The data reveals a consistent pattern of lower average hourly pay for BAME employees compared to White British employees across all pay quartiles. While the differences in the Lower, Lower Middle, and Upper Middle Quartiles are relatively small ranging from 1.34% to 4.19%, the gap becomes more significant in the Upper Quartile, where BAME employees earn 13.27% less on average.

The larger gap in the Upper Quartile reflects the underrepresentation of BAME staff in senior roles.



Bonus Pay

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

Summary

Swale Borough Council's current mean ethnicity pay gap is on average -3.22%, indicating that, on average, White British staff earn 3.22% less than employees from Black, Asian, Mixed Race, or other ethnic minority backgrounds.

The median ethnicity pay gap is -8.13%, meaning that the midpoint hourly rate for White British employees is 8.13% lower than that of BAME employees. This suggests that although the council has a small percentage of BAME employees, staff from other ethnic minority backgrounds are more likely to be in higher-paid roles compared to their White British counterparts.

The table above shows that, within each pay quartile, White British employees generally have slightly higher hourly rates than BAME employees. However, the overall pay gap reflects higher average earnings among BAME staff due to their lower representation in the lower quartile roles, where pay is typically lowest. This distribution significantly influences the overall mean and median figures resulting in a positive pay gap for BAME employees overall.

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

Swale Borough Council remains committed to continuous improvement in promoting equality, diversity, and inclusion. Through ongoing monitoring, policy development, and targeted actions, the Council aims to ensure fair pay and equal opportunities for all employees, regardless of gender or ethnicity.

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

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

Actions

Swale Borough Council has a clear approach to pay and reward which is well controlled.

One of the factors that can influence the gender pay gap is the distribution of males and females within the grades and under-representation of BAME staff. Therefore, the following actions are recommended:

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

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Council Meeting	
Meeting Date	18 February 2026
Report Title	Budget and Council Tax for 2026/27
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Lisa Fillery, Director of Resources Claire Stanbury, Head of Finance and Procurement
Classification	Open
Recommendations	1. That members note the Director of Resources opinion on the robustness of the budget estimates and the adequacy of reserves. 2. That the report to Policy and Resources on 4 February 2026 be noted and the Medium Term Financial Plan and the 2026/27 revenue and capital budgets be approved. 3. That the resolutions contained in Appendix I be approved. 4. That in accordance with the proposals contained within SI 2014 No. 165 that a recorded vote be taken on the 2026/27 Budget and Council Tax.

1 Purpose of Report and Executive Summary

- 1.1 At their meeting on 4 February 2026, Policy and Resources Committee recommended the 2026/27 Revenue Budget, the Capital Programme for 2026/27 to 2029/30, and the Medium Term Financial Plan (MTFP) for 2026/27.
- 1.2 The purpose of this report is for the Council to approve the Council Tax Requirement, Revenue Budget and Capital Programme, and Council Tax for the year 2026/27 as set out in the report to the Policy and Resources Committee on 4 February 2026, 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 (9 February 2026). Should there be any changes to these, members will be informed.

2 Background

- 2.1 As part of the 2026/27 budget setting process, the Policy and Resources Committee first received a report on the budget proposals for 2026/27 and an update on the Medium Term Financial Plan on 26 November 2025. The draft budget, following public consultation, was then considered again by Policy and Resources Committee on 4 February 2026.
- 2.2 The final settlement published on 9 February 2026 confirmed the grants from Central Government. Despite some last minute rumours that there were to be significant changes to the business rate allocations, the minister confirmed no changes were to be made to total funding levels for 2026/27 as any losses to provisional amounts will be mitigated by the introduction of an Adjustment Support Grant. However, the change to the assumption on how Business Rate Pools share business rate growth has significantly reduced the Revenue Support Grant allocation for Swale and as the Adjustment Support Grant is a one off protection arrangement for 2026/27 the budget gap forecast for future years increases significantly. Discussions will be ongoing within government departments on changes for 2027/28 onwards to help address the resulting increase to budget pressure. The impact on future years is reported in the updated Revenue Budget Proposals 2026/27 Appendix IV – Appendix I and the updated use of Reserves Appendix IV – Appendix II.
- 2.3 Despite assurances from MHCLG at their briefing on 9 February 2026 that no council would receive a lower final settlement than that published at the provisional stage, Swale has seen a reduction of £81k of homelessness funding with no further mitigation to address the loss. I have written to MHCLG asking for their position of no change in total allocations to be honoured and have been advised that this is being looked into. Further investigation by Kent Finance Officers has confirmed that there are only 3 councils in the country that have seen a cut in the homelessness grant with Thanet also affected in Kent. We will be following up with MHCLG with the aim of receiving additional funding, but the budget has been updated to assume an increase in the use of reserves.
- 2.4 The following table shows the amended assumptions from MHCLG on their assessment of our Core Spending Power (excluding council tax).

	2025-26	2026-27	2027-28	2028-29
Funding Source	£ millions	£ millions	£ millions	£ millions
Fair Funding Allocation	0.000	14.870	14.912	14.896
<i>of which: Baseline Funding Level</i>	0.000	6.808	6.965	7.105
<i>of which: Revenue Support Grant</i>	0.000	8.062	7.948	7.791
Legacy Funding Assessment	13.938	0.000	0.000	0.000
<i>of which: Legacy Business Rates</i>	12.388	0.000	0.000	0.000
<i>of which: Legacy Grant Funding</i>	1.550	0.000	0.000	0.000
Homelessness, Rough Sleeping and Domestic Abuse	1.401	1.523	1.413	1.346
Grants rolled in to Revenue Support Grant	0.716	0.000	0.000	0.000
Total Recovery Grant Allocation	0.539	0.539	0.539	0.539
Adjustment Support Grant	0.000	1.223	0.000	0.000
Total Grant Allocations	16.594	18.155	16.864	16.780
Provisional Settlement Total	18.390	18.240	17.600	16.990
Variance between settlements	1.796	0.085	0.736	0.210

3 Proposals

- 3.1 In accordance with Section 25 of the Local Government Act 2003 the Council's Section 151 Officer is required to report formally to the Council on the robustness of the estimates and the adequacy of the reserves. It should be noted that Section 26 of the Act gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The Section 151 Officer (the Director of Resources), in accordance with the Local Government Act 2003, has produced a statement to confirm her opinion on the robustness of the budget and the adequacy of reserves (App III – App III).
- 3.2 All councils have to provide the Government with a forecast for their business rates to be collected for the forthcoming financial year (NNDR1), which has a statutory deadline of 31 January. For 2026/27 the reset of business rate baselines has meant that the Kent Business Rate Pool has been disbanded with the intention to review the position once the reset position has been embedded. NNDR monitoring will continue as part of budget monitoring for 2026/27 in the usual way.
- 3.3 Details of the Town and Parish Council Precepts for 2026/27 are detailed in Appendix I and currently total £2,516,878 and average increase of 15.41% from 2025/26.
- 3.4 As well as its own Council Tax, Swale Borough Council collects on behalf of the other 'precepting authorities', i.e. Kent County Council, the Kent and Medway Fire and Rescue Authority, and the Kent Police and Crime Commissioner.

- 3.5 At the time of writing this report, Kent and Medway Fire and Rescue Authority were due to meet on 18 February 2026. This report is based upon a precept of £5,092,674 which results in a Band D Council Tax of £99.81 (5.22% or £4.95 increase).
- 3.6 The Police and Crime Panel met on 5 February 2026 to consider the budget proposals from the Kent Police and Crime Commissioner. The decision was for a precept of £14,459,402 which results in a Band D Council Tax of £285.15 (5.55% or £15.00 increase).
- 3.7 Kent County Council are due to meet on 12 February 2026 and set their precept. This report is based upon a precept of £89,730,244 resulting in a Band D Council Tax of £1,758.60 (3.986% or £67.41 increase including the Adult Social Care precept).
- 3.8 Appendix II provides more detail on the calculation of the Council Tax requirement and a summary of the calculation of Band D Council Tax.
- 3.9 Appendix III is the Budget report recommend by Policy and Resources committee on 4 February 2026. Updated appendices are attached to show the impact of the changes resulting from the Final Settlement. (App IV – Updated budget proposals and updated use of reserves).

4 Alternative Options Considered and Rejected

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

5 Consultation Undertaken or Proposed

- 5.1 The budget proposals were reported to Policy and Resources Committee on 26 November 2025.
- 5.2 An online budget consultation exercise took place from 27 November 2025 to 8 January 2026, the results of which were reported to Policy and Resources committee on 4 February 2026.

6 Implications

Issue	Implications
Corporate Plan	The budget proposals support the achievement of the Council's corporate priorities.
Financial, Resource and Property	The report sets out the Council's resourcing position.

Legal, Statutory and Procurement	The Council is required to set a Council Tax and a balanced budget.
Crime and Disorder	Any potential implications will be addressed by service managers in their budget proposals.
Environment and Climate/Ecological Emergency	The proposals support the Climate Change and Ecological motion previously agreed.
Health and Wellbeing	Any potential implications will be addressed by service managers in their budget proposals.
Safeguarding of Children, Young People and Vulnerable Adults	Any potential implications will be addressed by service managers in their budget proposals.
Risk Management and Health and Safety	Any potential implications will be addressed by service managers in their budget proposals.
Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.
Local Government Reorganisation	Provision has been made in this budget to fund the work required by Swale in preparation for local government reorganisation. No provision has been made for the transitional costs to support the creation of the new unitary council.

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 2026/27
(ii) Calculation of Band D Council Tax 2026/27
- Appendix III: Budget report and appendices to Policy and Resources Committee 4 February 2026
- Appendix IV Updated P&R appendices (Revenue Budget Proposals and Estimated Use of Reserves)

8 Background Papers

8.1 As detailed in the budget report to the Policy and Resources committee on 4 February 2026.

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Council is recommended to resolve as follows:

1. That it be noted that, further to the Officer Delegated decision taken on 11 December 2025, the council calculated:
 - 1.1 the Council Tax Base 2026/27 for the whole Council area as 50,518.20 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended) (the 'Act') and,
 - 1.2 for dwellings in those parts of its area to which a Parish Precept relates as set out below:

Parish / Town Council	Tax Base
Bapchild	736.13
Bobbing	1,024.09
Borden	1,162.85
Boughton-Under-Blean	715.23
Bredgar	304.73
Doddington	231.76
Dunkirk	530.74
Eastchurch	838.03
Eastling	154.23
Faversham Town Council	7,487.57
Graveney & Goodnestone	185.94
Hartlip	381.27
Hernhill	318.82
Iwade	1,528.26
Leysdown	1,262.00
Lower Halstow	461.74
Luddenham	42.41
Lynsted	477.85
Milstead	102.04
Minster	5,752.79
Newington	1,052.74
Newnham	158.77
Norton & Buckland	199.95
Oare	175.39
Ospringe	288.01
Queenborough Town Council	891.39
Rodmersham	237.96
Selling	386.13
Sheerness	2,801.32
Sheldwich, Leaveland & Badlesmere	372.20
Stalisfield	106.37
Teynham	1,001.73
Throwley	147.62
Tonge	473.25
Tunstall	702.55
Upchurch	1,065.68
Warden	507.16
Total Parished Areas	34,266.70

2. That, as a preliminary step, the calculation of the Council Tax requirement for the Council's own purposes for 2026/27 (excluding parish precepts) is £10,855,723 as detailed in the report to Policy and Resources Committee on 4 February 2026.
3. That the following amounts be calculated for the year 2026/27 in accordance with Sections 30 to 36 of the Act:
 - 3.1 £99,700,527 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 £86,327,851 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - 3.3 £13,372,676 being the amount by which the aggregate at 3.1 above exceeds the aggregate at 3.2 above, calculated by the Council accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (item R in the formula in Section 31B of the Act).
 - 3.4 £262.09 being the amount at 3.3 above (item R), all divided by item 1.1 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including parish precepts).
 - 3.5 £2,516,878 being the aggregate amount of all special items (parish precepts) referred to in Section 34(1) of the Act.
 - 3.6 £212.76 being the amount at 3.4 above, less the result given by dividing the amount at 3.5 above by 1.1 above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no parish precept relates.

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

Parish / Town Council	£ p
Bapchild	231.48
Bobbing	278.10
Borden	294.74
Boughton-Under-Blean	367.66
Bredgar	257.61
Doddington	254.53
Dunkirk	276.54
Eastchurch	320.76
Eastling	247.76
Faversham Town Council	342.79
Graveney & Goodnestone	288.11
Hartlip	273.29
Hernhill	269.49
Iwade	267.07
Leysdown	288.07
Lower Halstow	295.58
Luddenham	212.76
Lynsted	294.35
Milstead	291.16
Minster	249.52
Newington	272.54
Newnham	242.76
Norton & Buckland	257.94
Oare	309.69
Ospringe	266.58
Queenborough Town Council	296.90
Rodmersham	277.90
Selling	267.15
Sheerness	265.22
Sheldwich, Leaveland & Badlesmere	251.37
Stalisfield	244.92
Teynham	293.86
Throwley	242.11
Tonge	244.46
Tunstall	225.57
Upchurch	263.32
Warden	261.07

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

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	128.60	154.32	180.04	205.76	231.48	282.92	334.36	385.80	462.96
Bobbing	154.50	185.40	216.30	247.20	278.10	339.90	401.70	463.50	556.20
Borden	163.74	196.49	229.24	261.99	294.74	360.24	425.74	491.23	589.48
Boughton-Under-Blean	204.26	245.11	285.96	326.81	367.66	449.36	531.06	612.77	735.32
Bredgar	143.12	171.74	200.36	228.99	257.61	314.86	372.10	429.35	515.22
Doddington	141.41	169.69	197.97	226.25	254.53	311.09	367.65	424.22	509.06
Dunkirk	153.63	184.36	215.09	245.81	276.54	337.99	399.45	460.90	553.08
Eastchurch	178.20	213.84	249.48	285.12	320.76	392.04	463.32	534.60	641.52
Eastling	137.64	165.17	192.70	220.23	247.76	302.82	357.88	412.93	495.52
Faversham Town Council	190.44	228.53	266.61	304.70	342.79	418.97	495.14	571.32	685.58
Graveney & Goodnestone	160.06	192.07	224.09	256.10	288.11	352.13	416.16	480.18	576.22
Hartlip	151.83	182.19	212.56	242.92	273.29	334.02	394.75	455.48	546.58
Hernhill	149.72	179.66	209.60	239.55	269.49	329.38	389.26	449.15	538.98
Iwade	148.37	178.05	207.72	237.40	267.07	326.42	385.77	445.12	534.14
Leysdown	160.04	192.05	224.05	256.06	288.07	352.09	416.10	480.12	576.14
Lower Halstow	164.21	197.05	229.90	262.74	295.58	361.26	426.95	492.63	591.16
Luddenham	118.20	141.84	165.48	189.12	212.76	260.04	307.32	354.60	425.52
Lynsted	163.53	196.23	228.94	261.64	294.35	359.76	425.17	490.58	588.70
Milstead	161.76	194.11	226.46	258.81	291.16	355.86	420.56	485.27	582.32
Minster	138.62	166.35	194.07	221.80	249.52	304.97	360.42	415.87	499.04
Newington	151.41	181.69	211.98	242.26	272.54	333.10	393.67	454.23	545.08
Newnham	134.87	161.84	188.81	215.79	242.76	296.71	350.65	404.60	485.52
Norton & Buckland	143.30	171.96	200.62	229.28	257.94	315.26	372.58	429.90	515.88
Oare	172.05	206.46	240.87	275.28	309.69	378.51	447.33	516.15	619.38
Ospringe	148.10	177.72	207.34	236.96	266.58	325.82	385.06	444.30	533.16
Queenborough Town Council	164.94	197.93	230.92	263.91	296.90	362.88	428.86	494.83	593.80
Rodmersham	154.39	185.27	216.14	247.02	277.90	339.66	401.41	463.17	555.80
Selling	148.42	178.10	207.78	237.47	267.15	326.52	385.88	445.25	534.30
Sheerness	147.34	176.81	206.28	235.75	265.22	324.16	383.10	442.03	530.44
Sheldwich, Leaveland & Badlesmere	139.65	167.58	195.51	223.44	251.37	307.23	363.09	418.95	502.74
Stalisfield	136.07	163.28	190.49	217.71	244.92	299.35	353.77	408.20	489.84
Teynham	163.26	195.91	228.56	261.21	293.86	359.16	424.46	489.77	587.72
Throwley	134.51	161.41	188.31	215.21	242.11	295.91	349.71	403.52	484.22
Tonge	135.81	162.97	190.14	217.30	244.46	298.78	353.11	407.43	488.92
Tunstall	125.32	150.38	175.44	200.51	225.57	275.70	325.82	375.95	451.14
Upchurch	146.29	175.55	204.80	234.06	263.32	321.84	380.35	438.87	526.64
Warden	145.04	174.05	203.05	232.06	261.07	319.09	377.10	435.12	522.14
All other parts of the Council's area	118.20	141.84	165.48	189.12	212.76	260.04	307.32	354.60	425.52

3.9 The total precept per parish for 2026/27 is as follows:

Parish / Town Council	Total Precept £
Bapchild	13,780
Bobbing	66,918
Borden	95,334
Boughton-Under-Blean	110,789
Bredgar	13,668
Doddington	9,681
Dunkirk	33,848
Eastchurch	90,509
Eastling	5,398
Faversham Town Council	973,600
Graveney & Goodnestone	14,010
Hartlip	23,080
Hernhill	18,086
Iwade	83,000
Leysdown	95,039
Lower Halstow	38,240
Luddenham	0
Lynsted	38,990
Milstead	8,000
Minster	211,473
Newington	62,934
Newnham	4,763
Norton & Buckland	9,034
Oare	17,000
Ospringe	15,500
Queenborough Town Council	75,000
Rodmersham	15,500
Selling	21,000
Sheerness	146,960
Sheldwich, Leaveland & Badlesmere	14,370
Stalisfield	3,421
Teynham	81,245
Throwley	4,332
Tonge	15,000
Tunstall	9,000
Upchurch	53,876
Warden	24,500

4. That it be noted that, for the year 2026/26, Kent County Council, the Kent Police and Crime Commissioner, and the Kent and Medway Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories shown below:

Valuation Bands								
Swale Borough Council								
-A	A	B	C	D	E	F	G	H
£118.20	£141.84	£165.48	£189.12	£212.76	£260.04	£307.32	£354.60	£425.52
Kent County Council								
-A	A	B	C	D	E	F	G	H
£977.00	£1,172.40	£1,367.80	£1,563.20	£1,758.60	£2,149.40	£2,540.20	£2,931.00	£3,517.20
The Kent Police and Crime Commissioner								
-A	A	B	C	D	E	F	G	H
£158.42	£190.10	£221.78	£253.47	£285.15	£348.52	£411.88	£475.25	£570.30
Kent and Medway Fire and Rescue Authority								
-A	A	B	C	D	E	F	G	H
£55.45	£66.54	£77.63	£88.72	£99.81	£121.99	£144.17	£166.35	£199.62
0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00

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 2026/27 for each of the categories of dwellings shown below:

	Band -A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Bapchild	1,319.47	1,583.36	1,847.25	2,111.15	2,375.04	2,902.83	3,430.61	3,958.40	4,750.08
Bobbing	1,345.37	1,614.44	1,883.51	2,152.59	2,421.66	2,959.81	3,497.95	4,036.10	4,843.32
Borden	1,354.61	1,625.53	1,896.45	2,167.38	2,438.30	2,980.15	3,521.99	4,063.83	4,876.60
Boughton-Under-Blean	1,395.13	1,674.15	1,953.17	2,232.20	2,511.22	3,069.27	3,627.31	4,185.37	5,022.44
Bredgar	1,333.99	1,600.78	1,867.57	2,134.38	2,401.17	2,934.77	3,468.35	4,001.95	4,802.34
Doddington	1,332.28	1,598.73	1,865.18	2,131.64	2,398.09	2,931.00	3,463.90	3,996.82	4,796.18
Dunkirk	1,344.50	1,613.40	1,882.30	2,151.20	2,420.10	2,957.90	3,495.70	4,033.50	4,840.20
Eastchurch	1,369.07	1,642.88	1,916.69	2,190.51	2,464.32	3,011.95	3,559.57	4,107.20	4,928.64
Eastling	1,328.51	1,594.21	1,859.91	2,125.62	2,391.32	2,922.73	3,454.13	3,985.53	4,782.64
Faversham Town Council	1,381.31	1,657.57	1,933.82	2,210.09	2,486.35	3,038.88	3,591.39	4,143.92	4,972.70
Graveney & Goodnestone	1,350.93	1,621.11	1,891.30	2,161.49	2,431.67	2,972.04	3,512.41	4,052.78	4,863.34
Hartlip	1,342.70	1,611.23	1,879.77	2,148.31	2,416.85	2,953.93	3,491.00	4,028.08	4,833.70
Hernhill	1,340.59	1,608.70	1,876.81	2,144.94	2,413.05	2,949.29	3,485.51	4,021.75	4,826.10
Iwade	1,339.24	1,607.09	1,874.93	2,142.79	2,410.63	2,946.33	3,482.02	4,017.72	4,821.26
Leysdown	1,350.91	1,621.09	1,891.26	2,161.45	2,431.63	2,972.00	3,512.35	4,052.72	4,863.26
Lower Halstow	1,355.08	1,626.09	1,897.11	2,168.13	2,439.14	2,981.17	3,523.20	4,065.23	4,878.28
Luddenham	1,309.07	1,570.88	1,832.69	2,094.51	2,356.32	2,879.95	3,403.57	3,927.20	4,712.64
Lynsted	1,354.40	1,625.27	1,896.15	2,167.03	2,437.91	2,979.67	3,521.42	4,063.18	4,875.82
Milstead	1,352.63	1,623.15	1,893.67	2,164.20	2,434.72	2,975.77	3,516.81	4,057.87	4,869.44
Minster	1,329.49	1,595.39	1,861.28	2,127.19	2,393.08	2,924.88	3,456.67	3,988.47	4,786.16
Newington	1,342.28	1,610.73	1,879.19	2,147.65	2,416.10	2,953.01	3,489.92	4,026.83	4,832.20
Newnham	1,325.74	1,590.88	1,856.02	2,121.18	2,386.32	2,916.62	3,446.90	3,977.20	4,772.64
Norton & Buckland	1,334.17	1,601.00	1,867.83	2,134.67	2,401.50	2,935.17	3,468.83	4,002.50	4,803.00
Oare	1,362.92	1,635.50	1,908.08	2,180.67	2,453.25	2,998.42	3,543.58	4,088.75	4,906.50
Ospringe	1,338.97	1,606.76	1,874.55	2,142.35	2,410.14	2,945.73	3,481.31	4,016.90	4,820.28
Queenborough Town Council	1,355.81	1,626.97	1,898.13	2,169.30	2,440.46	2,982.79	3,525.11	4,067.43	4,880.92
Rodmersham	1,345.26	1,614.31	1,883.35	2,152.41	2,421.46	2,959.57	3,497.66	4,035.77	4,842.92
Selling	1,339.29	1,607.14	1,874.99	2,142.86	2,410.71	2,946.43	3,482.13	4,017.85	4,821.42
Sheerness	1,338.21	1,605.85	1,873.49	2,141.14	2,408.78	2,944.07	3,479.35	4,014.63	4,817.56
Sheldwich, Leaveland & Badlesmere	1,330.52	1,596.62	1,862.72	2,128.83	2,394.93	2,927.14	3,459.34	3,991.55	4,789.86
Stalisfield	1,326.94	1,592.32	1,857.70	2,123.10	2,388.48	2,919.26	3,450.02	3,980.80	4,776.96
Teynham	1,354.13	1,624.95	1,895.77	2,166.60	2,437.42	2,979.07	3,520.71	4,062.37	4,874.84
Throwley	1,325.38	1,590.45	1,855.52	2,120.60	2,385.67	2,915.82	3,445.96	3,976.12	4,771.34
Tonge	1,326.68	1,592.01	1,857.35	2,122.69	2,388.02	2,918.69	3,449.36	3,980.03	4,776.04
Tunstall	1,316.19	1,579.42	1,842.65	2,105.90	2,369.13	2,895.61	3,422.07	3,948.55	4,738.26
Upchurch	1,337.16	1,604.59	1,872.01	2,139.45	2,406.88	2,941.75	3,476.60	4,011.47	4,813.76
Warden	1,335.91	1,603.09	1,870.26	2,137.45	2,404.63	2,939.00	3,473.35	4,007.72	4,809.26
All other parts of the Council's area	1,309.07	1,570.88	1,832.69	2,094.51	2,356.32	2,879.95	3,403.57	3,927.20	4,712.64

6. That it be determined the Council's relevant basic amount of Council Tax for 2026/27 is not excessive in accordance with principles approved under Section 52ZC of the Local Government Finance Act 1992. The principles for the 2026/27 financial year are set out in Annex A of The Referendums Relating to Council Tax Increases (Principles) (England) Report 2026/27. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2027/26 is excessive and therefore the billing authority is

not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

7. That the revenue and capital estimates for 2026/27 in Appendix III be approved.

Council Tax 2026/27

Our Council Tax requirement is:

	2025/26	2026/27
	£	£
Swale Budget Requirement	25,981,081	29,347,798
Less Revenue Support Grant	(362,000)	(8,062,000)
Less Business Rates	(12,104,000)	(7,319,000)
Less Collection Fund Surplus	0	0
Less New Homes Bonus	(988,000)	0
Less Additional Grants	(2,088,000)	(3,111,000)
Council Tax Requirement	10,439,081	10,855,798
Band D Council Tax	206.64	212.76
Tax Base	50,518.20	51,023.68

As well as our own council tax we collect on behalf of the other precepting authorities

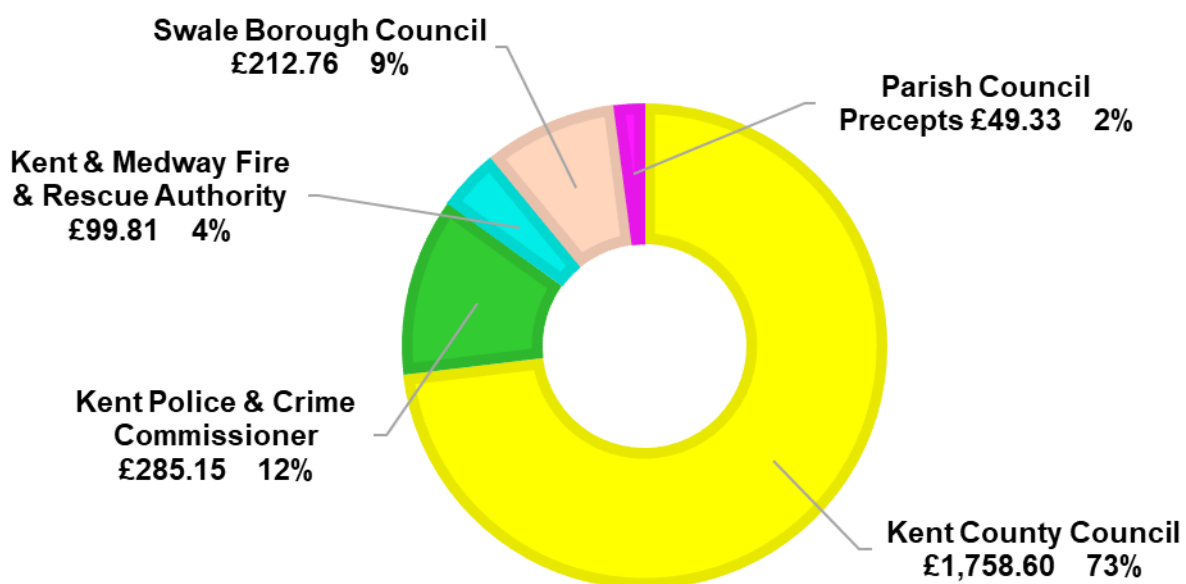
2025/26 Band D Equivalent	Authority	2026/27 Band D Equivalent	% increase	£ increase
1,691.19	Kent County Council	1,758.60	3.99%	67.41
270.15	Kent Police & Crime Commissioner	285.15	5.55%	15.00
94.86	Kent and Medway Fire and Rescue Authority	99.81	5.22%	4.95
206.64	Swale Borough Council	212.76	2.96%	6.12
2,262.84	BASIC COUNCIL TAX	2,356.32	4.13%	93.48

For a Band D property this equates to an overall increase of 4.13% or £93.48 compared to the increase of 4.879%, £105.26 in 2025/26. Where applicable there will be an additional sum collected on behalf of the Parish Councils which have chosen to levy a local precept (see Appendix I).

Calculation of Band D Council Tax 2026/27

2025/26			2026/27	
Precept	Band D Council Tax	Authority	Precept	Band D Council Tax
£	£		£	£
85,435,875	1,691.19	Kent County Council	89,730,244	1,758.60
13,647,492	270.15	Kent Police & Crime Commissioner	14,549,402	285.15
4,792,156	94.86	Kent and Medway Fire and Rescue Authority	5,092,674	99.81
10,439,081	206.64	Swale Borough Council	10,855,798	212.76
114,314,604	2,262.84	BASIC COUNCIL TAX	120,228,118	2,356.32
2,166,353	42.88	Parish Council Precepts*	2,516,878	49.33
116,480,957	2,305.72	Council Tax inc. Parish Precepts	122,744,996	2,405.65

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

Allocation of Council Tax 2026/27:

Policy and Resources Committee Meeting	
Meeting Date	4 th February 2026
Report Title	2026/27 Budget and Medium Term Financial Plan and Capital Strategy
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Claire Stanbury, Head of Finance and Procurement
Classification	Open
Recommendations	That Policy & Resources Recommends to Council: 1. To approve the 2026/27 revenue budget proposals. 2. To approve the proposed Council Tax Band D increase for 2026/27 to £212.76. 3. To approve the Medium Term Financial Plan. 4. To approve the Capital Strategy. 5. To approve the capital programme proposals. 6. To note the additional amount of Council Tax for Parish Precepts. 7. To endorse the Statement (Appendix III) provided by the Director of Resources. 8. To approve the minimum revenue provision statement. 9. To delegate authority to the Director of Resources to adjust charge out rates within fees and charges as appropriate, where they are based on costs incurred and where legislation changes are made to centrally set charges in year. 10. To approve the use of reserves statement as detailed in appendix VII as to ensure reserves are valid and support the assumptions in the MTFS.

1 Purpose of Report and Executive Summary

- 1.1 This report sets out the Council's Revenue and Capital budget proposals for 2026/27, the Medium Term Financial Plan (MTFP) and the Capital Strategy.
- 1.2 Policy and Resources committee received a budget report on 26 November 2025 prior to the provisional local authority grant settlement announced on 17 December 2025. This report reflects the implications of the settlement, along with any other changes identified since the committee meeting.
- 1.3 This report, if agreed by Policy and Resources committee, will then go forward to Council on 18 February.

2 Background, Context and Proposals

Provisional Local Government Finance Settlement 2026/27

- 2.1 This year the provisional settlement provides a multi-year funding allocation and the results of the Fair Funding Review and the Business Rate Reset. The multi-year allocation removes a level of uncertainty over the medium term, however that is now replaced with the knowledge of a reduction in grant funding over that period. Whilst the impact on the budget from Fair Funding is neutral for 2026/27 reductions in Revenue Support Grant and Homelessness funding mean that a budget gap increases from 2027/28.
- 2.2 The draft settlement published on 17 December confirmed the details of the Revenue Support Grant (RSG) which included the rolling in of some specific service and new burden grants and other legacy government grant allocations in addition to the new formula to allocate funding based on need. The resetting of Business Rates to remove growth retained locally has also required transitional funding to be included in the RSG for 2026/27 however this is reduced from 2027/28. Swale is in the position of having both a high needs assessment and a significant loss of business rate growth funding.
- 2.3 The table below shows the government's funding assumptions for Swale from 2025/26 – 2028/29

	2025-26	2026-27	2027-28	2028-29
Funding Source	£ millions	£ millions	£ millions	£ millions
Fair Funding Allocation	0.000	16.093	15.530	14.896
<i>of which: Baseline Funding Level</i>	0.000	6.808	6.965	7.105
<i>of which: Revenue Support Grant</i>	0.000	9.285	8.566	7.791
Legacy Funding Assessment	15.737	0.000	0.000	0.000
<i>of which: Legacy Business Rates</i>	14.187	0.000	0.000	0.000
<i>of which: Legacy Grant Funding</i>	1.550	0.000	0.000	0.000
Homelessness, Rough Sleeping and Domestic Abuse	1.401	1.604	1.525	1.368
Total Transitional Protections	0.000	0.000	0.005	0.184
<i>of which: 100% income protection</i>	0.000	0.000	0.005	0.184
Grants rolled in to Revenue Support Grant	0.716	0.000	0.000	0.000
Recovery Grant	0.539	0.539	0.539	0.539
Total Grant Allocations	18.39	18.24	17.60	16.99

- 2.4 The draft budget has been updated to take into account the details within the provisional settlement and other changes identified since the publication of the draft budget in November 2025. These changes are summarised below:

	2026/27	2027/28	2028/29
Provsional Settlement Funding changes	305,157	622,017	578,549
Continuation of EPR - baseline funding	(1,349,000)		
HB admin grant reduction	48,928		
Leisure centre capital funding	158,000		
Legacy budget adjustments	22,000		
Pay award and pension cost reduction	(190,000)		
Property team asset support	40,000	(40,000)	
Toilet contract provision	50,000	0	
Chamber/Meeting security	125,000	(50,000)	
Planning appeals - 3 x major schemes 2026/27	200,000	(200,000)	
Policy and practice subscription	20,000	0	
Swale LGR costs	110,000	0	
H&S tree works	35,000	(35,000)	
Collection team staffing	50,000	0	
Additional comms post	40,000	0	
Coastal errosion officer	80,000	0	
housing standards work	50,000	0	
Total	(204,915)	297,017	578,549

- 2.5 The government has confirmed that the Extended Producer Responsibility for packaging scheme (pEPR) will continue. Our initial allocation for this funding stream was £1.349m, this was later increased to £2.3m but with funding guaranteed at the lower amount only. Payment of the first instalments of the grant were delayed, and the amount received to date is still lower than the £1.3m guaranteed amount. As such this budget (and the current year's forecast) assume

the grant level at the guaranteed amount. Total funding will not be confirmed until the end of this financial year and if the amount received exceeds the budget assumptions this will be added to reserves and used to support the future year's budget deficit.

Staff Pay

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

Capital Strategy

- 2.7 The Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme. It provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.
- 2.8 The proposed Treasury Management Strategy was reported to the Audit Committee on 21 January 2026 and is also reported separately to this meeting. The proposed Capital Programme and its funding are detailed in Appendix VI to this report.
- 2.9 Councils are required to balance their revenue budget annually and cannot borrow to achieve a balanced position. However, they have very far reaching powers to borrow to fund capital expenditure. This has historically been funded from borrowing from the Public Works Loan Board (PWLb), which is part of the Debt Management Office which is part of the Treasury. Borrowing can be for up to 50 years at rates which are below commercial rates. The decision to borrow externally is ultimately a treasury one, and is made closer to the time when expenditure is actually incurred, taking into account available cash balances, the opportunity cost of investments and the exposure to interest rate and credit risks.
- 2.10 Council in February 2020 agreed the following principles:
- Investing in sustainable, affordable and social housing to increase overall supply,
 - Using the ability to borrow at lower rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value, and
 - Ensuring that the costs of borrowing are manageable long term within the Revenue budget.
- 2.11 Council also agreed that in future specific capital projects will have a borrowing limit associated. This limit can be varied by Policy & Resources Committee.

2.12 The Council has not made and will not make any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents

2.13 Looking ahead to 2026/27 there will be four significant capital projects which are reflected in the draft Capital Budget:

2.13.1 – Affordable Housing – in October 2020 Cabinet agreed to establish Swale Rainbow Homes Ltd. The outline business case envisaged the Council providing up to £23m of funding through loans to support the delivery of new homes, however since that decision was made external economic factors driven by Covid-19, BREXIT and the Ukraine war impacted interest rates and development costs significantly and the original ambition of the project was no longer viable. It was agreed that delivery at a single site was pursued with grant funding applied for to bridge the viability gap. On 10 September 2025, Policy and Resources agreed the appointment of a contractor to deliver 51 homes at Cockleshell Walk subject to securing appropriate grant funding to support the project. Homes England are currently assessing the claim and if approved work can begin on the project as soon as possible.

2.13.2 – Pride in Place and Pride in Place Impact Fund – Swale has been awarded 2 Pride in Place grants to support projects within the district. Pride in Place funding of £20m has been awarded to Sheppey East over a 10 year period. The council will act as accountable body supporting a community led programme aimed at putting power into the hands of local people so that they can decide how to regenerate their local area. The Pride in Place Impact Fund of £1.5m has been awarded to the council with the aim of building strong, resilient, prosperous and inclusive communities. A member working group is developing a list of projects to recommend to Policy and Resources for allocation of the grant.

2.13.3 – Levelling Up Scheme – continuation of this capital project in 2026/27 will use funding to improve health, education, leisure and employment opportunities in Sheerness through the Sheerness Revival project.

2.13.4 – Leisure Centre Improvements – in September 2025 Policy and Resources agreed that £2m should be added to the capital programme to deliver capital investment in the centres to focus on reducing operating costs and reducing the carbon footprint.

2.14 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The funding of the capital programme is also included in Appendix VI.

2.15 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). MRP is a charge to the revenue budget which then accrues on the Balance Sheet; it is not an external

payment. Alternatively, capital receipts may be used to replace debt finance. The Council's policy on MRP is set out in Appendix VIII.

- 2.16 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. For most Councils their cash flow level is much larger than their reserves as they take in funds through sources such as Business Rates and Council Tax which they hold before making payments to other bodies such as Kent County Council (KCC). The Council's daily cash balances averaged £16m in the 6 months to 30 September 2025. Where a Council is investing in a capital project, it can fund this capital investment from cash flow and this is known as internal borrowing. Internal borrowing defers the financial commitment to external borrowing. MRP still has to be made. The Finance Department closely monitors cash flow to ensure that there is no adverse impact
- 2.17 For any significant investment the Council will supplement the expertise of Members and Officers with appropriate external specialist advice to ensure that proposals are fully tested, and risks considered.
- 2.18 The Director of Resources believes that the Capital Strategy and Capital Programme proposed are sustainable

3 Proposals

Medium Term Financial Plan

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

Balanced Budget Proposals

- 3.2 The 26 November Policy and Resources report showed a balanced position with £677k being used from reserves within 2026/27 to achieve that position.
- 3.3 Along with the changes from the local government settlement, the results of the Fair Funding Review and the outcome of the business rates reset, there have been a number of other variations since the 26 November report. These changes have had a positive impact on the budget of £205k. The budget remains balanced by using reserves to the extent of £459k.
- 3.4 Detailed revenue budget proposals are attached in Appendix II
- 3.5 An analysis of the budget risks is detailed in Appendix IX.

Council Tax

- 3.6 The proposals assume an increase of £6.12 (2.96%) in the Band D Council Tax to £212.76 for the year.
- 3.7 The Collection Fund forecast and Council Tax base are set out in Appendix IV.
- 3.8 The Council Tax Base was set at 51,023.68 by the Director of Resources.
- 3.9 Parish precepts are shown in Appendix V (at the time of writing we are still awaiting confirmation of the precept for Leysdown Parish Council, it is expected to be received in time to update the Full Council Meeting on 18 February).
- 3.10 As agreed in February 2024, the council continues to levy premiums between 100% and 300% for properties empty for more than a year and a premium of 100% for second homes.

Fees and Charges

- 3.11 Proposed fees and charges were set out as part of the draft budget report on 26 November 2025, and the proposed charges are set out in Appendix XI.
- 3.12 New charges have been added to the schedule for the Building Safety Levy , a tax on new residential buildings which the government is planning to introduce from 1 October 2026. Charges have been set by the government for each local authority based on local house prices and will be a charge to developers on certain building control applications. The levy rates are set per square metre and the charge is calculated on the floorspace of the development. There are two rates chargeable with a discount applied for developments that meet the definition of “previously developed”.
- 3.13 Delegated authority is sought for the Director of Resources to adjust charge out rates to ensure full cost recovery where fees are linked to internal costs and where legislation changes are made to centrally set charges in year.

Capital Programme

- 3.14 The capital programme budget is attached in Appendix VI.
- 3.15 The capital programme has been updated to include the funding allocations from Pride in Place grants.

Robustness of Estimates and Adequacy of Reserves

- 3.16 The estimated use of reserves is shown in Appendix VII which shows the budget forecast, but all in-year changes will be reflected in closedown and in the Council’s financial accounts.

- 3.16 The key principles for the management of reserves moving forward are:
- Maintain reserves to support the Council's budget position and to deal with unexpected one-off events;
 - Funding the Council's strategic priorities; and
 - Fund one-off items of expenditure to support service delivery.
- 3.17 When the Council is considering its budget requirement, Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves and the robustness of the estimates when setting a budget.
- 3.18 What is required is the professional advice of the Director of Resources on these two areas. This responsibility is discharged by way of a certified Statement which can be found at Appendix III (Section 25 Statement). Members are recommended to read the statement thoroughly in order to understand the council's position and to have due regard to the contents when making decisions about the proposed budget.
- 3.19 The Council currently hold a balance of £3.1m as its General Fund balance. Whilst this is currently considered to be appropriate, this does need to increase over time to a target of £4m, representing two months spend. An assessment will be made at the year end to review whether an additional contribution can be made to the general fund Balance to move towards the £4m target balance. The Council holds earmarked reserves for specific purposes and the remaining unallocated funds form the General Reserve. The Director of Resources' view is that the level of reserves and balances held by the Council are at a reasonable level overall, and will remain so throughout 2026/27. However, a robust savings plan will need to be established to ensure that the council continues to be able to deliver a sustainable balanced budget from 2026/27 onwards. Earmarked reserves have been rationalised to transfer uncommitted balances to the budget contingency reserve to support a balanced budget position for future years, alongside a deliverable savings programme.
- 3.20 Reserve balances have been reviewed as part of this budget round with some earmarked reserves rationalised and uncommitted balances transferred to the budget contingency reserve to support the assumptions in the Medium Term Financial Strategy. Where 2025/26 expenditure is committed but remains unspent at the end of the financial year, the committed amounts will be allowed to slip into future years.
- 3.21 It is recommended that this committee recommend the draft budget and associated policy statements to full council for approval.

4 Alternative Options Considered and Rejected

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

5 Consultation Undertaken or Proposed

- 5.1 The budget proposals were reported to Policy and Resources Committee on the 26th of November 2025.
- 5.2 An online budget consultation exercise took place from 27th November 2025 to 8 January 2026,. This year's consultation received 458 responses which was a significant increase compared to previous years' consultations. Most responses focussed on the proposed changes to car parking charges, a summary of the responses can be found in Appendix X.
- 5.3 In addition to the budget consultation the Off Street Parking Places Order (variation 9 regarding new tariffs) (OSPPO) consultation was conducted between 12 December 2025 and 12 January 2026. There were a limited number of responses to this consultation with 4 objections to the increase in charges and one comment.

6 Implications

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

Equality and Diversity	Any potential implications will be addressed by service managers in their budget proposals.
Privacy and Data Protection	Any potential implications will be addressed by service managers in their budget proposals.
Local Government Reorganisation	Provision has been made in this budget to fund the work required by Swale in preparation for local government reorganisation. No provision has been made for the transitional costs to support the creation of the new unitary council.

7 Appendices

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

- Appendix I: Medium Term Financial Plan
- Appendix II: Detailed Revenue Budget Proposals
- Appendix III: Director of Resources Section 25 Statement
- Appendix IV: Collection Fund and Council Tax Base
- Appendix V: Parish Precepts
- Appendix VI: Capital Programme and Funding
- Appendix VII: Estimated Use of Revenue Reserves 2025/26 – 2028/29
- Appendix VIII: Minimum Revenue Provision Statement
- Appendix IX: Budget Risks
- Appendix X: Budget Consultation
- Appendix XI: Fees and Charges
- Appendix XII: Proposed Changes Schedules

8 Background Papers

Policy and Resources papers 26 November 2025

Budget and Medium Term Financial Strategy 2026/27 to 2029/30

Swale Borough Council

Contents

1. Medium Term Financial Strategy (MTFS)
2. Corporate Plan
3. Context
4. Global and national Pressures
5. Local Pressures
6. Inflation
7. Funding changes
8. Income
9. Links to other strategies
10. Looking forward
11. Closing the budget gap
12. Risk assessment
13. Conclusions

Tables and Charts

- Chart 1: Inflation Forecasts October 2025
Chart 2: Council Tax Shares
Chart 3: Reserve Balance Projections
Chart 4: Capital Programme 2026/27
Chart 5: Capital Programme Funding 2026/27
Chart 6: Capital Programme Forecast 2025/26 to 2028/29

- Table 1: Projected Council Tax Income Growth
Table 2: Deficit Forecasts as per 2024/25 Budget

1. Medium Term Financial Strategy (MTFS)

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

- 1.1 Swale Borough Council's Medium Term Financial Strategy (MTFS) is a strategic document that supports the delivery of the Corporate Plan outcomes and helps ensure a focus on the Council's medium term budget position. The MTFS establishes how the Council's priorities will be achieved by setting out the framework within which resources are available over the medium term and the financial challenges facing the Council in terms of future funding gaps and now includes the preparedness for Local Government Reorganisation (LGR). It is the method by which the Council translates its goals into action by considering;

- Where the Council is now
- Where the Council wants to be
- What the Council's plans are to get there

- 1.2 The MTFS helps to ensure that the Council is 'doing the right thing' while taking account of internal strengths/weaknesses and external threats/opportunities. It also provides a link between the Council's service objectives and its financial capacity, which effectively asks the question 'can the strategic objectives be achieved within the available financial envelope?' The aim should be to provide a framework to support and inform the medium-term planning considerations and the budget setting process. Essentially the MTFS should include consideration of a broad range of factors that influence the Council's financial sustainability, which now includes supporting the transition process for Local Government Reorganisation.

The MTFS Aims to:

- Provide a high-level assessment of the resources available to support the Corporate Plan outcomes, outlining the high-level funding projections for the following four financial years (beyond the current year);
 - Explore the financial context in which the Council operates, considering local and national factors. These will include known spending pressures and commitments, along with the implications of local government financial reform, Local Government Reorganisation and the impact of the national economic outlook;
 - Explore the demands on the capital programme both in terms of ambition and resources along with the impact on the revenue account and reserve levels held by the Council;
 - Highlight how the Strategy links in with and supports other Council strategies and policies;
 - Assess the risks on which the Plan is based;
 - Provide preparatory work for the following year's budget;
 - Address the sustainability of the Council's financial position.
- 1.3 The MTFS is fundamentally linked to the Corporate Plan 2023-2027 that was adopted by full council on 4 April 2024.
- 1.4 The Council is currently projecting a deficit position from 2026/27 onwards. Forecasting the deficit highlights the growing gap between the Council's expenditure requirements and the income that can be generated. The provisional Local Government Finance Settlement published in December has provided more certainty over the levels of government funding but with a reduction in Revenue Support Grant and Homelessness, Rough Sleeping and Domestic Abuse Grant the forecast budget

gap continues to grow. The future year projections can be found within Appendix II.

2. Corporate Plan 2023 - 2027

'Learning from the past, focusing on the future'

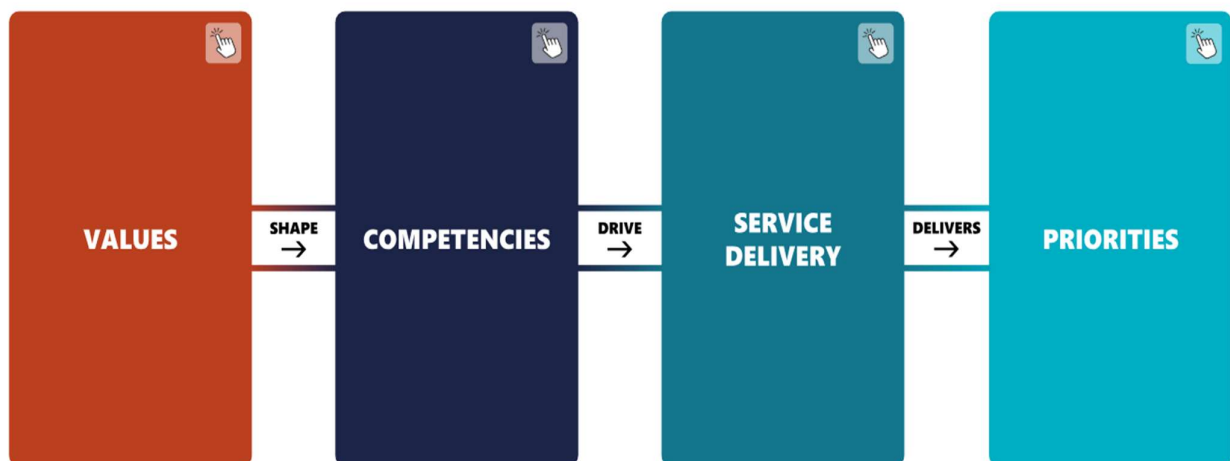
2.1 The corporate plan was adopted in April 2024, following consideration by service and area committees and a public consultation exercise. The plan states the vision of the council to learn from the past and focus on the future. It showcases the achievements of the council over the past few years and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

2.2 Our priorities

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

2.3 Our values and competencies

The council has developed a new framework for our values and competencies. These are our guiding principles for delivering excellent service and form the foundation for service delivery and how the strategic priorities are achieved, all of which align to realise the overall vision for the council.



Our Values are the guiding principles that shape the culture and behaviours of the council. They influence decision making and how we interact with others and

underpin the development of our competencies. The new values adopted during 2025/26 are as follows:

- **Honest** – Truthful and take responsibility. To act with integrity and keep commitments. Build trust through fairness and transparency.
- **Empathetic** – Listen actively and with care. To respond with compassion and create a supportive environment for all.
- **Adaptable** – Stay open to change. To learn from challenges and adjust with a positive mindset.
- **Respectful** – Treat everyone with fairness and dignity. To listen to diverse perspectives. Create an environment where all voices are heard.
- **Together** – Work collaboratively for shared goals. To support one another effectively and build strong and trusting relationships.

3. Context

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

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

4. Global and National Issues

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

Global issues

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

Political

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

Central Government Funding

- 4.3 The provisional settlement details published in December 2025 include indicative allocations for 2026/27 to 2028/29. This is a helpful change to enable longer term planning, but unfortunately our funding reduces over the period of the multi-year settlement.
- 4.4 The 2026/27 draft settlement published on 17 December 2025 detailed the central government grant allocations for 2026/27 and provided indicative allocations for 2027/28 and 2028/29. The settlement included the outcome of the Fair Funding Review and the Business Rates Reset. The Fair Funding review consolidates a range of legacy grant allocations (including New Homes Bonus and Employer NIC grants) and rolls in other specific and new burdens funding (including homelessness rough sleeper grant) to the Revenue Support Grant total for 2026/27. This grant is also used to support transition for the loss of business rates growth resulting from the business rates reset. The business rate reset removes all growth seen since the localisation of business and for Swale this is a reduction of £7.4m for business rates.
- 4.5 The combination of the rate reset, assumptions on council tax income and rolling in of several grant funding streams has made it difficult to reconcile the detailed changes for Swale between 2025/26 and 2026/27 however the overall position is neutral. Unfortunately, from 2027/28 the Revenue Support Grant reduces by £720,000 and again by a further £780,000 for 2028/29 as the transitional protection for the business rate reset is removed. There is also a reduction in our Homelessness, Rough Sleeping and Domestic Abuse grant allocation from 2027/28, a position we are challenging with MHCLG as the national grant pot is increasing.

*Extract from MHCLG Core Spending Power Table 2026/27 provisional settlement***CORE SPENDING POWER***Please select authority***Swale****Illustrative Core Spending Power of Local Government:**

	2025-26	2026-27	2027-28	2028-29
	£ millions	£ millions	£ millions	£ millions
Fair Funding Allocation	0.000	16.093	15.530	14.896
<i>of which: Baseline Funding Level</i>	0.000	6.808	6.965	7.105
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Council tax requirement	10.439	10.888	11.356	11.844
Homelessness, Rough Sleeping and Domestic Abuse	1.401	1.604	1.525	1.368
Total Transitional Protections	0.000	0.000	0.005	0.184
<i>of which: 100% income protection</i>	0.000	0.000	0.005	0.184
Grants rolled in to Revenue Support Grant	0.716	0.000	0.000	0.000
Recovery Grant	0.539	0.539	0.539	0.539
Core Spending Power	28.83	29.12	28.96	28.83
Core Spending Power year-on-year change (£ millions)	0.9	0.3	-0.2	-0.1
Core Spending Power year-on-year change (%)	3.4%	1.0%	-0.6%	-0.4%
Core Spending Power change since 2024 (£ millions)	0.9	1.2	1.1	0.9
Core Spending Power change since 2024 (%)	3.4%	4.4%	3.8%	3.4%
Core Spending Power change since 2025 (%)		1.0%	0.4%	0.0%

- 4.6 During 2025/26, the government confirmed the continuation of the funding stream, of the Extended Producer Responsibility for packaging (pEPR) scheme. As reported in the budget monitoring, the initial grant allocation was confirmed at £1.3m, with subsequent correspondence increasing the allocation to £2.3m, but with no guarantee that this level of grant would be received as it was subject to government recovering fees for packing from producers. The initial grant payments in 2025/26 were delayed and as yet have not exceeded the initial £1.3m allocation and so the uncertainty remains over whether additional funding will be received for 2025/26. We have maintained the grant assumption for 2026/27 at £1.3m.
- 4.7 As a result of the business rate reset the Kent Business Rates Pool has been disbanded for 2026/27. The impact of the reset and the lack of information surrounding growth assumptions mean that the benefit of the pool cannot be calculated at this stage. Pool members have agreed to revisit the position for 2027/28 when the impact of the reset is better understood at a local level.

Inflation

- 4.8 Inflation has increased slightly since April 2025 with December CPI sitting at 3.6%. Wage inflation has started to reduce in recent months, but it is still trending at a higher rate than CPI. Many of the Council's contracts are linked to inflation indices, so we are having to pay more just to stand still. Given that contracts costs are reviewed annually, it also means there is a lag before the increases are applied. This means that there is a delay in terms of cost increases, but also a delay in seeing the effects of falling inflation.
- 4.9 This Medium-Term Financial Plan assumes inflation increases at between 3 and 4% for

the coming financial year, remaining at 3% from 2027/28. Future year assumptions will be updated annually as part of the review of our plan over the medium term.

- 4.10 Inflation is difficult to predict in the current situation, and the table below demonstrates the impact that changes in these assumptions for contracts and staffing costs could have on the budget assumptions.

Year	-1%	Estimated increase	1%
2026/27	1,643,400	1,660,000	1,676,600
2027/28	1,545,390	1,561,000	1,576,610
2028/29	1,585,980	1,602,000	1,618,020
2029/30	1,627,560	1,644,000	1,660,440

Interest Rates

- 4.11 After a period of increasing interest rates, these are now starting to decrease, albeit at a much slower rate, with forecasts suggesting that rates will continue to fall slowly throughout 2026.
- 4.12 The current level of interest rates is having a positive impact on the council's treasury management position, with interest receipts on cash holdings being higher than the cost of the current borrowing position.
- 4.13 However, the downside to the higher interest rates is that it has meant assumptions on the cost of financing our capital programme have increased, and we need to keep this position under review to ensure that capital schemes remain affordable. Any changes that impact on the budget framework will be reported to committee for further decisions to be taken on whether to continue with the current scheme.

Local Government Reorganisation

- 4.14 Following the publication of the English Devolution White Paper in December 2024, all councils in Kent and Medway were invited in February 2025 by the Secretary of State to submit proposals for Local Government Reorganisation (LGR) for the region of Kent.
- 4.15 On 19 November 2025, Full Council met to consider the options for Local Government Reorganisation (LGR) with the preferred unitary council option submitted to government on 28th November. The government's decision on the unitary configuration for Kent is expected in the early summer of 2026.
- 4.16 This budget reports the position for Swale Borough Council for the next few years in the run up to the proposed reorganisation changes expected to be implemented in 2028/29. Any changes to that assumption will be updated in future budget reports.

5 Local Pressures

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

Local Economic changes

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

Waste Management

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

Temporary accommodation

- 5.4 The council has a duty to provide emergency/temporary accommodation (TA) for homeless households whilst assessing their case and/or ahead of securing more permanent accommodation. A range of accommodation is currently used to cover this duty: some units owned by Swale, some units owned by housing associations, nightly let self-contained and shared accommodation and rooms in hotels/bed and breakfast accommodation.
- 5.5 Whilst some of the costs of this accommodation are covered by housing benefit this is only payable up to 90% of the 2011 Local Housing Allowance (LHA) which is the amount set by government that can be covered by housing benefit. The difference between the actual cost and housing benefit levels is borne by the council. This has been increasing over recent years, with growth having been built into the current budget assumptions. Officers are working hard to reduce the requirement for temporary accommodation with the number of households in TA as at the end of December 2025 being 300 compared to 273 at the end of December 2024. Despite the success of the team in reducing the number of households in TA over recent years, the impact of higher interest rates is being seen in significant price increases from landlords.
- 5.6 As well as the costs to Swale, demand for TA in Kent is exceptionally high and often there are limited options, placements regularly occur outside the Borough. Many of the current TA options are not ideal for what are vulnerable households, accommodation that is not self-contained, not within Borough and is used for increasingly lengthy periods (we currently have 69 households that have been in TA for over 2 years).
- 5.7 Members agreed a project for the Council to purchase a number of properties that can be used to house those in need of TA. This will help to control the spiraling costs, although it is not a panacea for this problem. The project has been progressing well,

with 52 properties now purchased.

Supported Accommodation

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

Local Council Tax Support Schemes (LCTS)

- 5.9 The LCTS scheme was implemented in April 2013 as a replacement to Council Tax Benefit. This change was part of wider welfare reforms to reduce expenditure, giving responsibility of the replacement scheme to Local Councils. LCTS schemes should encourage people into work and be based on the ability to pay. Previously the Council Tax Benefit scheme was 100% funded through subsidy paid to the Council from the Department for Work and Pensions (DWP).
- 5.10 From April 2013 each billing authority was given the discretion to set their own scheme, although at the outset the government did stipulate that the scheme would not change the 100% maximum support for low-income pensioners i.e. they would receive the same level of support as they did under the system of Council Tax Benefit. Funding for LCTS is no longer received as a separate subsidy grant but is now within the overall Local Government Funding system as non ring-fenced funding within the Revenue Support Grant (RSG) and baseline funding level. The local scheme (for Swale) has changed several times since the introduction of LCTS in 2013/14.
- 5.11 In April 2023 the Council introduced a banded council tax reduction scheme which aimed to simplify the understanding and processing of the previous scheme. During the summer of 2025 the council consulted on changes to the current Council Tax support scheme with proposals to increase the current level of support from 80% to 90% or 100%. Policy and Resources Committee met on 13 January 2026 and agreed to recommend the following changes for Council to Approve:
1. *That a scheme offering a maximum 100% Council Tax Support be moved.*
 2. *That the percentage support in income bands 2 to 4 be increased by 10%.*
 3. *That the income thresholds for each band by the welfare benefit uplift applied by the Department for Work and Pensions (DWP) for 2026/27 be increased.*
 4. *That the minimum income floor for self-employed working age claimants be removed.*
 5. *That the Council Tax reduction Scheme with DWP benefits be aligned by disregarding the additional compensation payments.*

Lower Medway Internal Drainage Board Precept

- 5.12 The Internal Drainage Board Levy has been estimated for 2026/27 with an increase of 3%, plus a property adjustment. The levy position is just over £1m for Swale, and the Council has no control over the setting of this levy. Following significant lobbying from local government colleagues, the impact of increases to internal drainage board levies was acknowledged by the Government in 2023/24 with the introduction of the Internal Drainage Board Levies grant. This grant was awarded to 15 local authorities to provide additional and exceptional one-off funding to councils most affected by increases in Internal Drainage Board Levies. Swale received £40k of this grant in 2023/24. A further one-year grant was announced for 2024/25, but Swale were not awarded an allocation from this round of funding. For 2025/26 we received an allocation of £40,000.

Government have indicated that there is no additional grant funding available to support the cost of Drainage Board Levies, but the level of funding may be maintained.

- 5.13 Government is now recognising that the pressure these levies apply to collection authorities is an ongoing issue and MHCLG will work with DEFRA and the local government sector to implement a long-term solution, although no plans have yet been released. The Leader and the Director of Resources continue to represent Swale on an LGA Special Interest Group that are hoping to change the way that the current drainage board levy precept process impacts on the local government financial position.

Workforce

- 5.14 We recognise that our staff are our most important resource at the heart of the services we provide. We currently have around 256 full time equivalent posts and 310 actual members of staff. Our pay bill is our most significant area of direct spend and stands at £14.2m including pension contributions of £2.8m as per the 2025/26 budget. The pension fund is administered by Kent County Council (KCC), employee contribution rates are set by Government and range from 5.5% to 12.5%. The fund actuary Barnett Waddingham sets the employer contribution rate, currently 20.5%, plus an annual fixed sum.
- 5.15 The Fund is valued once every three years and the valuation as at 31 March 2025, received in late 2025 disclosed a net deficit of £5.66m on Swale's share of the fund, a reduction of £2.80m from the 2022 valuation deficit of £8.46m due largely to changes in the actuary's assumptions. The change in contribution rates because of the March 2025 valuation will take effect from 1 April 2026 and so will inform the 2026/27 budget position. The contribution rates have decreased, the primary rate that is paid on current salaries from 20.5% to 16.4% and the back funding element from £850k to £713k. The final outcome of the valuation position is reflected in the final budget position.

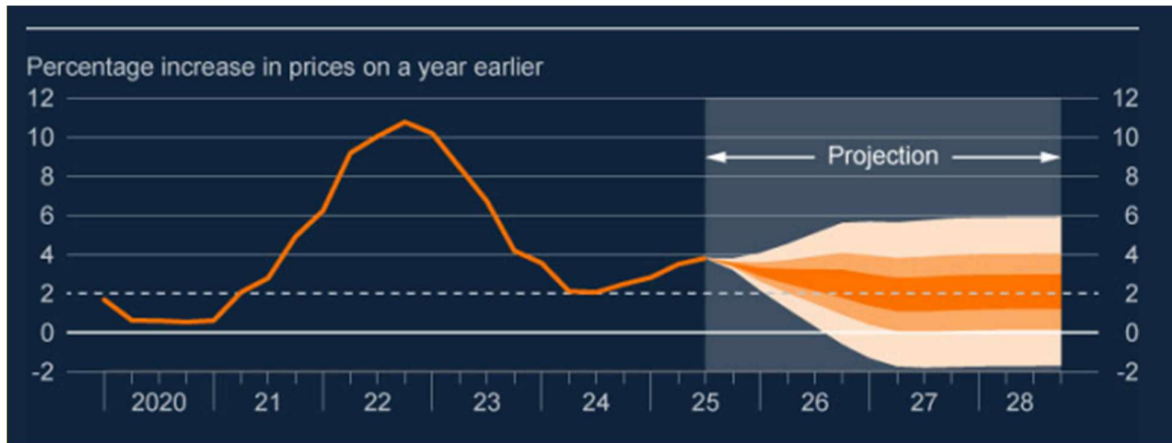
6. Inflation

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

- 6.1 Inflation has significantly eroded the Council's spending power over the past few years. Although inflation has stabilised, with the last 3 months to December 2025 reporting CPI at 3.4% there is a long-lasting impact from the high levels of inflation experienced over the recent years. The current position is in excess of the increase that can be levied on council tax and so costs continue to outpace our tax raising power.
- 6.2 The Bank of England's Monetary Policy Committee (MPC) are slowly reducing the bank base rate of interest as inflation falls and stabilises, but the reduction in the interest rate is slow in order to monitor the impact of other shocks to the economy or increases in energy or import prices.
- 6.3 The Council assumes in this financial strategy that inflation will broadly follow the pattern in the graph below as outlined by the Bank of England with general price increases being assumed at around 3-4% for 2026/27. There are also some areas and contracts, such as the waste contract, which use different indices to calculate annual increases, and these are taken account of where appropriate.

Chart 1 – MPC Forecasts November 2025

Bank of England CPI projection



Source: Bank of England Monetary Policy Report November 2025

- 6.4 **Staff Pay** – The Council is not part of a National Joint Council (NJC) national pay agreement, so any increases are set and agreed locally in negotiation with the Union. The current financial plan makes provision for a pay award next financial year and pay negotiation discussions with the union are due to commence shortly. The budget also includes provision for turnover savings (for staff leaving and temporarily vacant posts etc) of 2%. As a guide a 1% increase equates to approximately £126,000 annually.
- 6.5 **Income (fees and charges)** – As in the previous year, increases in the fees and charges for 2026/27 are being recommended for an increase in line with our inflationary and cost of living increases.

7 Funding changes

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

Local Government Funding Settlement Funding

- 7.1 As reported above the provisional settlement is issued by the Ministry of Housing, Communities and Local Government (MHCLG) and for Swale comprises several elements including Revenue Support Grant (RSG), Baseline Funding Level (via the Business Rates Retention Scheme) and Council Tax (through the setting of referendum principles). The Fair Funding Review has reset the business rate position and rolled in specific service and new burdens grants into the Revenue Support Grant. The settlement has for the first time in ten years provided indicative funding for a 3 year period.

District Council Band D Increases

- 7.3 The previous settlement saw increases to the core Band D threshold remaining at 2.99%. The provisional settlement had confirmed that the £5 cash threshold will also still apply, however this is now lower than the 2.99% increase allowed for most authorities.

- 7.4 The forecasts within this MTFP assume council tax increase of 2.96% for modelling purposes and coupled with growth forecasts in the tax base result in income projections of around £10.857m for 2026/27, which is growth of £418k based on the 2025/26 position. This charge equates £212.76 for an average Band D property, which is an increase of just under 12p a week for Swale's element of the council tax. It should be noted that, while this information would be used at this point for modelling purposes now, the council tax will not actually be agreed and set until the Full Council budget setting meeting in February 2026.
- 7.5 Lower tier councils continue to highlight the need to increase the cash limit, as the £5 increase is now lower than the percentage increase for almost all authorities, and as such is becoming irrelevant.

8 Income

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

Business Rates Retention

- 8.1 Since the 2013/14 financial year, local government has been able to retain 50% of the growth in the local business rates income to support services. The long awaited reset of the business rate system was consulted on over the summer with the results published alongside the Fair Funding Review in December 2025.
- 8.2 The income from the current system is shared based on 50% being returned to Central Government, 40% being retained by Swale with 10% going to the County. However, while technically Swale's share is projected to be around £24m, after the tariff and levy payments are made the net income to Swale reduces to just over £12.1m for 2025/26. Business Rates growth has been built into the base budget, which as previously reported created a risk to budget in the event that the reset position did not provide transitional support to council's losing growth. For 2026/27 this risk has been mitigated as our government funding position following reset is neutral. However, the removal of the transitional support in 2027/28 and 2028/29 increases the budget gap over that period.

Kent Business Rates Pooling Arrangements

- 8.3 Local authorities can enter arrangements with other Councils to pool their business rates. Legislation allows councils to voluntarily enter a business rates retention pool. Councils within a pool are treated as a single entity with tariffs and top ups netted off and a single levy rate applied. In two tier areas this creates the potential for the levy paid by Borough Councils being reduced thus retaining more resources in the local area. Swale has been a member of the Kent Business Rates Pool since 2015/16, the pool must reapply to MHCLG each year for the arrangements to continue. Given the reset position for 2026/27 pool members are not going to apply for pool membership for 2026/27. Any growth for council's business rate position for 2026/27 will be retained locally and the position will be reviewed in a year's time once the reset position is known.

New Homes Bonus (NHB)

- 8.4 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils

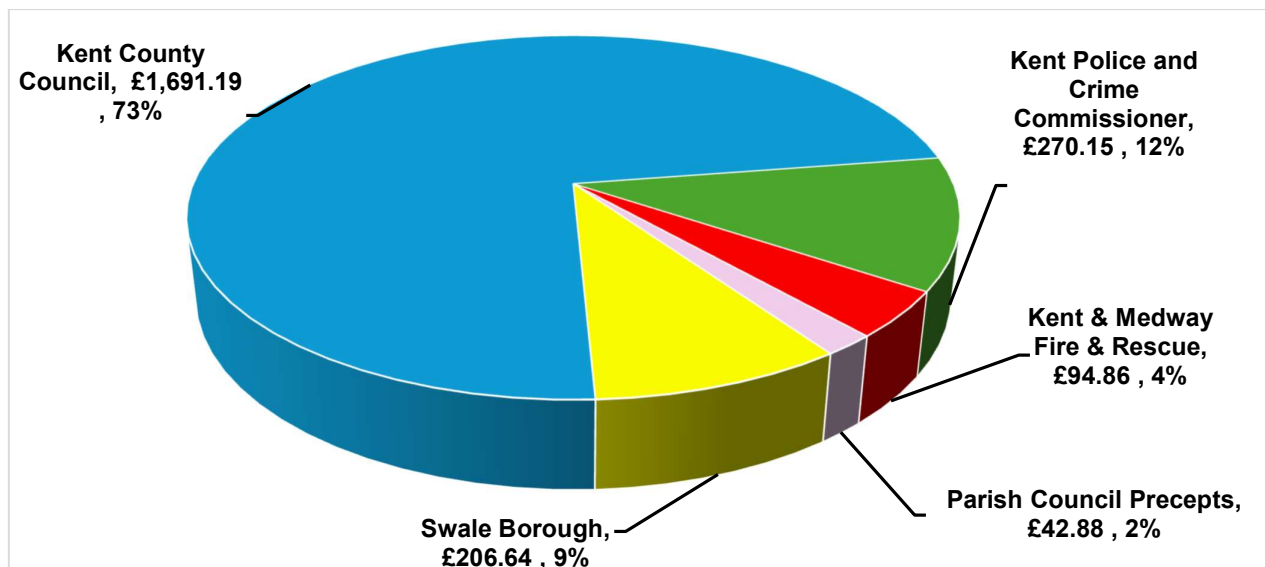
and Communities that build new homes in their area. The bonus was originally paid as an un-ringfenced grant for six years and was paid based on the net additional homes plus an additional supplement of £350 per affordable dwelling. The payment is then split between local authority tiers: 80% to lower tier (Swale) and 20% to upper tier (KCC).

- 8.5 Since its initial introduction the payment mechanism has undergone two fundamental changes which have significantly impacted on the income received by Swale. The first was the transition from payments rolled up over a 6-year period up to 2016/17 (for which the Council received £12.3m) to 5 years in 2017/18 to the new 'floor' of 4 years from 2018/19 onwards. The second was in 2017/18 when a national baseline of 0.4% (based on borough property numbers) was introduced which attracted no bonus funding. The allocation of New Homes Bonus Grant for 2025/26 is to be the last, with this grant being subsumed within Fair Funding Allocations.

Council Tax

- 8.6 Swale is the billing authority for the borough, this means that Swale send out the Council Tax bills to residents and collect the Council Tax, but most of this is then distributed to the County Council, Kent and Medway Fire and Rescue Authority and Kent Police Authority with a further element then going to town and parishes councils. The relative splits are shown within the chart below.
- 8.7 The charge on a Band D property which is retained by Swale is currently £206.64 (£200.70 2024/25) based on a tax base of 50,518.20 (50,367.85 2024/25). Any increases on this amount are restricted by a cap put in place by the Government, but as discussed above this amount is 3% or £5, whichever is the greater, without undertaking a referendum on the proposals. This generates an extra £418k (including tax base growth assumptions) over the 2025/26 income levels.

8.8 Chart 2 – Council Tax split 2025/26



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

Table 1 – Projected council tax income growth

Council Tax	2026/27	2027/28	2028/29	2029/30
Tax Base	51,023.68	51,533.92	52,049.26	52,569.75
Band D Council Tax	£212.76	£219.06	£225.55	£232.23
Council Tax	£10.856m	£11.289m	£11.740m	£12.208m

Fees and charges

- 8.10 The Council has limited means to charge for some of the services it provides. Some of these charges are set by central government, but the Council has discretion over the levels of others. Of the income budgeted for 2025/26, the most significant areas include waste and recycling (£1.7m) which includes things such as garden bins and bulky waste collection, car parking income (£3.6m), commercial rents (£2.3m) and planning and building control income (£2.4m). It should however be noted that there are also significant costs associated with generating some of this income, such as the car park maintenance and enforcement, the waste contract etc.
- 8.11 As part of the Council's drive to close the budget gap fees and charges have been reviewed. Where feasible, and within our control, inflationary increases have been applied. However, where it is felt that market forces allow, there are some above inflation increases proposed. A more comprehensive review will take place to ensure that we are covering our costs where possible.
- 8.12 It is important that the fees and charges are structured in such a way that they support the sustainability of the budget position in the medium to long term, and protect the vital frontline services.

9 Links to other strategies

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

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

Capital Strategy

- 9.2 The Capital Strategy sets out the Council's approach and process to the deployment of capital resources in meeting the Council's overall aims and objectives. It also provides a strategic framework for the effective management and monitoring of the capital programme, within which the Council will work in formulating the strategies for individual services. It is a primary document for all capital decision making, together with the Corporate Plan and other strategies.
- 9.3 The Strategy is reviewed on an annual basis to reflect the changing needs and priorities of the Council including residents, businesses and places. The aim of the Strategy is to provide a framework within which the Council's capital investment plans will be prioritised and delivered. The Strategy is the foundation of proper long-term

planning of capital investment and how it is to be delivered.

- 9.4 The Strategy's principal objective is to deliver an affordable programme that is consistent with the Council's priorities and objectives. This Strategy is intended to be used by all stakeholders to show how the Council prioritises and makes decisions on capital investment and how this investment supports the Council's priorities and ambitions.
- 9.5 The capital programme approved by Full Council in February 2025 included investment of £21.8m in 2025/26, £5m in 2026/27 and £3m in 2027/28, This is funded through a mixture of capital receipts and reserves, internal/external borrowing and s106 contributions and other grants. The timing of projects will be monitored, and the budget reprofiled as appropriate at the end of each financial year.
- 9.6 The capital programme for 2025/26 includes the continuation of the Sheerness Revival project which is being primarily funded by the Local Regeneration Fund, and the purchase of properties to use for temporary accommodation. Any revenue implications of these are already included in the MTFS assumptions for 2025/26 and future years as appropriate.

The key principles of the Strategy are;

- Investing in sustainable, affordable and social housing to increase overall supply,
- Using the ability to borrow at low rates of interest for the benefit of the physical and social infrastructure of the borough and for broader social value, and
- Ensuring that the costs of borrowing are manageable long term within the Revenue budget.

Treasury Management Strategy Statement

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

- At the end of the financial year, a treasury management outturn report to provide details of actual indicators compared to the estimates within the strategy.

Property Asset Strategy

- 9.11 The Property Asset Strategy is set within the wider context on the Council's strategic priorities and seeks to align and review the asset base with the Council's corporate goals and objectives. The current Strategy was approved by Regeneration and Property Committee on 14 November 2023. The strategy can be found [here agenda item 5 on page 5](#).
- 9.12 The Strategy provides the framework that will guide the Council's future strategic property decisions and ensure there is a consistent way of managing the Council's land and assets. The Strategy is likely to make recommendations regarding the rationalisation of the property portfolio, and to secure additional investment income from the let estate and property investments, and future budgets will reflect this.

Commissioning and Procurement Policy

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

10 Looking forward

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

The resources position has been updated with the best information currently available against the previous budget forecasts below. The business rates and Fair Funding reviews have been included in the updated position. The following table removes the previously reported uncertainty around grant funding from 2026/27, and now includes the indicative grant funding published in the provisional settlement.

Table 2 – MTFP forecasts as per the provisional settlement

Updated funding forecasts January 2026	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
Internal Drainage Board Levy	1,037	1,071	1,071	1,071	1,071
Base budget & reserve contributions	26,475	28,736	29,604	31,161	31,161
Revenue Support Grant (RSG)	(362)	(9,285)	(8,578)	(7,982)	(7,982)
Extended Producer Responsibility Grant	(1,349)	(1,349)	(1,349)	(1,349)	(1,349)
Business Rates	(12,104)	(7,319)	(7,489)	(7,664)	(7,664)
New Homes Bonus	(988)	0	0	0	0
National Insurance Contribution Grant	(200)	0	0	0	0
Recovery Grant	(539)	(539)	(539)	(539)	(539)
Kent Pool Growth Fund (Business Rates)	(855)	0	0	0	0
Council Tax	(10,439)	(10,857)	(11,290)	(11,741)	(12,210)
Projected use of reserves/savings	677	459	1,430	2,958	2,489

10.1 The additional cost pressures in 2026/27 relate mainly to inflationary pressures on pay and contracts. This is partly offset through savings proposals, increased income forecasts, assumptions on the continuation of central government funding and use of reserves. The savings breakdown can be found within Appendix XII.

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

Reserves

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

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

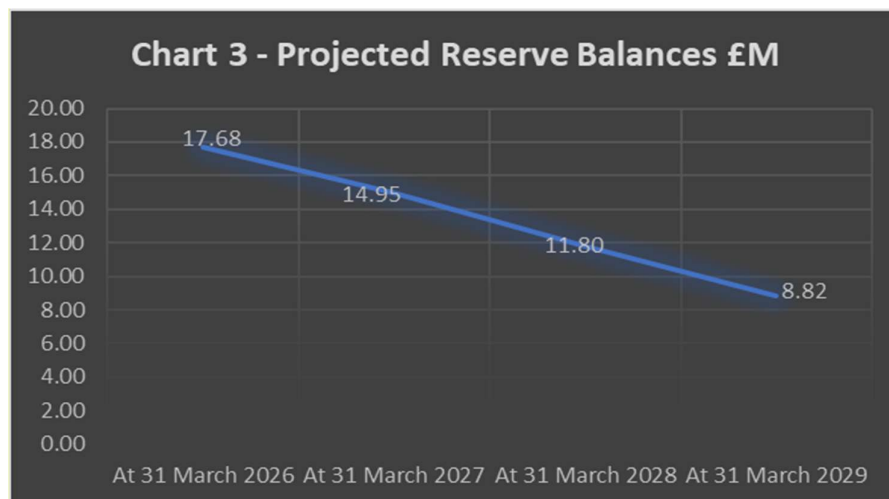
10.4 The *General Reserve* is held for two main purposes:

- to provide a working balance to help cushion the impact of uneven cashflows and avoid

temporary borrowing and;

- a contingency to help cushion the impact of unexpected events or emergencies.

- 10.5 As part of setting the budget each year the adequacy of all reserves is assessed along with the optimum level of General Reserve that we should hold. The optimum level of the General Reserve considers a risk assessment of the budget and the context within which it has been prepared.
- 10.6 *Earmarked Reserves* provide a means of building up funds to meet known or predicted liabilities and are typically used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructuring. A number of contingency reserves are also held by the Council to reduce the impact on Council Tax payers of future uncertain events such as business rate appeals or claw back of benefit subsidy.
- 10.7 *Ringfenced Reserves* are reserves where funding is allocated for a specific or technical accounting purpose and can only be spent in line with the purpose of that funding and cannot be used to support wider council expenditure unlike our earmarked reserves.
- 10.8 All reserves, general and earmarked, are reviewed and balances rationalised as part of setting the budget. The review of reserve balances is an ongoing process as reserve funded projects are progressed.
- 10.9 Use of reserves to balance a budget provides only a short-term solution as the funds can only be used once. They can however be used to smooth the impact of funding gaps over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer-term financial benefit through reduced costs and/or additional income.
- 10.10 The available earmarked reserves balance, including the General Fund, as at 1 April 2025 stood at £17.2m, the planned use of reserves for the 2025/26 financial year is £2.1m which leaves a forecast balance as at 1 April 2026 of £15.1m. Based on the current medium term budget projections the Council will not have sufficient reserves to help address the budget gap after 2030/31.

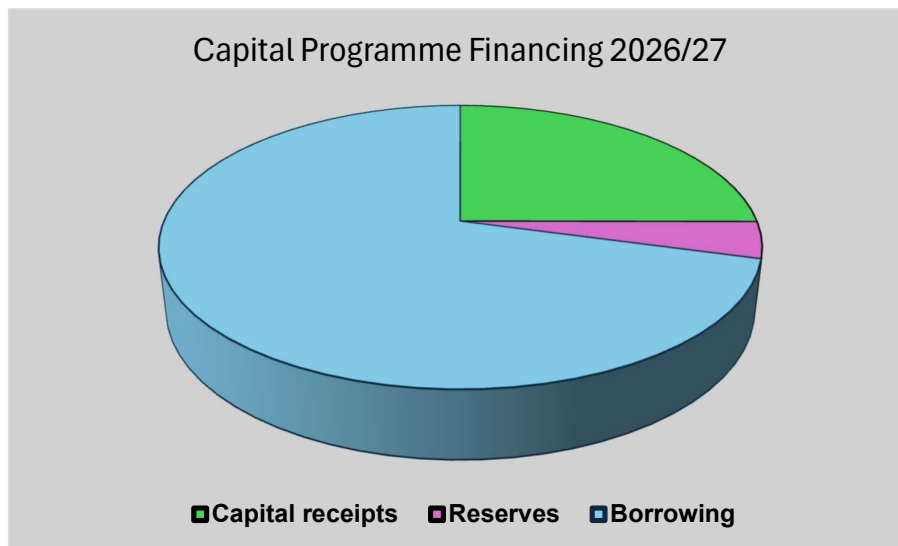


Capital

- 10.11 The capital programme (Appendix VI) shows what the Council intends to spend on purchasing new assets and improving its existing ones over the next three years. As capital expenditure is incurred, a source of finance must be identified through capital receipts, grants and other revenue resources or alternatively through borrowing.
- 10.12 Any expenditure that is financed through borrowing increases the Council's 'Capital Financing Requirement' (CFR). Each year a revenue charge called the Minimum Revenue Provision (MRP) is made to reflect the funding of the CFR by the taxpayer, it is required to be set aside to cover the repayment of debt caused by the need to borrow for capital purposes. As the need to borrow increases, the CFR and MRP also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.
- 10.13 New projects, which are included in the programme in the future, will need to be financed by MRP if no capital resources such as capital grants or capital receipts from future asset sales are available. Alternatively existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge.
- 10.14 External borrowing is assumed to finance a portion of the waste vehicle fleet purchase and also the funding for the Rainbow Homes housing provision. The cost of borrowing has increased significantly over recent years, and although the position has stabilised recently and started to slowly reduce, borrowing rates remain high and are forecast to only reduce slowly and to a higher level than recent years. What this does mean is that any business cases which include borrowing will need to be fundamentally reviewed before any borrowing takes place to ensure the schemes remain affordable and still able to deliver the anticipated benefits. This includes schemes that have previously been assessed as affordable based on earlier costs of borrowing. Next year's budget is shown below (£29.8m) along with the forecasts to 2028/29.

Capital Programme 2026/27 to 2028/29

	2025/26	2026/27	2027/28	2028/29
Service Area	£'000	£'000	£'000	£'000
Housing & Community Services	10,505	24,172	2,725	2,725
Regeneration & Economic Development	9,928	4959	670	1460
Environment & Leisure	1,097	2,129	0	114
Resources Total	269	150	20	20
Grand Total	21,798	31,410	3,415	4,319

Chart 5 – Capital Programme Funding 2026/27

11. Closing the Budget gap

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

- 11.1 Due to the budget pressures being experienced for not only the 2026/27 financial year but also the years following, the Council has had to fundamentally review what services it provides and how they are provided to try and identify savings to help achieve a balanced sustainable budget in future years. The main workstream areas are summarised below.

Efficiency Review

- 11.2 As part of the production of these forecasts a detailed budget review continues to identify efficiencies and additional income to help support frontline services and to balance the Council's financial position. For next year these savings and additional non grant income total around £1.2m (Appendix II), however based on current forecast growth as well, this still leaves a total deficit of £459k which will need to be supported from reserves. An Equality Impact Assessment (EQIA) will be undertaken on the proposals where relevant and the council consulted on the draft budget proposals throughout December 2025 and early January 2026.
- 11.3 Once the budget position is approved, work will commence on delivering savings proposals for future years at the earliest opportunity.
- 11.4 The efficiencies and savings identified have come from a number of areas and include the following;
- Increased fees and charges
 - A freeze in Members Special Responsibility allowances
 - Reductions in some 3rd party grants
 - Review of pension and establishment costs to identify savings across service areas
 - Continued use of Kent Growth Fund to support base budget
 - Reduction in the number of public conveniences

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

Fees & Charges Review

- 11.5 A further review of the existing fees and charges was carried out as part of the budget build process for 2026/27 budget report. As detailed above this strategy is recommending an inflationary increase as a minimum in line with the increase in costs that the council is experiencing.
- 11.6 During 2023/24 the council produced a Parking Policy. The Policy agreed the principles under which the parking service will operate with fees and charges continuing to be reviewed annually as part of the budget setting process. The proposed budget allows for a further 10p increase in the hourly rate and recommendations from Environmental Services Committee on 12 November 2025 that charges should be levied at the standard rate of car park charges at 6 car parks that are currently free and that the 30 minute tariff for all car parks is removed from 1 April 2026. A trial for a fixed evening rate charge for town centre car parks is also proposed.
- 11.7 Proposals for higher increases to some fees and charges have been included where the underlying cost to the council has significantly increased; where previous charges have been below the statutory maximum charge and where market conditions indicate a higher charge. The proposed fees and charges for 2026/27 can be found within Appendix XI.

Financial sustainability

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

Our investment approach

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

Property Investment and New Ways of Working

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

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

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

Digital Transformation

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

Shared Services, collaboration and selling services

- 11.17 Creating efficiencies through shared services or joint working continues to be a priority. Identifying such opportunities must therefore continue at a local level, ensuring that realistic and deliverable benefits can be achieved. Again this is an avenue which Swale is already heavily involved in, including activities like the joint waste procurement but could involve a range of other joint procurement opportunities. The council is now working with Maidstone on a shared Emergency Planning resource which provides significant resilience to this vital area of work.

Growing Business Rates

- 11.18 Swale has seen a significant growth in Business Rates since the introduction of the localised scheme in 2023/14 and working as part of the Kent Business Rate Pool has maximised the retention of business rate growth across the county. The business rate reset has now removed the growth from district councils, resetting our baselines and changing the levy process for future growth. Business rate growth will continue to have a direct impact on the income that is retained locally, growth details will be included in the business rate reporting for 2026/27.

Council Tax

- 11.19 The increased flexibilities around council tax discounts provides a further potential income stream. Further review of the current level of discounts can also provide additional income, recommendations on the level of council tax discounts will be reported for approval as part of the budget reports for 2026/27.

New opportunities

- 11.20 Given the current uncertainties around the cost-of-living crisis, global events and the economy in general, as well as the current landscape of local councils reporting financial difficulties, Local Government funding and funding mechanisms are overdue for review and the outcome from this remains a significant risk for the Council's medium term financial assumptions. It will be essential to identify new opportunities to either increase income, increase efficiency through the redesign of services, explore new partnership models for service delivery etc and this will be one of the main challenges over the medium term.
- 11.21 While the Council's reserves do provide some level of comfort over the short term and could be used to address budget deficits this is not a sustainable financial strategy for the medium to long term. Following the provisional settlement the budget gap has reduced, but the future years still do not produce a balanced budget. Savings plans will need to be developed in line with the budget setting process for 2027/28.

Lobbying and consultation

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

12. Conclusions

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

- 12.1 While the Council's reserves do provide some level of comfort over the short term and could be used to address budget deficits this is not a sustainable financial strategy for the medium to long term, and as mentioned earlier within the report the earmarked reserves will be fully depleted by 2030/31 if ongoing savings are not found for the base budget

- 12.2 Previous budget forecasts were made at a time of significant uncertainty in terms of future Government finances due to the Fair Funding and Business Rates Review. This uncertainty has been removed with the publication of the provisional local government finance settlement for the 2026/27. A multi-year settlement has been published as expected in the form of a 1 year confirmed settlement for 2026/27 with indicative budget allocations for year 2 and 3.
- 12.3 The updated high level funding forecasts within the strategy build on previous figures from the 2025/26 Budget setting exercise in February at which time we were forecasting future year deficits which were increasing year on year to around £5.4m by 2028/29. This position has improved but there is still a forecast deficit that increases to £3m for 2028/29.
- 12.4 The MTFS and budget forecasts include the latest information available and it should however be noted that some of the assumptions will need to be updated when final inflation indices are published.
- 12.5 As part of the production of these forecasts a detailed budget review has taken place over previous months to identify efficiencies and additional income to help support frontline services and to balance the Council's financial position. For next year these total around £1.4m (Appendix II), and are supported by a number of increases to fees and charges (Appendix XI), however based on current forecasts this still leaves a deficit of £459,000 which will need to be supported from reserves.
- 12.6 The Council is still projecting a deficit position from 2026/27 onwards but due to the business rate funding changes, forecasting the future years deficits remains difficult. Use of reserves does however allow the Council time to plan mitigating actions more effectively, meaning we are more likely to be successful, however this is not a sustainable position if permanent savings are not identified.
- 12.7 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is reasonably practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts and are included within Appendix IX.
- 12.8 At the current time the key messages are as follows;
- Estimated budget gap of £459,000 for 2026/27 even with current savings and fee increases
 - To fund non-statutory services in the future we need to find more income/savings/reserves
 - Our reserves will help set a balanced budget for the next few years after which LGR will be implemented.
 - Funding from reserves is not a sustainable way to manage our budget
 - We need to identify more efficiencies and income to make the budget sustainable
 - The current projections are based on a number of assumptions which can and do change
- 12.9 In conclusion, Officers will continue working on the forecasts between now and the point at which the council tax is set in February 2026, by which time the Local Government Finance Settlement will be finalised.

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Detailed Revenue Budget Proposals

Appendix II

Service	2025/26	Growth	Savings	Income Changes	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	817	250	0	0	1,067	1,057	1,057	1,057
Communications & Policy	377	0	0	0	377	377	377	377
Elections, Democratic Services & Information Governance	1,195	281	0	0	1,476	1,436	1,436	1,436
Housing & Community	5,085	112	(53)	692	5,836	5,884	6,041	6,041
Planning	1,402	(517)	(14)	(48)	823	474	474	474
Environment & Leisure	9,454	1,473	(638)	(362)	9,927	9,059	8,859	8,859
Regeneration & Economic Development	(464)	232	(67)	(51)	(350)	(390)	(390)	(390)
Finance & Procurement	778	75	(5)	0	848	848	848	848
MKS Revenues & Benefits	540	125	0	49	713	713	713	713
MKS Environmental Health	687	23	0	0	710	710	710	710
MKS Information Technology	1,453	217	0	0	1,670	1,670	1,670	1,670
MKS Internal Audit	166	7	0	0	173	173	173	173
MKS Human Resources	649	21	0	0	670	670	670	670
MKS Legal	722	128	0	0	850	850	850	850
Corporate Overheads & Capital Financing	3,543	(89)	(450)	0	3,004	3,562	3,562	3,562
Collection Fund Surplus/Deficit	45	30	0	0	75	75	75	75
Pay & Inflation	12	1,008	(208)	0	812	2,380	3,980	3,980
Fees & Charges	0	0	0	0	0	0	0	0
Sub Total Base Budget	26,460	3,376	(1,436)	279	28,680	29,548	31,105	31,105
Drainage Board	1,037	34	0	0	1,071	1,071	1,071	1,071
Contribution to Reserves	15	41	0	0	56	56	56	56
Contribution from Reserves	0	0	0	0	0	0	0	0
Uncertain Government Grants	0	0	0	0	0	0	0	0
Use of Business Rates Pool Reserve	(855)	0	0	855	0	0	0	0
Cumulative Savings Required	(677)	(3,451)	1,436	2,233	(459)	(1,430)	(2,958)	(2,489)
Grants								
Revenue Support Grant	(362)	0	0	(8,923)	(9,285)	(8,578)	(7,982)	(7,982)
Extended Producer Responsibility Grant	(1,349)	0	0	0	(1,349)	(1,349)	(1,349)	(1,349)
Business Rates - Gross	(12,104)	0	0	4,785	(7,319)	(7,489)	(7,664)	(7,664)
Services Grant	0	0	0	0	0	0	0	0
New Homes Bonus	(988)	0	0	988	0	0	0	0
Funding Guarantee Grant	0	0	0	0	0	0	0	0
National Insurance Contribution Grant	(200)	0	0	200	0	0	0	0
Recovery Grant	(539)	0	0	0	(539)	(539)	(539)	(539)
Council Tax requirement	10,439	0	0	417	10,857	11,290	11,741	12,210

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

1. Introduction

- 1.1 The council has a legal duty to set a balanced budget and must take all reasonable factors into account when doing so. Section 25 of the Local Government Act 2003 requires that a local authority’s Chief Finance Officer (Section 151 Officer) must report to Full Council on the following elements of the budget proposals when the Budget is being considered and the Council Tax is being set:
- the robustness of the estimates made for the purposes of the budget calculations; and
 - the adequacy of the proposed financial reserves.
- 1.2 This statement is given in respect of the 2026/27 budget setting process for Swale Borough Council and sets out my view as Section 151 officer as to the robustness of the proposed budget for 2026/27, the medium term financial plan, and the adequacy of reserves. It needs to be considered alongside the wider context contained within the budget report. Cost pressures are not being offset by increases in government funding or by relaxing the limits on council tax setting or on statutory fees and charges. The council is faced with using reserves to balance the budget in the short term, but permanent savings to costs and services will be required in the medium term to align expenditure with income and resources.
- 1.3 This council has a robust track record of sound financial reporting and delivery of unqualified financial statements, however the audit findings reported by our external auditor Grant Thornton for both the main audit and the value for money audit have highlighted the need to develop a savings delivery plan to reduce the reliance on reserves and promote sustainability.

2. Robustness of estimates

- 2.1 The approach to building the 2026/27 budget has involved the creation of a cross party Budget Working Group who have collaborated on the delivery of the budget that is detailed in the committee reports.
- 2.2 The council has a good track record of managing within budget and the budget for 2026/27 shows a balanced position, however once again this relies on a contribution from reserves to deliver the balanced position, albeit a lower amount than previous years. Details of how this has been achieved are set out in the budget report, which also forecasts that the future years’ position will worsen as costs increase and external funding remains uncertain and is estimated to reduce.
- 2.3 The announcement by the government of the results of the Fair Funding Review are reflected in the Provisional Local Government Settlement for 2026/27 . This confirms the long-awaited reform of local government funding and provides details of government funding over a multi-year period. The plan for the review was to “direct funding where it is most needed, based on an up-to-date assessment of need and local resources”. As Swale had seen significant business rate growth since the localisation of business rates,

Appendix III

the reset position of losing this growth has been offset in 2026/27 by increases to the Revenue Support Grant giving an almost neutral position for the governments calculation of our Core Spending Power. However the protection for loss of business rate growth is transitional and funding is reduced in 2027/28 and 2028/29 by £720k and then a further £780k. Swale received a share of the new Recovery Grant for 2025/26, with awards based on deprivation statistics this grant has been maintained for 2026/27 to 2028/29, these amounts are included in the Core Spending Power assessment.

- 2.4 The budget gaps estimated from 2027/28 onwards need to be addressed by taking difficult decisions to reduce expenditure and service delivery, and manage growth expectations to help facilitate the delivery of a balanced and sustainable budget position. The underlying principle of the corporate plan is one of financial sustainability and so members need to ensure that decisions taken on setting a budget adhere to this principle.
- 2.5 The drafting of the budget is subject to a range of risk factors, these are reported in more detail in Appendix IX.

3. Adequacy of Reserves

- 3.1 Appendix VII details the planned use of reserves over the period of the medium term financial plan. It is not a sustainable position to rely too heavily on the use of reserves as they will be depleted if a deliverable savings plan is not put in place. Some of the risk to the use of reserves is due to the uncertainty of business rate funding given the reset of the baseline coupled with revaluations and changes to the multiplier rates. A review of the business rate position will be carried out in 2026/27 to understand the impact of the changes.
- 3.2 It is my advice however, that ongoing budget savings need to be made to address the ongoing budget gap that has not been resolved with funding reform as the council's reserves continue to be depleted over the period of this financial plan. Now that there is some degree of certainty over government funding a robust savings plan needs to be developed to support the drafting of the MTFP for 2028/29 to avoid future consideration of the need to issue a section 114 notice. Section 114 of the Local Government Finance Act 1988 provides the mechanism for the S151 Officer to halt council expenditure when resources are no longer sufficient to maintain or achieve a balanced financial position. The S151 Officer would only take this course of action when all options to stabilise the council's financial position had been unsuccessful.
- 3.3 This statement is drafted with consideration of the CIPFA Local Authority Resilience Index which shows the council's position on a range of measures associated with financial risk. The general findings of the 2025 index show a decrease in the level of reserves held by councils. The change in reserve balances and the reduction in the level of reserve for Swale put the council at the higher end of the risk indicators for financial stress.
- 3.4 The implementation of Local Government Reorganisation and Kent and Medway's business case submissions for proposed unitary geographies should not be used as an excuse for the council to deplete reserves in lieu of making the savings required to reduce the budget gap. The residents and businesses of Swale will continue to live and work in the borough, and will continue to require the support of their local council

Appendix III

whatever the name or makeup of that council may be. The government have made it clear that running down of reserves and disposal of assets ahead of a planned reorganisation will not be acceptable and plan to introduce regulation to introduce spending limits and controls around disposals to address this risk.

4. Conclusion

- 4.1 I am of the opinion that the approach taken to the developing the 2026/27 budget meets the requirements contained within the Local Government Act 2003 to ensure the robustness of the estimates and the adequacy of reserves for the coming financial year. However this council needs to develop a savings plan to address the ongoing budget gap for future years to ensure that the need to issue a s114 notice remains remote.

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COLLECTION FUND AND COUNCIL TAX BASE

Tax Base

The tax base for 2026/27 is 51,023.68

Collection Fund

As the Billing Authority, Swale Borough Council had to make an estimate of the surplus or deficit on the Collection Fund for Council Tax and Business Rates in January 2026, notifying Kent County Council, the Police and Crime Commissioner for Kent and the Kent & Medway Towns Fire & Rescue Authority of their proportions. The declared deficit of £332,000 is shared as follows:

	£'000
Central Government	192
Kent County Council	(4)
The Police and Crime Commissioner for Kent	(6)
Kent & Medway Towns Fire & Rescue Authority	2
Swale Borough Council	147
Total	332

These amounts are not added to precepts or budgets but must be taken into account by each Authority when setting their basic Council Tax.

Other Preceptors

Kent County Council, the Kent & Medway Fire Authority and the Kent Police and Crime Commissioner will set their own precepting for all valuation bands. These tax levels will form part of the overall Council Tax to be set by full Council on 18 February 2026.

Parish Council Precepts

Parish Council precept demands have been submitted during January 2026 as and when the Parish Councils met to set their precepts. These will be expressed as an additional precept.

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Parish Precepts 2026-27

	Additional			Additional	Additional
	Council			Council	Council
Parish / Town Council	Tax for	Tax	Parish	Tax for	Tax for
	Band D	Base	Precept	Band D	Band D
	2025/26	2026/27	2026/27	2026/27	2026/27
	£		£	£	% change
Bapchild	19.98	736.13	13,780	18.72	-6.31%
Bobbing	53.44	1,024.09	66,918	65.34	22.27%
Borden	72.18	1,162.85	95,334	81.98	13.58%
Boughton-under-Blean	141.57	715.23	110,789	154.90	9.42%
Bredgar	42.21	304.73	13,668	44.85	6.25%
Doddington	40.11	231.76	9,681	41.77	4.14%
Dunkirk	62.24	530.74	33,848	63.78	2.47%
Eastchurch	97.65	838.03	90,509	108.00	10.60%
Eastling	35.00	154.23	5,398	35.00	0.00%
Faversham Town Council	101.33	7,487.57	973,600	130.03	28.32%
Graveney & Goodnestone	72.41	185.94	14,010	75.35	4.06%
Hartlip	57.08	381.27	23,080	60.53	6.04%
Hernhill	55.68	318.82	18,086	56.73	1.89%
Iwade	46.69	1,528.26	83,000	54.31	16.32%
Leysdown	67.62	1,262.00	95,040	75.31	11.37%
Lower Halstow	82.72	461.74	38,240	82.82	0.12%
Luddenham		42.41	0	0.00	0.00%
Lynsted	73.84	477.85	38,990	81.59	10.50%
Milstead	69.53	102.04	8,000	78.40	12.76%
Minster	35.00	5,752.79	211,473	36.76	5.03%
Newington	57.71	1,052.74	62,934	59.78	3.59%
Newnham	34.29	158.77	4,763	30.00	-12.51%
Norton & Buckland	46.07	199.95	9,034	45.18	-1.93%
Oare	85.81	175.39	17,000	96.93	12.96%
Ospringe	49.13	288.01	15,500	53.82	9.55%
Queenborough Town Council	79.76	891.39	75,000	84.14	5.49%
Rodmersham	56.18	237.96	15,500	65.14	15.95%
Selling	48.91	386.13	21,000	54.39	11.20%
Sheerness Town Council	49.68	2,801.32	146,960	52.46	5.60%
Sheldwich, Leaveland & Badlesmere	34.45	372.20	14,370	38.61	12.08%
Stalisfield	31.22	106.37	3,421	32.16	3.01%
Teynham	74.48	1,001.73	81,245	81.10	8.89%
Throwley	29.33	147.62	4,332	29.35	0.07%
Tonge	23.58	473.25	15,000	31.70	34.44%
Tunstall	10.89	702.55	9,000	12.81	17.63%
Upchurch	49.63	1,065.68	53,876	50.56	1.87%
Warden	32.38	507.16	24,500	48.31	49.20%
Total/Average	63.64	34,266.70	2,516,879.00	73.45	15.41%

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Scheme	Funding Source	2025/26 Budget			2026/27 Budget			2027/28 Budget		
		Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000	Spend £'000	Income £'000	Net £'000
CCTV Replacement	Reserves	0	0	0	60	(60)	0	0	0	0
CCTV Expansion	Borrowing	283	0	283	0	0	0	0	0	0
Disabled Facilities Grants	Grant	8,661	(8,661)	0	2,725	(2,725)	0	2,725	(2,725)	0
Local Housing Company	Borrowing/reserves	0	0	0	21,062	(969)	20,093	0	0	0
Community Asset Spend	Capital receipts	52	(52)	0	0	0	0	0	0	0
Purchase of Temporary Accommodation	Borrowing	1,370	0	1,370	0	0	0	0	0	0
Local Authority Housing Fund (Bridging)	Grant	139	(139)	0	325	(325)	0	0	0	0
Housing & Community Services		10,505	(8,852)	1,653	24,172	(4,079)	20,093	2,725	(2,725)	0
Faversham Creek Basin Regeneration	Capital receipts	200	(200)	0	0	0	0	0	0	0
High Streets	Reserves	57	(57)	0	0	0	0	0	0	0
Pride in Place	Grant	0	0	0	120	(120)	0	670	(670)	0
Pride in Place Impact funding	grant	0	0	0	1,500	(1,500)	0	0	0	0
Rural England Prosperity Projects	Grant	462	(462)	0	0	0	0	0	0	0
UKSPF	Grant	13	(13)	0	0	0	0	0	0	0
Levelling Up Scheme	Grant/reserves	9,196	(9,196)	0	3,339	(3,198)	141	0	0	0
Regeneration & Economic Development		9,928	(9,928)	0	4,959	(4,818)	141	670	(670)	0
Waste Vehicle Fleet	Borrowing	0	0	0	0	0	0	0	0	0
Beach Huts	Capital receipts	143	(143)	0	0	0	0	0	0	0
Gunpowder Works Oare Faversham	Reserves	26	(26)	0	0	0	0	0	0	0
The Forum Public Conveniences	Reserves	0	0	0	42	(42)	0	0	0	0
Lynsted Churchyard Walls	Capital receipts	120	(120)	0	0	0	0	0	0	0
Coach Parking	Reserves	0	0	0	35	(35)	0	0	0	0
Barton's Point	Reserves	0	0	0	52	(52)	0	0	0	0
Leisure Centre Improvements	Borrowing	287	0	287	2,000	0	2,000	0	0	0
Open Spaces Play Equipment	Reserves	519	(519)	0	0	0	0	0	0	0
King George V Tennis Courts	Grant	1	(1)	0	0	0	0	0	0	0
Environment & Leisure		1,097	(809)	287	2,129	(129)	2,000	0	0	0
ICT Replacement	Reserves	148	(148)	0	150	(150)	0	20	(20)	0
Finance System Upgrades	Reserves	121	(121)	0	0	0	0	0	0	0
Resources Total		269	(269)	0	150	(150)	0	20	(20)	0
Grand Total		21,798	(19,858)	1,940	31,410	(9,176)	22,234	3,415	(3,415)	0

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Estimated Use of Reserves 2025/26 - 2028/29									
	Balance 2024/25	Est use 2025/26	Balance 2025/26	Est use 2026/27	Balance 2026/27	Est use 2027/28	Balance 2027/28	Est use 2028/29	Balance 2028/29
General Fund Balance	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)
Earmarked Reserves									
Building Maintenance Fund	(774,704)	70,000	(704,704)	70,000	(634,704)	70,000	(564,704)	70,000	(494,704)
Repair & Replacement Reserves	(691,679)	110,000	(581,679)	175,000	(406,679)	50,000	(356,679)	(65,000)	(421,679)
Civil Parking Enforcement Reserve	(87,704)	25,000	(62,704)	28,397	(34,307)	0	(34,307)	0	(34,307)
General Reserve A/C	(466,418)	141,910	(324,508)	150,000	(174,508)	150,000	(24,508)	24,508	0
Local Plan Reserve	(413,548)	227,600	(185,948)	155,000	(30,948)	30,948	0	0	0
Stay Put Grants Reserve	(87,894)	0	(87,894)	0	(87,894)	0	(87,894)	0	(87,894)
Staffing costs Reserve	(292,199)	0	(292,199)	50,000	(242,199)	50,000	(192,199)	150,000	(42,199)
Homeless/Housing Reserve	(77,729)	25,000	(52,729)	25,000	(27,729)	0	(27,729)	0	(27,729)
Council Tax/Housing Benefits Reserve	(870,836)	350,000	(520,836)	30,778	(490,058)	0	(490,058)	490,058	0
Waste & Street Cleansing Reserve	(1,281,911)	179,000	(1,102,911)	131,000	(971,911)	81,000	(890,911)	890,911	0
Business Rates Volatility Reserve	(4,161,198)	740,000	(3,421,198)	2,150,000	(1,271,198)	1,200,000	(71,198)	0	(71,198)
Electoral Registration Reserve	(50,000)	(25,000)	(75,000)	(25,000)	(100,000)	100,000	0	(25,000)	(25,000)
Preceptors CT Support Reserve	(225,520)	0	(225,520)	0	(225,520)	0	(225,520)	225,520	0
Financial Services Reserve	(160,000)	110,000	(50,000)	0	(50,000)	0	(50,000)	0	(50,000)
Kent Pool Economic Development Business Rates Reserve	(2,943,445)	(100,000)	(3,043,445)	1,500,000	(1,543,445)	602,000	(941,445)	0	(941,445)
Housing & Commercial Growth Business Rates Fund	(950,502)	150,000	(800,502)	800,502	0	0	0	0	0
Environmental Initiatives Reserve	(193,512)	45,000	(148,512)	45,000	(103,512)	45,000	(58,512)	45,000	(13,512)
Heritage Strategy Reserve	(110,902)	0	(110,902)	0	(110,902)	0	(110,902)	0	(110,902)
Visitor Economy Strategy Reserve	(127,556)	127,556	0	0	0	0	0	0	0
Covid Recovery	0	0	0	0	0	0	0	0	0
Budget Contingency Reserve	(1,052,329)	(703,652)	(1,755,981)	(2,691,000)	(4,446,981)	750,000	(3,696,981)	628,658	(3,068,323)
Other earmarked reserves	(1,583,582)	554,463	(1,029,119)	136,959	(892,160)	20,000	(872,160)	548,344	(323,816)
Total Earmarked (Excl General Fund)	(16,603,169)	2,026,878	(14,576,291)	2,731,636	(11,844,655)	3,148,948	(8,695,708)	2,983,000	(5,712,708)
Total earmarked plus general fund	(19,706,169)	2,026,878	(17,679,291)	2,731,636	(14,947,655)	3,148,948	(11,798,708)	2,983,000	(8,815,708)
Ring Fenced/accounting/collection fund									
Collection fund & grants in advance	(174,371)	50,000	(124,371)	61,377	(62,994)	30,000	(32,994)	32,994	0
Accounting adjustments & smoothing	(432,324)	1,000	(431,324)	0	(431,324)	300,000	(131,324)	0	(131,324)
	(606,695)	51,000	(555,695)	61,377	(494,318)	330,000	(164,318)	32,994	(131,324)

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Minimum Revenue Provision Statement

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's "Guidance on Minimum Revenue Provision" (the MHCLG Guidance) most recently issued in April 2024.

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

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

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

For 2026/27 it is recommended that:

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

Capital Loans

- For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP

Minimum Revenue Provision Statement

until the year after the assets become operational. This MRP charge will be reduced by the value of any repayments of loan principal received during the year, with the capital receipts so arising applied to finance the expenditure instead.

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

Capital expenditure incurred during 2026/27 will not be subject to a MRP charge until 2027/28 or later.

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

Capital Receipts

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

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

1. Risk Assessment

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

- 1.1 A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified as far as is reasonably practical. These are reviewed each year as part of the refresh of the MTFS and future year's budget forecasts. The key strategic financial risks to be considered in developing the MTFS are included within the table below.
- 1.2 Medium term financial planning, set against a backdrop of severe reductions in Government funding and unprecedented economic challenges, both nationally and globally, carries with it a significant element of risk. Many factors may impact on the figures presented here and themes have been highlighted where appropriate. Most significant are the spending pressures (waste/homelessness) and the long awaited result of the Fair Funding Review and Business Rate Reset position for local government and the Local Government Reorganisation (LGR). All of these issues are placing further pressure on the council in the delivery of a balanced budget, without impacting on frontline services.
- 1.3 A return to recession would present further risk to the budget position, in particular significant areas of income such as lettings income, planning fees and car park income that are linked directly to economic demand. Although a recession has so far been avoided and interest rates are now beginning to fall there remains a risk to future impact on the council's income streams.
- 1.4 The publication of the multi-year provisional Local Government Finance Settlement including the results of the Fair Funding Review have given some level of certainty over the medium term, however the reduction in revenue support grant and homelessness funding forecasts a loss of resources over the period.
- 1.5 Despite these risks, we will continue to plan effectively to strengthen our culture of strong financial management so that the Council can continue to meet its Corporate Plan priorities and provide the best possible services to the borough.
- 1.6 As part of strengthening the financial management of the Council, we will be looking to deliver a medium term financial policy that details future savings beyond 2026/27 to show how the budget will remain balanced over the four year period.

Risk	Likelihood	Impact	Risk Management
Future available resources less than assumed.	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2026/27 and beyond are based on the provisional Local Government Settlement. A reduction in government grants means compensating savings will need to be identified.

Escalating costs of local plan and planning service	Likely	High	Ongoing recruitment delays are adding significant cost to the service with the use of locums. The additional requirements for evidence to support the local plan is also adding pressure to the budget position.
Efficiency/ transformation initiatives not delivered	Possible	High	The MTFS is currently forecasting significant budget gaps, peaking at £3m in 2028/29. Use of one-off reserves to help plug these gaps is not sustainable.
Planned savings not delivered	Possible	High	The MTFS contains budget changes resulting from agreed service changes. Ongoing monitoring of the achievement of these, through regular budget monitoring, will help identify any issues.
Uncertain business rates funding	Likely	High	The MTFS includes the reset position for business rates, which removes the growth achieved since 2013/14. The loss is mitigated initially with additional RSG funding but this reduces over time. Monitoring of business rate growth from 2026/27 to mitigate the loss.
Deadline pressure on capital project funding	Possible	Medium	Delays in funding announcements, without extensions to project end dates creates risk that projects may not receive the full funding award. Project Managers are in constant contact with government to raise the awareness of this issue and to request extensions to the end date where possible.
Overreliance on reserve contributions supporting base budget deficits which is not a sustainable position.	Likely	High	Early preparation of 2027/28 MTFS to address the ongoing budget gap and deliver a sustainable base budget position. The requirement has reduced, but remains a risk for future years.
Volatility of business rates funding given uncertainty around impact of appeals.	Likely	High	Volatility of funding stream outside of council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning.

Pay Awards, fee increases and price inflation higher than assumed.	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and fees. Where pay awards have been agreed these will be factored into the future estimates.
Future spending plans underestimated.	Possible	Medium	Service planning process identifies future budget pressures, and these will inform the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.
Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in scenario planning.
Income targets not achieved.	Possible	Medium	Regular budget monitoring and reporting takes place. Review of fees and charges included within the budget build process.
Budget monitoring not effective.	Unlikely	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Track record of delivering budget.
Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting, medium-term planning, review of fixed term funding and posts completed.
Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which balance security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions.
Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2026/27 will be incorporated into the budget.
Collection rates for retained business rates and council tax lower than anticipated.	Possible	High	Impact mitigated by the review of bad debt provisions and availability of reserves. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process.

Unexpected costs arising from Local Government Reorganisation	Likely	High	Details from the LGR business case modelling show that the cost of delivery are significant. We await the outcome of the Government's decision on Kent's unitary geography to fully assess the implications of this risk.
All MTFS risks not adequately identified.	Unlikely	Low	Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process.

Budget consultation survey results

Background

Following the agreement of the Policy and Resources Committee on 26 November, a consultation was launched on draft proposals for the council's budget for the financial year 2026/27.

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

The consultation asked people to read key budget documents and then respond to 17 questions.

The consultation closed at midnight on Thursday 8 January, having received 458 responses.

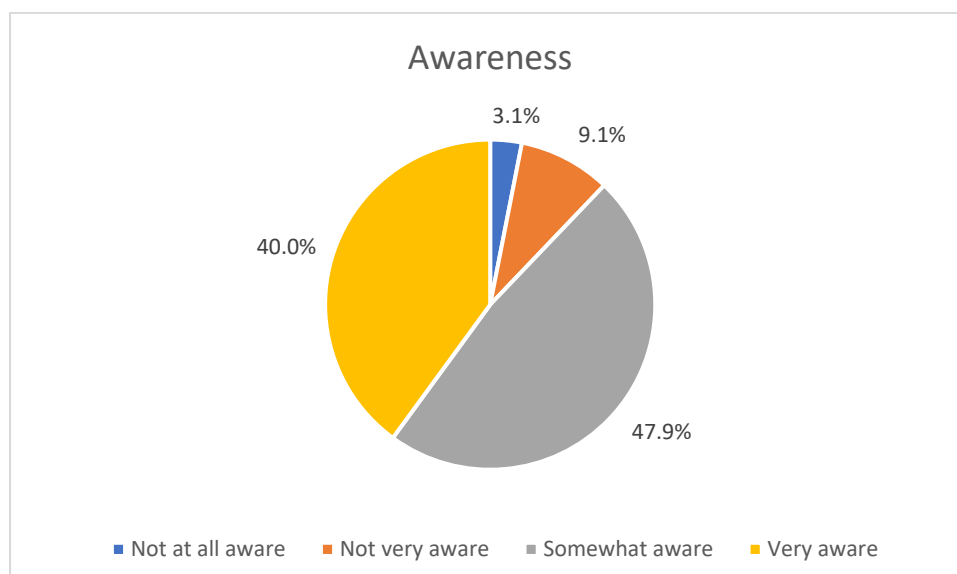
Results – Summary

There was a much higher response rate this year, which was likely driven by proposals around parking charges. Many of the responses included suggestions that are within the control of Swale Borough Council, but there were also a number of comments and suggestions relating to services provided by other preceptors (such as Kent County Council) or which are not possible to implement under current legislation.

A large number of the comments received were in relation to introducing charges in some currently free to use car parks across the borough. This decision was not part of the budget consultation, as this was subject to a different consultation exercise and a separate committee decision. These comments have been removed from free text response analysis, and passed over for inclusion in the relevant consultation.

Results that could be scored are shown in the graphs below. There were some free text response fields, and results of these are summarised later in the document.

Question 1: Before reading this, how aware were you of the financial challenges facing Swale Council?

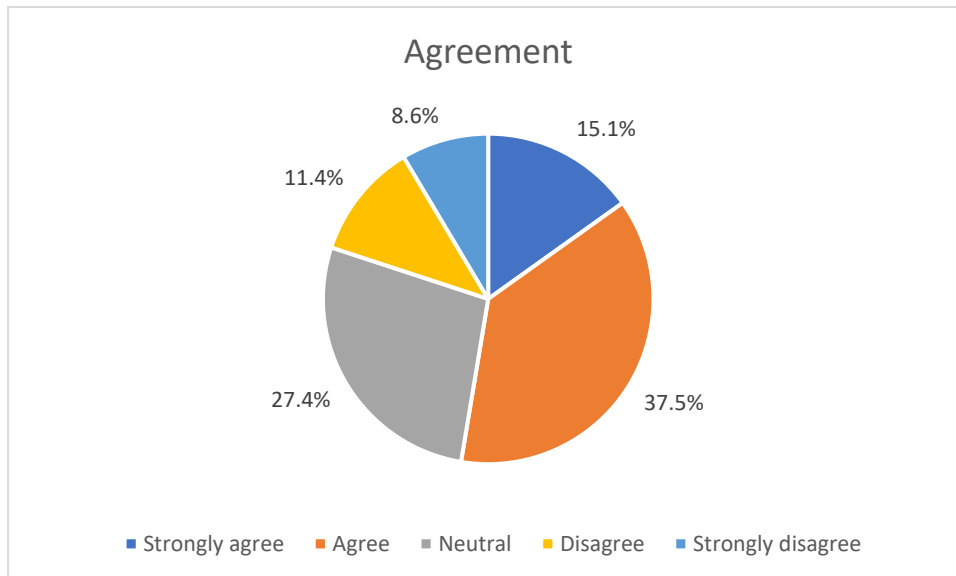


Question 2: To help close the gap, the Council has identified:

- £970,000 in “back-office” efficiencies and financial savings.
- £100,000 in savings from a review of public toilets (agreed last year).
- £335,000 in proposed new income from parking tariffs.

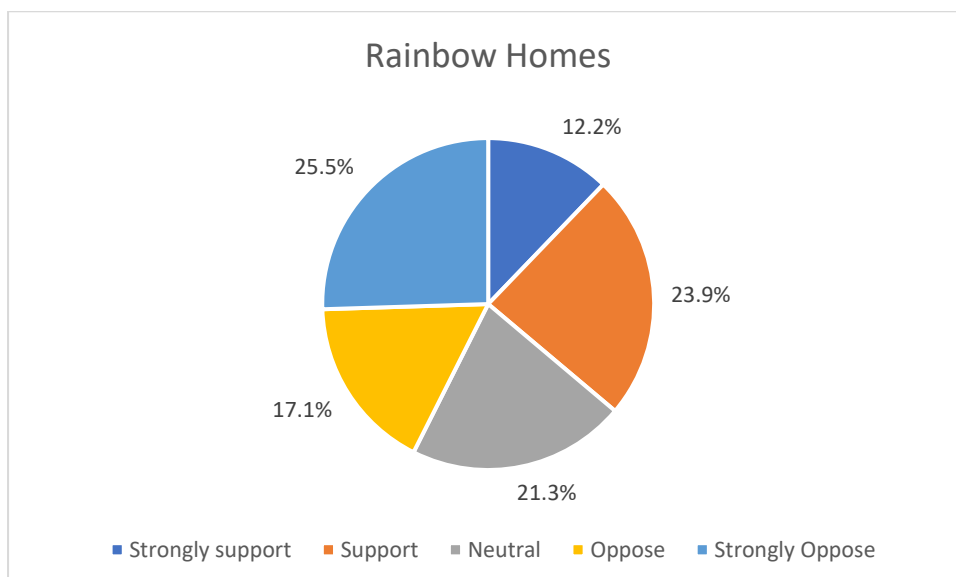
Despite this, we still need to close a remaining £665,000 gap.

To what extent do you agree or disagree that the council faces a significant financial challenge?



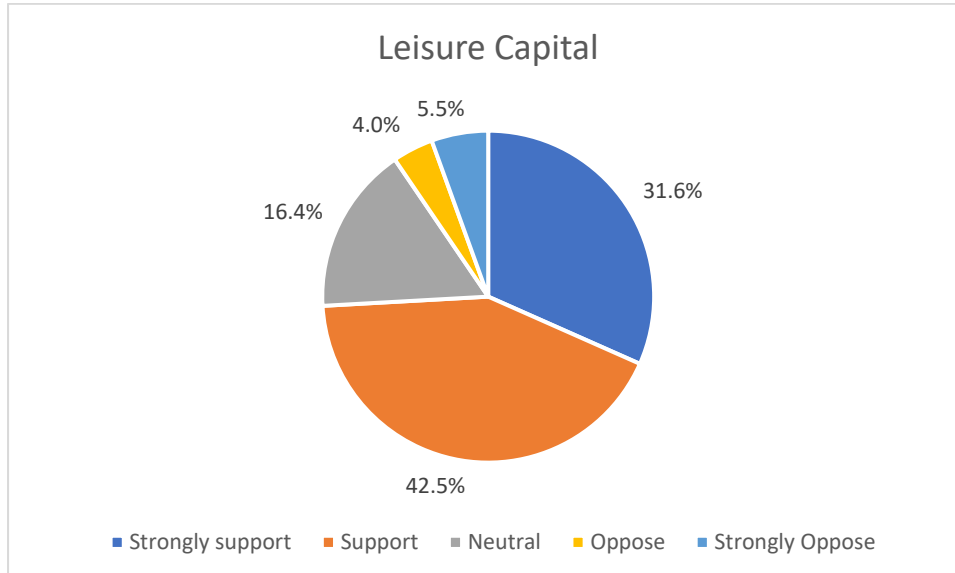
Question 3: We plan to invest £21 million from our capital budget in the delivery of affordable homes, starting with the Cockleshell Walk scheme to build 51 new 100% affordable rent homes. This money cannot legally be used for day-to-day services.

To what extent do you support or oppose this as a council priority?



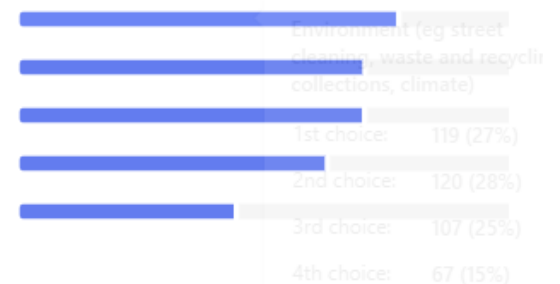
Question 4: We are also proposing to invest £2 million from our capital budget as part of the new contract to keep our leisure centres running. This money is for essential maintenance and infrastructure improvements, for items like boilers, pool filter and air handling systems.

To what extent do you support or oppose this essential investment?



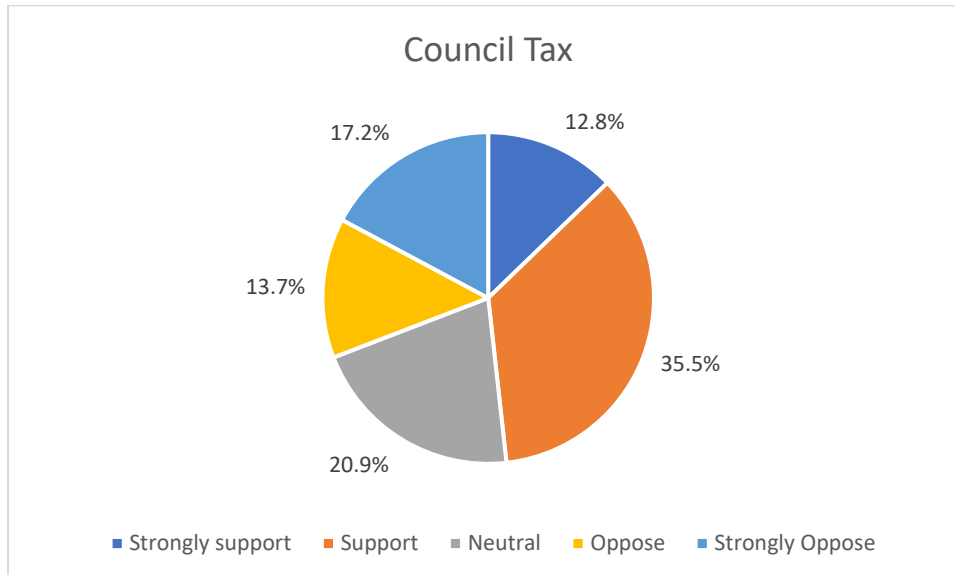
Question 5: Please rank our five Corporate Plan priorities in order of what is most important to you.

- 1 Environment (eg street cleaning, waste and recycling collections, climate)
- 2 Economy (eg supporting business, town centre regeneration)
- 3 Community (eg safety, parks, community resilience)
- 4 Health and housing (eg homelessness, leisure, wellbeing)
- 5 Running the council (eg efficiency, customer service)



Question 6: The help fund services, the council is proposing a 2.96% increase in its share of Council Tax. For a Band D property, this is an increase of £6.12 per year, or less than 12p per week. (Swale Council only keeps 9p of every £1 you pay in Council Tax).

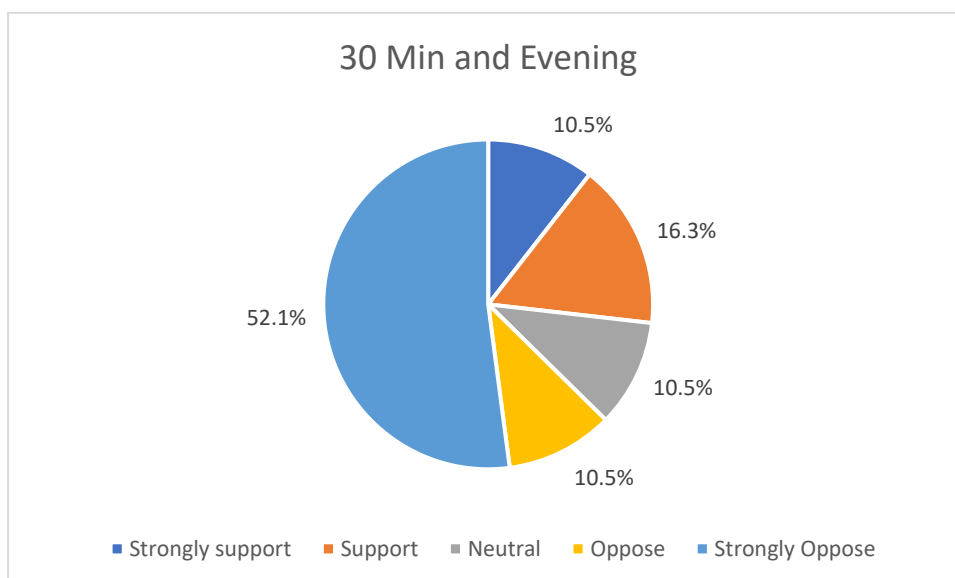
To what extent do you support or oppose this?



Question 7: To generate £335,000 to help fund services like parks and street cleaning, we are proposing several changes to parking tariffs.

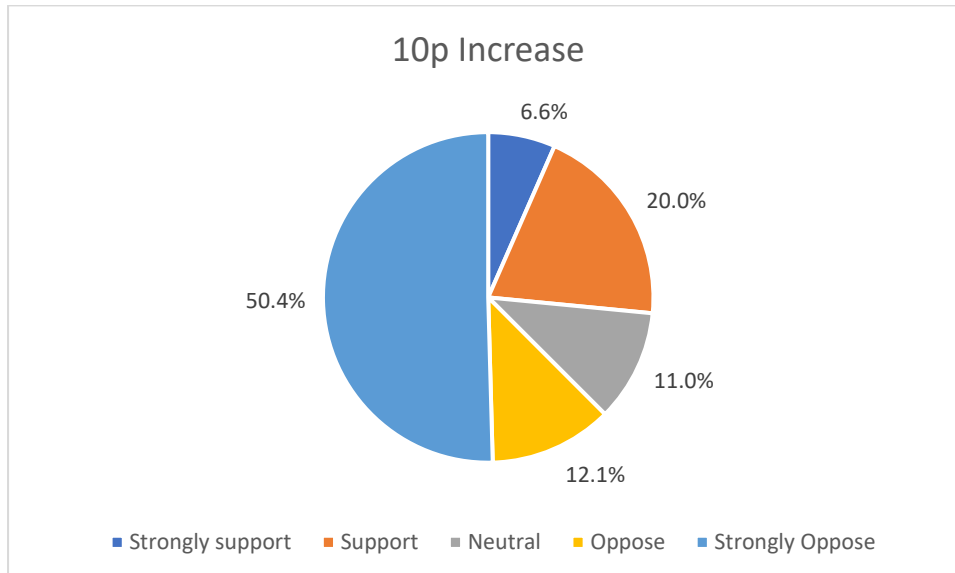
One proposal is to remove the current 30-minute tariff (80p). To help balance this for evening visitors, we propose introducing a new flat-rate evening fee of £2.50 from 7pm to 10pm, after which it's free to park until 7am. This would mean someone going out for the evening would only pay £2.50 to park, instead of £4.80.

To what extent do you support or oppose this combined proposal (removing the 30-min tariff and moving from an hourly charge to a flat rate evening fee from 7pm)?



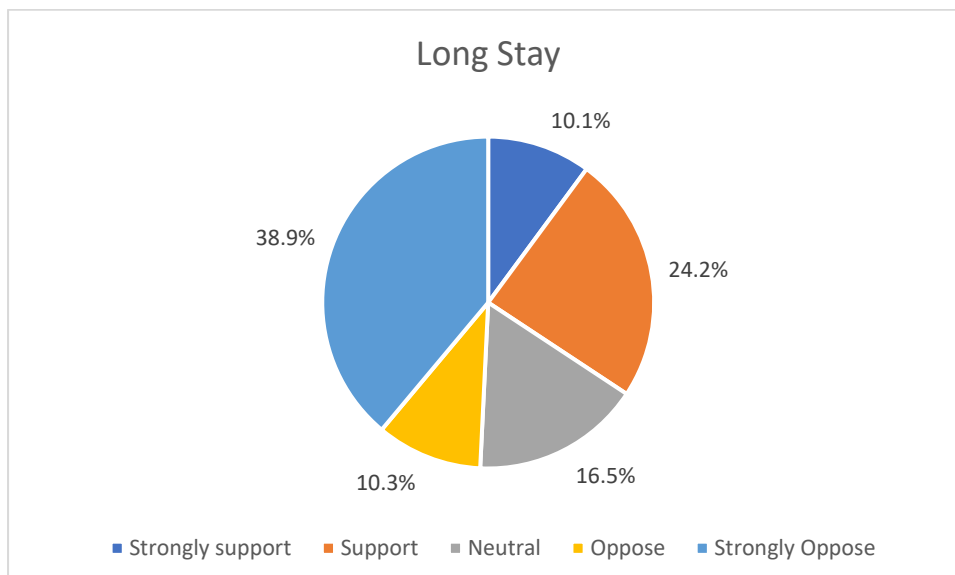
Question 8: A second proposal is to apply a 10p increase to other hourly tariffs (e.g. changing the 1-hour rate from £1.50 to £1.60) to help us keep up with the rising costs of maintaining our car parks.

To what extent do you support or oppose this proposal?



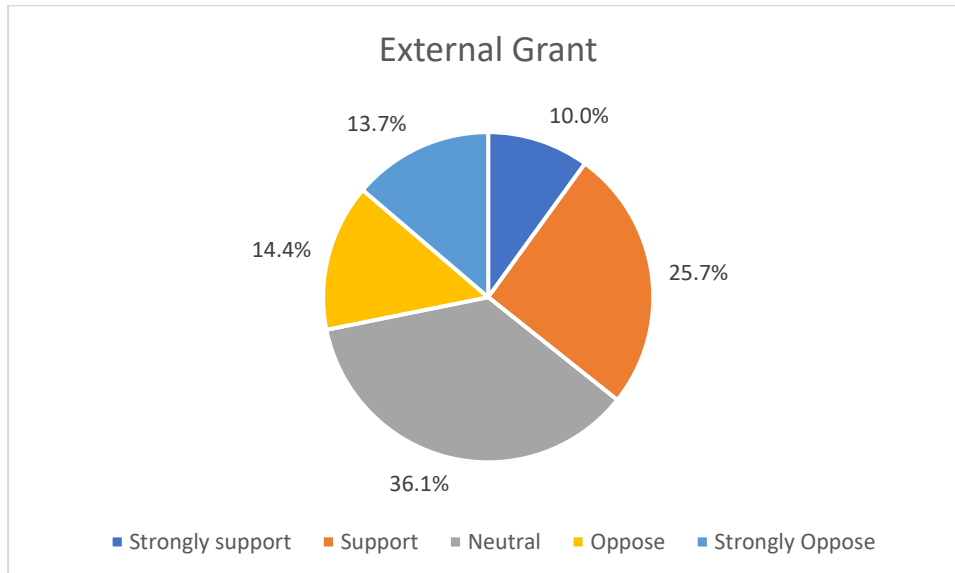
Question 9: The third proposal is to set a standard 'all day' rate of £8 in long-stay car parks. This would reduce the daily charge at Bourne Place multi-storey (currently £10.50), while increasing the charge at our other long-stay car parks (currently £7.50).

To what extent do you support or oppose this proposal?



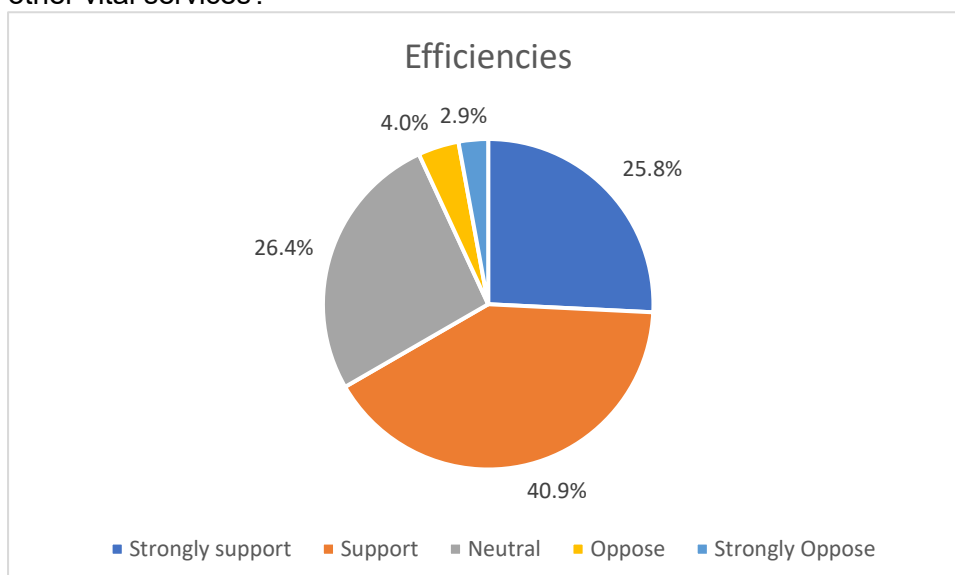
Question 11: We are proposing to save £20,000 by reviewing the grants we provide to external organisations and the voluntary sector.

To what extent do you support or oppose this proposal, balanced against the need to protect other vital services?



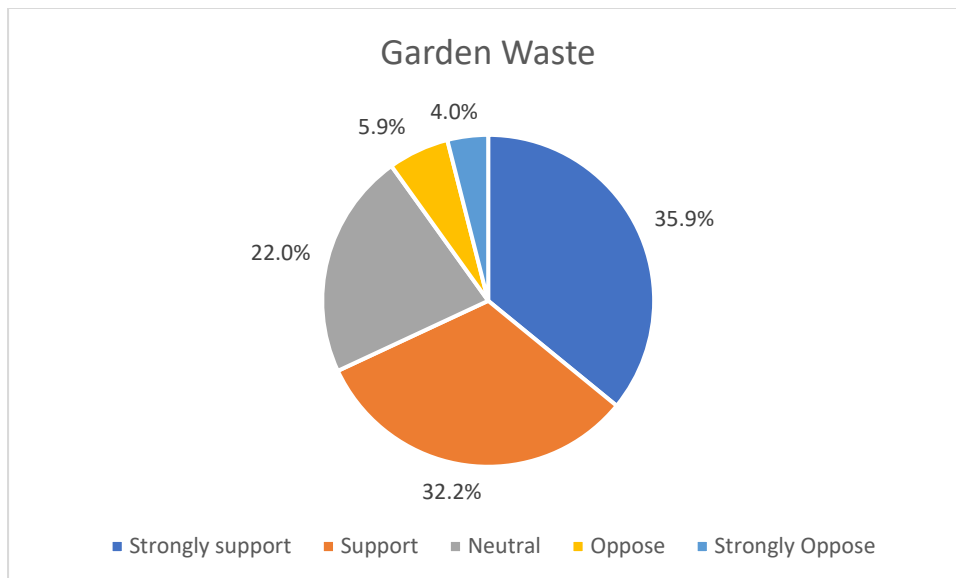
Question 13: We plan to save more than £160,000 by reviewing how we do things, including the services provided at our Faversham office, customer services, and stopping paying external consultants for heritage, conservation areas, and property management, by carrying out this work in house.

To what extent do you support or oppose this proposal, balanced against the need to protect other vital services?



Question 14: Annual garden waste subscription fees could be frozen for 2026/27 in recognition of the disruption to the service during the rollout of the new contract.

To what extent do you support or oppose this?

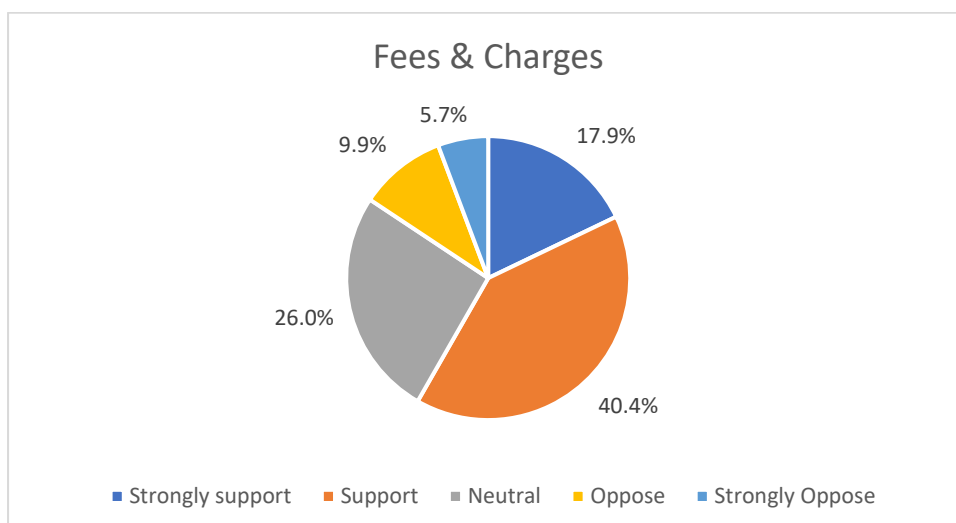


Question 15: We propose increasing our other general fees and charges based on inflation, so they cover their own costs.

These cover a wide range of services, including:

- Providing licences for animal welfare, and large events
- Giving advice on planning matters and processing planning applications
- Hiring out sport and leisure facilities
- Providing sites for burials, and other memorial activities
- Inspecting food premises

To what extent do you support or oppose the proposal to apply inflation based increases to the remaining fees and charges?



Our budget, your views – summary of free text feedback

This summary was put together with the use of Gemini, using the following prompt:

Task: Summarize the attached consultation responses for Swale Borough Council's budget proposals.

Requirements:

Thematic Summary: For each question, summarise the responses, and when free text comments are included (columns O, Q, U and V) group similar comments into key themes. Use active voice and simple language.

Identify any comments regarding the proposal to turn free car parks into paid ones. Please list these separately under a heading called "Feedback on Car Parking Charges".

Output Format: Provide a bulleted list for each question.

Feedback on car parking charges

Note: A significant majority of all free-text comments across all questions focused on the specific proposal to introduce charges at currently free car parks on the Isle of Sheppey. This was the dominant theme of the entire survey.

- **Destruction of community assets:** Residents view the car parks at Queenborough (Library/Park Road), Halfway, and Little Oyster not just as parking spaces, but as essential access points for community life. They argue charges will stop people using libraries, community centres (Castle Connections), and local beaches.
- **The "Ship on Shore" precedent:** Dozens of respondents pointed to the Ship on Shore car park as a failed experiment. They observe that since charges were introduced, the car park stands empty while the adjacent road is dangerous and congested. They predict the exact same outcome for Little Oyster and Queenborough.
- **School safety:** There is deep concern regarding the Halfway car park. Parents use this for school drop-offs. Residents warn that charges here will force parents to stop on the main road or clog up residential side streets, creating a severe safety risk for children.
- **Economic damage:** Respondents believe the revenue forecast is unrealistic. They argue the cost of installing and maintaining meters will outweigh the income, as locals will simply boycott the car parks.
- **Fairness across the borough:** Some support for charging for the free car parks as parking charges should be fair across all three areas of the borough.

Expanded analysis of consultation questions

1. Parking proposals

Respondents were asked for comments on the specific proposals regarding the removal of the 30-minute tariff, the 10p increase, and evening charges.

- **The 30-minute tariff:** There is strong resistance to removing this. Residents argue that this option is vital for the "pop-in" economy. They state that no one will pay £1.60 to pick up a prescription, a takeaway, or a newspaper. They predict this will directly hurt small high-street businesses and pharmacies.
- **Faversham evening charges:** A specific technical issue was raised regarding Faversham. The proposal sets the evening flat rate to start at 7:00 pm. Residents pointed out that cinema screenings and restaurant reservations often start at 7:00 pm, meaning customers would have to pay the day rate *plus* the evening rate if they arrive at 6:30 pm. They suggest moving the start time to 6:00 pm to genuinely support the night-time economy.
- **Long-stay vs short-stay:** Some respondents welcomed the reduction in long-stay costs at Bourne Place but felt it did not compensate for the increased cost of short visits, which affects more daily users.
- **Enforcement frustrations:** Several comments noted that parking rules are not currently enforced well. Residents see cars parked illegally on double yellow lines and pavements without penalty. They suggest the council should enforce existing rules to raise money rather than penalising law-abiding drivers with higher fees.

2. External grant review

Respondents were asked where else the council should find £20,000 if they did not cut grants to the voluntary sector.

- **Staff and councillor costs:** The most frequent suggestion was to reduce the cost of council leadership. Suggestions included cutting the Chief Executive's salary, reducing Senior Management teams, and lowering Councillor allowances.
- **Office expenditure:** There is specific anger regarding a recent purchase of "expensive chairs." This was mentioned repeatedly as a symbol of wasteful spending. Residents also suggested cutting "jollies," free lunches, and unnecessary expenses.
- **Asset management:** Many respondents suggested selling or renting out Swale House. They argue that since many staff work from home, the building is under-utilised and costing money to heat and light.
- **Fines as income:** Residents suggested a "zero tolerance" approach to environmental crimes. They want to see heavy fines for fly-tipping, littering, and dog fouling used as a revenue stream to subsidise other services.
- **Protecting the voluntary sector:** Many argued that cutting £20,000 from the voluntary sector is a false economy. They noted that groups like Citizens Advice save the council money by preventing homelessness and debt crises.

3. Comments on other specific proposals

Respondents were asked for views on other budget proposals, such as efficiency savings and fees.

- **Contractor performance:** There is widespread dissatisfaction with external contractors (specifically mentioning waste and landscape maintenance). Residents feel the council pays too much for poor service. They suggest reviewing these contracts or bringing services back "in-house" to save the profit margin currently paid to private companies.
- **Public toilets:** Although not a headline question, many respondents used this space to complain about public toilet closures. They view this as a basic health and hygiene requirement and a barrier for elderly people and families visiting town centres.
- **Garden waste:** Reaction to the fee freeze is positive, but conditional. Residents are willing to pay but expect the service to be reliable, citing missed collections in the past year.
- **Planning and development:** Residents suggested increasing fees for developers. They feel that with the amount of housebuilding in Swale, the council should be generating more revenue from planning applications and Section 106 agreements.

4. New ideas for savings or income

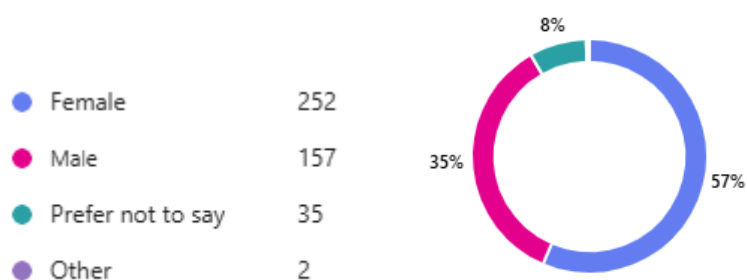
Respondents were asked for new, "blue sky" ideas to help close the budget gap.

- **Tourism and events:**
 - Charge for entry to specific events or festivals that are currently free.
 - Invest in "staycation" facilities (e.g., beach huts, campsites) to generate rental income.
 - Better marketing of the coastline to attract tourists who will pay for parking and amenities (if the amenities exist).
- **Structural changes:**
 - Merge services with neighbouring councils (shared services) to cut back-office costs.
 - Reduce the number of councillors.
 - Move to a Unitary Authority model to remove duplication between Swale and Kent County Council.
- **Operational efficiencies:**
 - Turn off street lights earlier or dim them to save energy.
 - Use volunteers or offenders (community payback) for basic street cleaning and maintenance to reduce labour costs.
 - Stop printing and posting documents; move all council tax and letters to email by default.
- **Commercial mindset:**

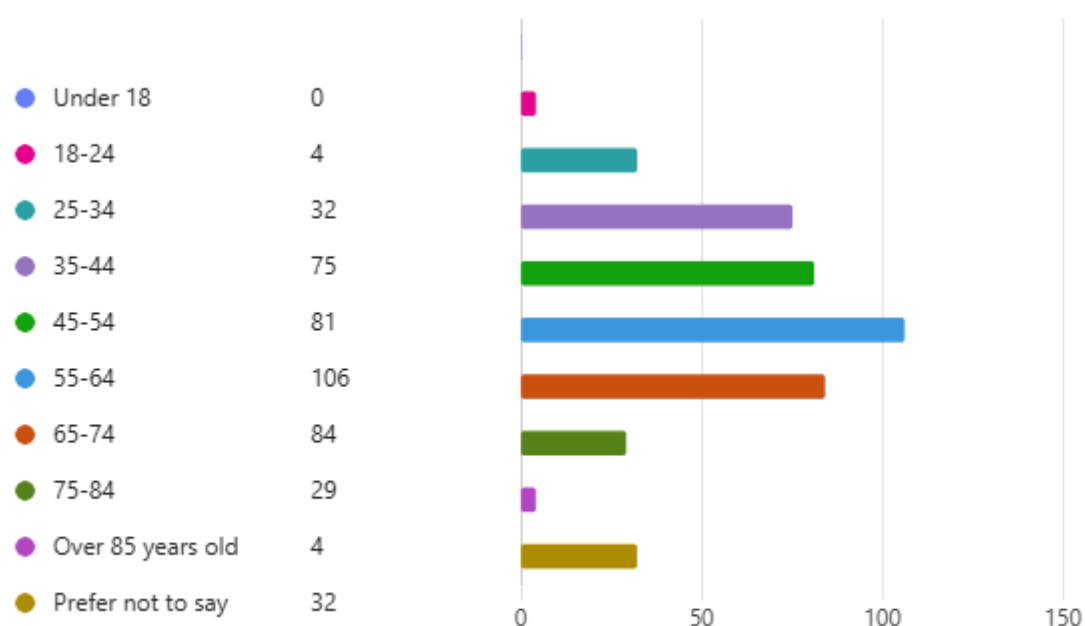
- Rent out empty office space in council buildings to small businesses.
- Offer council services (like grounds maintenance or MOTs) to the public for a fee.

The following charts summarise the characteristics of those who completed the consultation.

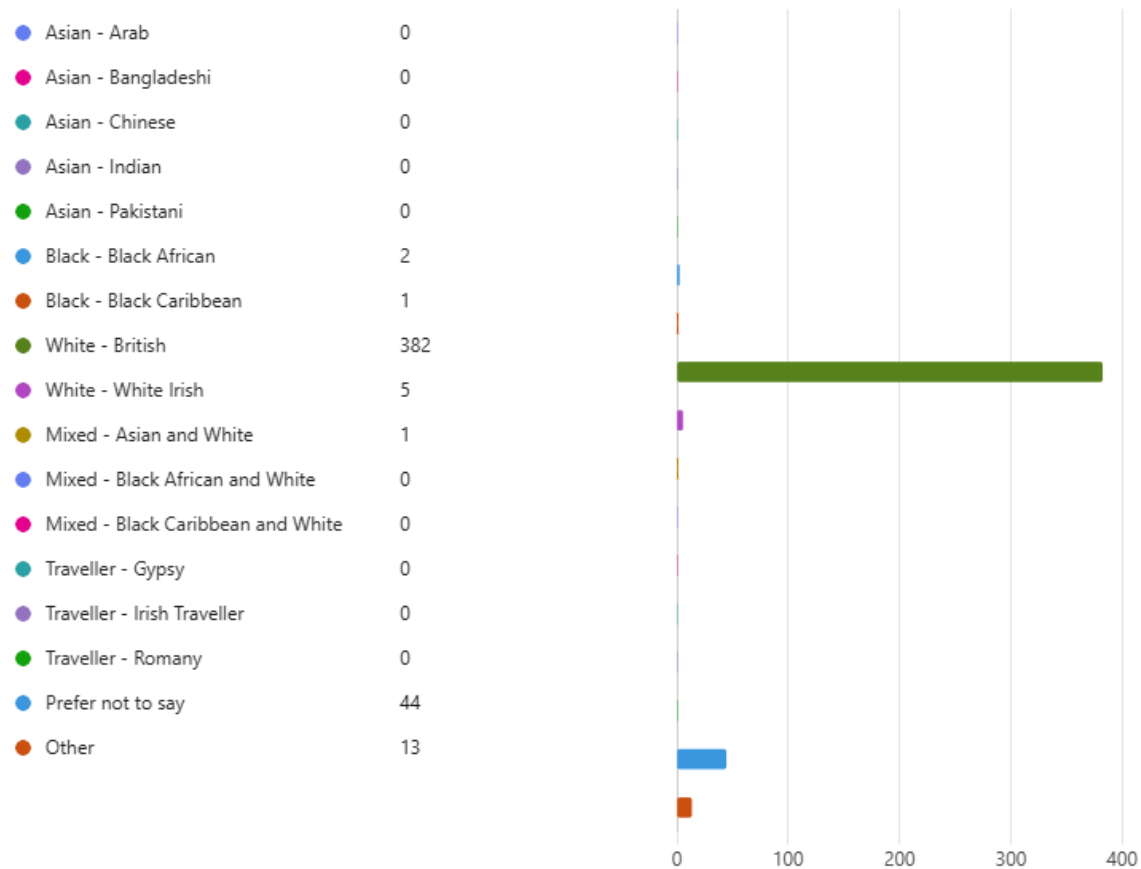
How would you describe yourself?



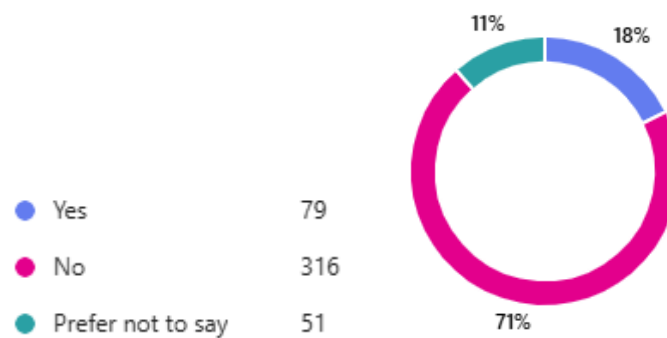
What is your age?



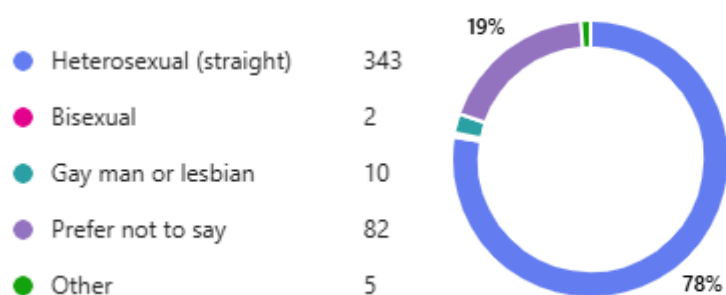
How would you describe your ethnicity?



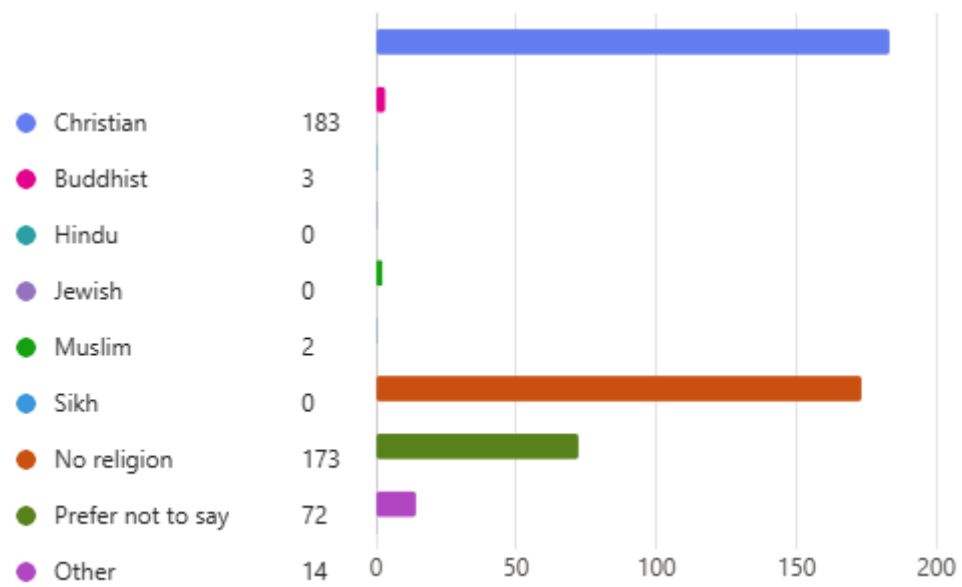
Do you consider yourself to have a disability?



How would you describe your sexual orientation?



How would you describe your religious beliefs?



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	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Housing Services								
Home Inspection for Immigration Application Fee								
Requests received to inspect and provide report on suitability of proposed home in connection with immigration applications	150.33	30.07	180.40	157.08	31.42	188.50	4.49%	Market rate
Staying Put Handyperson Rates								
Hourly rate for a handyperson	14.63	2.93	17.55	15.29	3.06	18.35	4.56%	Market rate
Subsidised hourly rate for a handyperson – client in receipt of benefits	5.42	1.08	6.50	5.83	1.17	7.00	7.69%	Market rate
Private disabled works (household not eligible for Disabled Facilities Grant)	135.17	27.03	162.20	141.25	28.25	169.50	4.50%	Market rate
Disabled Facilities Grant (DFG) fee (statutory % charge)	12.50%			12.50%				Externally set
Alleygate Key								
Fee	19.83	3.97	23.80	20.75	4.15	24.90	4.62%	Market rate
Town Centre Licence								
Licence for large events of 10,000 people or more	495.83	99.17	595.00	518.33	103.67	622.00	4.54%	Market rate
Planning								
Planning Performance Agreements (PPA)								
Central government encourages the use of planning performance agreements (PPA's) for large or complex planning proposals. These are voluntary agreements between us and the applicants which helps to: •bring together the developer, the Local Planning Authority and key stakeholders to work in partnership throughout the planning process •ensure complex proposals progress through the process to mutually-agreed timescales •ensure appropriate resources and expertise are provided to advise on complex proposals •provide greater opportunity for dialogue through the planning process and help deliver high-quality development								Market rate
The cost of the PPA will be calculated based on the complexity and size of the scheme using the relevant officer day rates. Please contact the Planning Department to discuss your requirements and obtain an estimate.								
Amendment fees are also discounted at a rate of 10% for large major and strategic major developments when part of a PPA								
50 to 100 homes or 1,000 to 4,999 sqm commercial floorspace	16,586.00	3,317.20	19,903.20	16,586.00	3,317.20	19,903.20	n/a	Market rate
101 to 199 homes or 5,000 to 9,999 sqm commercial floorspace	23,612.00	4,722.40	28,334.40	23,612.00	4,722.40	28,334.40	n/a	Market rate
200+ homes or 10,000+ sqm commercial floorspace	40,059.00	8,011.80	48,070.80	40,059.00	8,011.80	48,070.80	n/a	Market rate
Pre-application / Pre-decision presentation to Members (this option is only available as part of a PPA in relation to sites of significance)	2,050.00	410.00	2,460.00	2,050.00	410.00	2,460.00	n/a	Market rate
Note. A £1,000 administration fee is included in the fees quoted above								
Pre Application Advice								
Strategic major development (250+ houses or flats)	5,416.67	1,083.33	6,500.00	5,416.67	1,083.33	6,500.00	n/a	Cost recovery
Strategic major development (commercial 10,000 sqm or more)	5,416.67	1,083.33	6,500.00	5,416.67	1,083.33	6,500.00	n/a	Cost recovery
Strategic major development (covers more than 5 hectares)	5,416.67	1,083.33	6,500.00	5,416.67	1,083.33	6,500.00	n/a	Cost recovery
Large major (50-249 houses or flats)	4,495.83	899.17	5,395.00	4,495.83	899.17	5,395.00	n/a	Cost recovery
Large major (commercial between 5,000 to 9,999 sqm)	4,495.83	899.17	5,395.00	4,495.83	899.17	5,395.00	n/a	Cost recovery
Large major (covers between 2.1 to 5 hectares)	4,495.83	899.17	5,395.00	4,495.83	899.17	5,395.00	n/a	Cost recovery
Major (10-49 houses or flats)	2,954.17	590.83	3,545.00	2,954.17	590.83	3,545.00	n/a	Cost recovery
Major (commercial 1,000 to 4,999 sqm)	2,954.17	590.83	3,545.00	2,954.17	590.83	3,545.00	n/a	Cost recovery
Major (covers between 0.51 to 2 hectares)	2,954.17	590.83	3,545.00	2,954.17	590.83	3,545.00	n/a	Cost recovery
Minor (1-9 houses or flats)	824.58	164.92	989.50	823.75	164.75	988.50	n/a	Cost recovery
Minor (commercial less than 1,000 sqm)	824.58	164.92	989.50	824.58	164.92	989.50	n/a	Cost recovery
Minor (covers up to 0.5 hectares)	824.58	164.92	989.50	824.58	164.92	989.50	n/a	Cost recovery
Householder - site visit at officer discretion	300.00	60.00	360.00	300.00	60.00	360.00	n/a	Cost recovery
Heritage & urban design attendance at meeting per hour	216.67	43.33	260.00	216.67	43.33	260.00	n/a	Cost recovery
Listed building (householder) - written advice only	125.00	25.00	150.00	125.00	25.00	150.00	n/a	Cost recovery
Local not-for-profit charities	0.00	0.00	0.00	0.00	0.00	0.00		Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Others not in categories above, charged at an hourly rate	Price on application			Price on application				Cost recovery
Parish Councils, voluntary organisations, national charities or charities that are not 'not-for-profit' will be charged at 50% of the above pre-application advice fee								
Design Review - To be advised at time of request.								
Admin Fee - An admin fee of £75 will be applied to any refund that may have been agreed due to exceptional circumstances								
Advice								
Follow up advice - minor amendments to a proposal following initial advice	Hourly rate - to be calculated on submission and worked out depending on the amendment or can be invoiced after and could be charged at an hourly rate or part thereof			Hourly rate - to be calculated on submission and worked out depending on the amendment or can be invoiced after and could be charged at an hourly rate or part thereof			n/a	Cost recovery
Post decision advice - refusal	50% of relevant pre-app fee			50% of relevant pre-app fee			n/a	Cost recovery
Amendments to the approved scheme	Hourly rate - to be calculated on submission and worked out depending on the amendment or can be invoice after and could be charged at an hourly rate or part thereof			Hourly rate - to be calculated on submission and worked out depending on the amendment or can be invoice after and could be charged at an hourly rate or part thereof			n/a	Cost recovery
Discharge of conditions	Hourly rate - to be calculated on submission and worked out depending on the number of conditions and what they cover or can be invoiced after and could be charged at an hourly rate or part thereof			Hourly rate - to be calculated on submission and worked out depending on the number of conditions and what they cover or can be invoiced after and could be charged at an hourly rate or part thereof			n/a	Cost recovery
Hourly Rates								
Planning Assistant	108.00	0.00	108.00	108.00	0.00	108.00	n/a	Cost recovery
Planning Officer	140.00	0.00	140.00	140.00	0.00	140.00	n/a	Cost recovery
Principal Planner	162.00	0.00	162.00	162.00	0.00	162.00	n/a	Cost recovery
Team Leader	182.00	0.00	182.00	182.00	0.00	182.00	n/a	Cost recovery
Planning Manager	215.00	0.00	215.00	215.00	0.00	215.00	n/a	Cost recovery
Urban Design	260.00	0.00	260.00	260.00	0.00	260.00	n/a	Cost recovery
Heritage	170.00	0.00	170.00	170.00	0.00	170.00	n/a	Cost recovery
Council officers from other departments providing advice such as affordable housing, greenspaces	170.00	0.00	170.00	170.00	0.00	170.00	n/a	Cost recovery
Amendments / Additional information Fee Schedule								
Lawful Development Certificate (existing and proposed) Householder - Householder alterations and extensions only	129.00	0.00	129.00	129.00	0.00	129.00	n/a	Cost recovery
Lawful Development Certificate (existing and proposed) Other - Development involving establishing lawful use of properties	210.00	0.00	210.00	210.00	0.00	210.00	n/a	Cost recovery
Householder - Householder development (affecting a single home) including extension, outbuildings and other works within the property boundary	240.00	0.00	240.00	240.00	0.00	240.00	n/a	Cost recovery
Minor development - includes between 1-9 dwellings, covers up to 0.5 hectares, commercial development less than 1000 square metres	300.00	0.00	300.00	300.00	0.00	300.00	n/a	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Major development - includes between 10-49 dwellings, covers up to 0.51 to 2 hectares, commercial development between 1,001 to 4,999 square meters	600.00	0.00	600.00	600.00	0.00	600.00	n/a	Cost recovery
Large major development - includes 50-249 houses or flats, covers between 2.1 to 5 hectares, commercial development between 5,000 to 9,999 square metres (10% discount when part of a PPA)	750.00	0.00	750.00	750.00	0.00	750.00	n/a	Cost recovery
Strategic major development - includes 250+ houses or flats, covers more than 5 hectares, commercial development of 10,000 square metres or more (10% discount when part of a PPA)	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	n/a	Cost recovery
Listed building consent - development of a listed building including extensions and internal alterations	240.00	0.00	240.00	240.00	0.00	240.00	n/a	Cost recovery
Discharge of conditions - applications for the discharge of planning conditions	210.00	0.00	210.00	210.00	0.00	210.00	n/a	Cost recovery
Advertisements and shopfronts and any other proposals not listed above	210.00	0.00	210.00	210.00	0.00	210.00	n/a	Cost recovery
Planning Photocopying Charges								
	Charges per page			Charges per page				
A4 Blace/white	0.21	0.04	0.25	0.21	0.04	0.25	n/a	Cost recovery
A3 Black/white	0.33	0.07	0.40	0.33	0.07	0.40	n/a	Cost recovery
A2 or larger	4.17	0.83	5.00	4.17	0.83	5.00	n/a	Cost recovery
A4 Colour	2.08	0.42	2.50	2.08	0.42	2.50	n/a	Cost recovery
A3 Colour	3.17	0.63	3.80	3.17	0.63	3.80	n/a	Cost recovery
Biodiversity Net Gain Monitoring Fees								
All development that is not Major development qualifies for Small Sites Metric and results in Significant Biodiversity Gain	5,489.73	0.00	5,489.73	5,489.73	0.00	5,489.73	n/a	Cost recovery
Major developments up to 10 biodiversity units	7,868.71	0.00	7,868.71	7,868.71	0.00	7,868.71	n/a	Cost recovery
Major developments between 11 and 20 biodiversity units	13,596.97	0.00	13,596.97	13,596.97	0.00	13,596.97	n/a	Cost recovery
Major developments over 21 biodiversity units	17,413.72	0.00	17,413.72	17,413.72	0.00	17,413.72	n/a	Cost recovery
Complaints made under the High Hedges Legislation								
Standard fee	511.00	102.20	613.20	534.00	106.80	640.80	4.50%	Cost recovery
Removal of an enforcement notice	0.00	0.00	0.00	90.00	0.00	90.00	n/a	Cost recovery
Planning Portal								
The Planning Portal will be charging a £20 (£16.67 + VAT) service charge payable by applicants on any planning application that attracts a fee. Applications that do not attract a fee will not incur this service charge.								

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Local Land Charges								
Official Searches								
LLC1 only	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
LLC1 only - additional parcel	4.80	0.00	4.80	4.80	0.00	4.80	0.00%	Externally set
Con 29	150.67	30.13	180.80	158.21	31.64	189.85	5.01%	Cost recovery
Con 29 - additional parcel	22.04	4.41	26.45	23.14	4.63	27.77	4.99%	Cost recovery
Standard search (LLC1 & Con29)*	165.67	30.13	195.80	173.21	31.64	204.85	4.62%	Cost recovery
Standard search (LLC1 & Con29) - additional parcel*	26.84	4.41	31.25	27.97	4.63	32.60	4.32%	Cost recovery
Part II enquiry - Con29 questions 4-21	14.88	2.98	17.85	15.63	3.13	18.75	5.04%	Cost recovery
Part II enquiry - Con29 question 22	27.58	5.52	33.10	29.00	5.80	34.80	5.14%	Cost recovery
Additional questions	21.00	4.20	25.20	22.08	4.42	26.50	5.16%	Cost recovery
*VAT applicable only to the Con29 part of the charge.								
Personal Searches								
Enhanced Personal Search								
1.1 (a-l) (Planning)	7.71	1.54	9.25	8.13	1.63	9.75	5.41%	Cost recovery
1.1 (J, K, L) (Building Regulations)	7.71	1.54	9.25	8.13	1.63	9.75	5.41%	Cost recovery
2.1 (b-d)	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.1 Land for public purpose	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.3 Drainage matters	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.5 Railway schemes	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.7 Outstanding Notices	11.04	2.21	13.25	11.63	2.33	13.95	5.28%	Cost recovery
3.8 Building Regulations Contravention	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.9 Enforcement	7.71	1.54	9.25	8.13	1.63	9.75	5.41%	Cost recovery
3.10 CILs	5.25	1.05	6.30	5.54	1.11	6.65	5.56%	Cost recovery
3.12 Compulsory purchase	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.13b Contaminated land	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery
3.13c Contaminated land	3.83	0.77	4.60	4.04	0.81	4.85	5.43%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Environment and Leisure								
Car Parks and Season Tickets								
Short Stay (maximum stay 4 hours) times as advertised at each car park								
Up to 30 minutes	0.67	0.13	0.80	n/a	n/a	n/a	0.00%	Deleted Charge
Up to 1 hour	1.25	0.25	1.50	1.33	0.27	1.60	6.67%	Market rate
Up to 2 hours	2.50	0.50	3.00	2.67	0.53	3.20	6.67%	Market rate
Up to 3 hours	3.75	0.75	4.50	4.00	0.80	4.80	6.67%	Market rate
Up to 4 hours	5.00	1.00	6.00	5.33	1.07	6.40	6.67%	Market rate
Fixed evening fee (7pm - 10pm) where applicable from April 2026.	0.00	0.00	0.00	2.08	0.42	2.50	0.00%	Market rate
Season ticket per quarter (for business only Central car park, Faversham/Forum, Sittingbourne)	258.33	51.67	310.00	275.00	55.00	330.00	6.45%	Market rate
Season ticket refund admin fee	0.00	0.00	0.00	8.33	1.67	10.00	0.00%	Market rate
Electric vehicle parking/charging per kilowatt hour (kWh)	variable	variable	variable	variable	variable	variable		Market rate
Sittingbourne: East Street car park, Albany Service Road car park								
Maximum stay 1 hour (cashless transactions only)	1.25	0.25	1.50	1.33	0.27	1.60	6.67%	Market rate
Bourne Place Multi-Storey Car Park								
The charge is for ALL parking bays including disabled and parent/child bays between 7am and 7pm.								
Patrons of Light Cinema will have free parking all day on Sundays and after 6pm Mon-Sat. Ticket must be validated at the Light before payment at car park machine								
Infinity Fitness users must validate their ticket within the gym to exit the car park.								
Up to 30 minutes	0.67	0.13	0.80	n/a	n/a	n/a	0.00%	Deleted Charge
Up to 1 hour	1.25	0.25	1.50	1.33	0.27	1.60	6.67%	Market rate
Up to 2 hours	2.50	0.50	3.00	2.67	0.53	3.20	6.67%	Market rate
Up to 3 hours	3.75	0.75	4.50	4.00	0.80	4.80	6.67%	Market rate
Up to 4 hours	5.00	1.00	6.00	5.33	1.07	6.40	6.67%	Market rate
Over 4 hours (in one calendar day)	8.75	1.75	10.50	6.67	1.33	8.00	-23.81%	Market rate
Fixed evening fee (7pm - 10pm) where applicable from April 2026.	0.00	0.00	0.00	2.08	0.42	2.50	0.00%	Market rate
Lost ticket	8.75	1.75	10.50	9.33	1.87	11.20	6.67%	Market rate
Season ticket per month	0.00	0.00	0.00	104.17	20.83	125.00	0.00%	Market rate
Season ticket per quarter (subject to a maximum capacity)	258.33	51.67	310.00	275.00	55.00	330.00	6.45%	Market rate
Season ticket per year	0.00	0.00	0.00	958.33	191.67	1,150.00	0.00%	Market rate
Season ticket refund admin fee	0.00	0.00	0.00	8.33	1.67	10.00	0.00%	Market rate
Replacement for lost, stolen or destroyed season tickets	10.83	2.17	13.00	11.67	2.33	14.00	7.69%	Market rate
Travelodge (Preferential rate for hotel guests (for 24 hours))	2.50	0.50	3.00	2.50	0.50	3.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Long Stay Car Parks								
Standard tariff as advertised at each car park								
Up to 30 minutes	0.67	0.13	0.80	n/a	n/a	n/a	0.00%	Deleted Charge
Up to 1 hour	1.25	0.25	1.50	1.33	0.27	1.60	6.67%	Market rate
Up to 2 hours	2.50	0.50	3.00	2.67	0.53	3.20	6.67%	Market rate
Up to 4 hours	5.00	1.00	6.00	5.33	1.07	6.40	6.67%	Market rate
Over 4 hours	6.25	1.25	7.50	6.67	1.33	8.00	6.67%	Market rate
Fixed evening fee (7pm - 10pm) where applicable from April 2026.	0.00	0.00	0.00	2.08	0.42	2.50	0.00%	Market rate
Season ticket per month (long stay car park)	97.50	19.50	117.00	104.17	20.83	125.00	6.84%	Market rate
Season ticket per quarter (long stay car park)	258.33	51.67	310.00	275.00	55.00	330.00	6.45%	Market rate
Season ticket per year (long stay car park)	0.00	0.00	0.00	958.33	191.67	1,150.00	0.00%	Market rate
Season ticket refund admin fee	0.00	0.00	0.00	8.33	1.67	10.00	0.00%	Market rate
Seasonal Car parks - season times as advertised at each car park								
Up to 1 hour	1.25	0.25	1.50	1.33	0.27	1.60	6.67%	Market rate
Up to 2 hours	2.50	0.50	3.00	2.67	0.53	3.20	6.67%	Market rate
Up to 4 hours	5.00	1.00	6.00	5.33	1.07	6.40	6.67%	Market rate
All day (7am - 7pm)	6.25	1.25	7.50	6.67	1.33	8.00	6.67%	Market rate
Fixed evening fee (7pm - 10pm) where applicable from April 2026.	0.00	0.00	0.00	2.08	0.42	2.50	0.00%	Market rate
Parking Other								
All pay and display car parks – closure of parking bays through events or other activities	Price on application dependent on car park location, type of event (commercial – enthusiast – voluntary/community) and local impact			Price on application dependent on car park location, type of event (commercial – enthusiast – voluntary/community) and local impact			n/a	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Residents Only Parking Permits (off street) (5pm-9am evenings, weekends and bank holidays)								
Faversham: Central car park (residents of Cross Lane and Bank Street), Queens Hall (residents of Victoria Place and Dorset Place)								
Sheerness: Albion Place (residents of Harris Road, Portland Terrace and Albion Place), Cross Street (Sheerness town centre residents), Trinity Road (residents of Trinity Road only)								
Per quarter	21.08	4.22	25.30	22.00	4.40	26.40	4.35%	Market rate
Sheerness: Delamark Road car park (residents only).								
Per quarter	15.92	3.18	19.10	16.67	3.33	20.00	4.71%	Market rate
Residents' Parking Permits (on street)								
Per annum (administration charge - no refund)	46.00	0.00	46.00	48.10	0.00	48.10	4.57%	Cost recovery
Visitors permit book (10 days) - for resident permit holders only	11.25	0.00	11.25	11.80	0.00	11.80	4.89%	Cost recovery
Visitors parking permits (per day) - for resident permit holders only	1.10	0.00	1.10	1.10	0.00	1.10	0.00%	Cost recovery
Hourly scratchcards (per hour) - for all others	1.10	0.00	1.10	1.10	0.00	1.10	0.00%	Cost recovery
Hourly scratchcards (per book of 10 hours) - for all others	10.20	0.00	10.20	10.70	0.00	10.70	4.90%	Cost recovery
Business per annum (administration charge - no refund)	46.00	0.00	46.00	48.10	0.00	48.10	4.57%	Cost recovery
Nativity Close (exemption permit concession admin fee - no refund)	30.65	0.00	30.65	32.00	0.00	32.00	4.40%	Cost recovery
Residents/Business/Exemption permit concessions. Replacement permit for lost, stolen or destroyed permits	10.20	0.00	10.20	10.70	0.00	10.70	4.90%	Cost recovery
Dispensation / Waivers								
Maximum 1 day	12.25	0.00	12.25	12.80	0.00	12.80	4.49%	Cost recovery
Maximum 1 week	36.80	0.00	36.80	38.50	0.00	38.50	4.62%	Cost recovery
Maximum 2 weeks	46.00	0.00	46.00	48.10	0.00	48.10	4.57%	Cost recovery
Maximum 1 month	61.30	0.00	61.30	64.10	0.00	64.10	4.57%	Cost recovery
Over 1 month (to a maximum of 3 months) - per month (or part month)	51.10	0.00	51.10	53.40	0.00	53.40	4.50%	Cost recovery
Suspension admin fee	102.20	0.00	102.20	106.80	0.00	106.80	4.50%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Sports Facilities								
Tennis Courts								
Unlit court (hourly rate)	5.17	1.03	6.20	5.33	1.07	6.40	3.23%	Market rate
Court with floodlighting (hourly rate)	7.75	1.55	9.30	7.92	1.58	9.50	2.15%	Market rate
Season ticket (3 court bookings of up to 2 hours per session per week)	34.58	6.92	41.50	35.83	7.17	43.00	3.61%	Market rate
With changing facilities and showers								
- Senior	73.58	14.72	88.30	76.88	15.38	92.25	4.47%	Market rate
- Under 18s	24.54	4.91	29.45	25.67	5.13	30.80	4.58%	Market rate
- Under 16s & mini soccer	18.00	3.60	21.60	18.00	3.60	21.60	0.00%	Market rate
With changing facilities only								
- Senior	61.33	12.27	73.60	64.08	12.82	76.90	4.48%	Market rate
- Under 18s	20.46	4.09	24.55	21.38	4.28	25.65	4.48%	Market rate
- Under 16s & mini soccer	16.75	3.35	20.10	16.75	3.35	20.10	0.00%	Market rate
With no facilities								
- Senior	41.92	8.38	50.30	43.79	8.76	52.55	4.47%	Market rate
- Under 18s	18.21	3.64	21.85	19.04	3.81	22.85	4.58%	Market rate
- Under 16s & mini soccer	11.00	2.20	13.20	11.00	2.20	13.20	0.00%	Market rate
If your booking meets all of the rules below, you can choose to save money and not pay VAT on the booking. VAT exemption rules The booking consists of 10 or more dates. Each booking is for the same sport. Each booking is in the same place. This condition is still met where a different pitch, court or lane is used (or a different number of pitches, courts or lanes). The gap between each session is at least 1 day but not more than 14 days (for a gap to be at least 1 day, 24 hours must elapse between the start of each session). The booking is to be paid for as a whole and there is written evidence to the fact. This must include evidence that payment is to be made in full whether or not the facilities are booked out to a school, club, association or an organisation representing affiliated clubs or constituent associations, such as a local league. The person to whom the facilities are booked has exclusive use of them during the bookings. If you want your booking to be VAT exempt, you must make sure that it meets all of the rules above. Because the rules are given to us by the government, we cannot change them. All bookings must be paid for in full before the start of the booking. You cannot change VAT exempt bookings once they have been paid for, so you must make sure the dates and times are right for you.								
Allotments								
Plots of 10 rods & pro rata	71.55	0.00	71.55	74.75	0.00	74.75	4.47%	Market rate
Plots of 10 rods & pro rata (OAPs/Disabled)	35.75	0.00	35.75	37.35	0.00	37.35	4.48%	Market rate
Refundable keys deposit	5.10	0.00	5.10	5.35	0.00	5.35	4.90%	Market rate
King George's Pavilion & Faversham Rec Community Room								
Main hall/tea room (hourly rate) (minimum hire 1 hour)								
Mon-Sun (9am-midnight)	12.25	0.00	12.25	12.80	0.00	12.80	4.49%	Market rate
Playgroups (per morning)	30.65	0.00	30.65	32.05	0.00	32.05	4.57%	Market rate
Tea room (for children's parties only) & Faversham Rec Ground Community Room (per hour) minimum 1 hour hire	10.20	0.00	10.20	10.65	0.00	10.65	4.41%	Market rate
Caretaking services – set up and clear away: standard tables and/or chairs	12.75	0.00	12.75	13.30	0.00	13.30	4.31%	Market rate
Refundable deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	Market rate
Bank Holidays, New Year's Eve	Double the standard rate			Double the standard rate			n/a	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Cemeteries Burial Fees								
<i>Includes Exclusive Right of Burial for 50 years, Interment, Memorial & Re-inscription Permits</i>								
1 st Burial Sittingbourne, Faversham & Murston	2,760.00	0.00	2,760.00	2,885.00	0.00	2,885.00	4.53%	Market rate
1 st Burial Sheppey and Iwade	2,530.00	0.00	2,530.00	2,645.00	0.00	2,645.00	4.55%	Market rate
1 st Burial if no use of previously purchased grave Sittingbourne, Faversham & Murston	1,380.00	0.00	1,380.00	1,440.00	0.00	1,440.00	4.35%	Market rate
1 st Burial if no use of previously purchased grave Sheppey	1,110.00	0.00	1,110.00	1,150.00	0.00	1,150.00	3.60%	Market rate
2 nd Burial Sittingbourne, Faversham & Murston	1,110.00	0.00	1,110.00	1,150.00	0.00	1,150.00	3.60%	Market rate
2 nd Burial Sheppey and Iwade	920.00	0.00	920.00	960.00	0.00	960.00	4.35%	Market rate
3 rd Burial Sittingbourne, Faversham & Murston	920.00	0.00	920.00	960.00	0.00	960.00	4.35%	Market rate
Extended right of burial extension – 10 years	280.00	0.00	280.00	292.00	0.00	292.00	4.29%	Market rate
Extended right of burial extension – 20 years	560.00	0.00	560.00	584.00	0.00	584.00	4.29%	Market rate
Extended right of burial extension – 30 years	840.00	0.00	840.00	876.00	0.00	876.00	4.29%	Market rate
Extended right of burial extension – 40 years	1,110.00	0.00	1,110.00	1,157.00	0.00	1,157.00	4.23%	Market rate
Cremated Remains (all sites)								
<i>(includes Exclusive Rights to Burial for 50 years, Interment, Memorial & Re-inscription Permit)</i>								
1 st Burial	745.00	0.00	745.00	780.00	0.00	780.00	4.70%	Market rate
1 st Burial (where no use has been made of previously purchased grave)	275.00	0.00	275.00	285.00	0.00	285.00	3.64%	Market rate
2 nd Burial	275.00	0.00	275.00	285.00	0.00	285.00	3.64%	Market rate
3 rd Burial	275.00	0.00	275.00	285.00	0.00	285.00	3.64%	Market rate
4 th Burial	275.00	0.00	275.00	285.00	0.00	285.00	3.64%	Market rate
Burial of loose ashes	140.00	0.00	140.00	145.00	0.00	145.00	3.57%	Market rate
Extended right of burial extension – 10 years	98.00	0.00	98.00	100.00	0.00	100.00	2.04%	Market rate
Extended right of burial extension – 20 years	190.00	0.00	190.00	200.00	0.00	200.00	5.26%	Market rate
Extended right of burial extension – 30 years	290.00	0.00	290.00	300.00	0.00	300.00	3.45%	Market rate
Extended right of burial extension – 40 years	380.00	0.00	380.00	400.00	0.00	400.00	5.26%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Child Burial								
Under 18 years of age	Covered by Children's Funeral Fund for England. Subject to criteria.			Covered by Children's Funeral Fund for England. Subject to criteria.				
Ancillary Services								
Issue of letter of confirmation where deed is lost	77.00	0.00	77.00	80.00	0.00	80.00	3.90%	Market rate
Use of chapel in Sittingbourne	110.00	0.00	110.00	115.00	0.00	115.00	4.55%	Market rate
Use of chapel in Faversham	150.00	0.00	150.00	160.00	0.00	160.00	6.67%	Market rate
Turfed grave	At cost			At cost			n/a	Market rate
Transfer of deed ownership	77.00	0.00	77.00	80.00	0.00	80.00	3.90%	Market rate
Record search & certificate (each grave)	39.00	0.00	39.00	41.00	0.00	41.00	5.13%	Market rate
Extra cost of large coffin or casket (measuring 30 inches or more)	104.00	0.00	104.00	104.00	0.00	104.00	0.00%	Market rate
Exhumation of coffin	2,860.00	0.00	2,860.00	2,990.00	0.00	2,990.00	4.55%	Market rate
Exhumation of cremated remains	385.00	0.00	385.00	400.00	0.00	400.00	3.90%	Market rate
Other services (vatable)	At cost			At cost			n/a	Market rate
Non-residents of Swale (not living in Swale at time of death or have not been a resident of Swale for at least 15 consecutive years) required to pay double the costs set out above (except child burials)								
Memorial Bench (Seafronts & Green Space, Excludes Cemeteries)								
Memorial bench with basic installation	995.83	199.17	1,195.00	1,041.67	208.33	1,250.00	4.60%	Market rate
Memorial bench with concrete installation	1,245.83	249.17	1,495.00	1,300.00	260.00	1,560.00	4.35%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Travelling Fairs								
Pitch premium for days open to the public only (per day)	1,125.00	0.00	1,125.00	1,175.00	0.00	1,175.00	4.44%	Market rate
Pitch premium for days open to the public only (per day) Local Operator	375.00	0.00	375.00	390.00	0.00	390.00	4.00%	Market rate
Use of Council Land – Travelling Fairs								
On site fee payable whether or not open to the public (per day) (including arrival and departure days)	74.00	0.00	74.00	77.50	0.00	77.50	4.73%	Market rate
On site fee payable whether or not open to the public (per day) (including arrival and departure days) Local Operator	24.50	0.00	24.50	25.50	0.00	25.50	4.08%	Market rate
Refundable deposit	751.00	0.00	751.00	785.00	0.00	785.00	4.53%	Market rate
Use of Council Land – Travelling Shows								
On site fee for days open to the public	250.50	0.00	250.50	262.00	0.00	262.00	4.59%	Market rate
On site fee payable when not open to the pubic (including arrival and departure days)	74.00	0.00	74.00	74.00	0.00	74.00	0.00%	Market rate
Refundable deposit	751.00	0.00	751.00	785.00	0.00	785.00	4.53%	Market rate
Use of Council Land – Events								
On site fee for small commercial events – day usage of open space	255.50	0.00	255.50	267.00	0.00	267.00	4.50%	Market rate
On site fee for large commercial events – day usage of open space	Price on application			Price on application			n/a	Market rate
On site fee for enthusiast event – day usage of open space	128.00	0.00	128.00	134.00	0.00	134.00	4.69%	Market rate
On site fee for community/voluntary event – day usage of open space	0.00			0.00			0.00%	Market rate
Refundable deposit	250.50	0.00	250.50	262.00	0.00	262.00	4.59%	Market rate
Beach Hut Charges								
Locations at Minster Leas and Leysdown								
Ground rental – beach hut owned	550.00	0.00	550.00	570.00	0.00	570.00	3.64%	Market rate
Annual rental	1,333.33	266.67	1,600.00	1,375.00	275.00	1,650.00	3.13%	Market rate
Weekly rental	100.00	20.00	120.00	104.17	20.83	125.00	4.17%	Market rate
Refundable keys deposit	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Market rate
Transfer of an owned beach hut licence	A fee of three times the ground rent or 10% of the sale value whichever is greatest			A fee of three times the ground rent or 10% of the sale value whichever is greatest			n/a	Market rate
Purchase of beach hut	Market price			Market price			n/a	Market rate
Access Over Open Space Licence								
Used for residential properties requiring access over our land to undertake works/deliveries etc.								
Standard fee	87.00	0.00	87.00	91.00	0.00	91.00	4.60%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Traffic Regulation Order Applications								
<i>On application (yellow lines and changes to existing orders - advice and scheme design)</i>								
Small (1-30 properties consulted)	1,360.00	0.00	1,360.00	1,400.00	0.00	1,400.00	2.94%	Market rate
Medium (31-50 properties consulted)	1,600.00	0.00	1,600.00	1,650.00	0.00	1,650.00	3.13%	Market rate
Large (51+ properties consulted)	2,000.00	0.00	2,000.00	2,060.00	0.00	2,060.00	3.00%	Market rate
<i>On application (loading bays, single bays)</i>								
Small (1-30 consultations)	650.00	0.00	650.00	670.00	0.00	670.00	3.08%	Market rate
Medium (31-50 consultations)	1,000.00	0.00	1,000.00	1,030.00	0.00	1,030.00	3.00%	Market rate
Large (51+ consultations)	1,350.00	0.00	1,350.00	1,400.00	0.00	1,400.00	3.70%	Market rate
<i>TRO drafted (yellow lines and changes to existing orders)</i>								
All size consultations	660.00	0.00	660.00	680.00	0.00	680.00	3.03%	Market rate
<i>TRO drafted (loading bays, single bays)</i>								
All size consultations	340.00	0.00	340.00	350.00	0.00	350.00	2.94%	Market rate
<i>Formal objections received and reported to Swale Joint Transportation Board</i>								
All size consultations	330.00	0.00	330.00	350.00	0.00	350.00	6.06%	Market rate
<i>Progress/implement TRO (yellow lines and changes to existing orders)</i>								
Small (1-30 consultations)	650.00	0.00	650.00	680.00	0.00	680.00	4.62%	Market rate
Medium (31-50 consultations)	800.00	0.00	800.00	830.00	0.00	830.00	3.75%	Market rate
Large (51+ consultations)	950.00	0.00	950.00	980.00	0.00	980.00	3.16%	Market rate
<i>Progress/implement scheme (loading bays, single bays)</i>								
Small (1-30 consultations)	140.00	0.00	140.00	150.00	0.00	150.00	7.14%	Market rate
Medium (31-50 consultations)	140.00	0.00	140.00	150.00	0.00	150.00	7.14%	Market rate
Large (51+ consultations)	140.00	0.00	140.00	150.00	0.00	150.00	7.14%	Market rate
<i>Fixed Fee for including new or amended waiting restrictions into planned TRO</i>								
Inclusion of new or amended waiting restrictions into Traffic Regulation Order	1,400.00	0.00	1,400.00	1,500.00	0.00	1,500.00	7.14%	Market rate
White Bar Markings								
Installation of new white bar marking across vehicle crossing	158.33	31.67	190.00	166.67	33.33	200.00	5.26%	Market rate
Re-painting existing white bar marking across vehicle crossing	133.33	26.67	160.00	141.67	28.33	170.00	6.25%	Market rate
Installation of Advisory Bays on Private Lane (e.g. Disabled Bay in Housing Association Car Park)								
Installation of Advisory Parking Bay on Private Land	125.00	0.00	125.00	150.00	0.00	150.00	20.00%	Market rate
Street Naming & Numbering								
Changing or requesting new property (up to and including 4 units)	95.00	0.00	95.00	95.00	0.00	95.00	0.00%	Cost recovery
New street name	186.00	0.00	186.00	186.00	0.00	186.00	0.00%	Cost recovery
New street developments per property/unit (4 or more properties/units, first 4 charged at full price)	65.00	0.00	65.00	65.00	0.00	65.00	0.00%	Cost recovery
Provision of historical information relating to street naming & numbering	40.00	0.00	40.00	40.00	0.00	40.00	0.00%	Cost recovery
Changing street name	870.00	0.00	870.00	870.00	0.00	870.00	0.00%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Garden Waste Subscription (brown bins – domestic)								
Fortnightly collection of garden waste (excluding Christmas where service is suspended for 2 weeks). Fee includes hire of bin. Price is per annum	62.00	0.00	62.00	62.00	0.00	62.00	0.00%	Market rate
Garden waste new/replacement wheeled bin admin fee	0.00	0.00	0.00	10.00	0.00	10.00	0.00%	Market rate
Bulky Waste Collections								
Charge covers up to 4 bulky items. If white goods, charge covers only one item.	33.20	0.00	33.20	34.70	0.00	34.70	4.52%	Market rate
Additional surcharge for upholstered item	0.00	0.00	0.00	6.00	0.00	6.00	0.00%	Market rate
Clinical Waste Collection								
Residents receive up to 2 free collections per annum then any subsequent collections will be charged at the following rates per collection	3.60	0.00	3.60	3.80	0.00	3.80	5.56%	Cost recovery
Wheeled Bins for new developments								
Wheeled bins 140 litre	49.00	0.00	49.00	51.20	0.00	51.20	4.49%	Cost recovery
Wheeled bins 180 litre	55.40	0.00	55.40	57.90	0.00	57.90	4.51%	Cost recovery
Wheeled bins 240 litre	55.40	0.00	55.40	57.90	0.00	57.90	4.51%	Cost recovery
Wheeled bins 1,100 litre	537.50	0.00	537.50	561.70	0.00	561.70	4.50%	Cost recovery
Food waste container 23 litre	12.90	0.00	12.90	13.50	0.00	13.50	4.65%	Cost recovery
Kitchen caddy 5 litre	6.50	0.00	6.50	6.80	0.00	6.80	4.62%	Cost recovery
Bin repairs	15.50	0.00	15.50	16.00	0.00	16.00	3.23%	Market rate
Replacement domestic 180 litre or 240 litre refuse or recycling bin if damaged, lost or stolen (unless damaged during emptying by contractor). This fee includes delivery of new bin and removal/ disposal of old bin.	32.70	0.00	32.70	34.20	0.00	34.20	4.59%	Market rate
Note: Wheeled bins are non-vatable when supplied directly to a householder for domestic/household waste								
Additional Litter Bins (each)								
145 litre galvanised (fee does not include emptying the bin)	541.67	108.33	650.00	565.83	113.17	679.00	4.46%	Market rate
Annual emptying cost	168.00	0.00	168.00	176.00	0.00	176.00	4.76%	Cost recovery
Bin Store Clearance								
Per occasion	204.00	0.00	204.00	213.00	0.00	213.00	4.41%	Market rate
Wheeled Bins for Community Events								
Provision of wheeled bins for events (cost per occasion) – delivery/ collection charge	125.00	0.00	125.00	131.00	0.00	131.00	4.80%	Market rate
Wheeled bin hire (cost per bin)	16.00	0.00	16.00	16.50	0.00	16.50	3.13%	Market rate
Servicing of bins during event	Price on application			Price on application			0.00%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Radar Key for Disabled Toilets								
Fee	3.50	0.00	3.50	3.50	0.00	3.50	0.00%	Market rate
Environmental – Fixed Penalty Notices (FPN)								
Fly tipping (level 1)* - single item or black bag, no criteria from level 2 met	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Fly tipping (level 2) - multiple items, or multiple locations, or hazardous waste, or blocking access, or specialist equipment required to clear any item	1,000.00	0.00	1,000.00	1000.00	0.00	1,000.00	0.00%	Externally set
Littering (level 1)** - single item of litter e.g. cigarette butt, no criteria from level 2 met	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Littering (level 2) - repeated offence, multiple items, littering from vehicles, hazardous waste, littering into a watercourse	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
Householders/Commercial duty of care – lack of care in disposal of waste*	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Refuse left out inappropriately	80.00	0.00	80.00	80.00	0.00	80.00	0.00%	Externally set
Graffiti	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Fly posting	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Waste carrier offences	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Failure to comply with a Community Protection Notice	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Breach of any Public Space Protection Orders (PSPOs)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
*Reduced to £450 if paid in full within 14 days								
**Reduced to £150 if paid in in full within 14 days								

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Animal Welfare Licensing								
The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 came into force on 1 October 2018. Charges have been calculated using the Local Government Association guidance document on locally set licence fees ('Open for Business').								
Part A - Covers the application and authorisation process.								
Part B - Is the cost for administering and enforcing the legislative framework.								
Boarding in Kennels for Dogs, Boarding for Cats, Day Care for Dogs, Home Boarding for Dogs, Breeding Dogs and Selling Animals as Pets								
(This fee applies to both arranging the provision of accommodation for other people's dogs and/or host families where dogs are boarded within the Borough.)								
Part A ¹	269.00	0.00	269.00	282.00	0.00	282.00	4.83%	Cost recovery
Part B								
1 Star and 2 Star establishments - 1 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals (i.e. fish, reptiles, cats, dogs etc)).	217.00	0.00	217.00	227.00	0.00	227.00	4.61%	Cost recovery
1 Star and 2 Star establishments - 1 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches)	238.00	0.00	238.00	249.00	0.00	249.00	4.62%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals).	360.00	0.00	360.00	376.00	0.00	376.00	4.44%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches).	396.00	0.00	396.00	414.00	0.00	414.00	4.55%	Cost recovery
5 Star establishments - 3 year licence (Boarders up to 50 dogs; Breeders with 1 - 5 breeding bitches; Pet shops with up to 3 groups of animals).	505.00	0.00	505.00	528.00	0.00	528.00	4.55%	Cost recovery
5 Star establishments - 3 year licence (Boarders with 51 or more dogs; Breeders with 6 or more breeding bitches).	555.00	0.00	555.00	580.00	0.00	580.00	4.50%	Cost recovery
Charge for each additional 'group' of animals being sold as pets (i.e. fish, reptiles, dogs, cats etc)	31.00	0.00	31.00	32.00	0.00	32.00	3.23%	Cost recovery
Hiring of Horses								
Part A ¹	269.00	0.00	269.00	282.00	0.00	282.00	4.83%	Cost recovery
Part B								
1 Star and 2 Star establishments - 1 year licence (1 - 10 horses) ³	217.00	0.00	217.00	227.00	0.00	227.00	4.61%	Cost recovery
1 Star and 2 Star establishments - 1 year licence (11 or more horses) ³	238.00	0.00	238.00	249.00	0.00	249.00	4.62%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (1 - 10 horses) ²	360.00	0.00	360.00	376.00	0.00	376.00	4.44%	Cost recovery
3 Star and 4 Star establishments - 2 year licence (11 or more horses) ²	396.00	0.00	396.00	414.00	0.00	414.00	4.55%	Cost recovery
5 Star establishments - 3 year licence (1 - 10 horses) ²	505.00	0.00	505.00	528.00	0.00	528.00	4.55%	Cost recovery
5 Star establishments - 3 year licence (11 or more horses) ²	555.00	0.00	555.00	580.00	0.00	580.00	4.50%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Keeping or Training Animals for Exhibition								
Part A								
For a 3 year licence ¹	270.00	0.00	270.00	282.00	0.00	282.00	4.44%	Cost recovery
Part B								
For a 3 year licence ³	505.00	0.00	505.00	528.00	0.00	528.00	4.55%	Cost recovery
Dangerous Wild Animal Licence								
Part A								
For a 2 year licence ¹	269.00	0.00	269.00	282.00	0.00	282.00	4.83%	Cost recovery
Part B								
For a 2 year licence ³	360.00	0.00	360.00	376.00	0.00	376.00	4.44%	Cost recovery
Zoo Licence								
(Please discuss your application with the Animal Control Officer prior to applying for a licence.)								
Part A								
For a 4 year licence ²	1,215.00	0.00	1,215.00	1,269.00	0.00	1,269.00	4.44%	Cost recovery
Part B								
For a 4 year licence ³	670.00	0.00	670.00	700.00	0.00	700.00	4.48%	Cost recovery
¹ Plus vet fees based upon an hourly rate (including travel time)								
² Plus vet fees for an initial inspection based upon an hourly rate (including travel time)								
³ Plus annual vet fees based upon an hourly rate (including travel time)								
Other Charges								
Licence renewals	charged as new applications			charged as new applications				
Request for re-inspection (for all licences) (plus vet fees if applicable)	114.50	0.00	114.50	119.50	0.00	119.50	4.37%	Cost recovery
Requests for Variations								
Administration amendment only	43.40	0.00	43.40	45.40	0.00	45.40	4.61%	Cost recovery
Inspector visit (if required) (additional to administration charge)	72.00	0.00	72.00	75.00	0.00	75.00	4.17%	Cost recovery
Vet fees	hourly rate plus travel time			hourly rate plus travel time				
Stray Dog Collection								
Statutory charge as per legislation	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Additional fee for collecting/returning stray dogs	43.00	0.00	43.00	45.00	0.00	45.00	4.65%	Market rate
Out of hours additional fee for collecting/ returning stray dogs	55.00	0.00	55.00	57.00	0.00	57.00	3.64%	Market rate
Transport fee for returning dog to owner after a kennel stay	37.00	0.00	37.00	39.00	0.00	39.00	5.41%	Market rate
Kennel stay fee per night	26.00	0.00	26.00	27.00	0.00	27.00	3.85%	Market rate
*If we are unable to return a dog to the owner straight away and the dog is taken to the kennels, then the dog owner will be charged the cost of kennelling the dog.								

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Environmental Health								
Food Export Certificate								
For businesses already in receipt of Export Health Certificate (EHC) issued by Swale BC	149.00	0.00	149.00	156.00	0.00	156.00	4.70%	Market rate
For new businesses applying for export certificates	310.00	0.00	310.00	326.00	0.00	326.00	5.16%	Market rate
Admin charge for changes to certificate	31.00	0.00	31.00	33.00	0.00	33.00	6.45%	Market rate
Sampling associated with Export Health Certificates (per hour)	74.17	14.83	89.00	77.50	15.50	93.00	4.49%	Market rate
EHC for transit to destination country	43.00	0.00	43.00	45.00	0.00	45.00	4.65%	Market rate
Voluntary Surrender of Food								
Charge for food unfit for human consumption or unsuitable for sale	254.00	0.00	254.00	267.00	0.00	267.00	5.12%	Cost recovery
Chartered Institute of Environmental Health (CIEH) Level 2 Award Training in Food Safety in Catering								
Food Hygiene Rating Scheme								
Fee to food businesses for re-inspection and re-scoring	210.00	0.00	210.00	210.00	0.00	210.00	0.00%	Market rate
Food Business Advice								
Food hygiene advice (per hour)	89.00	0.00	89.00	93.00	0.00	93.00	4.49%	Market rate
Registration Fee under the Local Government (Miscellaneous Provision) Act (Relates to establishments offering cosmetic piercing, electrolysis, tattooing or acupuncture)								
Standard fee	362.00	0.00	362.00	380.00	0.00	380.00	4.97%	Cost recovery
Supplementary treatment registration fee (for additional beauty treatment registration inspection either at or after initial registration)	66.00	0.00	66.00	69.00	0.00	69.00	4.55%	Cost recovery
Tattoo and Beauty Treatment Events (falling within the Local Government (Miscellaneous Provisions) Act)	228.00	0.00	228.00	239.00	0.00	239.00	4.82%	Cost recovery
Tattoo and Beauty Treatment Event charge for Artists (new artist registrations)	36.00	0.00	36.00	38.00	0.00	38.00	5.56%	Cost recovery
Requests for Environmental Information (e.g. Contaminated land)								
Charge per hour	22.50	4.50	27.00	28.00	0.00	28.00	3.70%	Market rate
Requests for Enhanced Environmental Information for Contaminated Land and Professional Opinion								
Charge per hour	74.17	14.83	89.00	93.00	0.00	93.00	4.49%	Market rate
Charges for photocopying apply at 10p per page plus postage								
Pre-Application Consultation for Environmental Health Advice for Acoustics, Air Quality, Contaminated Land Assessments								
Charge per hour	74.17	14.83	89.00	93.00	0.00	93.00	4.49%	Market rate
Private Water Supplies Regulations 2016 & 2018 Amendments								
Risk assessment (hourly rate)	74.17	14.83	89.00	93.00	0.00	93.00	4.49%	Market rate
Sampling (hourly rate)	74.17	14.83	89.00	77.50	15.50	93.00	4.49%	Market rate
Investigation (hourly rate)	74.17	14.83	89.00	93.00	0.00	93.00	4.49%	Market rate
Derogation request	74.17	14.83	89.00	93.00	0.00	93.00	4.49%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Housing & Community Services								
Taxi Licensing								
Vehicle licence for 1 year	290.00	0.00	290.00	290.00	0.00	290.00	0.00%	Cost recovery
Private Hire operator licence valid for 5 years	430.00	0.00	430.00	430.00	0.00	430.00	0.00%	Cost recovery
Licence and plate for temporary hire vehicle	40.00	0.00	40.00	40.00	0.00	40.00	0.00%	Cost recovery
Knowledge test – initial	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Cost recovery
Knowledge test – re-sit	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Cost recovery
Dual / Private Hire Drivers Badge for 1 year (for medical or over 70 years of age)	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Cost recovery
Upgrade Private Hire Drivers Badge to a Dual Badge	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Cost recovery
Dual / Private Hire Drivers Badge for 3 years	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Cost recovery
Non-refundable plate fee (plate number only issued once)	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Cost recovery
Replacement plate	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Cost recovery
Change of address	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Change of ownership licensed vehicle	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Cost recovery
Dual / Private Hire Drivers badge replacement	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Replacement paper licence certificate	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Cost recovery
Change of vehicle on an existing plate	80.00	0.00	80.00	80.00	0.00	80.00	0.00%	Cost recovery
Street Trading Licensing								
Annual consents (not events)	155.00	0.00	155.00	162.00	0.00	162.00	4.52%	Market rate
6 month consents (not events)	77.50	0.00	77.50	81.00	0.00	81.00	4.52%	Market rate
One off consent	11.00	0.00	11.00	11.00	0.00	11.00	0.00%	Market rate
Assistants Badge	18.00	0.00	18.00	19.00	0.00	19.00	5.56%	Market rate
Gambling Licensing								
New Applications/Applications for Provisional Statement								
Small casino	8,000.00	0.00	8,000.00	8,000.00	0.00	8,000.00	0.00%	Externally set
Large casino	10,000.00	0.00	10,000.00	10,000.00	0.00	10,000.00	0.00%	Externally set
Bingo club	3,500.00	0.00	3,500.00	3,500.00	0.00	3,500.00	0.00%	Externally set
Betting premises	3,000.00	0.00	3,000.00	3,000.00	0.00	3,000.00	0.00%	Externally set
Tracks	2,500.00	0.00	2,500.00	2,500.00	0.00	2,500.00	0.00%	Externally set
Family entertainment centres	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Adult gaming centre	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Temporary use notice	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
Licence Applications (Provisional Statement Holders)								
Small casino	3,000.00	0.00	3,000.00	3,000.00	0.00	3,000.00	0.00%	Externally set
Large casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centre	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Annual Fee								
Small casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Large casino	10,000.00	0.00	10,000.00	10,000.00	0.00	10,000.00	0.00%	Externally set
Bingo club	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Betting premises	600.00	0.00	600.00	600.00	0.00	600.00	0.00%	Externally set
Tracks	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Family entertainment centres	750.00	0.00	750.00	750.00	0.00	750.00	0.00%	Externally set
Adult gaming centre	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Application to Vary								
Small casino	4,000.00	0.00	4,000.00	4,000.00	0.00	4,000.00	0.00%	Externally set
Large casino	5,000.00	0.00	5,000.00	5,000.00	0.00	5,000.00	0.00%	Externally set
Bingo club	1,750.00	0.00	1,750.00	1,750.00	0.00	1,750.00	0.00%	Externally set
Betting premises	1,500.00	0.00	1,500.00	1,500.00	0.00	1,500.00	0.00%	Externally set
Tracks	1,250.00	0.00	1,250.00	1,250.00	0.00	1,250.00	0.00%	Externally set
Family entertainment centres	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Adult gaming centre	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
Copy licence	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Notification of change	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Application to Transfer a Licence								
Small casino	1,800.00	0.00	1,800.00	1,800.00	0.00	1,800.00	0.00%	Externally set
Large casino	2,150.00	0.00	2,150.00	2,150.00	0.00	2,150.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centres	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Application for Re-instatement								
Small casino	1,800.00	0.00	1,800.00	1,800.00	0.00	1,800.00	0.00%	Externally set
Large casino	2,150.00	0.00	2,150.00	2,150.00	0.00	2,150.00	0.00%	Externally set
Bingo club	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Betting premises	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Tracks	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Family entertainment centres	950.00	0.00	950.00	950.00	0.00	950.00	0.00%	Externally set
Adult gaming centre	1,200.00	0.00	1,200.00	1,200.00	0.00	1,200.00	0.00%	Externally set
Sex Establishment Licensing (sex shop, sex cinema and sex encounter venue)								
Application fee and 1 st licence	5,380.00	0.00	5,380.00	5,620.00	0.00	5,620.00	4.46%	Market rate
Annual licence renewal	835.00	0.00	835.00	873.00	0.00	873.00	4.55%	Market rate
Application to vary	965.00	0.00	965.00	1,010.00	0.00	1,010.00	4.66%	Market rate
Transfer of licence	37.00	0.00	37.00	39.00	0.00	39.00	5.41%	Market rate
Duplicate licence	18.50	0.00	18.50	19.50	0.00	19.50	5.41%	Market rate

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Scrap Metal Dealers Licensing								
Site licence	578.00	0.00	578.00	604.00	0.00	604.00	4.50%	Cost recovery
Site licence renewal	552.50	0.00	552.50	577.40	0.00	577.40	4.51%	Cost recovery
Collections licence, grant or renewal	270.00	0.00	270.00	282.00	0.00	282.00	4.44%	Cost recovery
Variation – collector to site	93.00	0.00	93.00	97.00	0.00	97.00	4.30%	Cost recovery
Variation – site to collector	68.00	0.00	68.00	71.00	0.00	71.00	4.41%	Cost recovery
Variation (minor administration, such as change of address)	43.50	0.00	43.50	45.50	0.00	45.50	4.60%	Cost recovery
Change of site manager	130.00	0.00	130.00	136.00	0.00	136.00	4.62%	Cost recovery
Pleasure Boat Licence								
Licence	178.50	0.00	178.50	186.50	0.00	186.50	4.48%	Market rate
Pavement Licence								
Application Fee	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
Renewal Fee	350.00	0.00	350.00	350.00	0.00	350.00	0.00%	Externally set
CCTV Services								
Swale Radio Link Annual Charge								
Charities	150.00	30.00	180.00	150.00	30.00	180.00	0.00%	Market rate
Independent Businesses	200.00	40.00	240.00	200.00	40.00	240.00	0.00%	Market rate
Large Organisation	350.00	70.00	420.00	350.00	70.00	420.00	0.00%	Market rate
Third Party Service Charges								
Insurance Company Footage Review	75.83	15.17	91.00	79.17	15.83	95.00	4.40%	Market rate
CCTV Services which may include design, installation, monitoring, maintenance, upgrades and decommissioning	Price on application			Price on application			n/a	Market rate
Legal								
Legal Charges for Third Parties								
Hourly rate (no VAT)	277.00	0.00	277.00	289.00	0.00	289.00	4.33%	Market rate
Hourly rate (when VAT applicable)	276.67	55.33	332.00	289.17	57.83	347.00	4.52%	Market rate
Note: VAT may be chargeable depending on the nature of the transaction. VAT is not payable in relation to most income (as most income is S106 related, which derives from a statutory function) but VAT is payable in certain circumstances, e.g. charging for provision of extra copies of documents.								
Revenues & Benefits								
Council Tax liability orders	67.50	0.00	67.50	70.50	0.00	70.50	4.44%	Cost recovery
Council Tax summons	48.50	0.00	48.50	50.50	0.00	50.50	4.12%	Cost recovery
Business rates liability order	67.50	0.00	67.50	70.50	0.00	70.50	4.44%	Cost recovery
Business rates summons	48.50	0.00	48.50	50.50	0.00	50.50	4.12%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Property								
Room Hire of Swale House								
Non-Commercial								
Council chamber (half day)	89.17	17.83	107.00	93.33	18.67	112.00	4.67%	Market rate
Council chamber (full day)	148.75	29.75	178.50	155.42	31.08	186.50	4.48%	Market rate
Committee room (half day)	59.58	11.92	71.50	62.08	12.42	74.50	4.20%	Market rate
Committee room (full day)	89.17	17.83	107.00	93.33	18.67	112.00	4.67%	Market rate
Assembly room (half day)	45.00	9.00	54.00	46.67	9.33	56.00	3.70%	Market rate
Assembly room (full day)	74.58	14.92	89.50	77.92	15.58	93.50	4.47%	Market rate
Commercial								
Council chamber (half day)	178.33	35.67	214.00	186.67	37.33	224.00	4.67%	Market rate
Council chamber (full day)	297.50	59.50	357.00	310.83	62.17	373.00	4.48%	Market rate
Committee room (half day)	119.17	23.83	143.00	124.17	24.83	149.00	4.20%	Market rate
Committee room (full day)	178.33	35.67	214.00	186.67	37.33	224.00	4.67%	Market rate
Assembly room (half day)	89.17	17.83	107.00	93.33	18.67	112.00	4.67%	Market rate
Assembly room (full day)	148.75	29.75	178.50	155.42	31.08	186.50	4.48%	Market rate
Landlord's Consent Fee								
Assignments, subletting, charging *	432.50	86.50	519.00	451.67	90.33	542.00	4.43%	Market rate
Alterations *	432.50	86.50	519.00	451.67	90.33	542.00	4.43%	Market rate
Commercial wayleaves / easements*	945.83	189.17	1,135.00	988.33	197.67	1,186.00	4.49%	Market rate
Parking space licences	204.17	40.83	245.00	213.33	42.67	256.00	4.49%	Market rate
* VAT is only applicable if the rent is subject to VAT.								

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
FEES AND CHARGES SET NATIONALLY BY THE GOVERNMENT								
Housing								
Houses in Multiple Occupation Licensing								
New Application								
Non-accredited landlord	857.00	0.00	857.00	896.00	0.00	896.00	4.55%	Cost recovery
Accredited landlord	728.00	0.00	728.00	761.00	0.00	761.00	4.53%	Cost recovery
Renewal of Application								
Non-accredited landlord	671.00	0.00	671.00	701.00	0.00	701.00	4.47%	Cost recovery
Accredited landlord	571.00	0.00	571.00	597.00	0.00	597.00	4.55%	Cost recovery
Mobile Home Site Licence Fee								
New Mobile Home Site Licence Application Fee								
1-5 mobile homes on site	186.00	0.00	186.00	194.00	0.00	194.00	4.30%	Cost recovery
6-24 mobile homes on site	255.00	0.00	255.00	266.00	0.00	266.00	4.31%	Cost recovery
25-99 mobile homes on site	324.00	0.00	324.00	339.00	0.00	339.00	4.63%	Cost recovery
100+ mobile homes on site	372.00	0.00	372.00	389.00	0.00	389.00	4.57%	Cost recovery
Annual Mobile Home Site Inspection Fee								
Relevant sites occupied solely by owners and family members	No charge		No charge		No charge			Cost recovery
1-5 mobile homes on site	No charge		No charge		No charge			Cost recovery
6-24 mobile homes on site	208.60	0.00	208.60	218.00	0.00	218.00	4.51%	Cost recovery
25-99 mobile homes on site	249.80	0.00	249.80	261.00	0.00	261.00	4.48%	Cost recovery
100+ mobile homes on site	301.60	0.00	301.60	315.20	0.00	315.20	4.51%	Cost recovery
Fee to Transfer or Amend Mobile Home Site Licence								
Transfer or amend mobile home site licence	156.90	0.00	156.90	164.00	0.00	164.00	4.53%	Cost recovery
Fee for the Deposit of Mobile Home Site Rules								
Deposit of mobile home site rules	221.10	0.00	221.10	231.00	0.00	231.00	4.48%	Cost recovery
Smoke and Carbon Monoxide Regulations 2015								
Fine level progresses to maximum fine permitted (1st offence £1,500, 2nd £2,500, 3rd £5,000)								
Penalty charge for non-compliance of Smoke or CO Alarm Regulations	5,406.00	0.00	5,406.00	5,649.00	0.00	5,649.00	4.50%	Cost recovery
The Redress Scheme for Lettings Agency Work & Management Work Order 2014								
Fine level progresses to maximum fine permitted (1st offence £2,500, 2nd £5,000)								
Penalty charge for non-compliance of Redress Scheme for Letting Agents Order	5,406.00	0.00	5,406.00	5,649.00	0.00	5,649.00	4.50%	Cost recovery

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Non-Compliance with Minimum Energy Standards in Private Rented Properties								
Breaching the ban on letting a property with an F or G rating for less than 3 months (Statutory Maximum £2,000)								
First offence £1,000 (or £750 if paid within 21 days)	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Breaching the ban on letting a property with an F or G rating for more than three months (Statutory Maximum £4,000)								
First offence £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
All other offences £4,000 (or £3,000 if paid within 21 days)	4,000.00	0.00	4,000.00	4,000.00	0.00	4,000.00	0.00%	Externally set
Registering false or misleading information on the Private Rented Sector Exemptions Register (Statutory Maximum £1,000)								
First offence £500 (or £375 if paid within 21 days)	500.00	0.00	500.00	500.00	0.00	500.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Failing to provide information to the council demanded by a Compliance Notice (Statutory Maximum £2,000)								
First offence £1,000 (or £750 if paid within 21 days)	1,000.00	0.00	1,000.00	1,000.00	0.00	1,000.00	0.00%	Externally set
All other offences £2,000 (or £1,500 if paid within 21 days)	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	0.00%	Externally set
Planning								
Planning Fees	The full details of current Planning fees can be found https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf							
Environmental Health								
Pollution Prevention Control (PPC)								
A2 Process Application Fees								
A2 New application	3,363.00	0.00	3,363.00	3,363.00	0.00	3,363.00	0.00%	Externally set
Additional fee for operating without a permit (A2 and Standard Part B)	1,188.00	0.00	1,188.00	1,188.00	0.00	1,188.00	0.00%	Externally set
A2 Process Subsistence Fees								
A2 Low	1,447.00	0.00	1,447.00	1,447.00	0.00	1,447.00	0.00%	Externally set
A2 Medium	1,610.00	0.00	1,610.00	1,610.00	0.00	1,610.00	0.00%	Externally set
A2 High	1,747.00	0.00	1,747.00	1,747.00	0.00	1,747.00	0.00%	Externally set
A2 Low (E-PRTR)	1,551.00	0.00	1,551.00	1,551.00	0.00	1,551.00	0.00%	Externally set
A2 Medium (E-PRTR)	1,715.00	0.00	1,715.00	1,715.00	0.00	1,715.00	0.00%	Externally set
A3 High (E-PRTR)	2,438.00	0.00	2,438.00	2,438.00	0.00	2,438.00	0.00%	Externally set
Part B Process Application Fees								
Part B (Standard Process)	1,650.00	0.00	1,650.00	1,650.00	0.00	1,650.00	0.00%	Externally set
Part B Standard Process Subsistence Fees								
Part B Subsistence low	772.00	0.00	772.00	772.00	0.00	772.00	0.00%	Externally set
Part B Subsistence medium	1,161.00	0.00	1,161.00	1,161.00	0.00	1,161.00	0.00%	Externally set
Part B Subsistence high	1,747.00	0.00	1,747.00	1,747.00	0.00	1,747.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Part B Reduced Fee Application Fees (including car re-sprayers)								
Reduced fee application fee	362.00	0.00	362.00	362.00	0.00	362.00	0.00%	Externally set
Part B Reduced Fee Subsistence Fees (including car re-sprayers)								
Reduced fee subsistence low	228.00	0.00	228.00	228.00	0.00	228.00	0.00%	Externally set
Reduced fee subsistence medium	365.00	0.00	365.00	365.00	0.00	365.00	0.00%	Externally set
Reduced fee subsistence high	548.00	0.00	548.00	548.00	0.00	548.00	0.00%	Externally set
Petrol Vapour Recovery I and Dry Cleaners Application Fees								
PVR I & DC New Application	155.00	0.00	155.00	155.00	0.00	155.00	0.00%	Externally set
Petrol Vapour Recovery I and Dry Cleaners Subsistence Fees								
PVR I and DC subsistence fees low	79.00	0.00	79.00	79.00	0.00	79.00	0.00%	Externally set
PVR I and DC subsistence fees medium	158.00	0.00	158.00	158.00	0.00	158.00	0.00%	Externally set
PVR I and DC subsistence fees high	237.00	0.00	237.00	237.00	0.00	237.00	0.00%	Externally set
Petrol Vapour Recovery I & II Combined Application Fees								
PVR I & II Application Fees	257.00	0.00	257.00	257.00	0.00	257.00	0.00%	Externally set
Petrol Vapour Recovery I & II Combined Subsistence Fees								
PVR I & II Subsistence low	113.00	0.00	113.00	113.00	0.00	113.00	0.00%	Externally set
PVR I & II Subsistence medium	226.00	0.00	226.00	226.00	0.00	226.00	0.00%	Externally set
PVR I & II Subsistence high	341.00	0.00	341.00	341.00	0.00	341.00	0.00%	Externally set
Part B Mobile Concrete Crusher Plant – Application Fee per Number of Permits								
1 – 2	1,650.00	0.00	1,650.00	1,650.00	0.00	1,650.00	0.00%	Externally set
3 – 7	985.00	0.00	985.00	985.00	0.00	985.00	0.00%	Externally set
8 or more	498.00	0.00	498.00	498.00	0.00	498.00	0.00%	Externally set
Part B Mobile Concrete Crusher Plant – Subsistence Fee per Number of Permits								
1 – 2 Low	626.00	0.00	626.00	626.00	0.00	626.00	0.00%	Externally set
1 – 2 Medium	1,034.00	0.00	1,034.00	1,034.00	0.00	1,034.00	0.00%	Externally set
1 – 2 High	1,551.00	0.00	1,551.00	1,551.00	0.00	1,551.00	0.00%	Externally set
3 – 7 Low	385.00	0.00	385.00	385.00	0.00	385.00	0.00%	Externally set
3 – 7 Medium	617.00	0.00	617.00	617.00	0.00	617.00	0.00%	Externally set
3 – 7 High	924.00	0.00	924.00	924.00	0.00	924.00	0.00%	Externally set
8 or over Low	198.00	0.00	198.00	198.00	0.00	198.00	0.00%	Externally set
8 or over Medium	316.00	0.00	316.00	316.00	0.00	316.00	0.00%	Externally set
8 or over High	473.00	0.00	473.00	473.00	0.00	473.00	0.00%	Externally set
Late Payment of Subsistence Fee								
All Permits	52.00	0.00	52.00	52.00	0.00	52.00	0.00%	Externally set
Operating without a Permit Fee								
Reduced Fee Activities	71.00	0.00	71.00	71.00	0.00	71.00	0.00%	Externally set
Standard Part B and A2	1,188.00	0.00	1,188.00	1,188.00	0.00	1,188.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Electoral Services								
Purchase of Electoral Register								
Full Register and the Notices of Alteration								
Hard copies (standard charge) plus charge (a) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(a) charge for each 1,000 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (b) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(b) charge for each 1,000 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
List of Overseas Electors								
Hard copies (standard charge) plus charge (c) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(c) charge per 100 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (d) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(d) charge per 100 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
Open (Edited) Register								
<i>(Available for purchase by anyone)</i>								
Hard copies (standard charge) plus charge (e) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(e) charge per 1,000 entries	5.00	0.00	5.00	5.00	0.00	5.00	0.00%	Externally set
Data format (standard charge) plus charge (f) below	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
(f) charge per 1,000 entries	1.50	0.00	1.50	1.50	0.00	1.50	0.00%	Externally set
Marked Polling Station and Absent Voter Registers								
Hard copies (standard charge) plus charge (g) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(g) charge per 1,000 entries	2.00	0.00	2.00	2.00	0.00	2.00	0.00%	Externally set
Data format (standard charge) plus charge (h) below	10.00	0.00	10.00	10.00	0.00	10.00	0.00%	Externally set
(h) charge per 1,000 entries	1.00	0.00	1.00	1.00	0.00	1.00	0.00%	Externally set
Housing and Community Services								
Liquor Licensing								
Main Application Fees for Premises and Personal Liquor Licensing								
Rateable Value B and A	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Rateable Value B and B	190.00	0.00	190.00	190.00	0.00	190.00	0.00%	Externally set
Rateable Value B and C	315.00	0.00	315.00	315.00	0.00	315.00	0.00%	Externally set
Rateable Value B and D	450.00	0.00	450.00	450.00	0.00	450.00	0.00%	Externally set
Rateable Value B and E	635.00	0.00	635.00	635.00	0.00	635.00	0.00%	Externally set
Main Annual Charge for Premises and Personal Liquor Licensing								
Rateable Value B and A	70.00	0.00	70.00	70.00	0.00	70.00	0.00%	Externally set
Rateable Value B and B	180.00	0.00	180.00	180.00	0.00	180.00	0.00%	Externally set
Rateable Value B and C	295.00	0.00	295.00	295.00	0.00	295.00	0.00%	Externally set
Rateable Value B and D	320.00	0.00	320.00	320.00	0.00	320.00	0.00%	Externally set
Rateable Value B and E	350.00	0.00	350.00	350.00	0.00	350.00	0.00%	Externally set
Personal licence for alcohol	37.00	0.00	37.00	37.00	0.00	37.00	0.00%	Externally set
Personal licence change	10.50	0.00	10.50	10.50	0.00	10.50	0.00%	Externally set
Premises licence change	23.00	0.00	23.00	23.00	0.00	23.00	0.00%	Externally set
Transfers	23.00	0.00	23.00	23.00	0.00	23.00	0.00%	Externally set
Temporary events	21.00	0.00	21.00	21.00	0.00	21.00	0.00%	Externally set
Register of interests	21.00	0.00	21.00	21.00	0.00	21.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Licensed Premises Gaming Machine Permit								
Grant	150.00	0.00	150.00	150.00	0.00	150.00	0.00%	Externally set
Existing operator grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Transfer	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Annual fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Licenses Premises Automatic Notification Process								
On notification	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Club Gaming Permits								
Grant	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Grant (Club Premises Certificate holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Renewal fee	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Renewal (Club Premises Certificate Holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Annual Fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Club Machine Permits								
Grant	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Grant (Club Premises Certificate holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Variation	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Renewal fee	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Renewal (Club Premises Certificate Holder)	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Annual Fee	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Family Entertainment Centre Gaming Machine Permits								
Application fee	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Renewal fee	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Transitional application fee	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Prize Gaming Permits								
Grant	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Renewal	300.00	0.00	300.00	300.00	0.00	300.00	0.00%	Externally set
Existing Operator Grant	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Change of name	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
Copy of permit	15.00	0.00	15.00	15.00	0.00	15.00	0.00%	Externally set
Annual Fee	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
Small Lottery Registration								
Grant	40.00	0.00	40.00	40.00	0.00	40.00	0.00%	Externally set
Annual Fee	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set

	2025/26			2026/27			Increase	Fee Structure
	Charge	VAT 20%	Total Charge	Charge	VAT 20%	Total Charge		
	£	£	£	£	£	£		
Environment & Leisure								
Civil Parking Enforcement - Penalty Charge Notices (rate depends on offence)								
Lower Penalty System								
Up to 14 Days	25.00	0.00	25.00	25.00	0.00	25.00	0.00%	Externally set
14 days to 56 days	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
57 days to 70 days	75.00	0.00	75.00	75.00	0.00	75.00	0.00%	Externally set
After 70 days	82.00	0.00	82.00	82.00	0.00	82.00	0.00%	Externally set
Higher Penalty System								
Up to 14 days	35.00	0.00	35.00	35.00	0.00	35.00	0.00%	Externally set
14 days to 56 days	70.00	0.00	70.00	70.00	0.00	70.00	0.00%	Externally set
57 days to 70 days	105.00	0.00	105.00	105.00	0.00	105.00	0.00%	Externally set
After 70 days	112.00	0.00	112.00	112.00	0.00	112.00	0.00%	Externally set
Environmental Fixed Penalty Notices								
Anti Idling (failure to turn off engine once requested to do so)	20.00	0.00	20.00	20.00	0.00	20.00	0.00%	Externally set
Abandoning a vehicle	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Repairing vehicles on a road (or) exposing vehicles for sale on a road	100.00	0.00	100.00	100.00	0.00	100.00	0.00%	Externally set
Smoking in a smoke free premises or vehicle	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
Failure to display no smoking signs in smoke free premises or vehicle	200.00	0.00	200.00	200.00	0.00	200.00	0.00%	Externally set
Smoking in an enclosed vehicle carrying a person under 18	50.00	0.00	50.00	50.00	0.00	50.00	0.00%	Externally set
¹ Increases to £40 if not paid within 28 days								
² Reduced to £30.00 if paid within 15 days								
³ Reduced to £150.00 if paid within 15 days								
Building Control								
Building Safety Levy - charge per square meter of chargeable floorspace								
Charge to be introduced from October 2026								
Previously developed land	0.00	0.00	0.00	15.86	0.00	15.86	New 26/27	Externally set
Non-previously developed land	0.00	0.00	0.00	31.72	0.00	31.72	New 26/27	Externally set

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Growth assumptions 2026/27	2026/27	2027/28	2028/29	2029/30
Assumptions previously agreed	963,300	1,345,000	1,500,000	0
Utility increases	360,300	(340,000)	0	0
Increased cost of services	147,360	(35,000)	0	0
Increased cost of capital	11,000	158,000	0	0
Staffing costs	447,200	(108,800)	0	0
Reduction in garden waste subscriptions	50,000	0	0	0
Unachievable income targets	44,830	(48,000)	0	0
Pay and inflation	66,459	150,000	100,000	0
Member pension costs	65,000	0	0	0
Systems & cost of cloud hosting	175,000	0	0	0
Homelessness	20,000	0	0	0
Professional services	162,850	(40,000)	0	0
Non achievement of savings	100,000	0	0	0
LGR costs	110,000	0	0	0
Capital Financing	158,000	0	0	0
Building maintenance provision	50,000	0	0	0
Planning appeal provision	200,000	(200,000)	0	0
Meeting Security	125,000	(50,000)	0	0
Cost of election canvass	40,000	0	0	0
Postage cost increases	25,000	0	0	0
Local Government Reorganisation costs	100,000	0	0	0
Council Tax Deficit	30,000	0	0	0
Total Growth	3,451,299	831,200	1,600,000	0

Savings Assumptions 2026/27	2026/27	2027/28	2028/29	2029/30
Assumptions previously agreed	25,000	(410,000)	(200,000)	0
Public Toilet Review	(100,000)	0	0	0
Staff saving	(20,000)	20,000	0	0
Efficiency and Service Review	(162,686)	0	0	0
Pension Revaluation	(312,000)	0	0	0
External Grant Review	(20,000)	(30,000)	0	0
Reprofile Borrowing Costs	(250,000)	250,000	0	0
Pay and Inflation	(596,000)	0	0	0
Total savings	(1,435,686)	(170,000)	(200,000)	0

Income assumptions 2026/27	2026/27	2027/28	2028/29	2029/30
Assumptions previously agreed	(243,295)	(67,033)	0	0
Building Control Income	(5,000)	0	0	0
Planning Income	(10,000)	0	0	0
Car Park Income	(317,000)	0	0	0
Waste Income	(31,800)	0	0	0
Cost Recovery	(7,000)	0	0	0
Investment Income	(150,000)	150,000	0	0
Additional Income	(56,500)	0	0	0
Settlement/Grants	893,085	0	0	0
Continuation of grants 26/27	(1,888,000)	0	0	0
Total income	(1,815,510)	82,967	0	0

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Estimated Use of Reserves 2025/26 - 2028/29									
	Balance 2024/25	Est use 2025/26	Balance 2025/26	Est use 2026/27	Balance 2026/27	Est use 2027/28	Balance 2027/28	Est use 2028/29	Balance 2028/29
General Fund Balance	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)	0	(3,103,000)
Earmarked Reserves									
Building Maintenance Fund	(774,704)	70,000	(704,704)	70,000	(634,704)	70,000	(564,704)	70,000	(494,704)
Repair & Replacement Reserves	(691,679)	110,000	(581,679)	175,000	(406,679)	50,000	(356,679)	(65,000)	(421,679)
Civil Parking Enforcement Reserve	(87,704)	25,000	(62,704)	28,397	(34,307)	0	(34,307)	0	(34,307)
General Reserve A/C	(466,418)	141,910	(324,508)	150,000	(174,508)	150,000	(24,508)	24,508	0
Local Plan Reserve	(413,548)	227,600	(185,948)	155,000	(30,948)	30,948	0	0	0
Stay Put Grants Reserve	(87,894)	0	(87,894)	0	(87,894)	0	(87,894)	0	(87,894)
Staffing costs Reserve	(292,199)	0	(292,199)	50,000	(242,199)	50,000	(192,199)	150,000	(42,199)
Homeless/Housing Reserve	(77,729)	25,000	(52,729)	25,000	(27,729)	0	(27,729)	0	(27,729)
Council Tax/Housing Benefits Reserve	(870,836)	350,000	(520,836)	30,778	(490,058)	0	(490,058)	490,058	0
Waste & Street Cleansing Reserve	(1,281,911)	179,000	(1,102,911)	131,000	(971,911)	81,000	(890,911)	890,911	0
Business Rates Volatility Reserve	(4,161,198)	740,000	(3,421,198)	2,150,000	(1,271,198)	1,200,000	(71,198)	0	(71,198)
Electoral Registration Reserve	(50,000)	(25,000)	(75,000)	(25,000)	(100,000)	100,000	0	(25,000)	(25,000)
Preceptors CT Support Reserve	(225,520)	0	(225,520)	0	(225,520)	0	(225,520)	225,520	0
Financial Services Reserve	(160,000)	110,000	(50,000)	0	(50,000)	0	(50,000)	0	(50,000)
Kent Pool Economic Development Business Rates Reserve	(2,943,445)	(100,000)	(3,043,445)	1,500,000	(1,543,445)	602,000	(941,445)	0	(941,445)
Housing & Commercial Growth Business Rates Fund	(950,502)	150,000	(800,502)	800,502	0	0	0	0	0
Environmental Initiatives Reserve	(193,512)	45,000	(148,512)	45,000	(103,512)	45,000	(58,512)	45,000	(13,512)
Heritage Strategy Reserve	(110,902)	0	(110,902)	0	(110,902)	0	(110,902)	0	(110,902)
Visitor Economy Strategy Reserve	(127,556)	127,556	0	0	0	0	0	0	0
Covid Recovery	0	0	0	0	0	0	0	0	0
Budget Contingency Reserve	(1,052,329)	(703,652)	(1,755,981)	(2,610,000)	(4,365,981)	1,492,000	(2,873,981)	842,658	(2,031,323)
Other earmarked reserves	(1,583,582)	554,463	(1,029,119)	136,959	(892,160)	20,000	(872,160)	548,344	(323,816)
Total Earmarked (Excl General Fund)	(16,603,169)	2,026,878	(14,576,291)	2,812,636	(11,763,655)	3,890,948	(7,872,708)	3,197,000	(4,675,708)
Total earmarked plus general fund	(19,706,169)	2,026,878	(17,679,291)	2,812,636	(14,866,655)	3,890,948	(10,975,708)	3,197,000	(7,778,708)
Ring Fenced/accounting/collection fund									
Collection fund & grants in advance	(174,371)	50,000	(124,371)	61,377	(62,994)	30,000	(32,994)	32,994	0
Accounting adjustments & smoothing	(432,324)	1,000	(431,324)	0	(431,324)	300,000	(131,324)	0	(131,324)
	(606,695)	51,000	(555,695)	61,377	(494,318)	330,000	(164,318)	32,994	(131,324)

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Detailed Revenue Budget Proposals

Appendix II

Service	2025/26	Growth	Savings	Income Changes	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	817	250	0	0	1,067	1,057	1,057	1,057
Communications & Policy	377	0	0	0	377	377	377	377
Elections, Democratic Services & Information Governance	1,195	281	0	0	1,476	1,436	1,436	1,436
Housing & Community	5,085	112	(53)	773	5,917	5,997	6,064	6,064
Planning	1,402	(517)	(14)	(48)	823	474	474	474
Environment & Leisure	9,454	1,473	(638)	(362)	9,927	9,059	8,859	8,859
Regeneration & Economic Development	(464)	232	(67)	(51)	(350)	(390)	(390)	(390)
Finance & Procurement	778	75	(5)	0	848	848	848	848
MKS Revenues & Benefits	540	125	0	49	713	713	713	713
MKS Environmental Health	687	23	0	0	710	710	710	710
MKS Information Technology	1,453	217	0	0	1,670	1,670	1,670	1,670
MKS Internal Audit	166	7	0	0	173	173	173	173
MKS Human Resources	649	21	0	0	670	670	670	670
MKS Legal	722	128	0	0	850	850	850	850
Corporate Overheads & Capital Financing	3,543	(89)	(450)	0	3,004	3,562	3,562	3,562
Collection Fund Surplus/Deficit	45	30	0	0	75	75	75	75
Pay & Inflation	12	1,008	(208)	0	812	2,380	3,980	5,480
Fees & Charges	0	0	0	0	0	0	0	0
Sub Total Base Budget	26,460	3,376	(1,436)	360	28,761	29,660	31,127	32,627
Grants								
Drainage Board	1,037	34	0	0	1,071	1,071	1,071	1,071
Contribution to Reserves	15	41	0	0	56	56	56	56
Contribution from Reserves	0	0	0	0	0	0	0	0
Uncertain Government Grants	0	0	0	0	0	0	0	0
Use of Business Rates Pool Reserve	(855)	0	0	855	0	0	0	0
Cumulative Savings Required	(677)	(3,451)	1,436	2,152	(540)	(2,174)	(3,172)	(4,204)
Grants								
Revenue Support Grant	(362)	0	0	(7,700)	(8,062)	(7,948)	(7,791)	(7,791)
Extended Producer Responsibility Grant	(1,349)	0	0	0	(1,349)	(1,349)	(1,349)	(1,349)
Business Rates - Gross	(12,104)	0	0	4,785	(7,319)	(7,489)	(7,664)	(7,664)
Services Grant	0	0	0	0	0	0	0	0
New Homes Bonus	(988)	0	0	988	0	0	0	0
Funding Guarantee Grant	0	0	0	0	0	0	0	0
National Insurance Contribution Grant	(200)	0	0	200	0	0	0	0
Adjustment Support Grant	0	0	0	(1,223)	(1,223)	0	0	0
Recovery Grant	(539)	0	0	0	(539)	(539)	(539)	(539)
Council Tax requirement	10,439	0	0	417	10,857	11,289	11,740	12,208

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Council Meeting	
Meeting Date	18 February 2026
Report Title	Treasury Management Strategy 2026/27
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Claire Stanbury, Head of Finance and Procurement Olga Cole, Management Accountant
Classification	Open
Recommendations	1. That Full Council approve the Treasury Management Strategy 2026/27 and the Prudential and Treasury Management Indicators.

1. Purpose of Report and Executive Summary

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

2. External Context

- 2.1 **Economic background:** The most significant impacts on the Council's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues.
- 2.2 The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

- 2.3 Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.
- 2.4 CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall, to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.
- 2.5 The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% while regular pay was 4.6%.
- 2.6 **Credit outlook:** Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.
- 2.7 While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on the council's treasury management advisor's (Arlingclose) counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

3. Background

Interest Rate Forecast and Market Outlook

- 3.1 **Interest rate forecast (22nd December 2025):** Arlingclose, the Council's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.

- 3.2 Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

- 3.3 For the purpose of setting the 2026/27 budget, it has been assumed that new treasury investments will be made at an average rate of 3.38%, and that new short-term loans will be borrowed at an average rate of 4.50%.
- 3.4 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then an assessment of savings will be made with a view to transferring an appropriate amount to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years, or to smooth the impact of investment valuation losses. Transfers to reserves will be brought before the Policy and Resources Committee for approval.

Borrowing Strategy

- 3.5 **Objective:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 3.6 The Council currently holds £12 million of loans, as part of its strategy for funding previous years' capital programmes. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £74 million.
- 3.7 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates have fallen over the past year, and are expected to fall a little further, and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators, see below.

- 3.8 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal/short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.9 The Council may also consider forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a "cost of carry" in the intervening period. In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 3.10 **Sources of Borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB Lending facility (formerly the Public Works Loan Board)
 - National Wealth Fund Ltd (formerly UK Infrastructure Bank Ltd)
 - Any institution approved for investments
 - Any bank, building society or insurance company authorised to operate in the UK
 - Any other UK public sector body
 - UK public and private sector pension funds (except the Kent Pension Fund)
 - Capital market bond investors
 - Retail investors via a regulated peer-to-peer platform
 - Special purpose companies created to enable local authority bond issues.
- 3.11 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- Leasing
 - Hire Purchase
 - Private Finance Initiative
 - Sale and Leaseback
 - Similar Asset Based Finance

3.12 The Council has the following loans outstanding:

Counterparty	Start Date	Maturity Date	Rate	Principal Outstanding £
Spelthorne Borough Council	02/04/25	02/04/26	4.80%	2,000,000
Tamworth Borough Council	10/04/25	10/04/26	4.82%	3,000,000
Ashfield District Council	07/05/25	07/05/26	4.80%	3,000,000
Ashfield District Council	08/07/25	08/07/26	4.28%	2,000,000
Amber Valley Borough Council	01/09/25	01/09/26	4.25%	2,000,000
Total Borrowing				12,000,000

Capital Programme

- 3.13 The capital program contains a number of projects that will need to be funded from borrowing. The anticipated breakdown of capital funding is detailed in Appendix I. The Director of Resources has delegation to make borrowing decisions as and when required to ensure best value is obtained and risks are minimised.
- 3.14 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see information below).
- 3.15 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years. As we currently do not have any long-term loans, this is unlikely to be applicable to 2026-27.

Treasury Investment Strategy

- 3.16 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £9.7 and £34 million, with an average balance of £22.6 million, and levels are expected to be maintained in the forthcoming year.

- 3.17 **Objectives:** The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 3.18 The Council largely uses Money Market Funds and the Debt Management office for short-term investments. The only long-term investment remains the £3 million in the Church, Charities and Local Authorities (CCLA) Property Fund.
- 3.19 **Strategy:** As demonstrated by the liability benchmark below, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 3.20 The CIPFA Code doesn't permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 3.21 **Environmental, Social and Governance Policy (ESG):** ESG considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 3.22 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and Procurement and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury management activity are presented to the Audit Committee. The Audit Committee is responsible for scrutinising treasury management decisions.
- 3.23 **Business models:** Under the International Financial Reporting Standard (IFRS) 9 the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

3.24 **Approved Counterparties:** The Council could make use of the following counterparties for both Treasury and Non Treasury investments, with applicable limits set out in paragraph 4.1 of this report:

Treasury Investments	
UK Government	Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years
Local Authorities and other Government entities	Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk The counterparty limit for loans to local authorities will be increased to an unlimited amount where (a) the government has announced that this Council will merge with the borrowing council and (b) the loan is scheduled to be repaid after the expected date of the merger.
Secured investments	Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits, and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments. A higher limit applies for investments fully secured on UK or other government collateral.
Banks and Building Societies (unsecured)	Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
Registered Providers (unsecured)	Loans to, and bonds issued or guaranteed by, registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing in England. As providers of public services, they retain the likelihood of receiving government support if needed.
Money Market Funds	Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled Funds	Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
Real Estate Investment Trusts	Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
Other Investments	This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
Operational Bank Accounts	The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £500,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
Non-Treasury Investments	
Non-Treasury Investments	The Council invests in property in the borough and will, where there are opportunities, consider further investment, where this is primarily related to the functions of the Council such as service delivery and regeneration. However, the Council will not borrow to invest primarily for financial return.

- 3.25 The Council will retain the CCLA property fund and keep the remaining monies primarily in Money Market Funds and the Debt Management Account Deposit Facility (DMADF) (an investment facility operated by the UK Government) or other counterparties in table 4.1. The Head of Finance and Procurement does not believe that investing in equity or bond funds is advisable at the current time, given equity market valuations and the impact on bond investments. This will be reviewed as market conditions develop.
- 3.26 Currently the Council makes no direct investments in equities or corporate bonds. If this changed in the year the Head of Finance and Procurement will ensure that investments are consistent with the Council's health and climate change objectives.
- 3.27 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made;
 - any existing investments that can be recalled or sold at no cost will be; and,

- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

- 3.28 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel, rather than an imminent change of rating.
- 3.29 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 3.30 The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.
- 3.31 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall, but will protect the principal sum invested.
- 3.32 The Council currently has the following Investments:

Counterparty	Average Rate %	Balance Invested at 31 December 2025 £’000
Aberdeen Standard Money Market Fund	4.75	3,000
Black Rock Money Market Fund	3.87	3,000
DWS (Deutsche) Money Market Fund	3.80	2,678
Goldman Sachs Money Market Fund	3.84	2,150
Invesco Money Market Fund	3.90	3,000
Morgan Stanley Money Market Fund	3.84	3,000
State Street MMF	3.82	3,000
CCLA Property Fund	4.26	3,000
Total Investments		22,828

- 3.33 The definition of investments in CIPFA's revised Codes now covers all the financial assets of the Council, as well as other non-financial assets which the Council holds primarily for financial return.
- 3.34 The Council has not made, and will not make, any direct commercial investments outside of the Borough. Capital funds will be used for the benefit of local residents.
- 3.35 At 31 March 2025 the Council held £3.984 million of longstanding investments in 11 directly owned properties within the borough. These investments generated £254,000 of investment income for the Council in 2024/25 after taking account of direct costs, representing a rate of return of 6.38%. No significant change in this Investment is anticipated in 2026/27.
- 3.36 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments carry similar risks to the Council and are included here for completeness.
- 3.37 The loans made by the Council are shown below:

	31 March 2025
	£'000
Housing repair loans	1,598
Rent Deposit Scheme	290
Opportunities for Sittingbourne Limited	118
Other debtors	44
Total	2,050

- 3.38 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, a loss allowance is calculated for each debt reflecting the statistical likelihood that the debtor will be unable to meet their contractual commitments to the Council, which for 2024/25 was £201,000. The loss allowance has been calculated by reference to the Council's historic experience of default. In addition, to mitigate risk, all debts have to be managed in accordance with the Council's Financial Regulations.
- 3.39 The most significant loans shown are the Housing Repair Loans which are loans for private sector housing home adaptations – landlords and owner-occupiers can apply for a loan for adaptations that will enable them to stay in their own homes. The risk relating to these loans is low as they are a charge of the property and are repayable when a property is sold.

4. Proposal

- 4.1 **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Counterparty	Time Limit	Cash Limits
The UK Government	50 years	Unlimited
Local Authorities and other government entities	25 years	£3m
Secured Investments – government collateral	25 years	£3m in aggregate
Secured Investments – other collateral *	10 years	£3m in aggregate
Banks / Building Societies unsecured deposits*	13 months	£3m
Registered providers (unsecured) *	5 years	£3m in aggregate
Money Market Funds*	n/a	£4m each
Strategic Pooled Funds	n/a	£3m each
CCLA Property Fund	n/a	£3m
Other Investments *	5 years	£3m in aggregate
Non treasury investments	As per credit advice	To be agreed on a case by case basis

This table must be read in conjunction with the notes below, and the details in the table in paragraph 3.24 of this report.

Time limits: These start on the earlier of date that the Council is committed to make the investment and the date that cash is transferred to the counterparty

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

- 4.2 The Director of Resources in consultation with the Chair of Policy and Resources committee may consider longer duration depending on market conditions.
- 4.3 The Council may also purchase property for investment purposes, but the Council will not borrow to invest primarily for financial return. The Council may also make loans and investments for service purposes, for example in shared ownership housing, as loans to local businesses and landlords, or as equity investments and loans to the Council's owned companies, in line with existing policies and where there is a sound business case.
- 4.4 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 4.5 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 4.6 The Head of Finance and Procurement ensures that any commercial deals meet the regulatory requirements and the CIPFA prudential framework.
- 4.7 The Council has retained its professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services, but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Head of Finance and Procurement believes this to be the most appropriate status.

Treasury Adviser

- 4.8 The Council has appointed Arlingclose Limited as its treasury management adviser and receives specific advice on investment, debt and capital finance issues. Officers meet with Arlingclose on a quarterly basis, receive information daily and attend relevant training courses.
- 4.9 The day-to-day treasury management activity is undertaken on the Council's behalf by Kent County Council's Treasury & Investments team to the criteria set out in this report. This has been particularly beneficial in using their relationships to obtain the low-cost loans from other Councils.

5. Alternative Options

- 5.1 The Strategy is intended to give flexibility with regard to borrowing and investment options.
- 5.2 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Resources believes that the above Strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Alternative	Impact on income and expenditure	Impact on risk management
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however, long-term interest costs may be less certain

6. Consultation Undertaken or Proposed

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

7. Implications

Issue	Implications
Corporate Plan	Good management of the Council's cash balances assists the overall financial position of the Council and this helps to meet the Corporate Plan priority of Running the Council.
Financial, Resource and Property	The budget for net borrowing costs in 2026/27 is £99,000.
Legal, Statutory and Procurement	Government and CIPFA requirements complied with.
Crime and Disorder	Not applicable
Environment and Climate/Ecological Emergency	Not applicable
Health and Wellbeing	Not applicable
Safeguarding of Children, Young People and Vulnerable Adults	Not applicable
Risk Management and Health and Safety	Risk is controlled through adherence to specific guidance included in CIPFA's Treasury Management Code of Practice and Cross-Sectoral Guidance Notes. The principle of security of funds over-rides investment performance considerations.

Issue	Implications
Equality and Diversity	Not applicable
Privacy and Data Protection	Not applicable
Local Government Reorganisation	No anticipated impact for 2026/27.

8. Appendices

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

- Appendix I Treasury Management and Prudential Indicators

9. Background Papers

Audit Committee papers 21 January 2026

Acronyms Used:

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

Treasury Management & Prudential Indicators

Background

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Gross Debt and the Capital Financing Requirement (CFR)

This is a key indicator of prudence. Statutory guidance states that external debt should not exceed the capital financing requirement in the previous year plus the estimates of any increase in the CFR at the end of the current year and the next two years. The table below demonstrates that the Council is complying with this aspect of the Prudential Code.

Gross Debt and the Capital Financing Requirement	2024/25 Actual	2025/26 Revised	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirements	62,654	74,800	80,500	80,300	80,300
Gross External Debt (incl leases)	(13,000)	(37,500)	(48,000)	(50,500)	(50,500)
Internal Borrowing	49,654	37,300	32,500	29,800	29,800

Estimates of Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax. (See Capital Programme in 2026/27 Budget Report to Policy and Resources Committee.)

Capital Expenditure and Financing	2024/25 Actual	2025/26 Revised	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
	£'000	£'000	£'000	£'000	£'000
Total Expenditure	16,827	21,798	31,410	3,415	4,319
Grants	7,765	18,472	7,686	3,395	4,185
Capital receipts	0	515	0	0	0
Reserves	130	871	1,308	20	20
Borrowing	8,932	1,940	22,234	0	114
Total Financing	16,827	21,798	31,410	3,415	4,319

Treasury Management & Prudential Indicators

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability, highlighting the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Financing costs (£'000)	2,376	2,778	2,534	2,940	2,939
Total	7.61%	10.69%	8.58%	9.99%	9.97%

Authorised Limit for External Debt

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e., not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e., long and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing, and its approved treasury management policy statement and practices.

The Authorised Limit has been set on the estimate of the most likely, prudent but not worst-case scenario with sufficient headroom over and above this to allow for unusual cash movements.

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

Authorised Limit for External Debt	2025/26 Revised	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
	£'000	£'000	£'000	£'000
Borrowing	55,000	65,000	67,500	67,500
Other long-term liabilities	9,000	9,000	9,000	9,000
Total	64,000	74,000	76,500	76,500

Treasury Management & Prudential Indicators

Operational Boundary for External Debt

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

Operational Boundary	2025/26 Revised £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Borrowing	45,000	55,000	57,000	57,000
Other long-term liabilities	5,000	5,000	5,000	5,000
Total Operational Boundary	50,000	60,000	62,000	62,000

Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Upper Limit for Interest Rate Exposure	Actual level at 30/09/25	2026/27 Approved Limit
Interest on fixed rate borrowing	100%	100%
Interest on fixed rate investments	-0%	-100%
Interest on variable rate borrowing	0%	100%
Interest on variable rate investments	-100%	-100%

Maturity Structure of Borrowing

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

Maturity Structure of Borrowing	Lower Limit for 2026/27 %	Upper Limit for 2026/27 %
Under 12 months	0	100
12 months and within 24 months	0	100
24 months and within 5 years	0	100
5 years and within 10 years	0	100
10 years and above	0	100

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

Treasury Management & Prudential Indicators

Long-term treasury management investments

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price Risk Indicator	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000	No Fixed Date £'000
Limit on principal invested longer than 1 year	10,000	10,000	10,000	10,000

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

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

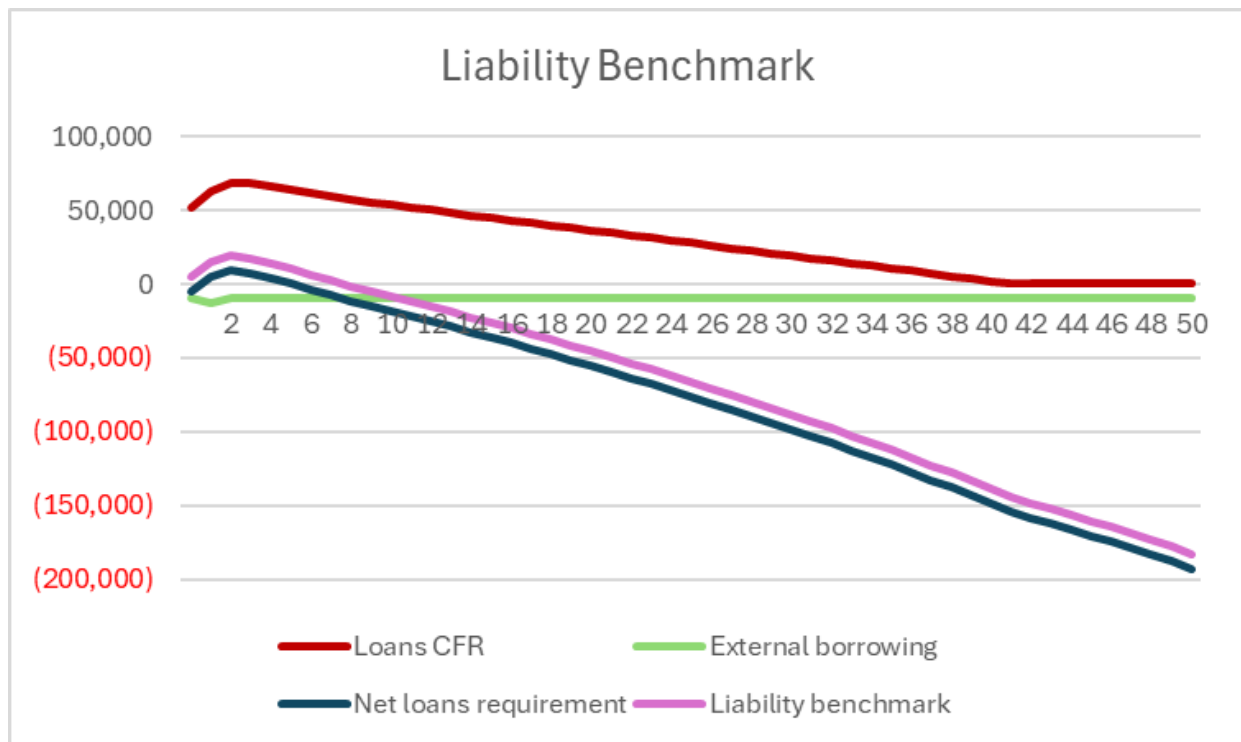
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external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

Prudential Indicator: Liability benchmark

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m
Loans CFR	62.7	68.4	68.1	65.9	63.6
Less: Balance sheet resources	(57.5)	(58.9)	(60.4)	(61.9)	(63.5)
Net loans requirement	5.2	9.5	7.7	4.0	0.1
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	15.2	19.5	17.7	14.0	10.1

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

Treasury Management & Prudential Indicators



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